




# Policy Statement

Policy 01 v5.00

1 August 2017

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<i>Policy Applicable To</i>	All CertiSource Staff and Certification Body Staff
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# 1. Policy Background

## 1.1. Introduction

The purpose of this policy statement is to provide an overview and key information about CertiSource, and its verification policies and procedures.

## 1.2. Scope

The policy statement is relevant to all individual policies.

## 1.3. Definitions

Batch	A known volume of timber ready for export/sales.
Batch Verification	The second stage of the CertiSource verification process that aims to verify both the source of timber and that agreed chain of custody procedures have been followed.
Chain of Custody	Chain of custody is the path taken by raw materials from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution.
CITES	<p>The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is a global response to concern over the trade of endangered species. CITES regulates the trade in live animals, animal parts, ornamental plants, medicinal plant parts and timber species.</p> <p>CITES lists threatened or endangered wood species under three classifications, known as the Appendices. The restrictions on trade within these appendices vary depending on the extent to which the species is threatened with extinction. The species listed in Appendix I face an imminent threat of extinction and are banned from all international commercial trade.</p>
Consultation	The process of gathering information or advice from stakeholders and taking those views into consideration to make decisions, change plans or set directions.
Corrective Action Request	<p>Official signed document requesting corrective action. It will identify non-compliance according to THREE criteria – critical, major and minor.</p> <p>Changes must be implemented by a specified deadline.</p>
Critical Non-Conformance	A non-conformance which results in an inability for CertiSource to issue certification. A “Critical Non-Conformance” is effectively a suspension, and would only be reversed once the issues are completely resolved.
DNA Analysis	CertiSource's Certification body Double Helix Tracking Technologies (Double Helix) has developed an innovative

system to verify the source of timber using DNA. The system uses the genetic profile to match individual cut logs at the saw mill with individual stumps at the concession, thereby proving that the timber in question is derived from specific concessions. This system is not mandatory for the CertiSource System.

## 2. Policy Standards

### 2.1 Background

CertiSource is an industry driven initiative providing independent timber legality verification to enable responsible consumers to eradicate clearly illegal timber from their supply chains. CertiSource works with any member of the timber supply chain that shows a willingness and commitment to achieving real and beneficial improvements to their operations. Our long-term goal is to move interested parties towards sourcing timber from credibly certified forests thus ensuring that legal timber becomes synonymous with sustainability.

In conjunction with more traditional chain of custody systems CertiSource is able to verify the source of timber using a tree's unique DNA. DNA samples of timber are taken at specific points of the harvesting and production processes. This system, whilst not a prerequisite for verification against the CertiSource system, serves as an additional tool to detect document fraud making illegal practices un-economical, and increasing the credibility of the supply chain.

By verifying the source and tracking timber batches through the entire supply chain, CertiSource aims to provide the most comprehensive chain of custody verification service available to responsible members of the timber supply chain.

CertiSource was established to independently verify the source of timber but we recognise that customers, financial institutions and governments are increasingly demanding a greater level of product assurance. It is for this reason that CertiSource will only issue a certificate if we can irrefutably prove that timber products can be classified as "Verified Legal Timber".

In the case of Indonesia, to verify timber as legal CertiSource uses country specific standards (SVLK) along with a series of generic principles and criterion as described in CertiSource Policy 03: Standard Development.

In order to ensure the relevance of our working definition of legality, CertiSource continually monitors various multi-lateral policy initiatives such as FLEG and FLEGT, on which we are represented. Moreover, CertiSource also actively monitors international legislation related to illegal logging such as the US Lacey Act, and where possible actively participates in stakeholder forums such as the Lacey Coalition.

### 2.2 The CertiSource Mission

To enable clients to eliminate illegal timber from their supply chains through the provision of professional, credible and cost effective, independent timber legality verification services.

### 2.3 The CertiSource Method

CertiSource will continue to uphold its dual approach of not only verifying the overall legality of a forest concession, but also of verifying timber on a batch-by-batch basis.

Such a system will be actively promoted and supported as a means to offer unrivalled assurances and flexibility in timber legality verification.

Through its combined approaches of the verification of overall concession legality, and the verification of individual batches of timber, CertiSource will:

1. Provide the highest level of transparency by updating on a monthly basis, and making publically available:

Details of every batch of timber verified or undergoing verification.

- Details of every concession audited.
  - Details of every sawmill verified or undergoing verification,
2. Offer the highest level of Chain of Custody assurance through the extensive surveillance requirements demanded from a batch-based approach.
  3. Offer unrivalled flexibility for clients who have the opportunity to specify the number of batches needing verification.

## 2.4 The CertiSource Principles

CertiSource principles underpin all our operational policies, procedures and practices.

### **Credibility:**

CertiSource sets and maintains the highest possible operational standards. We ensure that any statement or declaration made by our organization is fully substantiated by accurate, complete and where possible, independent, supporting evidence.

### **Transparency:**

CertiSource believes that to remain credible it must operate in an open and transparent manner. To this end CertiSource undertakes to open itself up to external scrutiny in the following ways:

- CertiSource publishes policy documents for public scrutiny and actively seeks constructive criticism from relevant independent parties. CertiSource is committed to stakeholder engagement in all aspects of its work, and actively seeks to consult with stakeholders when we formulate projects, amend the CertiSource Timber Legality Standard or create a new one, or make important policy decisions.
- CertiSource makes available summaries of audit reports upon request and publishes summaries of certificates issued.

### **Cooperation:**

CertiSource recognises that significant and lasting improvements in responsible timber procurement can only be achieved if all elements of the supply chain and any other interested parties cooperate. To this end:

- CertiSource seeks to work with all sections of the supply chain to achieve stepped improvements to their operations.  
CertiSource maintains effective communication links with key NGOs and government bodies as demonstrated through our involvement in the South East Asia Forest Law and Governance (FLEG) AdvisoryGroup, the FLEGT process and as a member of the Lacey Coalition; CertiSource is proactive in promoting the exclusion of illegal timber from the marketplace and shares information on best practice with other interested parties.

### **Integrity:**

CertiSource does not tolerate and is not party to any activities that threaten our own reputation or those of our clients or partners. To this end:

- CertiSource investigates any allegation levied against our certification procedures, our clients or partners, and in all instances responds appropriately.
- CertiSource does not conduct business with any member of the supply chain who has demonstrated an unwillingness or inability to achieve improvements in their operations.

- CertiSource does not conduct business with any member of the supply chain that seeks to exert undue influence on CertiSource operational policies or procedures. CertiSource policy requires all CertiSource directors, staff members and any consultants to disclose in writing all possible and actual conflicts of interest.

## 2.5 CertiSource Policy Developments

CertiSource policies are clear, comprehensive and workable. The relevance of our policies is maintained via:

- Continual research into managerial and technological best practices.
- Continual monitoring of national and international legislation.
- Active participation in multi-stakeholder forums.
- Actively seeking external scrutiny and constructive criticism.

## 2.6 CertiSource Verification

The primary aims of CertiSource verification are to:

- Independently verify the legality of the source of timber.
- Independently verify the timber chain of custody in order to irrefutably prove that timber products are “Verified Legal Timber” (as defined by CertiSource country standards).

These aims are achieved via the implementation and auditing of a robust monitoring system carried out by an independent third party. The following sections describe the process in more detail.

### **Certification Body Requirements:**

The minimum audit resources, and resource arrangements needed by any Certification Body auditing against the CertiSource Standard are defined in Policy 13: Certification Body Audit Resources.

Certification Bodies auditing against the CertiSource System must be accredited to ISO/IEC 17065: 2012: Conformity Assessment - Requirements for Bodies Certifying Product, Processes and Services. Whilst it is acceptable for CertiSource System documentation to add to the requirements of ISO/IEC 17065: 2012, it can never remove or diminish ISO/IEC 17065: 2012 requirements.

Moreover, whilst key requirements are conveyed in CertiSource documentation, there may be additional requirements in ISO/IEC 17065:2012. Certification Bodies must adhere to all applicable requirements of ISO/IEC 17065:2012.

### **Supply Chain Audit:**

Prior to undertaking Third Party Verification, the CertiSource Certification Body will carry out a Supply Chain Audit. The objective is to eliminate any element of the supply chain that is clearly illegal and to obtain working agreements from all appropriate elements of the supply chain for chain of custody procedures, including the utilization of tracking technologies.

### **The Supply Chain Audit Demonstrates:**

- All members of the supply chain have a commitment towards achieving real and beneficial improvements to their operations.
- The forest source is a Known Licensed Source, has demonstrated its legal right to harvest and is not being inappropriately converted.
- No element of the supply chain is clearly illegal.



- There is no involvement with any species listed in Appendix 1 of the Convention on Trade in Endangered Species of Wild Fauna & Flora (CITES).
- All appropriate members of the supply chain have agreed chain of custody (COC) procedures with CertiSource, including agreement on the utilization of tracking technologies.

**Third Party Verification:**

CertiSource Third Party Verification by an independent Certification Body, on a defined batch of logs, will only be undertaken upon satisfactory completion of the Supply Chain Audit. A “batch” is defined as a known volume of timber ready for export/sales.

**Third Party Verification Demonstrates:**

- Logs originate from a Known Licensed Source and were harvested in accordance with license conditions.
- All applicable charges & taxes have been paid.
- Environment and Social criteria are fulfilled.
- Land classification changes and ownerships have been resolved and identified.
- Timber identification, transfer and transportation laws and regulations have been followed and all appropriate documentation has been examined.
- All appropriate members of the supply chain have followed COC procedures agreed with CertiSource and all exported products are fully traceable to log inputs.

## 2.7 CertiSource Certification

**Container Dockets**

Each container of timber products exported, that is derived from a batch of logs under CertiSource verification will be covered by a CertiSource Container Docket.

The docket provides assurance that:

- The concession is known and has a legal right to harvest logs as demonstrated by satisfactory completion of the Supply Chain Audit.
- No element of the supply chain is clearly illegal.
- Third Party Verification is in progress.
- All appropriate elements of the supply chain have followed, or are following, COC procedures agreed with CertiSource certificates.

CertiSource Certification Bodies provides certification for supply chain entities (concessions and sawmills and third party traders) that have successfully completed an audit against CLAS.

The CertiSource certificate provides independent assurance that an entity complies with CLAS requirements and consequently that timber products can be classified as ‘Verified Legal Timber’.

**Audit Report:**

The audit report provides documentary evidence to support the CertiSource dockets and certificate. A summary of an audit report including data that is not commercially sensitive can be made available upon request.

## 2.8 CertiSource Complaints, Appeals and Dispute Resolution

Appeals, complaints and disputes concerning a CertiSource certification decision may come from either clients (e.g. forestland owner, mill owners, manufacturer or retailer) or from other third parties such as interested stakeholders. In order to give due process and attention to any observation, complaint or other challenge, CertiSource has developed protocols and procedures that must be followed.

The policy is: Policy 10: Complaints, Appeals and Dispute Resolution.

## 2.9 Product Promotion and off Product Labelling

CertiSource has taken careful measures regarding the use of its logo, and has developed a consumer-oriented trademark(s) and off-product claims approval process for use with marketing of products under verification system.

CertiSource does not allow use of its logo for on-product labelling and has strict policy and terms and conditions that govern the use of off-product claims.

The policy is: Policy 06: Product Labelling and Identification.

## 2.10 Forest Management Commitment

CertiSource adheres to Policy 11: Sustainable Forest Management Commitment.

This document sets out CertiSource policy with regards the commitment required from Forest Management Enterprises towards reaching sustainable forest management certification.

## 2.11 Non-Conformance

CertiSource will not risk its reputation by maintaining links with any party that repeatedly deviates from commitments it has made to or with CertiSource. It is CertiSource policy not to undertake verification services on any element of the supply chain whose actions have prevented a CertiSource Certification Body from being able to issue certificates for four consecutive batches.

CertiSource is committed to working with all elements of the supply chain to eliminate clearly illegal timber from the marketplace but we acknowledge that such cooperation cannot be open ended. In the event that a Certification Body is unable to issue a single certificate for a batch of timber due to deficiencies in the operating standards of any element of the supply chain, we will review our on-going involvement with such parties.

Furthermore requirements for a Certification Body dealing with non-conformance are detailed in Policy 07: Non-Conformance.

## 3. Related Information

### 3.1 Related Policies and Documents

This policy has connections to all current CertiSource Policy Statements and documents, and CertiSource Legality Assessment Criteria for Verified Legal Timber, Indonesia Version 4 (series – 4.01 upwards) issued in July 2013.

This policy statement underpins all current and future policies.

### 3.2 Policy Review

To ensure that this policy statement remains relevant it will be reviewed regularly at a minimum frequency of every six months. Revisions will be made when necessary to provide solutions to any practical problems encountered.

## 4. Document Change History

Version	Date Approved	Description
2.00	21 January 2013	<p>1 Transferred to this new template.            Programme Manager changed to Programme Director.            3. Document history added (i.e. this section).</p>
3.00	6 September 2014	<p>1. Definitions checked and edited slightly.</p> <p>2.2<sup>nd</sup> paragraph last clause deleted: "and offering its customers the powerful marketing option of DNA Verified™ Timber".</p> <p>3. Section 2.7 – Audit Report. Sentence: All data within the report that is not commercially sensitive is made publicly available via a summary audit report." Changed to: "A summary of an audit report including data that is not commercially sensitive can be made available upon request".</p> <p>4. FSC Commitment policy reference changed to be generic (i.e. not specify FSC): "Forest Management Commitment</p> <p>CertiSource adheres to Policy 11: Forest Management Commitment.</p> <p>This document sets out CertiSource policy with regards the commitment required from Forest Management Enterprises towards reaching sustainable forest management certification."</p> <p>5. In the "approvals" space the date of the next revision is deleted. This is to avoid confusion as to whether or not a policy is still valid (e.g. the date of the next revision in the past failed to be changed after a review if nothing was changed in a policy.</p> <p>6. Certification Body Requirements            Added the sentence:</p> <p>Certification Bodies auditing against the CertiSource System must be accredited to ISO/IEC 17065: 2012: Conformity Assessment - Requirements for Bodies Certifying Product, Processes and Services. Whilst it is acceptable for CertiSource System documentation to add to the requirements of ISO/IEC Guide 17065: 2012, it can never remove or diminish ISO/IEC 17065: 2012 requirements.</p> <p>Moreover, whilst key requirements are conveyed in CertiSource documentation, there may be additional requirements in ISO/IEC 17065:2012. Certification Bodies must adhere to all applicable requirements of ISO/IEC 17065:2012.</p>
	December 2nd 2014	

4.00	25 January 2016	Changed definition of “batch” in all instances in document to “A known volume of timber ready for export/sales”. Updated contact details. General update to ensure all elements of this policy are aligned with other CertiSource policies.
4.01	22 June 2016	Transfer to new template.
5.00	1 August 2017	<ol style="list-style-type: none"><li>1. Overall check on continuing validity and relevance.</li><li>2. Up-dated to v5.00 (round number) to streamline with other revisions during this annual review.</li><li>3. Included effective date.</li><li>4. Changed reference to use of Smartwood generic standard to state: “In the case of Indonesia, to verify timber as legal CertiSource uses country specific standards (SVLK) along with a series of generic principles and criterion as described in CertiSource Policy 03: Standard Development”.</li></ol>