

# Legality Verification Scheme Scorecard

VLC Scheme

Date

PASS/FAIL

## Indicator Score Ratings

- 1**      **The scheme totally fails to meet the LVS Indicator requirements.**
- 2**      **The scheme inadequately meets the LVS Indicator requirements and is not acceptable.**
- 3**      **The scheme meets the LVS Indicator requirements, although some gaps are apparent.**
- 4**      **The scheme clearly meets the LVS Indicator requirements.**

Principle	Criteria	Indicator	Indicator Score
1. The system should be fully open and transparent, and involve all stakeholders	1.1 System is fully transparent	1.1.1 Full details of the legality/CoC standards used and the system to assess them are publicly available	
		1.1.2 Summary audit reports and corrective action requests are publicly available	
		1.1.3 Lists of companies/concessions verified under the standard are publicly available	
	1.2 System seeks and incorporates the views of major stakeholder groups including social and environmental NGOs and indigenous organisations	1.2.1 The system's oversight body has representation from multiple stakeholders	
		1.2.2 Legality/CoC standards are developed through taking into account balanced and equitable multi-stakeholder input.	
		1.2.3 The system includes a process for resolving sustained opposition from a single major stakeholder group to any criteria or indicators.	
		1.2.4 The system includes a clearly defined and transparent procedure for handling complaints	
2. Legality standards used are clearly defined and robust, incorporating key elements such as rights of local communities, legality of concession allocation and labour and environmental regulations	2.1 Legality standards define legal rights to harvest.	2.1.1 Forest management enterprise (FME) is licensed to operate.	
		2.1.2 FMU are licensed for forest management purposes	
		2.1.3 Harvest rights are allocated to the FME in the FMU	
	2.2 Legality standards define approved planning authorisation	2.2.1 FMU management plan has been prepared and approved	
		2.2.2 Annual harvest plans prepared and approved and production quotas established within the harvesting rights	
		2.2.3 Assessments of environmental impact, high conservation areas, and threatened species are conducted.	
	2.3 Legality standards require payment of fees and taxes required to maintain harvest rights	2.3.1 Harvest royalties, taxes and / or fees are paid	
	2.4 Legality standards respect rights of local communities	2.4.1 The forest management enterprise (FME) has implemented a consultation process to ensure it is fully aware of any disputes over indigenous tenure or usage rights and has an effective and transparent complaints or disputes resolution process to address them in a timely manner.	
		2.4.2 The FME has obtained the prior, informed consent of indigenous people to its activities	
		2.4.3 FME fulfils its obligations under the law to indigenous people and local communities	
	2.5 Standards include compliance with human rights, social and environmental laws, rules and regulations	2.5.1 Compliance with human and labour rights laws and workplace health and safety regulations	
		2.5.2 Requirements for compliance with environmental laws, rules and regulations, including EIA obligations and mitigation requirements, in the fields of forestry and conservation	
		2.5.3 Legal obligations regarding protection of outstanding landscapes, high conservation areas, and threatened species are implemented.	
	2.6 Legality standards require fulfilment of harvesting regulations.	2.6.1 Wood supply does not exceed production quotas.	
		2.6.2 Harvesting is conducted within approved harvest areas.	
		2.6.3 Harvesting and forest management activities are implemented according to management plan and according to regulatory codes of practice.	
	2.7 Legality standards require control of unauthorised activities.	2.7.1 Unauthorised activities and associated risks are identified.	
		2.7.2 Control activities are successfully implemented.	

	2.8 Legality standards require legal trading of products.	2.8.1 Timber processing facilities are properly licensed.	
		2.8.2 Harvesting and trading operations are in compliance with CITES.	
		2.8.3 Exported product meets all Government regulations for export including phytosanitary inspections.	
3. Credible chain of custody is assured	3.1 Strong chain of custody procedures are in place	3.1.1 Chain of custody procedures are equivalent to international standards eg ISO and include procedures governing claims	
		3.1.2 Procedures for distinguishing logs or timber from verified legal sources with logs or timber from other sources are specified.	
		3.1.3 Wood supply under CoC excludes material from unknown sources or which was harvested without legal harvesting rights.	
4. System serves to further overall goal of environmentally and socially responsible forest management, and does not unfairly favour large-scale industrial logging.	4.1 System is designed and offered as part of a step-wise approach to environmentally and socially responsible forest management	4.1.1 System requires participants to move towards full sustainable forest management (SMF) after a given time	
	4.2 System does not serve to compete with existing environmentally and socially responsible forest management certification schemes	4.2.1 System does not permit on-product labelling, but allows POS (Point of Sale) elements, B2B communications, flyers and advertising.	
	4.3 System ensures verification of timber from small scale and/or community forestry operations.	4.3.1 System does not preclude verification of timber from small scale and/or community forestry operations.	
	4.4 System includes consideration of and procedures for responding to blatant illegalities or unethical behaviour related to the company or its directors	4.4.1 The auditing system reserves the right to withdraw it's legality verification if legal proceedings involving serious criminal activity, money laundering, corruption, transfer pricing, or any activity or unethical practice by the FME or it's directors brings the LVS or legality claim into serious question.	
5. Auditing procedures are robust	5.1 Audits against standards are fully independent	5.1.1 Auditors are independent of the process of setting standards and overseeing the system	
	5.2 Auditors are properly accredited and qualified	5.2.1 Auditors have independent accreditation from e.g. ISO	
		5.2.2 Audit staff are sufficiently qualified and experienced	
	5.3 Audit procedures are robust and performance as well as systems based	5.3.1 Audits occur at least once a year, and include short-notice field inspections of compliance in randomly selected cutting areas	
		5.3.2 There is an effective and functioning mechanism for recording and enforcing appropriate corrective action where non-compliances are identified.	
		<b>PRINCIPLE 1</b>	<b>PASS/FAIL</b>
		<b>PRINCIPLE 2</b>	<b>PASS/FAIL #REF!</b>
		<b>PRINCIPLE 3</b>	<b>PASS/FAIL</b>
		<b>PRINCIPLE 4</b>	<b>PASS/FAIL</b>
		<b>PRINCIPLE 5</b>	<b>PASS/FAIL</b>
		<b>OVERALL</b>	<b>PASS/FAIL</b>