



# TTAP Requirements for Chain of Custody

Requirements for the control of TTAP  
supply chains

March 07

Report produced by:  
ProForest Ltd.

Frewin Chambers  
Frewin Court  
Oxford, OX1 3HZ  
United Kingdom

Telephone: +44 (0)1865 243439  
Email: [info@proforest.net](mailto:info@proforest.net)  
Website: [www.proforest.net](http://www.proforest.net)

## Table of Contents

1.	Introduction.....	4
2.	Basis of the recommendations .....	5
3.	Outline of the recommendations.....	5
3.1.	Public commitment or policy.....	5
3.2.	Legality of forest operation.....	6
3.3.	Identification and control of logs in the forest.....	7
3.4.	Transport of logs .....	7
3.5.	Control of processing.....	7
4.	Proposed TTAP Legality and CoC control requirements .....	9

# 1. Introduction

The ProForest Report ‘Draft TTAP Requirements for Chain of Custody’ provided our recommendations and a set of requirements for a ‘best practice’ CoC system. It was based on an analysis of the requirements of a range of schemes and initiatives concerned with the traceability of forest products (see section 2).

However, following the initial report there was some concern that it would be applied to cases where certified timber was already being purchased and supplied, calling in to question the interaction between an existing certification scheme, and the TTAP recommended best practice model. This was not, and is not the objective of the TTAP, and therefore the findings of the initial report have been revised and are presented here in a new format. The aim is to show that where timber is **not** certified under an existing forest certification scheme, it will be necessary for the company to ensure it is traceable to a known and legally managed forest. The recommendations presented in this report (outlined in section 3) are intended for use by TTAP participating companies that are currently sourcing un-certified timber. An appropriate chain of custody system will enable TTAP companies to demonstrate that the timber they are trading:

- › Is from a legally managed forest
- › Can be matched to production records from that forest (i.e known origin), and
- › Has not been mixed with or substituted by timber from other unknown origins during transport or processing

The recommendations and the guidance provided in this report (section 4) are tools which companies can use to guide the development of their chain of custody procedures, in accordance with TTAP objectives.

In addition, TTAP participating companies will in future need to demonstrate that their chain of custody systems are consistent with the requirements set by the EU FLEGT process.

Under the EU FLEGT process, Voluntary Partnership Agreements (VPA) and the associated Legal Verification Systems (LVS) will set requirements for proof of the legality and traceability of all timber traded under the agreement.

This revised set of recommendations suggests that timber supplied by TTAP participating companies should be either certified against an accepted 3<sup>rd</sup> party forest certification scheme, **or** should meet the requirements for traceability to a legally managed forest that are outlined in this document. The basic requirements are generic, indicating there are a number of ways in which they could be met. Guidance is included on the type of system elements that could be used.

## 2. Basis of the recommendations

The recommendations are based on a comprehensive review of the various chain of custody standards operated by certification standards and legality assurance schemes. The analysis of schemes covered system elements and verification process requirements. It was presented in detail in the first draft report, and for brevity, is not repeated here.

## 3. Outline of the recommendations

The recommendations for chain of custody control for legally verified timber cover five main headings. These include the verification of legal management of the forest itself, and the identification of timber within the forest before it is transported to a processing facility, the transport of timber from forest to mill (or mill to port) and the control of the processing of legally verified timber. A key recommendation for chain of custody control is a commitment, made by the TTAP participating company to uphold the practice of legal sourcing. The five main headings are shown below:

- › A policy commitment to sourcing legally verified (or certified wood)
- › Legality of forest operation
- › Identification and control of logs in the forest
- › Secure transport of logs/timber
- › Control of processing and sale

In each case, the recommendations are divided into one or more **requirements** that are common to the standards reviewed, and capture the essence of what needs to be achieved by the participating company. The requirement is not prescriptive, and so can be applied in a range of settings and be met by a variety of systems.

Against each requirement, **guidance** is provided. The guidance suggests an approach that could be taken to meeting the requirement. The guidance pointers indicate what may be considered ‘best practice’ in a number of settings, but are not intended to be mandatory.

### 3.1. Public commitment or policy

Companies participating in the TTAP are likely to be sourcing timber from a number of forest sources, certified, non certified and perhaps unknown. The objective of the TTAP is to encourage companies to source and supply verified legal timber. One way this can be achieved is to ask participating companies to develop a policy that commits the company to ensuring the timber it buys, whether or not it is to be exported to Europe, is from legally

verified sources. This would be equivalent to a commitment to upholding a formal certification, which is already required by some of the 3<sup>rd</sup> party certification schemes. It is therefore suggested that participating companies should be required to make a written policy, endorsed by the organisations senior management, that commits the company to uphold the practice of responsible timber sourcing. (That is, to seek sources that have been independently verified as in accordance with the TTAP definition of a legally managed forest.)

A further point for consideration is that the TTAP encourage its participating companies to develop a policy that commits them to source *only* timber and wood products from legally managed forests. Such a policy would also include a commitment to phase out the purchase of un-verified wood altogether over a defined time-frame<sup>1</sup> and to ensure legally verified wood is segregated from un-verified wood until this is the case. This approach is already required by some responsible sourcing initiatives in the timber sector (such as TFT and GFTN).

### 3.2. Legality of forest operation

It is essential to verify that the forest of origin is legally owned and managed. However the exact detail of what constitutes a ‘legally managed forest’ is still very much open to discussion and interpretation. There has already been considerable discussion within the EU and its FLEGT partner countries on what should be regarded as an appropriate definition of the verification of legality, and how broad the scope of legality verification should be. The TTAP is also considering this question, and there are a number of other organisations that offer legality verification services. These differ in the detail of their scope and focus, and in terms of who carries out the verification and what claims can be made as a result. However, there is wide agreement between the various schemes reviewed for this study that at least the following basic conditions are met:

- › There is a licence to harvest timber
- › Harvesting is consistent with national laws relating to forestry
- › Taxes and fees relating to the forest products have been paid

It should be noted that stated EU FLEGT requirements for legality also include the following additional element:

- › Respect for other parties’ legal tenure rights.

---

<sup>1</sup> TTAP would need to consider what time frame would be appropriate, and what action would be necessary if a company failed to meet this requirement

### 3.3. Identification and control of logs in the forest

A system for CoC control that can be used to assure the legal forest origin of all un-certified timber must include elements that ensure all logs can be traced to known forest areas. This implies a degree of additional detail and specificity in the identification and tracing of individual logs during and after harvesting.

All legality verification schemes considered in the analysis include requirements for traceability of logs to specific forest origins<sup>2</sup>. It is thought highly likely that EU FLEGT requirements will place similar demands under the LVS.

The requirements presented here are not specific as to the exact means by which this level of traceability could be assured. This is because the existing standards are not prescriptive in this regard, leaving open the possibility of the use of different types of harvest planning, digital tracking systems or paper based records. However, some guidance is provided on what type of measures could be taken to achieve this requirement.

### 3.4. Transport of logs

The transport of logs from the forest to the processing facility must be secure, and the mixing or substitution of wood from other sources must be prevented. Whatever identification is given to the logs demarcating them as the legally verified wood, must be retained with the logs as they are transported. This condition must be met even if logs are pooled by log traders, such that the forest origin of the logs can be known when they arrive at the processing facility.

### 3.5. Control of processing

To ensure legally verified wood is not mixed with or substituted by other un-verified wood during processing, the basic principles of chain of custody control within a manufacturing facility must be followed. These are outlined in the various chain of custody standards of the 3<sup>rd</sup> party certification schemes.

The FLEGT CoC requirements for legally verified timber will set out the end goal (that of clear segregation, identification and reconciliation) but will not prescribe how an organisation should meet it. In general, therefore, the same basic principles will be used, and these basic CoC elements will be applicable to the TTAP situation.

There is wide agreement between the schemes on the basic system elements. For example, they all require:

- › A documented system of control
- › A system for the approval of purchases and delivery
- › A system of production control that can ensure timber is segregated

---

<sup>2</sup> In natural forest management in the tropics, it will normally be considered appropriate to ensure traceability to individual tree-stumps through a process of individual tree numbering.

- > A system that controls sales and record keeping
- > The provision of training to staff to ensure the system can be implemented

These requirements are echoed here, although the wording is adapted to reflect the need to ensure source timber is 'legally verified wood'. Again, the requirements are generic. Specific system elements are provided by way of example as guidance against each requirement.

## 4. Proposed TTAP Legality and CoC control requirements

The TTAP participating company shall ensure the following:

1. Public policy commitment		Guidance
1.1	There is a written policy commitment, endorsed by the company's senior management that commits the company to source timber from forests that have been verified as managed in accordance with the TTAP definition of a legally managed forest	This should include a policy commitment to phase out <i>all</i> un-verified timber from the supply chain, and a defined time scale over which this will be achieved.
1.2	The policy contains a commitment to segregate timber from legally managed forests from all other timber until such time as <i>all</i> timber is sourced from verified, legally managed forests	

2. Legality of forestry operation		Guidance
2.1	<p>The forest management company has undergone verification of legality and legal operation by an independent, suitably qualified 3<sup>rd</sup> party to demonstrate:</p> <ul style="list-style-type: none"> <li>The company is in possession of a licence to harvest timber in the designated forest area</li> <li>Harvesting practice is consistent with national laws relating to forestry</li> <li>Taxes and fees relating to the production and sale of forest products have been paid</li> </ul>	<p>Verification of the legality of a forest operation should be carried out by a suitably experienced independent party, with procedures based on a relevant accreditation to certify responsible forest management.</p> <p>Verification may also seek to ensure the company has respected the legal and customary rights of other parties to the forest area, or has a workable process for dealing with disputes</p>

3. Identification of logs in the forest		Guidance
3.1	The forest management company supplying the logs or timber ensures that the origin <sup>3</sup> of all logs or log loads is clearly identified and documented before logs leave the forest and,	<p>This should be achieved by:</p> <ul style="list-style-type: none"> <li>The use of tree serial numbers on labels or tags for individual logs harvested from those trees on either log tags or appropriate paper records</li> <li>The maintenance of detailed records by the company that ensure the numbers and volume of the logs removed from each coupe or cut block can be cross-checked against the legal authorisation to harvest timber</li> </ul>
3.2	The means of identification can be cross-checked with information that proves the location from which the timber has been harvested is a legally managed forest and that the volume of timber harvested from the coupe or cut block has	This should be achieved by cross checking the log/load numbers with the identification and enumeration of all harvestable trees in an approved management plan, which includes predicted harvestable timber volume

<sup>3</sup> 'Origin' is used here to mean tree-stump. In natural forest management in the tropics, logs should be traceable to stump. In the context of plantation timber, traceability to felling coupe or cut block within a forest management unit will be deemed sufficient.

	not exceeded the legally allowed volume	This data should be retrievable in a timely fashion, such that delivered wood can be cross checked with forest production records at any time <i>before</i> the wood goes forward into the processing facility.
--	---	---

4. Transport of logs		Guidance
4.1	When logs or timber are transported from the forest, sufficient information to identify the forest origin of the wood is carried with the timber.	Information carried with the logs or log loads should include: <ul style="list-style-type: none"> <li>• the log or log load numbers</li> <li>• the origin of the logs</li> <li>• evidence that the origin was a verified legally managed forest</li> </ul>
4.2	Mixing of these logs with timber from other sources is prevented during transport	

5. Control of processing		Guidance
5.1	<b>Documented system (including scope of the process)</b>	
5.1.1	The processing company has a documented system of production control that ensures only legally verified timber can be used to fill TTAP orders.  The document shows how legally verified timber is purchased, processed and sold without becoming mixed with or contaminated by timber of unknown or un-verified origin.	Specifically, the document should: <ul style="list-style-type: none"> <li>• identify a senior management representative with overall responsibility for the oversight of the system</li> <li>• Identify the points at which confusion or mixing of timber could occur (the critical control points) and outlines the steps taken to prevent this happening</li> <li>• Include procedures for the control of each of the 'critical control points'</li> </ul>
5.2	<b>Approval of purchases</b>	
5.2.1	There is a documented procedure that describes how legally verified timber is purchased, and what information is required to demonstrate the legally verified status of the wood.	The procedure should indicate the steps the company should take before placing a purchase order for legally verified wood. These steps should include: <ul style="list-style-type: none"> <li>• Securing proof that the supplier has been legally verified</li> <li>• Securing proof that the supplier can supply legally verified wood</li> </ul> The appropriate documentary evidence of wood origin and legality of transport should be: <ul style="list-style-type: none"> <li>• Independent verification that the forest source is managed in accordance with the TTAP definition of legality</li> <li>• Independent verification that each intermediate owner of the timber has implemented an internal tracking and control system consistent with the requirements of this standard, and</li> <li>• Suitable documentary evidence to show that the delivered timber is covered by the scope of this</li> </ul>

		<p>verification and can be matched to a production order of the supplier</p> <p>The company should maintain an up to date list of <i>all</i> suppliers which indicates the suppliers that are capable of delivering legally verified timber</p> <p>Documentary evidence of independent verification should be obtained <i>before</i> a purchase order is approved</p>
5.2.2	Purchase orders specify that wood meeting the TTAP requirements has been requested	A purchase order should be issued and approved, clearly stating that legally verified timber has been requested.
<b>5.3</b>	<b>Verification of delivered timber</b>	
5.3.1	Goods arriving at the facility are checked to ensure that they correspond to an approved purchase order, and are correctly identified as legally verified logs	
5.3.2	On delivery, sufficient detail is recorded to enable the volume and status of delivered timber to be reconciled against the output records from prior stages in the chain (log numbers, species, volume etc)	Records should be kept of all delivered timber that include the log or log load numbers and the volume of logs. It should be possible to match these records to the documentation or tags issued for the logs in the forest.
5.3.3	Material of unknown origin, or that arrives without the appropriate documentation is quarantined and kept separate from legally verified timber	This material should be clearly identified, and if possible, stored in a separate area of the facility to prevent its accidental use in a TTAP order.
<b>5.4</b>	<b>Segregation and stock control</b>	
5.4.1	Legally verified wood is clearly labelled and/or segregated from other wood in the factory	<p>To prevent mixing of sources, stock should be segregated by status (i.e. legally verified, un-verified) as well as by quality, specification etc.</p> <p>A system should be in place to maintain a record or identification code of the origin of all legally verified material held in stock.</p> <p>Regular stock takes should measure available material by status (e.g. legally verified) as well as species, dimension etc.</p>
<b>5.5</b>	<b>Control of production for TTAP orders</b>	
5.5.1	The company has a system to control the status of timber that can be used for a given production order or batch	This system should include controls that ensure the order cannot be processed unless there is sufficient material of the correct status available to complete the order.
5.5.2	The system is used to ensure only material of the correct status is used to fill a TTAP order or batch	<p>The system should ensure that only legally verified or certified wood is processed for TTAP orders.</p> <p>The system of production orders or batches should carry forward a record or identification code of the origin of the wood</p>
5.5.3	Mechanisms to ensure segregation at critical control points are implemented	<p>The status of the material should remain identifiable throughout the process.</p> <p>Orders or batches of legally verified or certified wood</p>

		<p>should be processed separately in time or space from un-verified wood, or, should be clearly marked at each stage of processing to ensure they are not confused with or substituted by other timber in the facility</p> <p>At all points of processing where mixing could occur, steps are taken to prevent this. Such steps should include:</p> <ul style="list-style-type: none"> <li>• Clear identification of batches of legally verified wood</li> <li>• Training of technical staff to ensure they do not substitute wood between orders or batches of legally verified and un-verified wood</li> </ul>
<b>5.6</b>	<b>Control of sales and shipping</b>	
5.6.1	Sales of all legally verified or certified wood should be recorded	Sales of all material should be recorded, with sales of legally verified wood identified as such
5.6.2	For each sale, records include details of the volume of timber used and the status of the timber	<p>Records of the production order numbers that made up the sale could be kept.</p> <p>These records should allow reconciliation of timber volume between the timber purchased and the finished product sold.</p>
5.6.3	All invoices for the sale of legally verified products carry information with which the customer can relate the invoice to the products themselves, including the date, the volume or quantity of product, and the status of the timber used	The invoice for the products sold should clearly indicate that the products are legally verified and covered by the scope of the TTAP CoC requirements
5.6.4	The shipping documentation (if different from the invoice) should carry the same information	
<b>5.7</b>	<b>Record keeping and regular reconciliation</b>	
5.7.1	Records of timber purchases, production runs and sales should be kept for a minimum of five (5) years. These may be paper or computerized records.	<p>Records should include:</p> <ul style="list-style-type: none"> <li>• All suppliers and their status (e.g. legally verified, un-verified)</li> <li>• The volume of <b>all</b> timber purchased from each supplier</li> <li>• The volume and status of timber used in each production order or batch</li> <li>• The volume of legally verified product purchased and sold</li> </ul> <p>These records should ensure that any sold finished product can be matched to production records, which themselves can be matched to stock material <i>of known status and origin</i>.</p> <p>Records should show that the volume of legally verified timber sold does not exceed the volume that has been purchased (accounting for an appropriate conversion factor for the production process if necessary).</p>
5.7.2	A summary of the amount of legally verified material	This summary should be made on a monthly basis

	bought processed and sold is prepared.	
5.7.3	These records should be accurate, complete, up to date and accessible.	
5.7.4	Records of audits of the CoC system are maintained	Where internal audits of the CoC system are also carried out, records of these and their findings should also be retained.
5.7.5	Records of all staff training relevant to the upkeep of the CoC system should be maintained	
5.8	<b>Training</b>	
5.8.1	The organisation ensures that all staff involved in the upkeep and maintenance of the control system are aware of their responsibilities and have received the necessary training.	
5.8.2	Records show all training needs have been identified and appropriate training has been/is being provided.	

## Partners and Associates

### Consumer Country Partners



Belgian Timber  
 Importers' Federation (FBCIB)  
 e info@boisimport.be



Tropical Forest Trust (TFT)  
 e ttap@tropicalforesttrust.com



UK Timber Trade Federation (UK TTF)  
 e ttf@ttf.co.uk



Netherlands Timber Trade Association (VVNH)  
 e info@vvnh.nl



French Timber Trade Federation (LCB)  
 lecommercedubois@wanadoo.fr

EUROPEAN HARDWOOD FEDERATION  
 (U.C.B.D)

European Hardwood Federation (UCBD)  
 e info@boisimport.be



European Timber  
 Trade Association (FEBO)  
 lbo@gdholz.de

### Producer Country Partners



Malaysian Timber Council (MTC)  
 t +44 (0)20 7222 8188  
 e council@mtc.co.uk



Association Inter Africaine  
 des Industries Forestières



This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of the Tropical Forest Trust and can under no circumstances be regarded as reflecting the position of the European Union.