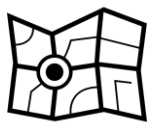




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Democratic Republic of Congo Risk Mitigation Guide

Timber



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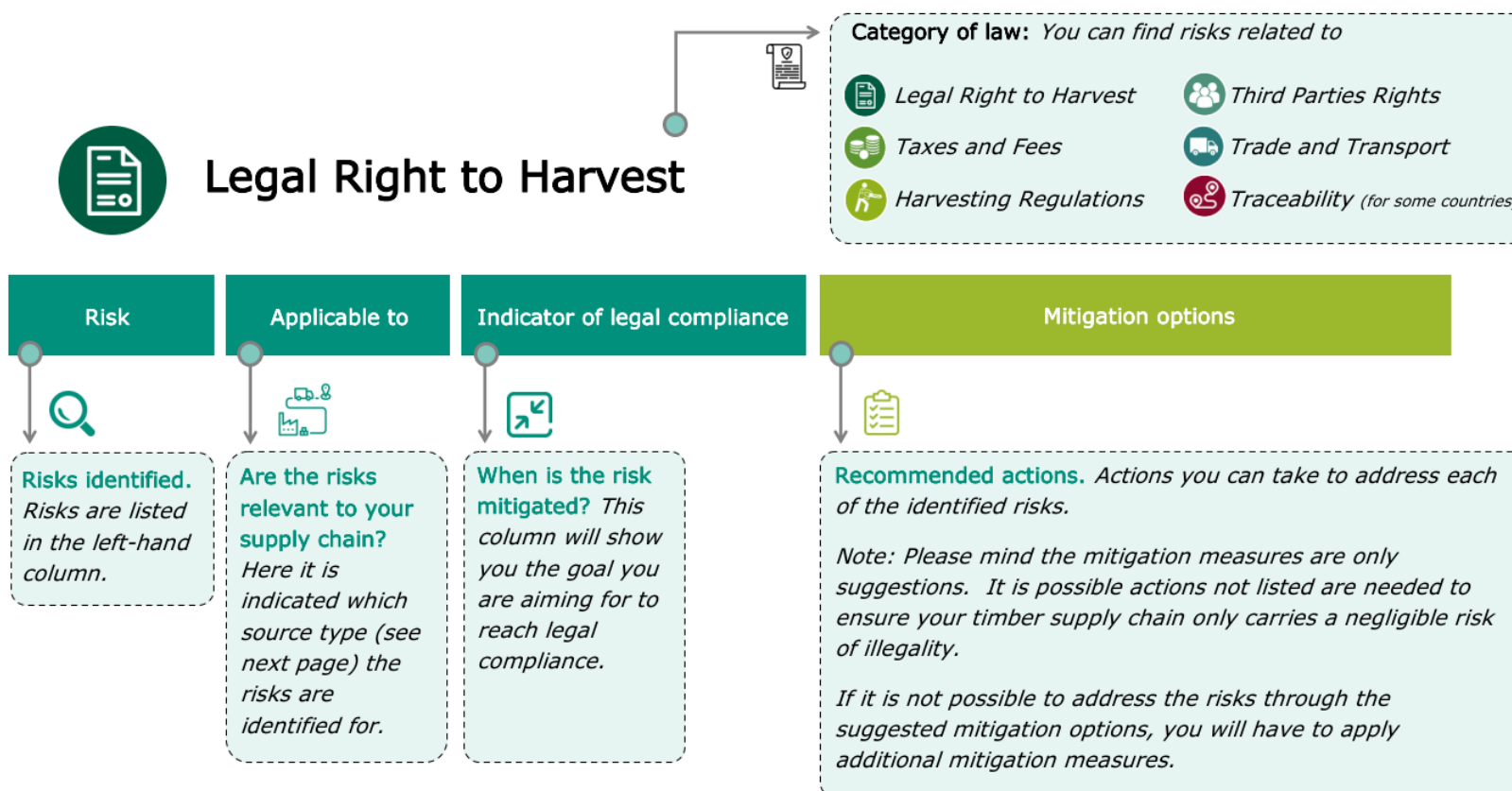


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Democratic Republic of Congo Forestry Risk Mitigation Guide

This guide provides a series of mitigation options to assure low risk of illegality of timber harvested in Democratic Republic of Congo. The guide relates only to timber harvested in Democratic Republic of Congo – not to material imported into Democratic Republic of Congo.



Timber Source Types

To understand what risks are relevant for your supply chain, you will first need to identify the origin of your timber. In general, it is often helpful to know the country of origin and other information about the origin, such as legal ownership, management regime, forest classification, and permits to select the Timber Source Type(s) that applies to your supply chain. Identifying the right Timber Source Type is important to detail which risks relate to your supply chain and your timber products and how you can mitigate them.

Definitions used for Timber Source Types in the Democratic Republic of Congo:

1. Industrial forest concessions

Forest land privately owned by the State is allocated long-term to logging operators through concession contracts. This is the main source of wood in the DRC.

Permit type: long-term concession contract and annual harvest permits

2. Artisanal forest units

Introduced in 2016 following the disclosure of illegal semi-industrial logging. Artisanal forest units can be harvested by natural or legal persons and cannot exceed 500 hectares.

Permit type: artisanal harvest permit

3. Local community forest concessions

Local communities can apply to the State for concessions within their forests. They cannot exceed 50,000 ha.

Permit type: local community harvest permit or artisanal harvest permit accompanied by a contract with the local community

4. Private planted or natural forests

Wood located within land concessions of private parties.

Permit type: harvest permit for private forest or declaration to the forest administration

General Risk Level and mitigation needs

Risk	Potential mitigation actions
<p>There is a generally high level of risk in the Democratic Republic of Congo. Below we have listed specific risks that we have identified. Still, due to a high level of perceived corruption (CPI 18/100 in 2020¹), we generally advise a full evaluation of legal compliance at the forest and processing factories level or all aspects of law within the Democratic Republic of Congo.</p> <p>For evaluating legal requirements of documents, please see the document guide HERE</p>	<p>For mitigating risks in the Democratic Republic of Congo, the following types of risk mitigation measures are recommended:</p> <ul style="list-style-type: none">• Supply chain mapping back to forest level• Document Review• Onsite verification• Stakeholders consultation <p>We stress the need for thorough onsite verification to mitigate risks in the Democratic Republic of Congo effectively.</p> <p>It is recommended to seek professional advice and support from EU Monitoring Organisation and organizations such as Certification bodies with knowledge on the country and forest sector to conduct onsite verification.</p>

¹ CPI, 2020. Available at: <https://www.transparency.org/en/cpi/2020/index/gnq>



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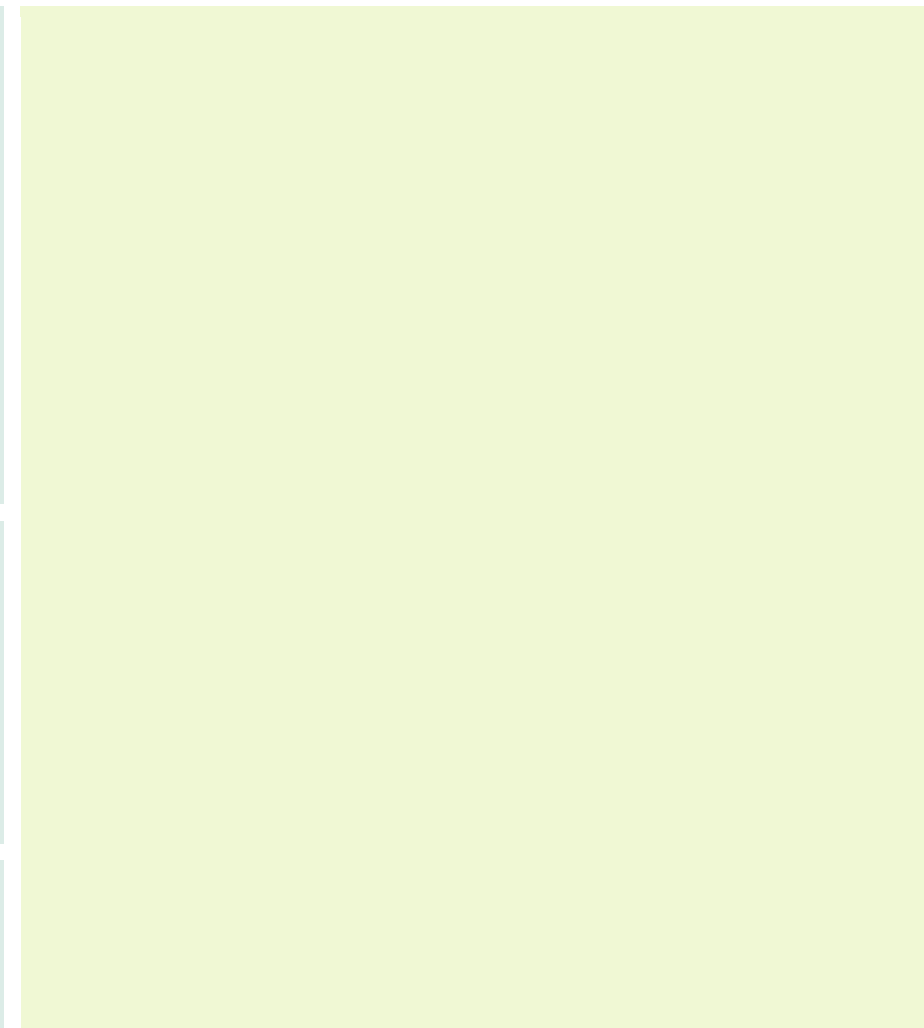


Legal Rights to Harvest

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
<p>Existing land tenure rights over forest land are not identified through public inquiries (1.1, 1.2)</p>	<p>All source types</p>	<p>Land tenure rights shall be identified through public inquiries before granting forest management rights</p>	<p>Review and verify documents: <i>For industrial forest concessions:</i></p> <ul style="list-style-type: none"> • Forest concession contract; • All documents regarding the completion of the inquiry into third-party rights. <p><i>For local community concessions:</i></p> <ul style="list-style-type: none"> • Order for the creation of a local community forest concession. <p><i>For artisanal forest units (UFA):</i></p> <ul style="list-style-type: none"> • Order for the creation of the artisanal forest unit; • Documents relating to the completion of the public inquiry before the creation of the artisanal forest unit. <p><i>For private forests:</i></p>

<p>Land rights and titles overlap (1.1)</p>		<p>Land rights and titles shall be identified and recognized by stakeholders. They shall not overlap.</p>	<ul style="list-style-type: none"> • Land concession contract. <p>Consult: <i>Where possible, consult the following resources and parties to obtain information on the forest area and ensure that the procedures in force are respected/that there are no land-related conflicts:</i></p> <ul style="list-style-type: none"> • Forest atlas of the Democratic Republic of the Congo developed by the Ministry of Environment and Sustainable Development (MEDD) and the World Resources Institute (WRI); • Mapping department at the Ministry of Environment and Sustainable Development (MEDD); • Local communities of the forest concerned; • Mandated independent observer (OGF); • Societal players involved in land-related issues (WWF, RRN, etc.).
<p>The regulatory time frames for converting old forest titles are not respected (1.2);</p>	<p>Industrial forest concessions</p>	<p>Post-2002, holders of old forests titles had a limited period to convert to forest concessions</p>	<p>Review and verify documents:</p> <p>(1) Check any open-source information about the concession to verify that the concession's basic information aligns, particularly in the Forest Atlas of the Democratic Republic of Congo, the COMIFAC database, etc.</p> <p>(2) Collect the following documents:</p> <p><i>For community forest concessions:</i></p> <ul style="list-style-type: none"> • An order granting the forest concession to the local community; <p><i>For industrial concessions and artisanal forest units:</i></p>

<p>New concession contracts are awarded in violation of the moratorium in force (1.2);</p>	<p>Industrial forest concessions</p>	<p>The concession should not be awarded after 2002</p>	<ul style="list-style-type: none"> • An order for the publication and approval of the public inquiry conducted before the allocation of the concession; • Documentation relating to the compensation of local communities who have rights over the land concerned, if applicable; • Concession contract and its specifications (cahier des charges) containing the general and specific provisions, including the social clauses signed by the local communities and indigenous people affected; • For concessions covering between 300,000 and 400,000 hectares, the presidential decree approving the concession contract; • For concessions covering more than 400,000 hectares, the law approving the concession contract; <p>In addition:</p> <p><i>For concessions awarded through public tender:</i></p> <ul style="list-style-type: none"> • Concession tender notice; • Contract award report; • Report from the independent observer of the tender process; <p><i>For concessions that have been sold, rented out or exchanged:</i></p> <ul style="list-style-type: none"> • The agreement of the Minister or President (for concessions covering areas greater than 400,000 hectares); <p><i>For old forest titles converted into forest concessions:</i></p> <ul style="list-style-type: none"> • Verification report approved by the interministerial commission; • Approved management plan if the concession contract dates back more than 4 years.
<p>Concession contracts are awarded at the discretion of the State without a reason that is compliant with the regulations (1.2)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>Forest concessions awarded at the discretion of the State cannot be categorised as forests intended for logging operations</p>	
<p>The specifications (cahier des charges) attached to the concession contract are not signed (1.2)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>Cahier des charges shall be duly signed.</p>	

<p>The specifications (cahier des charges) do not contain a social clause in compliance with the regulatory template, duly signed by the logging company and the local communities and/or indigenous populations (1.2, 1.13)</p>	<p>Industrial forest concessions</p> <p><i>Unclear for Artisanal Forest Units</i></p>	<p>Cahier des charges shall contain a social clause in compliance with the regulatory template, duly signed by the logging company and the local communities and/or indigenous populations.</p>	
<p>Continuation of concession despite lack of approved forest management plan after the 4 year period (1.2)</p>	<p>Industrial forest concessions</p> <p><i>Unclear for Artisanal Forest Units</i></p>	<p>Forests concessions shall have a forest management plan in place 4 years after the concession attribution.</p> <p>The concessionaire can get an additional 12 months (maximum) by reasoned request upon decision of the Minister.</p>	
<p>Community forest concessions are monopolised or manipulated (1.2)</p>	<p>Community forest concessions</p>	<p>Concessions must be applied for involving one or several community representatives</p>	

<p>There is an absence of any participative processes and consultation meetings with local communities when drawing up the forest management plan (1.3)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>A participatory process or consultation meetings with the local communities shall be in place as part of the forest management plan development</p>	<p>Review and verify documents:</p> <p>(1) Collect the following documents:</p> <p><i>For concession contracts signed within the last five years:</i></p> <ul style="list-style-type: none"> • Management plan; • Decision/order/ministerial decree authorizing the extension of the deadline if the contract was signed more than four years ago; • Half-yearly progress reports on the preparation of the forest management plan. <p><i>For all other concessions:</i></p> <ul style="list-style-type: none"> • Forest management inventory report and its certificate of conformity; • Socio-economic assessment report and its certificate of conformity; • Minutes from the consultation meetings with the local communities; • Forest management plan; • Forest management plan approval order; • Five-year management plan and its certificate of validity; • Annual operations plan. <p><i>For community forests:</i></p> <ul style="list-style-type: none"> • Approved simplified management programme. <p>(2) Carry out the following checks:</p> <p>Ensure coherence across all forest management instructions (for example, for industrial concessions, the order of the five-year blocks and annual allowable cuts defined in the forest management plan, the five-year management plan, and the annual operations plan).</p> <p>Consult:</p>
<p>The deadlines (4 years) stipulated for drawing up and validating the forest management plan are not respected (1.3)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>Forest management plan shall be drawn up and validated within 4 years</p>	
<p>The provisions of the forest management plan are not implemented or are only partially implemented (1.3)</p>	<p>Industrial forest concessions, Artisanal forest units and local community forests concessions</p>	<p>Provisions of the forest management plan shall be fully implemented according to legal requirements</p>	
<p>Activities not stipulated in the forest management plan are authorized or not checked</p>	<p>Industrial forest concessions, Artisanal forest units, and local community</p>	<p>Only activities authorized in the forest management plan shall be performed</p>	

<p>(mining, hunting, farming, etc.) (1.3)</p>	<p>forests concessions</p>		<p>(3) Where possible, consult the following resources and parties:</p> <ul style="list-style-type: none"> • Mandated independent observer (OGF); • Societal players involved in land-related issues (WWF, RRN, etc.).
<p>Risk of discrepancies between the concession limits indicated in the forest management plan and those indicated in the concession contract and the official database (Forest Atlas of the Democratic Republic of Congo) (1.3)</p>	<p>Industrial forest concessions, Artisanal forest units, and local community forests concessions</p>	<p>Concession limits in Forest Management Plan, concession contact, and Forest Atlas of the Democratic Republic of Congo (official database) shall match.</p>	
<p>Non-compliance with harvest permits rules in industrial concessions (1.4):</p> <ul style="list-style-type: none"> • Logging operations are carried out without a harvest permit, before a permit is issued or after a permit has been revoked 	<p>Industrial forest concessions</p>	<p>Harvesting permit rules shall be followed</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • Annual operations plan; • Valid industrial harvest permit; • If applicable, an official document issued by the forest administration extending the validity period of the harvest permit (extension of two years maximum for a total period of three years).

<ul style="list-style-type: none"> • Industrial harvest permits are allocated without an annual operations plan • Timber is harvested beyond the statutory period of the annual allowable cut (maximum three years) 			
<p>Artisanal loggers are making fraudulent use of harvest permits (1.4):</p> <ul style="list-style-type: none"> • are not registered with local authorities; • are entities that are not designated to be the recipient of artisanal permits; • are granted more annual permits than the maximum legally 	<p>Artisanal forest units</p>	<p>Harvesting permits shall only be used following legal requirements</p>	<p>(1) Collect the following documents:</p> <p><i>For local community concessions:</i></p> <ul style="list-style-type: none"> • Harvest permit awarded to the community or an artisanal logger; • If applicable, a written agreement (Convention d'exploitation) concluded between the community and an artisanal logger; • If applicable, the artisanal logger's accreditation; <p><i>For artisanal forest units:</i></p> <ul style="list-style-type: none"> • The artisanal logger's accreditation; • Artisanal harvest permit.

<p>allowed (2 permits); and/or</p> <ul style="list-style-type: none">• are granted harvest permits by authorities different than the ones legally authorised to			
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Taxes and fees

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
Amounts due are calculated based on false figures (area or volume) (1.5)	All source types	The tax rate shall be determined based on the value of each species and the areas from which they are taken.	Collect the following documents: <ul style="list-style-type: none"> Industrial forest concessions: proof of payment of area tax (e.g., receipt); Artisanal forest units, local community forests (when an artisanal logger does the harvest), and private forests: proof of payment of felling tax (e.g., receipt); Debt clearance issued by the competent authorities.
Amounts due for area tax and logging tax are not paid due to significant administrative failures (1.5)	All source types	Taxes shall be paid without administrative failures or delays.	
Risk of non-payment of value-added taxes based on a precautionary approach (1.6)	All source types	Currently, we have not identified potential mitigation measures for the risk identified. Any input on possible mitigation measures will be appreciated.	
Amounts due for corporate income tax are not paid (1.7);	<i>All source types</i>	30% Corporate income tax shall be paid	Collect the following documents: <ul style="list-style-type: none"> Proof/receipt of corporate income tax (IBP) payment issued by the general tax office.



Timber Harvesting Activities

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
Logs and stumps are not marked (1.8)	All source types	Cut wood must be marked. The same goes for stumps following the felling operations	<p>(1) Collect the following documents and verify their validity and the coherence of all information:</p> <p><i>For industrial forest concessions:</i></p> <ul style="list-style-type: none"> • Documents relating to the harvesting inventory conducted before the harvest permit application; • Annual operations plan; • Valid harvest permit; • Site logbooks and quarterly declarations of wood production; • If applicable, reports of field inspections conducted by the forest administration; • If applicable, reports from the independent observer. <p><i>For artisanal forest units (UFA):</i></p> <ul style="list-style-type: none"> • Forest management plan; • Artisanal harvest permit; <p><i>For local community concessions:</i></p> <ul style="list-style-type: none"> • Simplified management plan; <p><i>For private natural forests:</i></p> <ul style="list-style-type: none"> • Private wood harvest permit.
Wood is harvested beyond the authorised volume (1.8)	All source types	Felling more trees than the number stipulated on the harvest permit is prohibited, unless prior authorisation has been obtained from the forest administration following a reasoned request	
Non-authorised species are harvested (1.8)	All source types	Only authorised species can be harvested	
Logging activities are carried out without a permit (1.8)	All source types	Logging is not permitted without a permit	
Trees below the minimum felling	All source types	Felling must respect the minimum harvestable diameters specified for each species, with the exception of	

<p>diameter are harvested (1.8)</p>		<p>trees felled for the necessary infrastructure (service network, base camp, logyards, bridges, etc.) and those damaged by natural means (windfall).</p>	<p>(2) Carry out the following checks on the ground:</p> <ul style="list-style-type: none"> • That all stumps, boles, and blocks are marked in compliance with the regulations in force; • That the logging operations are compliant with the stipulated species, diameters, quantities and perimeters; <p>(3) Consult the following parties to obtain information on the implementation of logging standards in the forest concerned:</p> <ul style="list-style-type: none"> • Civil society organisations.(forest governance observatory (OGF/RENOI), WRI, others).
<p>Logging activities are carried out beyond the specified limits (1.8)</p>	<p>All source types</p>	<p>Felling outside of harvest permit area is prohibited, except trees located on service roads opening the path to the annual allowable cut for industrial logging</p>	
<p>Wood is abandoned (1.8)</p>	<p>All source types</p>	<p>Abandoning wood with a market value is prohibited (whether the wood is raw or processed).</p>	
<p>The soil and subsoil are damaged (1.8)</p>	<p>All source types</p>	<p>Logging operation shall be performed without damaging soil and subsoil</p>	
<p>Protected species are harvested without a special harvest permit (1.9)</p>	<p>All source types</p>	<p>The harvesting of protected species (Afromosia - Pericopsis elata and Mukula – Pterocarpus tinctorius) is permitted under industrial concessions based on the harvesting inventory of the annual allowable cut, specified in the annual operations plan and the</p>	
			<p>Collect the following documents and check that the species identified in the harvest permit are coherent with the species provided for in the management plan:</p> <ul style="list-style-type: none"> • If applicable, the forest management plan (industrial concession, UFA) or simplified management programme (local community concession), stating that the operator is permitted to harvest the species;

		industrial harvest permit (quota established in terms of several trees that can be harvested).	<ul style="list-style-type: none"> • Harvest permit stating the species and quantities to be harvested; • If applicable, a CITES permit.
Logging activities are carried out in protected areas (1.9)		Logging is forbidden in the protected areas	
No environmental and social impact assessment (ESIA) is conducted, no operational plan is drawn up (1.10)	All source types	The environmental and social impact assessment shall be conducted	Collect the following documents: <ul style="list-style-type: none"> • Environmental and social impact assessment report; • Environmental certificate validating the ESIA; • Report on the implementation of an environmental and social management plan (from the concession-holder).
No provisions for mitigating the environmental and social impacts are implemented (1.10)	All source types	Environmental and social impact assessment provisions shall be implemented	
Obligations relating to the health of the workers are not respected (lack of regulatory medical service, workers not cared for following an accident or illness,	Logging companies (can be relevant to all source types)	Health and safety regulations shall be followed	Collect the following documents: <ul style="list-style-type: none"> • Documents relating to the existence of a dedicated health service (partnership contract with a health center, declaration of an infirmary to the administration, nurse employment contracts, contract with a doctor specializing in occupational health, etc.); • For companies with more than 20 employees, documents relating to the existence of a health and safety committee;

<p>workers and accidents at work not declared to the National Social Security Institute (INSS)) (1.11)</p>			
<p>Obligations relating to the safety of the workers are not respected (no personal protective equipment, no access to drinking water on logging sites) (1.11)</p>	<p>Logging companies (can be relevant to all source types)</p>		<ul style="list-style-type: none"> • A sample of initial enrolment and annual medical examination reports; • Documents relating to the provision of personal protective equipment to workers; • Proof that workers are registered with the INSS.
<p>Employment regulations are not respected (lack of compliant and registered employment contract, employees not paid by way of a payslip, employer not paying social contributions, workers' pay below the minimum wage) (1.12)</p>	<p>Logging companies (can be relevant to all source types)</p>	<p>Legal requirements of employment shall be followed</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • A sample of employment contracts; • A sample of social security affiliation documents; • A sample of payslips in line with the prescribed framework; • Minutes from the staff delegate elections. <p>(2) Carry out the following checks on the ground:</p> <ul style="list-style-type: none"> • Verify that there are no non-declared employees and/or employees below 16 and/or forced labor.



Third Parties' Rights

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
<p>Agreements between concession-holders and local communities or between artisanal loggers and local communities are not in place or not implemented (1.13)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>The agreement must be concluded following a consultation procedure between the local communities and the concessionaire (describing the "social clause"- the creation of socio-economic infrastructure for local communities)</p>	<p>(1) Collect the following documents:</p> <p><i>Industrial forest concessions:</i></p> <ul style="list-style-type: none"> • Forest management plan outlining the user rights of the concession's local communities; • The social clause(s) of the specifications (cahiers de charges) concluded between the local communities and the concessionaire; • Documents relating to the setting up of the local management and monitoring committees (CLG and CLS, respectively); • Documents relating to the creation of the required socio-economic infrastructure. <p><i>Artisanal logging:</i></p> <ul style="list-style-type: none"> • The agreement between the artisanal logger and the concerned communities. <p>(2) Ensure that all local communities affected by the forest concession are considered in the social agreements or agreements with artisanal logger or community concession decision-making process.</p> <p>(3) Consult the following parties to ensure that user rights are properly exercised and that the social clauses are implemented:</p> <ul style="list-style-type: none"> • Affected local communities; • Mandated independent observer (OGF); • Civil society players (WWF, RRN, etc.).
<p>Local funds and committees in place to deliver socio-economic development activities are manipulated and / or non-functional (1.13)</p>	<p>Industrial forest concessions <i>Unclear for Artisanal Forest Units</i></p>	<p>Local funds and committees are responsible for setting up and monitoring the socio-economic infrastructure for the population.</p>	

Local communities forest concessions are effectively controlled by loggers and / or local elites and / or non-local NGOs without the required involvement of local communities (1.13)

Local community forests concessions

Local funds and committees shall be formed involving several local community/indigenous population representatives

(1) Collect the following documents:

- Documents highlighting the involvement of forest users in the decision-making process.



Trade and Transport

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
<p>False declarations are made in the site log books (1.16)</p>	<p>All timber sources</p>	<p>Felled wood shall be correctly recorded in the logbook</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • Harvest permit; • Site logbook (samples); <p>(2) Carry out the following checks:</p> <ul style="list-style-type: none"> • That the information included on the various documents relating to the logging operations and the transport of logs and sawn wood (site logbook, transport permits) is coherent; • That the species stated in the export/export sale documents are the same as those that appear on the logging and transport documents (site logbook, transport permits); • That the species sold are the same as the species declared in the transport and sale documents. <p>(3) If necessary, carry out a macroscopic, microscopic, or DNA analysis of the wood.</p>
<p>False declarations are made regarding species and their volume on transport permits (1.16)</p>	<p>All timber sources</p>	<p>Species and volumes shall be correctly recorded on the transport permits. The concessionaire must respect the names of the species and their dimensions (large-end diameter, small-end diameter, length).</p>	
<p>False quarterly declarations are made or declarations are not accompanied by the secure documents used during the quarter by the forest administration to carry out the relevant checks (1.16)</p>	<p>All timber sources</p>	<p>Quarterly declarations shall be correct and include all the required documentation</p>	

<p>No site logbook is kept (1.17)</p>	<p>All timber sources</p>	<p>The concessionaire is responsible for producing the site logbook in line with the pre-established templates provided in the operating standards</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • Site logbooks (sample); • Transport slips (sample); • If applicable, permit to purchase or sell timber; <p>(2) Consult the following parties if necessary:</p> <p>Forest experts and civil society/independent observers for advanced checks into traceability from the logging site.</p>
<p>Fraudulent transport permits are used (i.e., they do not correspond to the concession from which the wood originates) (1.17)</p>	<p>All timber sources</p>	<p>Transport permit shall correctly identify transported wood (including the harvest permit number), the species and identification number of the logs, and the volume being transported.</p>	
<p>Volumes are under-billed to manipulate transfer prices (1.18)</p>	<p>All exported timber (can be relevant to all source types)</p>	<p>Correct volumes shall be identified on the transport permits</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • Timber export permit; • Export verification certificate. • Market values in force for that year in the DRC; <p>(2) Carry out the following checks:</p> <ul style="list-style-type: none"> • The precise identity of the entity declared as the exporter of the wood coming from the DRC (the entity must be registered in the DRC); • The geographical location of the first importer of the wood coming from the Congo (special attention should be paid to countries that are considered tax havens or have very low income tax rates) and whether it is a subsidiary of or company related to the exporter.

<p>The quotas for log exports are not respected (1.19)</p>	<p>All exported timber (can be relevant to all source types)</p>	<p>Precise export quotas are agreed on to specify the species, volumes, origin of the wood, and exit point from the DRC</p>	<p>Collect the following documents:</p> <ul style="list-style-type: none"> • Timber export permit • Certified loading report • Export verification certificate • Export fee clearance certificate • Phytosanitary certificate • Certificate of origin
<p>Volumes exported are falsified to lower export taxes payment (1.19)</p>	<p>All exported timber (can be relevant to all source types)</p>	<p>Correct volumes shall be identified on transport documents</p>	
<p>Export duties are not paid (1.19)</p>	<p>All exported timber (can be relevant to all source types)</p>	<p>The export fees shall be paid through an authorized bank</p>	
<p>CITES permits are issued where the legality of the logging activities has not been verified and/or the volumes have not been checked (1.20)</p>	<p>CITES species (can be relevant to all source types)</p>	<p>CITES permits shall be issued legally and following all the requirements</p>	<p>Collect the following documents and verify and cross-check information to ensure that CITES permits are legally issued and the species are legally harvested:</p> <ul style="list-style-type: none"> • Forest management plan; • The harvest permit stating the species and quantities thereof; • Legal acquisition notice • CITES export permit.
<p>CITES permits are issued fraudulently (1.20)</p>	<p>CITES species (can be relevant to all source types)</p>		

CITES permits are replaced or renewed unlawfully (1.20)

CITES species
(can be relevant to all source types)



Processing

Risk	Applicable to	Indicator of legal compliance	Potential mitigation actions
<p>No environmental and social impact assessment is carried out by the wood processing unit (1.23);</p>	<p>All timber sources</p>	<p>Before the operation license is issued, the environmental and social impact assessment shall be carried out</p>	<p>(1) Collect the following documents:</p> <ul style="list-style-type: none"> • The processing unit's operating license; • If applicable, an environmental and social impact assessment report; • If applicable, an environmental certificate; • If applicable, a report of the implementation of an environmental and social management plan. <p>(2) Consult the following parties to obtain information on compliance with environmental standards within the company concerned:</p> <ul style="list-style-type: none"> • • Mandated independent observer (OGF); • • Civil society players (WWF, RRN, etc.).
<p>Obligations relating to the health of the workers are not respected (lack of regulatory medical service, workers not cared for following an accident or illness, workers and accidents at work not declared to the</p>	<p>Please see indicator 1.11 Health and Safety. Legislation and risks related to the processing sector are similar to what has been identified for the forest level in indicator 1.11.</p>		

National Social Security Institute (INSS)) (1.25)

Obligations relating to the safety of the workers are not respected (lack of personal protective equipment) (1.25)

Employment regulations are not respected (lack of compliant and registered employment contract, employees not paid by way of a payslip, employer not paying social contributions, workers' pay below the minimum wage) (1.26)

Please see indicator 1.12 Legal employment. Legislation and risks related to the processing sector are similar to what has been identified for the forest level in indicator 1.12.

About LIFE Legal Wood

[LIFE Legal Wood](#) is an initiative that aims at supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The initiative is funded by the LIFE Programme of the European Union.



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Preferred by Nature (formerly NEPCon) is an international non-profit organisation working to support better land management and business practices that benefit people, nature and the climate.

We do this through a unique combination of sustainability certification services, projects supporting awareness raising, and capacity building.