

Public Notification Letter

FSC® Chain of Custody Controlled Wood Stakeholder Consultation

To: Interested Parties

From: SCS Global Services

Consultation period: 2018-09-26 - 2018-11-07

Re: Notification of intent to audit Nykvist Skogs AB against FSC Chain of Custody Controlled Wood standard FSC-STD-40-005 V3-1

The Forest Stewardship Council® (FSC) requires that a certification body conducting an audit of a certified organization or applicant must consult stakeholders whenever the audit includes intent to source and use uncertified material in an FSC Chain of Custody (CoC) program according to the requirements in FSC-STD-40-005 V3-1 “Requirements for Sourcing FSC Controlled Wood”. Therefore, SCS Global Services (SCS) is seeking input from interested and directly affected stakeholders regarding the relevance, effectiveness, and/or adequacy of **Nykvist Skogs ABs** Due Diligence System (DDS).

An explanation of ‘FSC Controlled Wood’, as well as a copy of FSC-STD-40-005 V3-1, is available here: <https://ic.fsc.org/en/certification/types-of-certification/controlled-wood-02> ; a copy of this standard is also available from SCS upon request.

Due Diligence Systems are required for certified organizations in order to avoid the sourcing and use of material originating from unacceptable sources in their FSC CoC program.

Directly affected stakeholders include any person, group of persons, or entity that is, with high probability, subject to the effects of the activities related to an organization’s controlled wood sourcing program, including the activities of their suppliers and sub-suppliers, as well as those who influence risk identified through the organization’s Due Diligence System.

This letter serves as SCS’ invitation to directly affected stakeholders to participate in our consultation process. This letter also serves as SCS’ public notification for any interested stakeholders, who are also invited to participate in the consultation process. Participation in this stakeholder consultation process is voluntary; stakeholders are not required to submit comments.

Scope of audit and audit details:

The audit will assess the conformity of the organization’s controlled wood program – including Risk Assessment(s) and DDS – according to the certification requirements as per FSC-STD-40-005 V3-1.

The company’s DDS Public Summary and Risk Assessment (excluding confidential information), as well as any other information or documents deemed relevant for the purpose of this stakeholder consultation, are included as appendices to this letter—see below. For a list of the information that is required to be publically available for stakeholder consultation by SCS, see FSC-STD-40-005 V3-1, Section 6.

The audit will take place beginning earliest 2018-11-07 at the company's facility located at:
Skolvägen 2
686 98
Gräsmark
SWEDEN

Additional certificate holder information:

n/a

Options for participation and provision of comments:

Please submit written comments and evidence (where appropriate) by email to Intertek:

Veronica Hedlund
Senior Lead Auditor

Email: veronica.hedlund@intertek.com

A summary of the stakeholder consultation and comments received will be made publically available on the FSC certificate database, as per FSC-STD-20-011 V4-0. Verbatim comments will only be published with prior consent from the stakeholder and will not be associated with stakeholder names.

Note that, while SCS is required to evaluate all information and comments objectively, SCS certification decisions are affected by stakeholder comments only insofar as the comments provide evidence of conformity or nonconformity to the applicable requirements.

Within 30 days of making our certification decision, SCS will respond to all stakeholders who provided comments to explain how their comments were taken into account.

More information about FSC and SCS can be found on our respective websites: www.fsc.org and www.scsglobalservices.com.

Publically Available Information for FSC Controlled Wood Certificate Holders

INSTRUCTIONS

FSC® requires that organizations track their controlled material and publish specific findings. This form helps you meet the requirements in Section 6 of FSC-STD-40-005 V3-0 “Publically Available Information”.¹

Organization Name	Nykvist Skogs AB
FSC COC Certificate Number	SCS-COC-XXXXXXX

Name of Authorized Representative (Contact information for person or position responsible for addressing complaints)	Pär Skinnargård eller Lina Edin par@nykvist-skogs.se lina@nykvist-skogs.se
Procedure for filing complaints <i>Note: for further details on complaints procedure, see section 7 in FSC-STD-40-005 V3-0</i>	Ledningssystemet kap. 12

¹ This document is meant as guidance only, utilization of templates and guidance documents is no guarantee of conformity with FSC requirements. It is your organization’s responsibility to conform to relevant FSC requirements.

Risk Assessment Summary In the case that there are multiple risk assessments, copy and paste this table below for each assessment.	
Description of Supply Area	Värmland
Reference to the applicable Risk Assessment	Ledningssystemet kap 7.1.3 COC_TMP_FSCControlledWoodRiskAssesment
Submit applicable risk assessment (excluding confidential information) in a separate document	
Risk Designations Summary For any category not rated as "Low" please fill in control measures by risk assessment indicator	Sub-category
In order to select a checkbox, "double-click" on the box, and select default value as "checked".	
Overall Risk Designation for the Supply Area	<input type="checkbox"/> Unspecified (see below for unspecified risk designations) <input checked="" type="checkbox"/> Low
1. Illegally harvested wood Overall Risk Designation: <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Control Measures per indicator (if applicable)	1.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 1.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 1.3 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 1.4 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
2. Wood harvested in violation of traditional and human rights Overall Risk Designation: <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Control Measures per indicator (if applicable)	2.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 2.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 2.3 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 2.4 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 2.5 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
3. Wood harvested from forests in which high conservation values are threatened by management activities Overall Risk Designation: <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low Control Measures per indicator (if applicable)	3.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low 3.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses Control Measures (if applicable)	4.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
5. Wood harvested from forests in which genetically modified trees are planted Control Measures (if applicable)	5 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low

Stakeholder Consultation Summary

N/A No stakeholder consultations conducted

**Summary of the consultation
process(es) performed according to
Annex B of FSC-STD-40-005 V3**

Expert Engagement Summary

N/A No expert engagement conducted

Information on the engagement of one or more experts in the development of control measures in accordance with Annex C of FSC-STD-40-005 V3

Note: For individual experts this includes the names of the experts, their qualifications, their license/registration number (if applicable), and the scope of their services. For publically available expertise, the specific sources of information shall be cited.

Summary of Field Verification (undertaken as a control measure)

N/A No field verifications conducted as control measures

A summary of the organization's findings from field verification undertaken as a control measure, and steps taken by the organization to address identified non conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.

Note: The confidential nature of the information may be determined by the legislation that the organization must be in compliance with. Commercially sensitive information, and the names of individual landholders may be treated as confidential.

Publicly Available FSC® Controlled Wood Simplified Risk Assessment

This template is provided as a guide¹, based on FSC-STD-40-005 v3, Annex A, Section 3.

Risk assessments can be provided in any format as long as the contents meet FSC requirements.

A simplified risk assessment is only to be conducted when an FSC risk assessment for all five controlled wood categories is scheduled to be approved before 31 December 2017. A simplified risk assessment shall not be used after 31 December 2017.

To be completed by client

Company Name: Nykvist Skogs AB

COC Code: SCS-COC-XXXXXXX

Date of last revision to this Risk Assessment: 180920

Country and supply area(s): Sweden: Värmland

Sources of information: See enclosed ref. below

To be completed by SCS

Date Reviewed by SCS:

¹ This document is meant as guidance only, utilization of templates and guidance documents is no guarantee of conformity with FSC requirements. It is your organization's responsibility to conform to relevant FSC requirements.

FSC Global Forest Registry risk designations for Sweden/Värmland

Please fill this section out for each Country/Supply Area, using the FSC Global Forest Registry (<http://www.globalforestregistry.org/map>).

Global Forest Registry Risk Designation for Each Category		Sub-category
Illegally harvested wood <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low		1.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		1.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		1.3 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		1.4 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
Wood harvested in violation of traditional and human rights <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low		2.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		2.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		2.3 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		2.4 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		2.5 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
Wood harvested from forests in which high conservation values are threatened by management activities <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low		3.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		3.2 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low		4.1 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
		5 <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
Wood harvested from forests in which genetically modified trees are planted <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low		

Company Risk Assessment

	Findings	Risk Level <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
<p>1. Illegally Harvested Wood² <i>The supply area may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are met:</i></p> <p>1.1 Evidence of enforcement of logging related laws in the district. a) Use the 'Minimum list of applicable laws, regulations, and nationally-ratified international treaties, conventions and agreements' (Table A at end of document) for the identification of logging related laws in the supply area under evaluation. b) The organization may use existing national lists from approved FSC National Forest Stewardship Standards and other reputable sources in order to compile the list.</p> <p><i>Where the FSC Global Forest Registry contains an FSC approved list of applicable laws for a country, it is mandatory to use this list.</i></p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>1.2 There is evidence in the supply area demonstrating the legality of harvests and wood purchases, including, e.g. robust and effective systems for granting licenses and harvest permits.</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>1.3 There is little or no evidence or reporting of illegal harvesting in the district of origin.</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p> <p><i>The annually published Transparency International Corruption</i></p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>

² Examples of sources of information: FSC network partners and regional offices (contacts: ic.fsc.org), The Royal Institute of International Affairs (www.illegal-logging.info), Environmental Investigation Agency (www.eia-international.org), Global Witness (www.globalwitness.org), Telapak (for Indonesia www.telapak.org), UK Government's Department for International Development (DFID), EU FLEGT process (<http://www.euflegt.efi.int/home>), Transparency International Corruption Perception Index (www.transparency.org), WWF (wwf.panda.org), ELDIS regional and country profiles (www.eldis.org), CITES (www.cites.org), NGOs and involved stakeholders.

<p><i>Perception Index (CPI) shall be used. Countries with a score of less than 50 shall be considered as unspecified risk, unless there is specific independent and credible information at a lower scale (e.g. implemented independent timber tracking systems) that demonstrates the contrary.</i></p>		
<p>2. Wood harvested in violation of traditional or civil rights <i>The supply area may be considered low risk in relation to the violation of traditional and human rights when <u>all</u> the following indicators are met:</i></p>	<p>Findings</p>	<p>Risk Level <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>2.1 There is no UN Security Council ban on timber exports from the country concerned.³</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>2.2 The country or supply area is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber).⁴</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>2.3 There is no evidence of child labor or violation of ILO Fundamental Principles and Rights at work taking place in forest areas in the supply area concerned.⁵</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>2.4 There are recognized and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area concerned.⁶</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>2.5 There is evidence of no violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the supply area concerned.</p>	<p>Justification FSC-CNRA-SWE V1-0</p>	<p><input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>

³ Examples of sources of information: Global Witness (www.globalwitness.org)

⁴ The final report of the expert panel on illegal exploitation of natural resources and other forms of wealth in Democratic Republic of Congo, 2002, Annexes I and III (S/2002/1146). Conflict Timber: Dimensions of the Problem in Asia and Africa. Volume I. Synthesis report. June 2003

⁵ FSC network partners and regional offices (contacts: ic.fsc.org), ILO country offices

⁶ FSC network partners and regional offices (contacts: ic.fsc.org), Indigenous Peoples' organization, Local community associations, National Sources (e.g. records of land claims negotiation concluded or in progress, summaries of court decisions)

<p>The standard does not refer to the ratification of ILO 169 and a risk assessment shall involve an assessment of evidence of violation of ILO requirements, irrespective of whether they have been ratified by the country in which the risk assessment is made.⁷</p>		
<p>3. Wood harvested from forest in which high conservation values are threatened by management activities The supply area may be considered low risk in relation to threat to HCVs if:</p> <p>a) indicator 3.1 is met; or b) indicator 3.2 eliminates (or greatly mitigates) the threat posed to the supply area by non-compliance with 3.1.</p>	<p>Findings</p>	<p>Risk Level <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>
<p>3.1 Forest management activities in the relevant level (eco-region, sub-eco-region, local) do not threaten eco-regionally significant HCVs.</p> <p>The organization shall first assess whether any HCVs are threatened at the ecoregional level. If there are any HCVs threatened at the ecoregional level, the organization shall assess how forest management activities relate to these HCVs at the supply area level.</p> <p>For the risk assessment of this category the identification of ecoregionally significant HCVs is required, which in practical terms implies that locally relevant values are not in the focus of this step of the risk assessment.</p> <p>Threatened ecoregions can be identified through the supporting information that references, but is not limited to e.g. <i>Biodiversity Hotspots</i>, <i>Global 200 Ecoregion</i>, <i>Frontier Forest</i>, <i>Intact forest landscapes</i>.</p> <p>Regarding Intact Forest Landscape, firefighting or fire prevention for the protection of public safety is not considered an economic activity of minimal disturbance. Fire control in the context of forest management activities is not considered to be an economic activity of minimal disturbance.</p>	<p>List ecoregions Sweden/Värmland</p> <p>In Sweden we have forestareas pointed out as high conservation values closed to the montain regions so called "Fjällnära skog". Värmland is located outside these areas.</p> <p>Det finns sk. nyckelbiotoper i Värmland. Organisationen har nyckelbiotopspolicy och rutiner och arbetssätt som säkerställer att inget virke tas emot eller avverkas med ursprung från nyckelbiotop (om inte det sker som skötselåtgärd för NS och efter särskilt godkännande av Skogsstyrelsen.)</p> <p>http://www.lansstyrelsen.se/norrbottnen/SiteCollectionDocuments/Sv/miljo-och-klimat/tillstandet-i-miljon/Karta_Gransen%20fjällnära%20skog_Tina%20Nilsson.pdf</p> <p>http://www.worldwildlife.org/science/ecoregions/global200.html</p> <p>No Intactforest in the district http://www.intactforests.org/</p>	<p>Risk Level <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low</p>

⁷ FSC network partners and regional offices (contacts: ic.fsc.org), ILO country offices.

<p>Low risk for this indicator may be demonstrated as follows:</p> <p>a) Material does not originate from any of the mapped areas of HCVs (as listed in 3.1), or</p> <p>b) There are no eco-regionally significant HCVs in the supply area according to independent verifiable information at the supply area/supply unit level (NGO reports, environmental impact assessments, etc.)⁸</p>		
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p> <p>Low risk for this indicator shall be demonstrated as follows:</p> <p>a) A strong system of protection of HCVs is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating ($\geq 75\%$) in the World Bank 'rule of law' index (www.goindicators.org), and</p> <p>b) Significant support by relevant national/regional stakeholders from the assessed supply area, or</p> <p>c) The forest manager has agreed to an approach of HCV protection at the supply unit level with national/regional environmental stakeholders relevant for the assessed supply area.</p> <p>d) Indicator 3.2 cannot be met if there is substantial objection from relevant national or regional stakeholders against a low risk designation for the HCV category.⁹</p>	<p>There is a strong system of protection in place in Värmland.</p> <p>Innan avverkning av områden större än 0,5 ha krävs godkänd avverkningsanmälan från Skogsstyrelsen, www.skogsstyrelsen.se</p> <p>Sverige har en hög rating enligt "rule of law index" > 75%. www.goindicators.org</p>	<p><input type="checkbox"/> Unspecified</p> <p><input checked="" type="checkbox"/> Low</p>

⁸ FSC documentation on HCVs (ic.fsc.org); Ecoregion definition and information (www.worldwildlife.org/biomes); regions identified by Conservation International as a Biodiversity Hotspot; or ecosystems and communities that are explicitly identified by Conservation International as a key component of a *Biodiversity Hotspot*; forest, woodland, or mangrove ecoregions identified by WWF as a *Global 200 Ecoregion* and assessed by WWF as having a conservation status of *endangered* or *critical*. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion has a Conservation Status other than *critical* or *endangered* (www.worldwildlife.org/science/wildfinger); regions identified by the World Conservation Union (IUCN) as a *Centre of Plant Diversity*; regions identified by CI as a *High Biodiversity Wilderness Area* that contain contiguous forest ecosystems greater than 500 km²; regions identified by the World Resources Institute as a *Frontier Forest*; Intact Forests Landscapes, as identified by Greenpeace (www.intactforests.org)

⁹ FSC network partners and regional offices (contacts: ic.fsc.org); signatory to the convention on Biological Diversity and demonstrable progress towards completing a network of protect area, such as an overall positive analysis of the latest country thematic report on Forest Ecosystems (www.cbd.int)

<p>4. Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</p> <p><i>The supply area may be considered low risk in relation to forest conversion of forest to plantations or non-forest uses when the following indicator is present:</i></p> <p><i>(Note: The change from plantations to other land uses is not considered as conversion.)</i></p>	<p>Findings</p>	<p>Risk Level</p> <p><input type="checkbox"/> Unspecified</p> <p><input checked="" type="checkbox"/> Low</p>
<p>4.1 There is no net loss OR no significant rate of loss (>0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.¹⁰</p>	<p>Justification</p> <p>According to last FAO report (State of World's Forests 2007) forest area annual net loss is 0% (= < 0,5% per year)</p> <p>Source</p> <p>State of the World's Forests 2007. FAO (Food and Agriculture Organization of the United Nations). 2007. This is the most latest available data about annual change rate of forest cover. (Available at http://www.fao.org/docrep/009/a0773e/a0773e00.htm).</p>	<p><input type="checkbox"/> Unspecified</p> <p><input checked="" type="checkbox"/> Low</p>

¹⁰ FAO GOF-C-GOLD Global Observation of Forest and Land Cover Dynamics; FAO Global Forest Resources Assessment; CI Regional Analysis Program; University of Maryland Department of Geography; UNEP/GRID – Division of Early Warning and Assessment; SERVIR – Regional monitoring and visualization system for Mesoamerica; Congo Basin Forest Partnership and CARPE; CEC Joint Research Centre; INPE-PRODES – Brazil's National Institute for Space Research; Hansen, M., DeFries, R., Townshend, J.R., Carroll, M., Dimiceli, C., Sohlberg, R. 2003. 500 m MODIS Vegetation Continuous Fields. College Park, Maryland; The Global Land Cover Facility; National data sources; FSC network partners and regional offices (contacts: ic.fsc.org).

5. Wood from forests in which genetically modified trees are planted <i>The supply area may be considered low risk in relation to wood from genetically modified trees when <u>one</u> of the following indicators is met¹¹:</i>	Findings	Risk Level <input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
a) There is no commercial use of genetically modified trees of the species being sourced; OR	Justification FSC-CNRA-SWE V1-0	<input type="checkbox"/> Unspecified <input checked="" type="checkbox"/> Low
b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use of the species being sourced; OR	Justification Not evaluated since information exists for criteria a.	<input type="checkbox"/> Unspecified <input type="checkbox"/> Low
c) It is forbidden to use genetically modified trees commercially in the country concerned.	Justification Not evaluated since information exists for criteria a.	<input type="checkbox"/> Unspecified <input type="checkbox"/> Low

Table A - Minimum list of applicable laws, regulations, nationally-ratified international treaties, conventions, and agreements

1. Legal rights to harvest	
1.1 Land tenure and management rights	Legislation covering land tenure rights, including customary rights as well as management rights, that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.
1.2 Concession licenses	Legislation regulating procedures for issuing forest concession licenses, including the use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.
1.3 Management and	Any national or sub-national legal requirements for management planning, including conducting forest inventories, having

¹¹ FAO, 2004. Preliminary review of biotechnology in forestry, including genetic modification. Forest Genetic Resources Working Paper FGR/59E. Forest Resources Development Services, Forest Resources Division, Rome. Italy (<http://www.fao.org/docrep/008/ae574e/AE574E00.HTM>). National and regional data sources

harvesting planning	a forest management plan and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent authorities.
1.4 Harvesting permits	National or sub-national laws and regulations regulating procedures for issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. This includes the use of legal methods to obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.
2. Taxes and fees	
2.1 Payment of royalties and harvesting fees	Legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification.
2.2 Value added taxes and other sales taxes	Legislation covering different types of sales taxes which apply to the material being sold, including the sale of material as growing forest (standing stock sales).
2.3 Income and profit taxes	Legislation covering income and profit taxes related to profit derived from the sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies and is not related to salary payments.
3. Timber harvesting activities	
3.1 Timber harvesting regulations	Any legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, seasonal limitations, etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall be preserved during felling, etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges, etc., shall also be considered as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.
3.2 Protected sites and species	International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.
3.3 Environmental requirements	National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g. along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc.
3.4 Health and safety	Legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, establishment of protection zones around harvesting sites, safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relevant to operations in the forest (not office work, or other activities not related to actual forest operations).
3.5 Legal employment	Legal requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.

4. Third parties' rights	
4.1 Customary rights	Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.
4.2 Free, prior and informed consent	Legislation covering 'free, prior and informed consent' in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.
4.3 Indigenous Peoples' rights	Legislation that regulates the rights of Indigenous Peoples as far as it is related to forestry activities. Possible aspects to consider are land tenure, and rights to use certain forest related resources and practice traditional activities, which may involve forest lands.
5. Trade and transport (NOTE: This section covers requirements for forest management operations as well as processing and trade.)	
5.1 Classification of species, quantities, qualities	Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment of legally prescribed taxes and fees.
5.2 Trade and transport	All required trading and transport permits shall exist as well as legally required transport documents which accompany the transport of wood from forest operations.
5.2 Offshore trading and transfer pricing	Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and is considered to be an important source of funds that can be used for payment of bribery to the forest operations and personnel involved in the harvesting operation. Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here.
5.4 Custom regulations	Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).
5.5 CITES	CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).
6. Due diligence/ due care	
6.1 Due diligence/ due care procedures	Legislation requiring due diligence/ due care procedures, including e.g. due diligence/ due care systems, declaration obligations, and/or the keeping of trade related documents etc.