



GFS

GLOBAL FORESTRY SERVICES

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000	01 January 2017	Anne Gimbir	Kevin Grace	New release for implementation under ISO 9001 2015 system
001	15 August 2017	Anne Gimbir	Kevin Grace	Revised sections 1.4, 2.2 & 3.2

** NOTE : Alterations to this document are not permitted without the prior approval of the authorised person as defined*



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Legal Verification

To verify legality, GFS provides evaluation of forest management operations against associated forestry, environmental and social national and local regulations. GFS has developed generic standards for compliance to national regulations that includes stakeholder input as part of site evaluation.

The generic requirements to define legal compliance include 6 main elements:

- 1.0 Forest / Plantation Concession & Use Rights.
- 2.0 Legal Requirements of Operation.
- 3.0 Management & Harvest Planning.
- 4.0 Implementation.
- 5.0 Registration, Identification & Traceability of Material.
- 6.0 Payments of Fees, Royalties & Taxes.

Evaluation of legal compliance shall be conducted in accordance with GFS procedures (GFS-Pro-006-LVS Legal Verification Service) by registered lead auditors, auditors and experts. Evaluation of legal compliance shall include input from relevant stakeholders directly affected by the forestry or plantation operations.

Global Forestry Services (GFS) will evaluate compliance to legal requirements and traceability of forest products from forest or plantation management organisations that wish to demonstrate the legality of raw wood based material (whether of short or longterm duration). GFS will issue a detailed audit report (GFS-FORM-006-LVS-1.2) along with a Statement of Compliance (GFS-FORM-006-LVS-1.4) for forest and plantation management that demonstrates compliance to legal requirements.

GFS will issue a Statement of Compliance as part of the LVS in respect to verification of origin to a legal harvesting area within clear boundaries under a harvesting allocation or plan that does not have overlapping claims as well as demonstration of payments of fees, royalties and taxes. The system for traceability can be based on inspection of a specific volume of material or part of the supply chain system within the GFS Wood Tracking Program.

Generic Requirements for Legal Verification

1.0 Forest / Plantation Concession & Use Rights

Legal rights of harvest shall be demonstrated by the organization in respect to a defined management unit with clearly defined and recognized boundaries that are not encumbered by substantiated overlapping land claims.

- 1.1 The organisation shall demonstrate legal registration of private company or organization with the scope to carry out forestry or plantation activities.
 - 1.1.1 Company registration.
 - 1.1.2 Certificate of license holder registration with government agency.
 - 1.1.3 Company Licenses or permits.



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- 1.2 The organisation shall provide documented verification of legal use rights to the forest / plantation area.
 - 1.2.1 Concession license / Land Title
 - 1.2.2 Harvest license
 - 1.2.3 Permits to enter and use harvesting area.

 - 1.3 Forest area is legally classified as a commercial production forest or plantation.
 - 1.3.1 Legal gazettelement as commercial forest or plantation, if applicable.

 - 1.4 Forest area is free of third party disputed claims to use rights or ownership; or that a formal system to resolve such claims are in place. Areas under dispute must not be harvested.
 - 1.4.1 Social Assessment is conducted that identifies communities associated with the licensed area.
 - 1.4.2 All land claims within the licensed area by each community must be clearly identified mapped and agreed by both parties
 - 1.4.3 Agreement on compensation for material harvested within valid land claim areas by local communities.
 - 1.4.4 Areas under valid land claim without formal agreement must not be harvested.

 - 1.5 Existence of a formal system of communication and dispute resolution with local and national stakeholders.
 - 1.5.1 Formal system of communication with communities.
 - 1.5.2 Formal system to resolve land or use right claims and other disputes.

2.0 Legal Requirements of Operation

The organization shall demonstrate adequate knowledge of legal requirements of their operations by its administration and maintain copies of relevant legislation.

- 2.1 The organisation shall provide evidence of a register (or access) that contains adequate reference and information on all local and national regulations relevant to their operations.
 - 2.1.1 Register of relevant state and national laws & regulations

- 2.2 The organization shall have valid licenses and permits for all their forest activities.
 - 2.2.1 Permits and licenses for harvesting and occupation of the forest area.
 - 2.2.2 Permit to fell protected or CITIES species.
 - 2.2.3 Registration as logging contractor.
 - 2.2.4 Approved diameter cutting limit for defined species
 - 2.2.5 Change of Log Royalty and/or Timber Premium, Timber Cess.

- 2.3 The organisation shall have clear knowledge (and copies) of relevant local and national forestry regulations, such as codes of practice for forest management and harvesting.



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- 2.3.1 Knowledge of relevant local/national laws and regulations, guidelines / codes of practice for forestry operations.
- 2.4 The organisation shall abide by local and national regulations regarding social issues, such as social impact assessments, labour laws, health and safety regulations, etc.
- 2.4.1 Knowledge and compliance to regulations on safety and health.
- 2.4.2 The company conducted a Social Impact Assessment (SIA) as applicable and has evaluated and identified local communities associated with the License area.
- 2.5 The organisation shall comply with local and national regulations regarding environmental issues, such as Environmental Impact Assessment.
- 2.5.1 Environmental impact assessment conducted and approved, if required.
- 2.5.2 Monitoring of environmental issues in EIA are conducted.
- 3.0 Management & Harvesting**
- The organization shall demonstrate adequate planning of management and harvesting activities that are approved by the relevant government authorities to cover all its operations
- 3.1 Planning of forestry activities shall meet legal requirements and be approved by the relevant government authority as required.
- 3.1.1 Forest Management Plan (FMP), Annual Plan, and detailed Harvesting Plan (CHP).
- 3.1.2 Mapping of the concession / plantation area shall clearly reference land use plans (production, conservation, social, infrastructure etc) and be approved (as required).
- 3.2 The organisation shall provide verification of a harvest plan that clearly defines total and net production areas along with areas for conservation within the licensed area.
- 3.2.1 Harvest plan defines the licensed area, protected areas, and resulting net production area
- 3.2.2 Harvest plan identifies boundary of licensed area.
- 3.2.3 Harvest plan identifies trees for harvesting.
- 3.2.4 Harvest plan identifies infrastructure (feeder roads skid trails, log landings)
- 3.2.4 Mapping of planned harvest areas shall be approved (as required) and accurate to ground conditions.
- 3.3 The organisation shall provide legal verification of demarcated area that is formally approved for harvesting by the relevant government authority.
- 3.3.1 Demarcation of coupe and/or block boundaries of the harvest licensed area.
- 3.4 The organisation shall provide evidence of approved harvesting systems, volumes, diameter limits, and species for the area licensed for harvesting.
- 3.4.1 Description of harvesting system(s),



3.4.2 Estimated log volume from forest inventories and cutting limits by species for harvesting.

4.0 Implementation

The organization shall demonstrate implementation of its operations comply with regulations governing their activities.

4.1 The organisation shall demonstrate compliance to local and national regulations regarding harvesting and other field operations.

4.1.1 The organization shall implement harvest plans for licensed harvest areas.

4.1.2 The organization shall not cut trees that are protected.

4.1.3 The organization shall comply with codes of practice and regulation on harvesting.

4.1.4 The organization shall only harvest trees within the licensed area.

4.1.5 The organization shall comply with requirements and permits for forest roads, skid trails & infrastructure.

4.2 The organisation shall demonstrate compliance to local and national regulations regarding social issues such as labour laws, health and safety, etc.

4.2.1 The organization shall ensure all staff are legally employed or contracted.

4.2.2 The organization shall ensure all staff are trained for their work and safety.

4.2.3 The organization shall provide adequate safety equipment for workers.

4.2.4 The organization shall provide adequate facilities for worker health.

4.3 The organisation shall demonstrate compliance to local and national regulations regarding environmental issues, such as an Environmental Impact Assessment.

4.3.1 The organization shall implement EIA requirements and reporting on compliance.

4.3.2 The organization shall not harvest in areas defined for protection.

4.3.3 The organization shall protect the forest against poaching of wild animals.

4.3.4 The organization shall comply with regulations on trash disposal, fuel, oil and other chemicals.

5.0 Registration; Identification & Traceability of Material

The organization must demonstrate compliance to government regulations for scaling, identification and recording of material harvested that is traceable back to the harvest license area.

5.1 The organisation shall provide clear records that identify and record trees harvested within licensed areas.

5.1.1 Identification and recording of trees harvested / logs produced against the approved harvest plan.

5.2 Identification, measurement of material harvested must be correct in respect to species, sizes, etc., to comply with government grading rules and fee scales.



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- 5.2.1 Log marking is traceable to harvest tree (RIL) or harvest block and complies with regulations.
 - 5.2.2 Logs are scaled (measured) and recorded based scaling rules.
 - 5.2.3 Documentation of royalty assessment.
- 5.3 Records shall contain adequate information to verify the volume of trees harvested; and resulting volume of logs within the area is in accordance with the license requirements and harvesting plan.
- 5.3.1 Log volume and felling records adhere to license requirements and approved harvesting plan.
- 5.4 The organisation shall provide for physical identification of logs to provide for traceability to the licensed harvesting area (through e.g. printed, consecutively numbered tree tags attached to logs).
- 5.4.1 Log identification / tagging shall be clear and adequately documented that provides traceability to the licensed harvest area.
- 5.5 The organization shall comply with government regulations regarding the transportation of logs from the forest to mills or export, using government authorized transport documentation.
- 5.5.1 Transport Permits issued by government for raw material being transported are used as required.
 - 5.5.2 Logs are clearly identified (log numbers; species; diameters; length and volume) and documented in official transport permits that provide traceability to the licensed harvest area.
- 6.0 Payment of Fees, Royalties and Taxes**
- Payments of fees, royalties and other taxes associated with timber harvesting activities must be clearly identified and fulfilled.
- 6.1 The organisation shall provide evidence that all relevant taxes, royalties, etc. for the forest operation and material harvested due to government and other beneficiaries are paid.
- 6.1.1 Payment of royalties.
 - 6.1.2 Payment of timber premium.
 - 6.1.3 Payment of timber cess.
 - 6.1.4 Payment of other fees (as applicable).