

# SHC Standard 1: Jurisdictional Risk Assessment of the Legality and Sustainability of Non-industrial Hardwood Production in the USA



**DRAFT** Version 0.5  
03 May 2023

*For further information on the SHC and to view the full set of documentation see  
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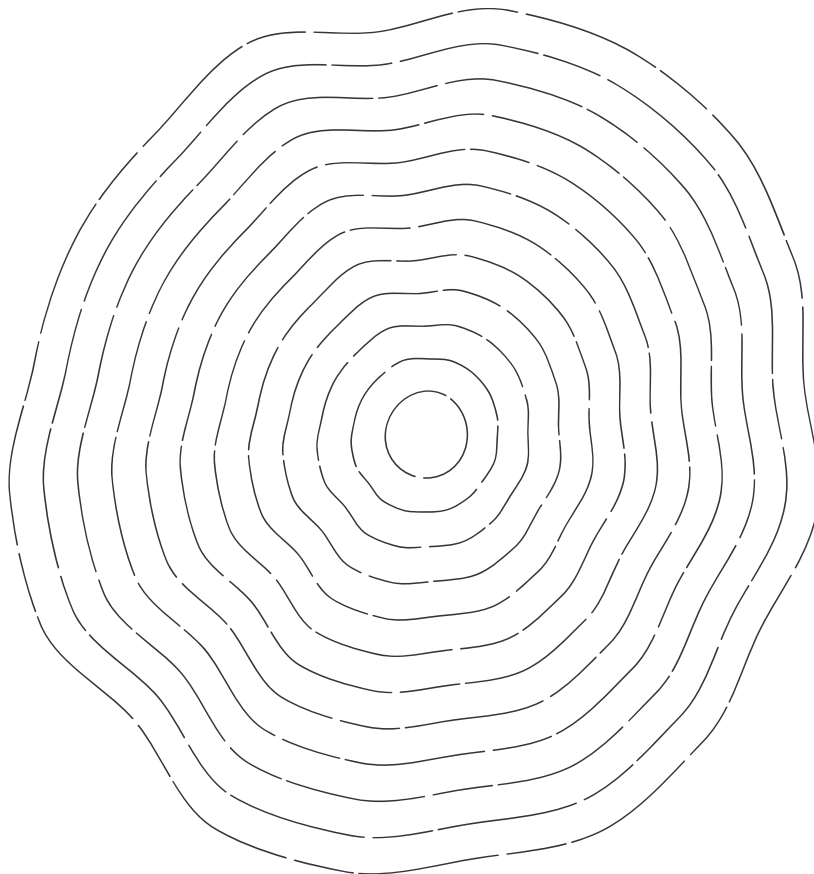
## Versions updated – Change register:

Responsibility for this **Standard** is held by the Sustainable Hardwood Coalition. Readers shall use the latest copy of this (and other related documents). Any discrepancies between copies, versions or translations shall be resolved by reference to the definitive version the requirements maintained on [www.shc-cert.org](http://www.shc-cert.org).

Version No	Issue Date	Amendments
Version 0.3a	01/02/23	First version distributed to SEB for comment
Version 0.4	17/04/23	1. Change of scope to USA-only standard 2. Major revisions to indicators following SEB comments 3. Further clarifications added to general text based upon SEB comments
Version 0.5	03/05/23	1. Merger of former Criteria 2 & 3 2. Additional guidance added following SEB comments 3. Further clarifications added to general text based upon SEB comments

## List of abbreviations

CPET	Central Point of Expertise for Timber (run by DEFRA UK)
CB	Certification Body
CoC	Chain of Custody
CITES	Convention on International Trade in Endangered Species
DEFRA	UK Department for Environment, Food and Rural Affairs
DECC	UK Department of Energy and Climate Change
EUTR	European Union Timber Regulation
FM	Forest Management
FMS	Forest Management Scheme
FSC®	Forest Stewardship Council
GRI	Global Reporting Initiative
GGL	Green Gold Label
GHG	Greenhouse Gas
ILO	International Labour Organisation
JRA	Jurisdictional Risk Assessment
PEFC®	Programme for the Endorsement of Forest Certification
PoSHP	Proof of Sustainable Hardwood Provenance
SFI®	Sustainable Forestry Initiative
SHC	Sustainable Hardwood Coalition
SVP	Supplier Verification Programme
UKTR	United Kingdom Timber Regulation





# 1 Background

The Sustainable Hardwood Coalition (SHC) aims to provide an effective and verifiable process that will assure end users in sensitive markets that hardwood from non-industrial small-scale production within the USA is both legally and sustainably sourced. Any organisation can use this standard to undertake a risk assessment of the jurisdiction (or jurisdictions) that form part or all of a supply base.

The Sustainable Hardwood Coalition (SHC) aims to be a cost-effective system to verify and certify the sustainability of hardwoods and maximise market opportunities for sustainable hardwood products. SHC responds to the technical constraints to certification in situations where wood supply is from vast numbers of small private family forests, where owners often harvest once in a generation, generally practice very low intensity management, and are often not driven by commercial timber demand. In these non-industrial circumstances, there is typically extremely low participation in other certification systems. This Standard has therefore been developed with the purpose of being a component of an alternative complimentary certification system.

Whilst this version of the Standard has been developed to be applicable for the USA it is envisaged by SHC that in the longer-term other hardwood producing regions may wish to develop analogous standards suitable for their conditions.

## The SHC standards framework

SHC Standard 1 stipulates that any organization can use this standard to undertake a risk assessment of the jurisdiction<sup>1</sup> (or jurisdictions) that form part or all of a hardwood supply base.

SHC Standard 2: “Proof of Sustainable Hardwood Provenance” sets out requirements for organizations in the supply chain that are buying, transforming, processing and selling sustainable hardwood lumber products that can demonstrate provenance back to a jurisdiction that has been risk-assessed against a Jurisdiction Risk Assessment (JRA) that complies with the requirements of SHC Standard 1. Compliance with Standard 2 will allow organizations in the supply chain (supply chain actors) to sell such material with the claim “SHC Certified”.

SHC Standard 2 is the key framework that connects demand for sustainable hardwood with supply and helps to support and incentivise non-industrial forest owners to adopt more sustainable practices. Over the years, Standard 2 will continue to evolve, in line with good practice. By following Standard 2 Hardwood Transformers<sup>2</sup> (e.g. mills) can use the SHC system to certify hardwood materials originating from within a jurisdiction that has been risk-assessed against the Principles and Criteria of Standard 1. Using *SHC Standard 2: “Proof of Sustainable Hardwood Provenance (PoSHP)”* Hardwood Transformers are then able to supply SHC certified hardwood products into the downstream supply chain.

Standard 2 will recognise hardwood inputs supplied through other equivalent schemes<sup>3</sup> as automatically deemed to satisfy Standard 2 scheme requirements in terms of provenance. So, it

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<sup>1</sup> Defined within the SHC Glossary as: A geographically defined area administered by distinct government entities with executive, legislative, and judicial authorities. For example, a US state.

<sup>2</sup> Defined within the SHC Glossary as: An organisation that operates a facility such as a primary hardwood sawmill that converts logs into hardwood products. This term also applies to hardwood concentration yards.

<sup>3</sup> Equivalent schemes recognised include:

will be possible to mix hardwood from a non-industrial hardwood production site in a jurisdiction covered by an SHC Endorsed jurisdictional risk assessment, or material supplied with an SHC certified claim, with inputs from the other recognised schemes (ref Clause 3.1 of this Standard) to make an SHC certified claim to the downstream customer. Note: it will not be possible to use SHC material in, for example, an FSC percentage or credit system, without following FSC's requirements for Controlled Wood risk assessments.

### Development of Principles, Criteria and Indicators used within this Standard

The range of sources referenced within this Standard used to develop Criteria and Indicators include those listed below<sup>4</sup>.

- *Assessment of Lawful Sourcing and Sustainability: U.S. Hardwood Exports*. Seneca Creek LLC. Prepared for American Hardwood Export Council, December, 2017 (with Revisions June, 2019)
- *FSC National Risk Assessment for the conterminous United States of America*, FSC-NRA-USA V1-0, 2019<sup>5</sup>
- *SFI - 2015-2019 Fiber Sourcing Standard*<sup>6</sup>
- *SFI - 2015-2019 Chain-of-Custody Standard*<sup>7</sup>
- *Requirements for Sourcing FSC® Controlled Wood*, FSC-STD-40-005 V3-1<sup>8</sup>
- *Chain of Custody of Forest Based Products Requirements*, PEFC ST 2002:2013, (2015), Second Edition<sup>9</sup>
- *Chain of Custody of Forest and Tree Based Products – Requirements*, PEFC ST 2002:2020, (2021)<sup>10</sup>
- *UK Government Timber Procurement Policy, Definition of Legal and Sustainable for Timber Procurement*, Fifth Edition, June 2013<sup>11</sup>
- Sustainable Biomass Programme (SBP) - *SBP Framework Standard 1: Feedstock Compliance Standard*<sup>12</sup>
- Sustainable Biomass Programme (SBP) - *SBP-endorsed Regional Risk Assessments (2019)*<sup>13</sup>
- *FAO Guiding Legal Elements (2020)*<sup>14</sup>
- WWF Global Forest & Trade Network - *Keep It Legal (2006)*<sup>15</sup>

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- Hardwood material supplied accompanied by an FSC 100% or FSC Mix Claim by a supplier certified against FSC chain of custody standard FSC-STD-40-004 v3-1 EN.

- Hardwood material supplied accompanied by an SFI claim by a supplier certified against the SFI Chain of Custody Standard 2015-2019.

- Hardwood material supplied with an ATFS claim by a supplier certified against the American Forest Foundation 2021 Standards of Sustainability V2.0.

- Hardwood material supplied with a PEFC claim by a supplier certified against PEFC standard PEFC ST 2002:2020 "Chain of Custody of Forest and Tree-based Products – Requirements".

<sup>4</sup> It should be noted that the use of language from these standards does not infer endorsement.

<sup>5</sup> <https://fsc.org/en/document-centre/documents/resource/191>

<sup>6</sup> [https://forests.org/wp-content/uploads/FiberSourcing\\_May2017.pdf](https://forests.org/wp-content/uploads/FiberSourcing_May2017.pdf)

<sup>7</sup> [https://forests.org/wp-content/uploads/ChainofCustody\\_Jan2016.pdf](https://forests.org/wp-content/uploads/ChainofCustody_Jan2016.pdf)

<sup>8</sup> <https://fsc.org/en/newsfeed/fsc-std-40-005-v3-1-requirements-for-sourcing-fsc-controlled-wood-approved>

<sup>9</sup> <https://cdn.pefc.org/pefc.no/media/2021-02/6d4de13a-1b3d-4707-b942-08f7d969cea6/fa22820d-ebd8-5d66-b78c-2e3d367552f4.pdf>

<sup>10</sup> <https://cdn.pefc.org/pefc.org/media/2020-02/66954288-f67f-4297-9912-5a62fcc50ddf/23621b7b-3a5d-55c9-be4d-4e6a5f61c789.pdf>

<sup>11</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/320982/2013\\_05\\_08\\_-\\_CPET\\_Deft\\_Legal\\_\\_\\_Sustainable\\_5th\\_ed\\_-\\_Final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/320982/2013_05_08_-_CPET_Deft_Legal___Sustainable_5th_ed_-_Final.pdf)

<sup>12</sup> <https://sbp-cert.org/wp-content/uploads/2018/09/sbp-standard-1-feedstock-compliance-standard-v1-0.pdf>

<sup>13</sup> <https://sbp-cert.org/documents/standards-documents/risk-assessments/>

<sup>14</sup> [http://extwprlegs1.fao.org/timberlex/docs/en\\_gle\\_description.pdf](http://extwprlegs1.fao.org/timberlex/docs/en_gle_description.pdf)

<sup>15</sup> [https://spcforestproducts.org/wp-content/uploads/2021/03/WWF\\_GFTN\\_Keepitlegal.pdf](https://spcforestproducts.org/wp-content/uploads/2021/03/WWF_GFTN_Keepitlegal.pdf)

- WWF Global Forest & Trade Network / TRAFFIC - *Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade* (2009)<sup>16</sup>
- European Commission - *Proposal for a Regulation of the European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010* (2021)<sup>17</sup>
- European Union - *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*<sup>18</sup>
- United States of America - *Lacey Act (18 USC 42-43; 16 USC 3371-3378)*<sup>19</sup>

Section 5 includes reference to the above sources where these sources were used to develop the criteria and indicators. The lists are not intended to be exhaustive but indicate the general areas of overlap of this Standard's criteria with other widely applied and recognised assessment tools, standards and guidance.

The Principles, Criteria and Indicators contained within this Standard have been developed with reference to the wide range of legislation, standards and guidance cited above. There is a high level of consistency and overlap between these sources and this Standard has been developed to apply across differing forest types, jurisdictions and legislative approaches.

Risk-based and jurisdictional approaches to supply chain certification have evolved over decades, largely in response to due-care and due-diligence requirements in major markets and for a range of commodities<sup>20 21</sup>. For example, the Sustainable Biomass Program's standards reflect the UK Department of Energy and Climate Change (DECC), *Timber Standard for Heat and Electricity, 2014* ('the Timber Standard') which permits "*a risk-based regional approach that uses credible information and evidence that addresses the CPET legality and sustainability criteria at regional rather than individual forest level or land unit.*" This is the basis from which the SHC Jurisdictional Risk Assessment Standard has been developed in combination with reference to the sources identified above. There are also other examples of using risk assessment to identify critical jurisdictional or landscape-specific criteria and indicators, including the Rainforest Alliance-developed Smallholder Access Program (SAP)<sup>22</sup>.

<sup>16</sup> <https://www.traffic.org/site/assets/files/6500/common-framework-for-assessing-legality-of-forestry-operations.pdf>

<sup>17</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0706>

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

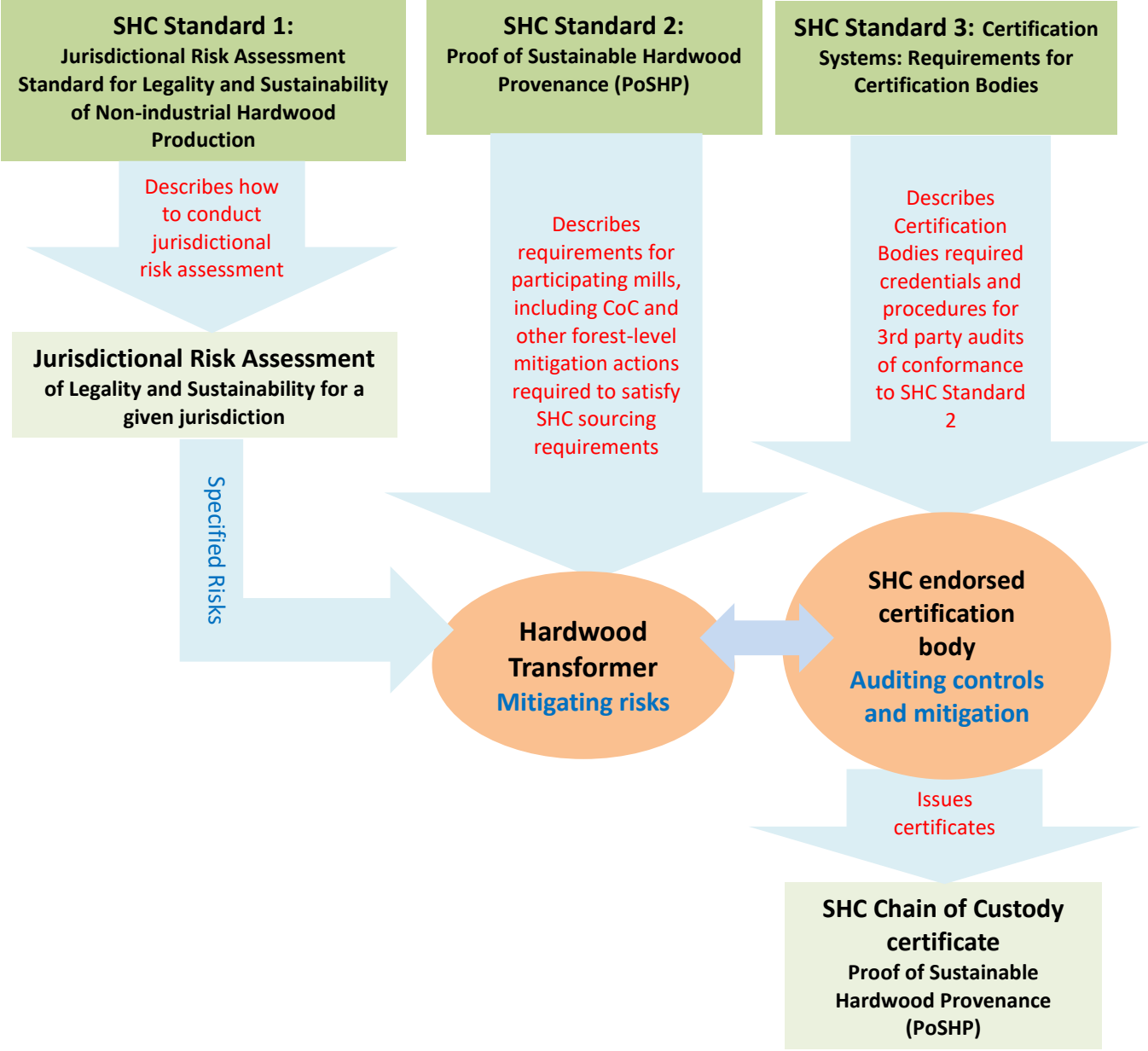
<sup>19</sup> <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC153636/>

<sup>20</sup> Conservation International (2019). *Jurisdictional Approach to Sustainability Commitments in Palm Oil and Soy Supply Chains*. [https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional\\_approach\\_full\\_report\\_march2019\\_published.pdf?Status=Master&sfvrsn=23c977ae\\_3](https://www.conservation.org/docs/default-source/publication-pdfs/jurisdictional_approach_full_report_march2019_published.pdf?Status=Master&sfvrsn=23c977ae_3)

<sup>21</sup> IDH (2021) <https://www.idhsustainabletrade.com/approach/production-protection/>

<sup>22</sup> [www.rainforest-alliance.org/press-releases/smallholder-access-program/](https://www.rainforest-alliance.org/press-releases/smallholder-access-program/)

Figure 1. The relationship between this Standard and related SHC Standards.



## 2 Scope

This document (*SHC Standard 1: Jurisdictional Risk Assessment Standard for Legality and Sustainability of Non-industrial Hardwood Products*) sets out the principles, criteria and indicators to be evaluated to conduct a jurisdictional risk assessment of the potential for illegal or unsustainable practices to enter a hardwood supply chain.

The requirements are **only** applicable to hardwood *logs* sourced from *non-industrial forest properties* used in the production of *sawnwood* (lumber), *mouldings*, *veneer*, *plywood*, *engineered wood products*, and *co-products from hardwood mill residuals*. [These terms are described within the SHC Glossary.]

Following this Standard will allow the preparation of a Jurisdictional Risk Assessment (JRA). A SHC endorsed JRA is intended to become a publicly accessible document that is valid for 5 years. A single JRA is required per jurisdiction and the assessment is available for all hardwood transformers seeking to use the SHC system to certify hardwood materials originating from within the jurisdictions where their wood supply comes from (which might include multiple jurisdictions). Used in conjunction with *SHC Standard 2: Proof of Sustainable Hardwood Provenance (PoSHP)*, hardwood transformers can in turn certify their ability to supply SHC certified hardwood products.

Each JRA shall be subject to peer review by an independent Jurisdictional Risk Assessment Endorsement Body appointed by SHC prior to publication. The Endorsement Body shall be comprised of persons with specific expertise in risk assessments and who have had no prior involvement in the preparation of the JRA under review.

Each JRA will be further subject to review every 5 years to determine if risk assessment outcomes remain valid.

### 2.1 General principles

SHC aims to provide an effective and verifiable process that will assure end users that hardwood feedstock is both legally and sustainably sourced through the provision of a certified product. Any organisation can use this standard to address the mitigative actions identified and thus required through the SHC-approved JRA process for the jurisdiction (or jurisdictions) that form part, or all, of a supply base. Where specified risks are identified, the *hardwood transformer* is required to prove mitigation of these risks (identified through assessment against SHC Standard 2) to 3<sup>rd</sup> party auditors (e.g. certification bodies) prior to obtaining SHC certification.

The JRA itself is fundamentally based on the principle of there being sufficient evidence available, of a credible quality, to provide assurance that for each indicator there is a low or negligible risk of inherent illegal or unsustainable practices amongst non-industrial smallholder production in the jurisdiction under assessment. The evidence offered in the JRA should seek to provide sufficient assurance that the condition described within the criteria and indicators is likely to be observed across the jurisdiction. *Negligible risk* is not the same as “no risk” and the assessors should consider whether evidence of non-compliance is the exception or the norm. Where CBs identify an additional and material risk through 3<sup>rd</sup> party auditing that is considered to be likely to occur beyond what is identified in the applicable SHC-approved JRA, this should be specified in as much detail as possible to enable mitigation to occur by the hardwood transformer, and may be necessary for SHC to consider changes or improvements to an existing JRA for that jurisdiction.



Mitigation in this context is solely conducted by the *hardwood transformer* and will largely entail their efforts to address (mitigate) the identified risk within their supply chain.

Hardwood logs received with a claim from an SHC-approved Forest Management Scheme<sup>23</sup> need not be evaluated against this Standard. Other SHC standards, including those relating to Chain of Custody (CoC) - Proof of Sustainable Hardwood Provenance (PoSHP) and the collection and communication of data will always be applicable.

## 2.2 Normative elements in this Standard

This Standard does not stipulate what evidence (i.e., means of verification) must be provided to demonstrate compliance with each indicator, as this will vary between different jurisdictions. The Standard does provide examples of the means of verification which are examples of how evidence of compliance with each indicator might be demonstrated. These examples are illustrative and are not normative. Typically, evidence will be based upon on existing practices, policies and legislation and evidence of the effective enforcement of these where applicable.

The Standard also provides guidance to aid understanding of requirements and, where appropriate, provides sources of evidence for compliance with the indicator. This guidance is not normative.

SHC will be responsible for endorsement and adoption of the JRAs. All hardwood transformers seeking certification under the SHC system will be required to be familiar with the relevant JRAs for their supply base and to apply mitigation as / where specified by the assessment.

A draft template for the jurisdictional risk assessment is found in Appendix 1.

## 2.3 Locally Applicable Verifiers

The Standard is applicable within the United States (i.e., within any US State that contains non-industrial hardwood production) and does not define the specific means of verification which are appropriate to each US State in determining risk of illegal or unsustainable activities. The risk assessment team developing a JRA **must** prepare Locally Applicable Verifiers (LAVs) as illustrative, non-normative (i.e., not required) examples of “means of verification” as a way to apply the guidance within this standard and then drawing upon local resources and expertise, i.e., from within the State.

## 2.4 The Jurisdictional Risk Assessment

The JRA is designed to be used by a hardwood transformer seeking to comply with SHC’s chain of custody (CoC) standard - SHC Standard 2: Proof of Sustainable Hardwood Provenance (PoSHP) and independently audited by approved CBs which are in conformance with SHC Standard 3 – Requirements for Certification Bodies.

A hardwood transformer is the unit of certification for this standard following implementation of the requirements of the SHC Standards 1, 2 and 3.

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<sup>23</sup> SHC considers both FSC and PEFC certification (and national schemes under its umbrella) as approved forest management schemes.

This standard lays out a process and template set of procedures that must be followed in order to produce a JRA that can in turn be endorsed by the independent SHC Risk Assessment Endorsement Body and ultimately approved by SHC.

## 2.5 The role of the Hardwood Transformer

The hardwood transformer will usually be an organisation that operates a facility such as a primary sawmill. Other types of operations may seek SHC certification if they wish to buy, collect and transform or sell raw material that meets SHC requirements (e.g., companies managing concentration yards with some degree of sorting or processing, operations buying SHC-certified raw material and subsequently doing additional processing such as plywood or furniture mills, etc.).

The hardwood transformer will need to develop due-diligence systems and procedures to ensure that all indicators are addressed to achieve negligible risk in order to comply with SHC Standard 2. Such systems may be devised by the SHC or may use the risk mitigation procedures of SHC-approved *Forest Management Schemes* such as *FSC Forest Management* or *Controlled Wood Standards* or *COC standards*, and *PEFC Forest Management or chain of custody certifications*<sup>24</sup>.

Where there are specified risks identified in the JRA, e.g. a particular risk in a supply area or supply source that indicates concern about legality or sustainability of the forest resource in that area or source the hardwood transformer shall develop systems and procedures to mitigate those identified risks using Control Measures or Mitigation Actions. Although not specified in this Standard, it is likely such measures will include:

- A sampling plan appropriate to the scale and complexity of forest operations for assessing forest operations within the jurisdiction(s);
- Records of those assessments;
- Contractual requirements with suppliers;
- Utilisation of public and/or private stakeholder initiatives<sup>25</sup> to address specified risk(s);
- Mechanisms to rank performance and development of a list of “approved suppliers”; and,
- Monitoring and updating this information.

Particular emphasis will be placed on addressing specified risks identified in the applicable JRA for their supply base (e.g., in the USA a single state or multiple states) and how a sustainable hardwood transformer has demonstrated to the SHC-approved certification body that it has effectively mitigated such risks.

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<sup>24</sup> While the risk mitigation systems and procedures of SHC-approved Forest Management Systems may be adapted for purposes of SHC risk mitigation, evidence of certification to these systems does not abrogate the SHC requirement to mitigate all risks specified in the JRA.

<sup>25</sup> Examples of suitable mitigation include: Master Logger Certification; FSC Continuous Improvement Program (CIP) and Smallholder Access Program (SAP); state-specific programs that have in place rigorous stewardship requirements, e.g. tax abatement programs; Audubon Bird-friendly Communities; AFF/TNC Family Forest Carbon Program and stewardship programs of land trusts.

## 2.6 Evidence appropriate to the scale of the operation

The evidence must demonstrate compliance with the requirements of this Standard. The means of verification should be appropriate to the scale, intensity and level of risk associated with the jurisdiction and with the non-industrial hardwood producing sector in particular.

The range of evidence cited is likely to range from the national / federal level (for example nationally applicable legislation) through to the appropriate jurisdictional / state level (e.g., legislation, assessments and guidance) and where necessary or technically appropriate to the sub-jurisdictional level (e.g., municipal / county or district level ordinances). The evidence cited should therefore be that most appropriate to the specific jurisdiction and the criteria and indicators considered.

## 3 Normative references

*SHC Standard 2: Proof of Sustainable Hardwood Provenance (PoSHP)*

*SHC Standard 3: Certification Systems: Requirements for Certification Bodies*

*SHC Glossary*

## 4 Principles and criteria

### Principle 1. Hardwood logs and lumber are legally sourced

Criterion # 1: Illegal sourcing of hardwoods is controlled

Criterion # 2: Hardwood producers comply with applicable laws and regulations

Criterion # 3: Unauthorized activities are prevented within the jurisdiction

Criterion # 4: All applicable taxes and fees are paid

Criterion # 5: Compliance with legally established traditional and civil rights

### Principle 2. Hardwood logs and lumber are sustainably sourced

Criterion # 6: Conservation and protection for wildlife species and biological diversity

Criterion # 7: Forest ecosystem functions and services are maintained and conserved

Criterion # 8: Hardwood forests make a significant positive contribution to the local economy

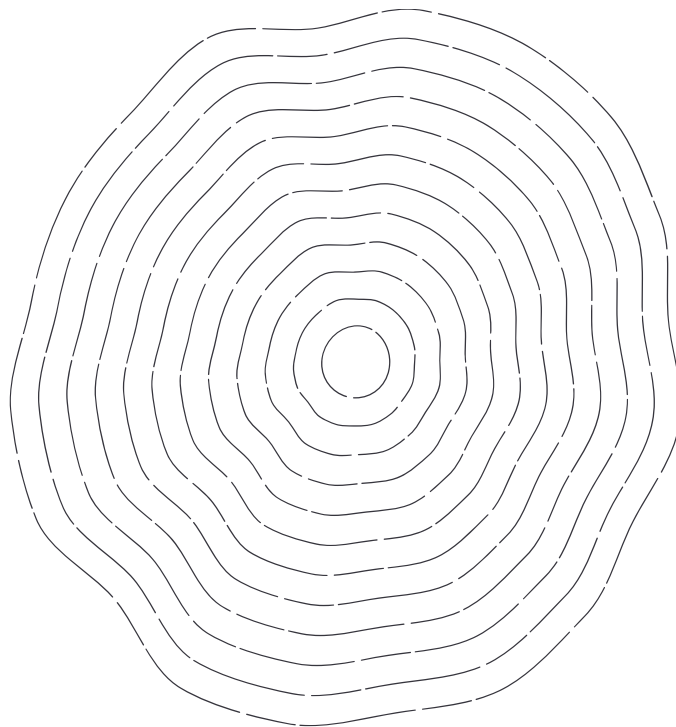
Criterion # 9: Forest ecosystem health and productivity are maintained

Criterion # 10: High carbon stocks are not depleted

Criterion # 11: Forest practice grievances and disputes are responded to and addressed

Criterion # 12: The rights, health and safety of forest workers are safeguarded

Criterion # 13: Genetically modified trees are not planted or harvested in the non-industrial hardwood Sector



## 5 Principles, criteria and indicators

The Principles, Criteria and Indicators provided below are normative, i.e., are required to be followed.

All other information provides, e.g., “means of verification”, “guidance”, etc. are not normative.

Non-normative information is illustrative and provided to users of the Standard in order to better understand SHC expectations and to provide context for implementation. Specific JRAs may go further to provide additional illustrative information that will facilitate easier understanding or implementation at a jurisdictional level.

### Hardwood logs and lumber are legally sourced (Principle 1)

#### Criterion # 1: Illegal sourcing of hardwoods is controlled

Reference	Indicator	Guidance
1.1.1	<b>Incidences of timber theft / trespass within the jurisdiction are monitored and assessed.</b>	
	<p><b>Example means of verification:</b></p> <ul style="list-style-type: none"> <li>State forest service or other body monitors instances of theft or trespass / illegal logging within the jurisdiction.</li> <li>Existence of well publicised “whistle blower” processes to identify alleged illegal activity.</li> <li>Convictions are reported and perpetrators are identified, and this information is within the public domain.</li> <li>States authorities address timber theft and its causes (e.g., poorly marked property lines and/or cutting boundaries,).</li> </ul>	<p>Unauthorised access and related timber extraction is illegal.</p> <p>Within a jurisdiction, trespass and theft should be monitored to allow sufficient resources to be allocated to enhance control and address breaches.</p> <p>Monitoring can be via statutory bodies or undertaken by voluntary bodies. It is noted that low levels of criminal convictions or civil remedies imposed by courts can indicate effective governance and self-regulation.</p>

Basis for this criterion:  
 FSC Controlled Wood, Part 1 & 2.  
 PEFC CoC (2013) Part 5.  
 PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
 SFI CoC, Part 4.  
 CPET L1-5, S1-4  
 AHEC Study, Section 5.1-5.7 & Findings: 2, 7-13, 24  
 SBP Principles & Criteria: Criterion 1.2 / 1.3  
 FAO GLE #7  
 WWF / TRAFFIC Common Framework Criteria: 1.1 / 1.2 / 1.3 / 1.4

## Hardwood logs and lumber are legally sourced (Principle 1)

1.1.2	<p><b>Timber ownership rights within the jurisdiction are well established and functioning.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Legislation exists to allow criminal conviction or civil remedy for breaches of ownership rights involving timber.</li> <li>• Information regarding land ownership and boundaries is available to landowners.</li> </ul>	<p>Within the jurisdiction it is important that land and timber ownership rights are clearly defined, understood and legislated.</p> <p>Effective governance ensures that disputes are resolved amicably or via criminal / civil remedy.</p> <p>Jurisdictional authorities have a role to ensure that legal remedies are avoided through education. This can involve the publication of guidance for landowners and through the provision of training in best practices. Jurisdictional authorities have a duty to ensure that land ownership records are clear and unambiguous and available to landowners.</p>
1.1.3	<p><b>Procedures are well established for resolving contract disputes within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Landowners within the jurisdiction can seek redress with assistance of law enforcement and/or the courts.</li> <li>• Hardwood producers within the jurisdiction can seek redress with assistance of law enforcement and/or the courts.</li> <li>• Contractors and other service providers within the jurisdiction can seek redress with assistance of law enforcement and/or the courts.</li> </ul>	<p>Within the jurisdiction there should be recognized and equitable processes in place to resolve legal disputes pertaining to land use and commerce in hardwood products. These processes should also apply equitably to intermediaries, contractors and service providers.</p>
1.1.4	<p><b>Governance is in place and rules are enforced within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Comprehensive federal and state laws regarding water quality, endangered species and other environmental, historical and cultural protections are in place and consistently enforced, i.e., exceptions are rare.</li> <li>• State laws address timber management and enable prosecution of timber extraction, trade and related forest crimes.</li> <li>• Commercial codes / legislation identify consistent practices that are</li> </ul>	<p>Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.</p> <p><a href="https://info.worldbank.org/governance/wgi/">https://info.worldbank.org/governance/wgi/</a></p> <p>Reports of malpractice, prosecution or the presence of anti-corruption bodies within the jurisdiction can indicate risk.</p> <p>Useful sources include:</p> <ul style="list-style-type: none"> <li>- Transparency International (TI)</li> <li>- Corruption Perception Index (CPI) (where</li> </ul>

## Hardwood logs and lumber are legally sourced (Principle 1)

consistently used to govern financial and commercial transactions.

score is lower than 50)

[www.transparency.org](http://www.transparency.org)

- World Justice Project (WJP) Rule of Law Index (where this is lower than 0.5)

[worldjusticeproject.org/rule-of-law-index/](http://worldjusticeproject.org/rule-of-law-index/)

1.1.5

### The occurrence of corruption within the jurisdiction is low.

#### *Example means of verification:*

- Perception of corruption according to Transparency International.
- Authoritative reports of corrupt practices affecting the hardwood industry are available for the jurisdiction.
- No evidence that small landowners and operators are not exploited by unjust or corrupt practices or processes.

Relative risks of non-compliance are identified for the granting of harvesting permits or other aspects of the harvesting and hardwood trade. When corruption occurs, evidence indicates that cases are consistently and actively pursued and resolved.

Reports of malpractice, prosecution or the presence of anti-corruption bodies within the jurisdiction indicate relative level of risk and risk types.

Note: In areas with high levels of corruption, there could be low levels of reporting of this corruption, as those responsible for the reporting are engaged in corruption and those being exploited are afraid to notify anyone of said corruption for fear of reprisal.

Reference sources include:

- State-based forestry / trade focused social media
- The Royal Institute of International Affairs: [www.illegal-logging.org](http://www.illegal-logging.org)
- Environmental Investigation Agency: [www.eia-international.org](http://www.eia-international.org)
- Global Witness: [www.globalwitness.org](http://www.globalwitness.org)
- Transparency international index: [www.transparency.org](http://www.transparency.org)

## Criterion #2: Hardwood Producers Comply with Applicable Laws and Regulations

Reference

Indicator

Guidance

1.2.1

### Hardwood producers and transformers comply with all applicable legal and regulatory requirements governing timber management, and the sale and export of lumber and wood products.

#### *Example means of verification:*

- Written contracts, delivery tickets or other documentation are used to verify the legal ownership of incoming wood material.
- Hardwood transformers have formal wood supply contracts / agreements

Non-industrial hardwood producers should expect downstream players, such as logging contractors, and the hardwood transformers (mills) that their hardwood ultimately enters act lawfully and professionally.

## Hardwood logs and lumber are legally sourced (Principle 1)

with suppliers and logging contractors that require clear title and legal ownership of all hardwood inputs.

- Hardwood transformers maintain records of payments and receipts with all suppliers.
- Hardwood transformers have a mechanism to verify legal title / rights to the timber delivered to them.
- No evidence of forgery of delivery tickets.
- Existing legislation.
- Level of enforcement is evident and sufficient.
- State forestry bodies, associations and other sources assist hardwood transformers and logging contractors to have a good knowledge of relevant forestry legislation.
- Hardwood transformers routinely have functional access to up-to-date forest legislation / regulations.
- Hardwood transformers use public information on legal non-compliance provided by regulatory authorities or other bodies to ensure legality.
- Information about federal, state, and local laws and regulations is readily available from government, association, and other sources including the hardwood transformers.

Title to the wood material is exchanged as it is delivered at the mill / wood yard using Sales and / or Delivery Tickets or equivalent electronic evidence. These documents provide objective evidence of legal purchases.

Owner associations, trade and contractor associations, tax authorities and local government bodies have identified and publicized best practices for record keeping for a variety of reasons.

Widespread adoption of such best practices can be ascertained through scrutiny of guidance, rules and reports of malpractice.

Hardwood transformers are bound to implement control systems or other procedures to ensure that hardwood feedstock is legally harvested and onward supplied.

Hardwood transformers implement control systems and procedures to ensure that hardwood feedstock is legally harvested and supplied in compliance with market-specific due diligence / due care legality requirements.

Examples of relevant legislation include:

- US Lacey Act
- EU Timber Regulation and EU Deforestation Regulation (latter is pending)
- UK Timber Regulation
- Australian Illegal Logging Prohibition Act

Basis for this criterion:

FSC CW A Objective, Illegally harvested wood.

PEFC CoC (2013), Part 5.

PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)

SFI CoC, Part 4.

CPET L1-4.

AHEC Study, Sections 5, 7, 8, 10.4 & Findings: 2, 7-13, 24

SBP Principles & Criteria: Criterion 1.3

FAO GLE #26 #27 #28 #29

WWF / TRAFFIC Common Framework Criteria: 5.1 / 5.2 / 5.3



## Hardwood logs and lumber are legally sourced (Principle 1)

### Criterion #3: Unauthorized activities are prevented within the jurisdiction

#### 1.3.1 Unauthorized and illegal logging, mining and other site disturbing activities are prevented within the jurisdiction.

##### *Example means of verification:*

- Jurisdictional legislation exists for controlling trespass and theft.
- There is evidence that illegal trespass, timber theft, forest arson and illegal encroachment on private land are consistently addressed through state and local law enforcement.
- Evidence exists that violators are prosecuted through criminal or civil courts.
- There is no consistent evidence that illegal site disturbing activities are systematically and negatively impacting forests.

Where individual forest owners or management organisations are not legally able to protect the forest fully, there is a system for working with appropriate regulatory bodies to identify, report, control and discourage unauthorised activity within the forest.

Where illegal/unauthorised activities are detected, appropriate action is being taken by the relevant authorities.

### Criterion # 4: All Applicable Taxes and Fees are Paid

#### Reference

#### Indicator

#### Guidance

#### 1.4.1 Data resources make it possible for hardwood transformers to demonstrate that all applicable taxes, fees and assessments as they relate to timber ownership and purchase transactions have been paid.

##### *Example means of verification:*

- National and jurisdictional laws provide clarity on what forestry or forest product organizations must pay in terms of timber harvesting and other taxes.
- Compliance with tax rules is high within the jurisdiction, and verifiable.
- Forest service or other bodies provide access to information on applicable federal and state tax laws and regulations.
- There is an absence of credible reports of systematic tax fraud / non-payment / evasion affecting the hardwood sector in the jurisdiction.
- There is an absence of credible reports of money laundering linked to cash

Within the jurisdiction hardwood transformers can be expected to have implemented appropriate control systems and procedures to enable verification that payments for harvest rights and timber, including duties, relevant royalties and taxes related to timber harvesting, are complete and up to date. Landowners should not be receiving unreceipted cash payments as a means of tax avoidance.

## Hardwood logs and lumber are legally sourced (Principle 1)

payments for log sales from non-industrial hardwood producers.

Basis for this criterion:  
FSC CW, Part 2.  
PEFC CoC (2013), Part 5.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC, Part 4.  
CPET L2-3.  
AHEC Study, Section 6, 5.5, 5.6, 7 & Findings: 7, 8, 9  
FAO GLE #30 #31  
WWF / TRAFFIC Framework Criteria: 9.1 / 8.2

### Criterion # 5: Compliance with Legally Established Traditional and Civil Rights

Reference	Indicator	Guidance
1.5.1	<p><b>Hardwoods within the jurisdiction are consistently sourced in compliance with applicable legally established traditional or civil rights.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Within the jurisdiction traditional and civil rights are identified.</li> <li>• The national / jurisdictional authorities have legislation in place to ensure these rights are not violated.</li> <li>• There are recognized and equitable processes in place to resolve legal disputes pertaining to land use and traditional rights, cultural interests or traditional cultural identity across the jurisdiction.</li> <li>• Jurisdictional authorities allow implementation of principles and process of free, prior and informed consent.</li> <li>• Jurisdictional authorities conduct public consultation and credible engagement in land use planning and zoning decisions.</li> <li>• There is an absence of credible reports of the production and distribution of fraudulent documentation.</li> </ul>	<p>Within the jurisdiction hardwood transformers should be aware of the issues arising from non-compliance with traditional or civil rights. JRA provides proof of established, mutually acceptable (between rights holders and hardwood transformers or other actors) processes that serve to resolve treaty and other rights disputes.</p> <p><i>Sources of Information:</i></p> <p>World Bank: Worldwide Governance Indicators <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a></p> <p>Human Rights Watch. Retrieved from <a href="http://www.hrw.org">http://www.hrw.org</a></p> <p>Global Witness - Search on website for [country] + 'human rights' 'conflicts' 'conflict timber.' Retrieved from <a href="http://www.globalwitness.org">http://www.globalwitness.org</a></p> <p>World Wildlife Fund. Illegal logging. Retrieved from <a href="http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/">http://wwf.panda.org/about_our_earth/about_forests/deforestation/forest_illegal_logging/</a></p> <p>Transparency International. Corruption Perceptions Index. Retrieved from <a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a></p> <p>Chatham House. Illegal Logging Indicators Country Report Card. <a href="http://www.illegal-logging.info">http://www.illegal-logging.info</a></p> <p>Freedom House. Retrieved from <a href="http://www.freedomhouse.org/">http://www.freedomhouse.org/</a></p> <p>Reporters without Borders: Press Freedom Index. 2013. Retrieved from <a href="http://en.rsf.org/spip.php?page=classement&amp;id_rubrique=1054">http://en.rsf.org/spip.php?page=classement&amp;id_rubrique=1054</a></p> <p>World Justice Project. Rule of Law Index 2016. Retrieved from <a href="http://data.worldjusticeproject.org/">http://data.worldjusticeproject.org/</a></p> <p>United Nations. United Nations Declaration on the rights of Indigenous Peoples. 2008. Retrieved from <a href="http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf">http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf</a></p> <p>Indigenous Foundations. ILO Convention 169. Retrieved from <a href="http://indigenousfoundations.arts.ubc.ca/ilo_convention_169/">http://indigenousfoundations.arts.ubc.ca/ilo_convention_169/</a></p>

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC (2013) 3.9.

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PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC Part 4.3.  
CPET SC 1.  
AHEC Study, Sections 3.5, 11.2 & Finding: 24  
SBP Principles & Criteria: Criterion 1.6 / 2.6  
FAO GLE #8 #9 #10  
WWF / TRAFFIC Common Framework Criteria: 8.2

## Hardwood logs and lumber are sustainably sourced (Principle 2)

### Criterion # 6: Conservation and Protection for Wildlife Species and Biological Diversity

Reference	Indicator	Guidance
2.6.1	<b>Hardwood forests of exceptional and/or high conservation value within the jurisdiction are identified and their protection is ensured.</b>	
	<b>Example means of verification:</b>	
	<ul style="list-style-type: none"> <li>Information is readily available about known protected species and habitats, parks, reserves, refuges, archaeological sites and wilderness areas.</li> <li>There are publicly available databases to identify and locate exceptional and high conservation values.</li> <li>National, regional or jurisdictional level assessments of exceptional and high conservation values have been conducted by a credible third party and are publicly available.</li> <li>Jurisdictional authorities exhibit consistent control of logging restrictions in protected areas, buffer zones, environmentally sensitive areas, or forests set aside for nature conservation, educational, cultural or recreational use.</li> </ul>	<p>Within the jurisdiction there should be available information about known nationally or locally protected species and habitats, parks, reserves, refuges, archaeological sites and wilderness areas.</p> <p>Such information might be available via publicly available databases to identify and locate exceptional and high conservation values.</p> <p><b>Sources of information:</b></p> <ul style="list-style-type: none"> <li>High Conservation Value Network: <a href="http://www.hcvnetwork.org/">http://www.hcvnetwork.org/</a></li> <li>Jurisdictional authorities mapping</li> <li>NatureServe &amp; state-specific natural heritage databases</li> </ul>

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC(2013), Part 3.9.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC, Part 4.3.  
IUCN, NatureServe & other natural heritage

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scientific databases or resources  
CPET S5.  
AHEC Study: Sections 4, 7.3, 8, 9, 11.6, 14.5, 15.5,  
16.5, 17.5, 18.5 & Findings: 6, 20, 23, 25, 27, 28, 33  
SBP Principles & Criteria: Criterion 2.2 / 2.3 / 2.4  
FAO GLE #3 #5 #6  
WWF / TRAFFIC Common Framework Criteria: 2.1  
/2.2 / 2.3 / 6.1 / 6.2 / 7.1 / 7.2

Reference	Indicator	Guidance
2.6.2	<p><b>Adverse impacts in the hardwood forests within the jurisdiction are monitored, and there is evident low risk of adverse impacts occurring.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Within the jurisdiction stakeholders (mills personnel, foresters, loggers, landowners) have access to training in resource management, protection and reduced impact techniques.</li> <li>• Training programmes are available and widely promoted and used.</li> <li>• Third party certified logging companies (Master Logger/Smart Logging) demonstrate through performance and auditing their knowledge and competence.</li> <li>• Jurisdictional assessments identify the major threats to forests.</li> <li>• Threats are managed via jurisdictional plans and actions.</li> <li>• Threats are continually monitored.</li> <li>• Forest resource assessments and action plans guide the allocation of government funding, as well as public and private partnerships to manage and maintain the forest land base (i.e., keep forest as forest).</li> <li>• Jurisdictional forestry Best Management Practices (BMP) manuals and periodic BMP monitoring reports are easily accessible, e.g., online or in print.</li> <li>• BMPs are widely disseminated with information, training and associated resources available and</li> </ul>	<p>Forests within a jurisdiction can face a number of threats which in turn can have adverse impacts on forest condition, biodiversity, soil and water.</p> <p>Impacts can be directly related to forest management practices or be from outside. Poor practices such as high-grading, poor logging techniques and poorly planned or implemented log extraction can have significant negative impacts within the forest.</p> <p>Training in best practices for those involved in forest management and harvesting in resource management and forest and water protection can significantly reduce impacts.</p> <p>Best practices may require forest owners to adopt specific BMPs and adoption of recommended practices enhanced through logger certification such as 'Master Logger', 'SmartLogging'.</p>

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evidence exists that BMPs are used across the jurisdiction in small forest ownerships.

- Authorities routinely assess and monitor threats to the hardwood resource.
- There is evidence of jurisdictional authority responsiveness and policy change as a reaction to identified threat/s.
- The unique or specific management requirements and precautions for low intensity / artisanal harvesting and mitigation actions are identified.
- Activities associated with forest degradation, such as high-grading are assessed and findings incorporated within training, legislation or BMP monitoring.

Reference	Indicator	Guidance
2.6.3	<p><b>Hardwood forests within the jurisdiction are not undergoing conversion to intensively managed plantations or other non-forest land uses.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• The land area within the jurisdiction dedicated to hardwood production is stable or growing.</li> <li>• Jurisdictional assessments indicate where land conversion is occurring and determine the cause(s) and actions being taken to address the causes.</li> <li>• Jurisdictional authorities consistently use tax and other fiscal means to safeguard hardwood forest from conversion.</li> <li>• Jurisdictional authorities control hardwood forest conversion.</li> </ul>	<p>Hardwood forested areas that are converted to other land uses are not sustainable. Within many jurisdictions conversion of natural hardwood forests is not illegal.</p> <p>The pressure to convert hardwood forests comes from a variety of sources:</p> <ul style="list-style-type: none"> <li>○ Urbanisation and development</li> <li>○ Agriculture</li> <li>○ Change of use to forest plantation (through intensification of silviculture)</li> </ul> <p>Where conversion is illegal it important that monitoring identify this and that legislation is in place to penalise the practice.</p> <p>Where conversion is legal it is important to identify the nature of the threat (driver) and specific locations where conversion is currently occurring or where it is likely to occur and ensure that such conversion is small-scale and is not destroying exceptional or high conservation values.</p>

### Criterion # 7: Forest Ecosystem Functions and Services are Maintained and Conserved

Reference	Indicator	Guidance
2.7.1	<p><b>The hardwood forest resource within the jurisdiction is sustainable in terms</b></p>	<p>Potential impacts of harvesting on ecosystems and biodiversity should be identified, with</p>

## Hardwood logs and lumber are sustainably sourced (Principle 2)

### of yield over the long-term.

#### **Example means of verification:**

- The mean annual increment growth for hardwood species within the jurisdiction exceeds the annual harvest over a long period across the jurisdiction.
- The age class structure of the hardwood forest is representative of all age classes.
- Authorities regularly assess and monitor the age class structure and distribution.
- Authorities assess and monitor the hardwood resource and its relationship over time with other ecosystems.
- Jurisdictional authorities monitor and assess ecosystems and ecosystem services and their relationship to hardwood forests.

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC(2013), Part 3.9.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC Part 4.3.  
CPET S5; S5a; S5b; S5c; S5d; 8b; S8b  
AHEC Study, Section 3, 4, 8, 9 & Findings: 3, 20, 27, 30, 31, 32  
SBP Principles & Criteria: Criterion 2.2  
FAO GLE #17 #18

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.

Assessment planning, implementation and monitoring should be based on scientific research and, if needed, information on comparable forests types.

Inventory and growth data and yield calculations are important sources for assessment.

Jurisdictional authorities should demonstrate that hardwood harvesting rates are not having significant negative impacts on forest productivity and long-term economic viability.

Over harvesting or high-grading over a long period of time can have long term negative implications for forest productivity. Where high-grading is known or suspected to be a common practice independent assessments are an important source for assessing risk.

#### **Information Source:**

Forest Inventory & Assessment (FIA) data from the US Forest Service

Scientific assessments of trends at the jurisdictional level for Rare, Threatened and Endangered species and related forest communities, including state of “old growth” (forest not previously industrially harvested), tree communities that are increasingly rare, etc.

Reference	Indicator	Guidance
2.7.2	<p><b>Government and private activities and programmes help ensure that exceptional and high conservation value ecosystems and associated wildlife habitats are protected.</b></p> <p><b>Example means of verification:</b></p> <ul style="list-style-type: none"> <li>• Jurisdictional authorities conduct surveys, monitoring reporting and produce action plans for biodiversity.</li> <li>• Maps and descriptions of high</li> </ul>	<p>Forests and other areas with high conservation values include those habitats in which protected and endangered plant and animal species are found.</p> <p>The potential impacts of management activities on forests and other areas with high conservation values and biodiversity should be evaluated by the authorities within a jurisdiction.</p> <p><b>Sources of information include:</b></p>

## Hardwood logs and lumber are sustainably sourced (Principle 2)

conservation values and related areas are assessed and publicly available.

- Publicly available data is available from a credible third party covering all or significant parts of the jurisdiction. Where special issues exist within a subnational context (e.g., within a state a county or district), mitigating actions are identified to address relevant issues.
- The existence of a strong legal framework in the jurisdiction relating to high conservation value management and protection.
- Existence of best management practices (BMPs) addressing wildlife, biodiversity and the protection of soil and water.
- The existence of a strong legal framework in the jurisdiction.

- High Conservation Value Resource Network <http://www.hcvnetwork.org/>
- SFI Section 6: Guidance to SFI 2015-2019 Standard, January 6. 2014 Forests with Exceptional Conservation Value <http://www.sfiprogram.org/files/pdf/draftsf2015-2019-standard-section-6/>
- FSC national risk assessments
- NatureServe <http://www.natureserve.org/>
- The Global Forestry Risk Register <http://www.globalforestryregistry.org/>
- <http://www.worldwildlife.org/science/ecoregions.cfm>
- <https://gapanalysis.usgs.gov/padus/>

Reference	Indicator	Guidance
2.7.3	<p><b>Forest residual slash and debris is managed to maintain long-term site productivity and avoid impacts to other resource values.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Standard Operating Procedures, Codes of Practice or BMPs for retaining/managing coarse wood debris (CWD) are widely adopted and advocated.</li> <li>• BMPs have been developed to manage slash and debris in streams and riparian zones.</li> <li>• Compliance with related BMPs is consistently high (90+ percent).</li> </ul>	<p>‘Residue’ includes treetops and branches.</p> <p>Jurisdictional authorities should encourage the likely impacts of residue removal to be identified, and appropriate mitigation measures to be implemented.</p> <p>Impacts should be monitored authorities and there should be a mechanism to feed monitoring results back into operational practices and guidance to operators.</p> <p>Impacts include those originating in the area of operation, but which may affect areas downstream or external to the area of operation.</p> <p>Best practices may require forest owners to adopt specific Best Management Practices and to be certified for certain tasks.</p>
2.7.4	<p><b>Surface and groundwater quality is</b></p>	<p>Jurisdictional authorities should assess the</p>



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**protected and impacts are minimized within the jurisdiction.**

**Example means of verification:**

- Publicly available information on the protection of ground and surface water.
- Level of enforcement within the jurisdiction.
- National, regional and jurisdictional publicly available data from a credible third party.
- The existence of a strong legal framework in the region.
- Best practices for working alongside riparian zones are implemented.
- Jurisdictional authorities monitor ground water quality.
- Best management practices (BMPs) address the protection of soils from erosion, compaction and disturbance.
- BMPs are widely disseminated with information, training and associated resources available.
- BMPs compliance is consistently high (90+ percent) across the jurisdiction.

potential impacts of hardwood harvesting on soil with mitigation measures encouraged or required in the field as necessary.

Impacts should be monitored by jurisdictional authorities and there should be a mechanism to feed monitoring results back into operational practice.

Best practices may require forest owners to adopt specific BMPs and adoption of recommended practices enhanced through logger certification such as 'Master Logger' and 'SmartLogging'.

This Indicator includes impacts outside the direct area of operation, such as runoff from harvesting operations, fertiliser or chemical application.

Impacts on riparian zones are included with this Indicator.

Impacts include those originating in areas of operation, but which may affect areas downstream or external to the areas of operation.

Adoption of best management practices is one way that forest operations can minimise impacts on surface and groundwater.

Authorities within jurisdictions typically apply regulations that will require operations to follow such best practices.

Reference	Indicator	Guidance
2.7.5	<p><b>Air quality is not adversely impacted by prescribed burning and other forest management activities.</b></p> <p><b>Example means of verification:</b></p> <ul style="list-style-type: none"> <li>• Jurisdictional and local smoke management regulations and programs protect air quality that may be impacted by forest management.</li> <li>• Publicly available information (including BMPs) is available on how commercial logging affects the protection of air quality and</li> </ul>	<p>Potential impacts on air quality should be identified by jurisdictional authorities.</p> <p>Impacts include those originating in the area of operation, but which affect areas downwind or external to the area of operation.</p> <p>Best practices may require suppliers and forest owners to adopt specific Best Management Practices and to be certified to undertake certain tasks.</p>



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necessary mitigating actions.

- Monitoring of air quality and enforcement of related regulations is consistent.
- There is a lack of evidence that air quality is being impacted by hardwood production.

Reference	Indicator	Guidance
2.7.6	<p><b>Forest chemicals are applied in compliance with applicable laws and regulations, consistent with the principles of integrated pest management (IPM) within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Best practice manuals address the storage, handling, application and disposal of chemicals and prescribe best practices to minimize impacts to the environment and people potentially affected by them (applicators, neighbours, etc.).</li> <li>• Enforcement of chemical use regulations is consistent and adequate.</li> <li>• Evidence of training available to operators.</li> <li>• Evidence that class 1A and 1B pesticides, as drafted by the World Health Organisation, and of chlorinated hydrocarbons, is not permitted.</li> </ul>	<p>Forest chemical usage should be controlled by jurisdictional authorities.</p> <p>The requirement relates to current and ongoing use rather than historic use.</p> <p>If chemicals are used, proper equipment and training should be provided to minimise health and environmental risks.</p> <p>Chemical use should be justified, and there should be evidence that non-chemical alternatives have been considered. The use of class 1A and 1B pesticides, as drafted by the World Health Organisation, and of chlorinated hydrocarbons is not permitted.</p> <p>There should be evidence that the options for implementing IPM have been considered and, where appropriate, IPM is implemented.</p> <p>Best practices may require suppliers and forest owners to adopt specific Best Management Practices and to be certified for certain tasks.</p>

### Criterion # 8: Hardwood forests make a significant positive contribution to the local economy

Reference	Indicator	Guidance
2.8.1	<p><b>The economic and social contribution of non-industrial hardwood forestry and forest products is recognized and supported.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Jurisdictional harvesting records, inventory and growth data and yield calculations, and other public records or documentation demonstrates that</li> </ul>	<p>Non-industrial hardwood producers form a significant component of the hardwood industry within many US states and the hardwood lumber they produce forms the basis of large components of the hardwood industry.</p>

## Hardwood logs and lumber are sustainably sourced (Principle 2)

hardwood harvesting rates are having significant positive impact on forest productivity and long-term economic viability at the jurisdictional level.

- Credible, independent analyses of the contribution of the hardwood industry to the jurisdictional economy have been completed, indicating positive and direct economic value is being created, including diversified economic options, employment and other positive local value.
- Where there are negative impacts from the hardwood industry, government and industry are cooperating to address those shortcomings in a documentable, proactive way.

Non-industrial hardwood production is therefore the economic foundation of the hardwood industry in many states.

Hardwood management and harvesting can make a significant contribution to employment by harvesters / loggers, processors, trucking companies and through income to landowners.

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC (2013), Part 3.9.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC Part 4.3.  
CPET S6d, e;  
AHEC Study, Section 3,  
4, 8, 13.3, 14, 15, 16, 17, 18 & Findings: 1, 6, 20, 23, 25  
SBP Principles & Criteria: Criterion 2.3 / 2.4  
FAO GLE #2 #16  
WWF / TRAFFIC Common Framework Criteria: 8.1

## Criterion # 9: Forest Ecosystem Health and Productivity are Maintained

Reference	Indicator	Guidance
2.9.1	<p><b>Forest health, productivity and ecosystem services are maintained over the long term within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Jurisdictional data indicate that hardwood inventories are increasing over the long term, with some yearly fluctuations.</li> <li>• Jurisdictional forest resource assessments and strategic plans are comprehensive and regularly updated.</li> </ul>	<p>Health and vitality of the forest ecosystem relate to the resilience of the ecosystem to withstand change.</p> <p>Indicators of health and vitality may include the level of disturbance observed, changes in biodiversity, or the presence or absence of key 'indicator' species.</p> <p>Relevant ecological functions and values may include:</p> <ul style="list-style-type: none"> <li>- Forest regeneration and succession</li> <li>- Genetic, species and community diversity</li> </ul>

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- Assessments indicate that the hardwood resource is not declining across the jurisdiction.
  - Jurisdictional forest resource assessments include forest health and threats to the forest.
  - Jurisdictional assessments of ecosystem services are conducted periodically.
  - Jurisdictional authorities strategic plans relating to forests and ecosystem services.
  - Natural regeneration is the main mechanism by which forests are regenerated.
  - Artificial regeneration, where used, typically uses local seed and native species in representative species mixes.
  - Availability of guidance as to best practices to encourage natural regeneration.
- Natural cycles affecting productivity of the forest ecosystem
- Natural regeneration encourages site adapted species. Natural regeneration should be applied where the probability of obtaining a young generation of trees from self-seeding and stable stands in the future is high.
- Inadequate regeneration of oak species due to red maple and beech understory density is a known problem throughout the US hardwood region.

Basis for this criterion:  
 FSC CW A Objective.  
 PEFC CoC Part 3.9.  
 PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
 SFI CoC Part 4.3.  
 CPET S7a; S7b; S7c  
 AHEC Study, Section 3, 4, 7, 8, 13.3, 14, 15, 16, 17, 18 & Findings: 1, 6, 20, 23, 25, 26, 29, 30, 31  
 SBP Principles & Criteria: Criterion 2.2

Reference	Indicator	Guidance
2.9.2	<p><b>Fires are appropriately monitored and managed within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Jurisdictional authorities monitor, assess and protect hardwood forests from fire.</li> <li>• Jurisdictional authorities consider climate change adaptation as a component of their own planning and policy development.</li> <li>• Jurisdictional Best Management Practices are disseminated with information, training and associated resources available.</li> </ul>	<p>Appropriate management will depend upon the forest type, management objectives and local best practice and guidance.</p> <p>Fire, for example, may be an appropriate and necessary natural process in some forest types and seasons, and inappropriate in others.</p> <p>Where they are natural and necessary, the characteristics of any fire control interventions will be different to those taking place in forests where fire is not naturally part of their ecology.</p> <p>Control systems and procedures should,</p>

## Hardwood logs and lumber are sustainably sourced (Principle 2)

- Jurisdictional, regional and national publicly available data from a credible third party.
- define appropriate management practice for the particular forest type and region.

Reference	Indicator	Guidance
2.9.3	<p><b>Pests and diseases are appropriately monitored and managed within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Jurisdictional authorities monitor, assess and protect hardwood forests from fire, pests and diseases.</li> <li>• Jurisdictional authorities consider climate change adaptation as a component of their own planning and policy development.</li> <li>• Jurisdictional Best Management Practices are disseminated with information, training and associated resources available.</li> <li>• Jurisdictional, regional and national publicly available data from a credible third party.</li> </ul>	<p>Appropriate management will depend upon the forest type, management objectives and local best practice and guidance.</p> <p>Invasive pests and diseases are a serious and growing problem, to varying degrees, across much of the US hardwood region.</p> <p>Pests and diseases also need to be identified and managed appropriately, and this will vary according to management objectives. In conservation areas, for example, it may not always be appropriate to attempt eradication of certain pests and diseases. Where pesticides and other chemicals are used to address pests and diseases, best management practices must be adhered to.</p> <p>Control systems and procedures should, define appropriate management practice for the particular forest type and region.</p>
<b>Criterion # 10: High carbon stocks are not depleted</b>		
2.10.1	<p><b>High carbon stocks in wetlands, bogs and swamps are not being depleted by non-industrial hardwood production over the long term.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• Jurisdictional authorities have assessed and are monitoring high carbon stocks on a periodic basis.</li> <li>• Analysis of historic and present carbon uptake rates.</li> <li>• Jurisdictional, publicly available data from a credible third party.</li> <li>• Studies of the relationship between hardwood forest management</li> </ul>	<p>Examples of areas that may have high carbon stock:</p> <p>Wetlands: Land that is covered with or saturated by water, permanently or for a significant part of the year. These should remain as wetlands; that is biomass production should not result in drainage of previously undrained soil.</p> <p>Peatland: This should remain as peatland unless evidence is provided that the production of hardwood does not involve drainage of previously undrained soil.</p> <p>Late Successional and Old Growth Forest: There are explicit efforts to retain, enhance or restore LSOG in the jurisdiction, and</p>

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- practices and high carbon stocks.
- The existence of a strong legal framework in the jurisdiction.

Basis for this criterion:  
SBP Principles & Criteria: Criterion 2.9

hardwood tree harvesting is not contributing to above ground forest or tree stocking reductions in the LSOG age class.

Assessment of risks to the carbon stocks may include:

- Collection of reliable data on current stocks, growth rates, age class distributions, and existing market requirements
- Analysis of the data (in the USA using USFS/FIA or other data at the jurisdictional level)
- Examination of various outcomes affecting high carbon stock levels (changing species or productivity, disease, fire, other markets)
- Consideration of risk over various spatial and temporal scales, with a minimum horizon of five to ten years
- Recognition that there may be periods of transition requiring management.
- Regular review

Reference	Indicator	Guidance
2.10.2	<p><b>The harvesting of hardwoods does not adversely affect the ability of the jurisdiction's hardwood forest to sequester and store carbon.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>Availability of reliable data on current stocks, growth rates, age class distributions, and potential threats to the hardwood forest.</li> <li>Availability of specific studies on hardwood forest and differing management practice impacts on sequestration, including description of techniques to maintain above ground biomass stocking levels across all age classes.</li> </ul>	<p>Sustainable harvesting of hardwood species within a jurisdiction should not have long term negative impacts on carbon sequestration.</p> <p>Above ground biomass is here used as a proxy for more climate friendly forestry.</p>

## Criterion # 11: Forest practice grievances and disputes are responded to and addressed

Reference	Indicator	Guidance
2.11.1	<b>Public complaints, disputes and</b>	Within the jurisdiction there should be

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### **grievances are addressed and resolved within the jurisdiction.**

#### **Example means of verification:**

- Existing legal system demonstrates responsiveness to grievances and disputes.
- Level of enforcement demonstrates responsiveness.
- Jurisdictional best management practices incorporate complaint, dispute and grievance processes.
- Public record of grievances and the outcomes from investigations are easily available.
- Evidence of long-term unresolved disputes that impact hardwood forest sustainability is documented and processes for resolution underway or being considered.
- Presence of a free and independent media.
- Reviews of local media reports and environmental campaigns are available to assess presence or absence of conflict in relation to non-industrial hardwood forest management and status thereof.

evidence of appropriate control systems and procedures for verifying that appropriate mechanisms are in place for resolving complaints, grievances and disputes as they relate to forest management practices.

Evidence of an absence of major public conflicts in relation to non-industrial hardwood forest management.

There is a free and independent media can demonstrate the existence of effective mechanisms to resolve complaints, disputes and grievances within the jurisdiction.

Basis for this criterion:

FSC CW Part 7.

PEFC CoC (2013), Part 8.7.

SFI Section 11.

CPET SC2

AHEC Study, Sections 3.6, 7 & Findings: 6, 34

FAO GLE #19 #20 #21

## **Criterion # 12: The rights, health and safety of forest workers are safeguarded**

Reference  
2.12.1

Indicator

**Workers' rights, health and safety are adequately protected and compliance with ILO conventions, federal and jurisdictional laws and regulations is achieved.**

#### **Example means of verification:**

- Government authorities have implemented appropriate control systems and

Guidance

In this Standard the term "worker" includes contractors such as tree planting crews and loggers in addition to all other workers, whether employed or self-employed.

Migrant workers, both legal and illegal, must be considered along with all other workers.

The following ILO conventions have not been ratified in all countries. The Indicator must be met in all countries, whether the ILO

## Hardwood logs and lumber are sustainably sourced (Principle 2)

procedures for verifying that Freedom of Association and the effective recognition of the right to collective bargaining are respected.

- Existing legislation that requires fair and equal treatment of workers of all kinds – employees and contractors.
- Existing legislation that requires independent contractors to follow occupational health and safety regulations to ensure safe workplaces.
- BMPs are clear on requirements for sound occupational health and safety (OHS), use of personal protection equipment (PPE), etc. and both industry and government consistently implement best practices.
- Existing legislation that requires independent contractors to maintain workers' compensation insurance for employees.
- Contracts are in place between independent contractors and wood transformers to ensure both parties are following state and federal laws.
- There is a lack of evidence that contractors / sub-contractors are routinely paid in cash to avoid workers compensation legal requirements.
- Level of enforcement within the jurisdiction.
- Accident rates are being monitored regularly and actions taken to address root causes where accident rates are deemed by authorities as unacceptably high.

conventions are ratified or not.

### **Sources of information include:**

- 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)
- ILO Convention 135 (Workers Representatives Convention).
- BMPs and logger/forestry certification standards (FSC, PEFC, Master Logger, SmartLogging, etc.) on OHS and PPE.

Requirements for minimum pay and employment conditions are those that legally apply in the local, regional or national context.

Minimum requirements 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.

Master Logger/SmartLogging Certification and third party audits can provide evidence of compliance.

### **Other information sources:**

International Labour Organization. The Declaration on Fundamental Principles and Rights at Work, including the Global and Country Reports. 2010. Retrieved from <http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang-en/index.htm>

International Labour Organization. Member Profiles

<http://www.ilo.org/gateway/faces/home/>

The Global Slavery Index 2016. Retrieved from <https://www.globalslaveryindex.org/findings/>

International Labour Organization. Profits and Poverty: The Economics of Forced Labour. 2014. Retrieved from

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_243391.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf)

Anti-Slavery International. Retrieved from [www.antislavery.org](http://www.antislavery.org)

The Global Gender Gap Report 2017

<https://www.weforum.org/reports/the-global-gender-gap-report-2017>

International Labour Organization. ILO Maps



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- Health and safety regulation compliance is monitored and determined by the regulatory authorities not to be a concern.
- Jurisdictional best management practices incorporate complaint, dispute and grievance processes.

and Charts: Which countries have the highest gender gap in the workplace? Retrieved from [http://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS\\_556528/lang-en/index.htm](http://www.ilo.org/global/about-the-ilo/multimedia/maps-and-charts/enhanced/WCMS_556528/lang-en/index.htm)

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC (2013), Part 3.9.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC, Part 4.3.  
CPET S9a&b, SC3  
AHEC Study, Section 7.7 & Findings: 20, 24  
SBP Principles & Criteria: Criterion 2.7 / 2.8  
FAO GLE #11  
WWF / TRAFFIC Common Framework Criteria: 8.2 / 8.3 / 8.4

Reference	Indicator	Guidance
2.12.2	<p><b>All forms of compulsory, child and forced labour are not allowed within the jurisdiction.</b></p> <p><i>Example means of verification:</i></p> <ul style="list-style-type: none"> <li>• There is a lack of evidence that child labour is being used in the jurisdiction within the non-industrial hardwood sector.</li> <li>• The jurisdictional authorities have implemented appropriate control systems and procedures for verifying that compulsory and child labour is not occurring or systemic.</li> <li>• Existing legislation addresses relevant compulsory, child and forced labour.</li> <li>• Procedures for enforcement are in place and evidence of effectiveness available.</li> </ul>	<p>‘Compulsory labour’ is defined as “All work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation, or is demanded as a means of repayment of debt”.</p> <p>The following ILO conventions have not been ratified in all countries.</p> <p>The Indicator must be met in all states, whether the ILO conventions are ratified or not.</p> <ul style="list-style-type: none"> <li>- ILO Conventions 29 and 105 (Forced &amp; Bonded Labour)</li> <li>- ILO 1973 (minimum age) This fundamental convention sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.</li> <li>- ILO 182 (Worst forms of child labour). This fundamental convention defines as a "child" a person less than 18 years of age. It requires ratifying states to eliminate the</li> </ul>



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worst forms of child labour, including all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or morals of children. The forest industry per se and logging in particular are hazardous occupations. The convention requires ratifying states to provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration. It also requires states to ensure access to free basic education and, wherever possible and appropriate, vocational training for children removed from the worst forms of child labour.

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.

- ILO Convention 138
- Recommendation 146 (Minimum Age & Recommendation).

Reference	Indicator	Guidance
2.12.3	<p><b>There is no evidence that discrimination based upon race, creed, colour or sexual identity occurs within the jurisdiction within non-industrial hardwood production.</b></p> <p><b>Example means of verification:</b></p> <ul style="list-style-type: none"> <li>• Government authorities and businesses are implementing appropriate control systems and procedures for verifying that racial discrimination does not occur, or when it does, effective response occurs to address shortcomings.</li> <li>• Existing legislation prohibits discrimination on the basis of</li> </ul>	<p>‘Compulsory labour’ is defined as “All work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation, or is demanded as a means of repayment of debt”.</p> <p>The following ILO conventions have not been ratified in all countries.</p> <p>The Indicator must be met in all states, whether the ILO conventions are ratified or not.</p> <ul style="list-style-type: none"> <li>- ILO Conventions 29 and 105 (Forced &amp; Bonded Labour)</li> <li>- ILO 1973 (minimum age)</li> </ul> <p>This fundamental convention sets the general minimum age for admission to</p>

## Hardwood logs and lumber are sustainably sourced (Principle 2)

- race, creed, color, gender or sexual identity.
  - Level of enforcement.
  - Credible reports and analysis available citing evidence of discrimination associated with non-industrial hardwood production.
- employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.
- ILO 182 (Worst forms of child labour) This fundamental convention defines as a "child" a person less than 18 years of age. It requires ratifying states to eliminate the worst forms of child labour, including all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; child prostitution and pornography; using children for illicit activities, in particular for the production and trafficking of drugs; and work which is likely to harm the health, safety or morals of children. The convention requires ratifying states to provide the necessary and appropriate direct assistance for the removal of children from the worst forms of child labour and for their rehabilitation and social integration. It also requires states to ensure access to free basic education and, wherever possible and appropriate, vocational training for children removed from the worst forms of child labour.

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.

- ILO Convention 138
- Recommendation 146 (Minimum Age & Recommendation).

### Criterion # 13: Genetically modified trees are not planted or harvested in the non-industrial hardwood sector

Reference	Indicator	Guidance
2.13.1	<b>Genetically modified trees are not used in the non-industrial production</b>	Genetically modified trees are those in which the genetic material has been altered in a way

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of hardwoods.

that does not occur naturally by pollination and/or natural recombination.

**Example means of verification:**

- No evidence exists to suggest that hardwoods commercially grown within the jurisdiction are from genetically modified stock.

Basis for this criterion:  
FSC CW A Objective.  
PEFC CoC (2013), 3.9.  
PEFC CoC (2020) Appendix 1: PEFC Due Diligence System (DDS)  
SFI CoC, Part 4.3  
AHEC Study, Section 7.8 & Findings: 24  
SBP Principles & Criteria: Criterion 2.10

## 6 Qualification requirements of risk assessors

### 6.1 Independence

The Risk Assessor shall be a person or body that is independent of the parties that are the subject of the risk assessment and shall declare, in writing, that they have no prior relationship that might compromise their impartiality or place them in a conflict of interest. Such relationships may include for example, a professional risk (i.e., the Risk assessor is a former employee or has provided consultancy or training services within the sector of less than 12 months within the start of the risk assessment process), or a financial risk (the assessor has an ownership, investment or other financial interest in the sector).

All payments made to the risk assessor shall not depend on the outcome of the risk assessment.

### 6.2 Qualifications

The Risk Assessor shall have appropriate professional knowledge of both the SHC jurisdictional risk assessment standard; all associated standards and guidelines, and of the hardwood sector in the jurisdiction to be assessed.

The Risk Assessor is expected to utilise a team of experts. In all cases a team leader must be designated and this person shall accept responsibility for the final assessment on behalf of the Risk Assessor.

A Risk Assessor team might typically comprise expertise in the following areas:

- Knowledge and experience of certification and/or risk assessment per the SHC jurisdictional risk assessment standard or similar such tools as the FSC Forest Management certification or Controlled Wood standards, PEFC Forest Management certifications, or the Sustainable Biomass Program Regional Risk Assessment Procedure.
- Knowledge and experience of silvicultural practices within the jurisdiction.
- Knowledge and experience of forest inventory analysis within the jurisdiction.
- Knowledge of forest ecology or environmental / ecological / conservation considerations within the jurisdiction.
- Knowledge of social aspects (worker/contractor dynamics, indigenous or community rights, health and safety practices, etc.) of hardwood production in the jurisdiction.
- Knowledge and experience of the hardwood products industry within the jurisdiction.
- Knowledge of forest law and governance within the jurisdiction.

The Risk Assessor may involve wider experience and skills based upon the particular jurisdiction.

The Risk Assessor team is likely to comprise 2-5 individuals in combination reflecting the expertise highlighted above.

# Appendix 1 - SHC Jurisdictional Risk Assessment [Template]

Below is a suggested outline for a SHC Jurisdictional Risk Assessment. The complexities of the jurisdiction will dictate to a great extent the size of the document, though such assessments are likely to be in the range of 60-120 pages.

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## Required Contents

### 0 Abbreviations

### 1 Introduction

*[suggested 1-3 pages]*

### 2 Scope and jurisdictional background

*[suggested 10-20 pages]*

- Geographic scope of the assessment
- The forests of the jurisdiction
- Ecoregions within the jurisdiction
- Land uses within the jurisdiction
- Major hardwood forest types
- Forest ownership (including tenure dynamics)
- Social and contractor/worker dynamics/issues
- Occupational Health and Safety (including PPE)
- The scale and impact of low intensity hardwood forestry
- Species and volumes
- Insect and disease threats
- Forest regeneration
- Biomass and carbon
- Third party forest certification
- Governance
- Material scope of the Risk Assessment



The JRA should also be explicit if there are special issues in a specific sub-jurisdiction (county, district, town, etc.) that need explicit and separate mention or treatment.

### 3 Methodology

*[suggested 2-4 pages] including detailed description of stakeholder outreach and type of engagement that occurred (notification, email responses/interactions, phone interviews, face-to-face meetings) across government, industry, NGOs, scientists and other parts of civil society*

### 4 Conclusions

Based on the information available during the risk assessment process, the level of risk for each of the criteria was chosen.

Indicator	Risk Rating		Required Mitigation Actions for Hardwood Transformers
	Negligible Risk	Specified Risk	
1.1.1	X		
1.1.2	X		
1.1.3		X	

## Annexes

**Annex 1: Detailed findings for risk assessment indicators (with recommended mitigation)**



**Annex 2: Profile of the risk assessment team**

**Annex 3: List of experts consulted and contacts**

**Annex 4: List of publications used / referenced**

### Suggested layout for Annex 1

The format should follow the Principles, Criteria and Indicators as found within *SHC standard 1: Jurisdictional Risk Assessment Standard for Legality and Sustainability of Low Intensity Hardwood Production*.

Indicator		
2.13.1	<b>Genetically modified trees are not used in the production of hardwoods.</b>	
Finding		
Means of Verification		
Evidence reviewed		
Risk Rating	Negligible Risk 	Specified Risk 
Risk mitigation	Required action(s) to mitigate Specified Risk	

