



HỘI MỸ NGHỆ & CHẾ BIẾN GỖ TP. HỒ CHÍ MINH (HAWA)

Dự án Xây dựng Hệ thống

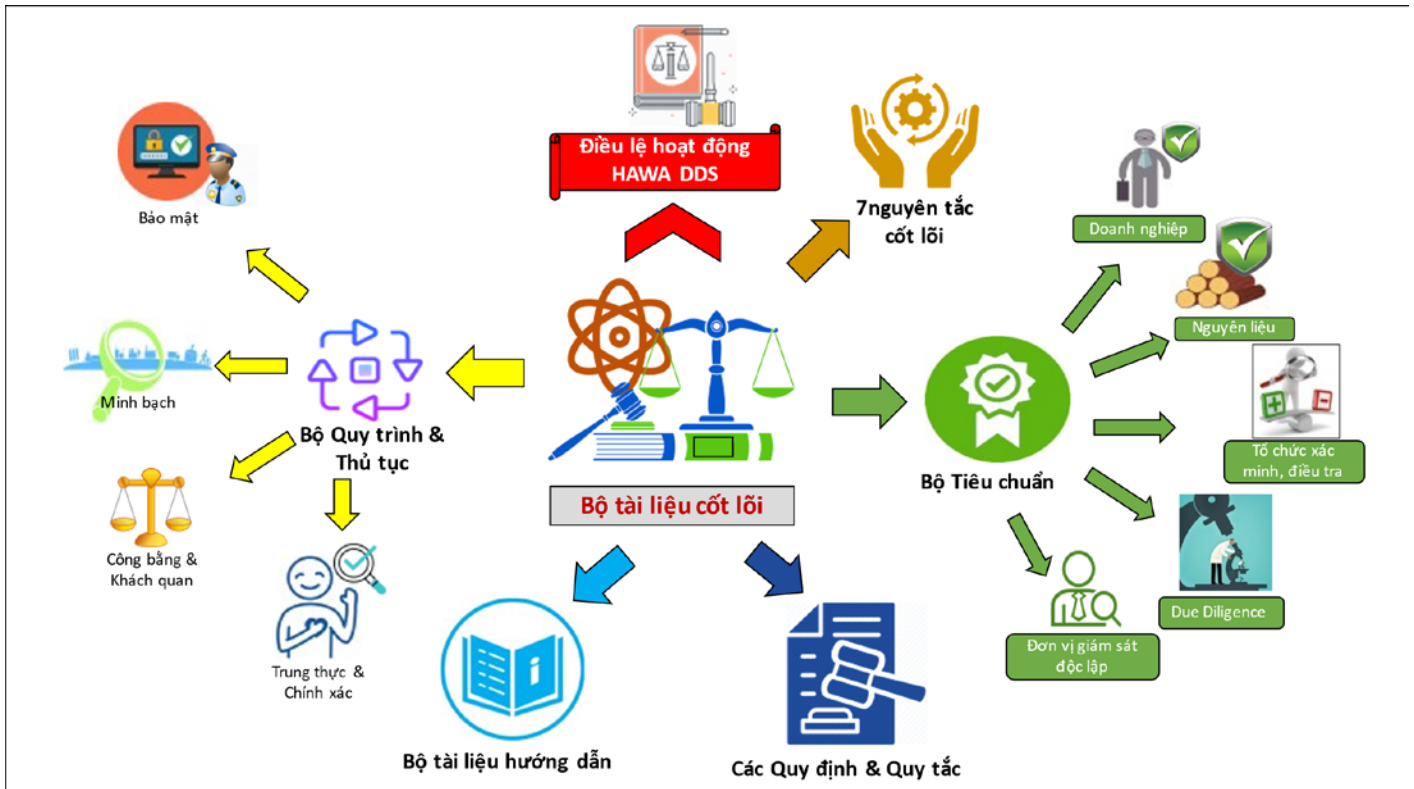
Giải trình & Truy xuất Nguồn gốc gỗ HAWA DDS

BỘ TIÊU CHUẨN HAWA DDS



Version 1.0 - 2021

BỘ TIÊU CHUẨN HAWA DDS



- **Giám đốc Dự án:** HUỖNH VĂN HẠNH
- **Trưởng BQL và Phát triển Dự án:** ĐÀO TIẾN DŨNG

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HAWA DDS

DỰ ÁN XD HỆ THỐNG GIẢI TRÌNH & TRUY XUẤT NGUỒN GỐC GỖ HAWA DDS

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GIỚI THIỆU VỀ BỘ TIÊU CHUẨN HAWA DDS



HAWA DDS là một nền tảng CNTT phục vụ truy xuất & giải trình nguồn gốc gỗ được xây dựng trên cơ sở của bộ tiêu chuẩn do Ban quản lý Dự án HAWA DDS và nhóm chuyên gia NEPCon biên soạn. Cơ sở tiêu chuẩn này đảm bảo cho các dữ liệu đầu vào và các kết quả đầu ra đáp ứng đầy đủ các yêu cầu về tính hợp pháp của gỗ và sản phẩm gỗ phù hợp với nội dung định nghĩa gỗ hợp pháp mà Việt Nam và EU đã thống nhất trong Hiệp định Đối tác Tự nguyện về Quản trị rừng, Thực thi lâm luật & Thương mại lâm sản (viết tắt là VPA/FLEGT), qua đó vừa tuân thủ tốt các quy định của pháp luật Việt Nam, vừa đáp ứng tốt các đòi hỏi của các nhà mua hàng trên thế giới.

Bộ Tài liệu này được đặt tên là Bộ Tài liệu Cốt lõi (The Core Materials) có cấu trúc như sau:

Ở cấp độ cao nhất, toàn bộ các tiêu chuẩn, nền tảng CNTT HAWA DDS, và bộ máy vận hành phải tuân thủ tuyệt đối 7 nguyên tắc chung, bao gồm:

1. Bảo mật
2. Minh bạch
3. Trung thực và Chính xác
4. Khách quan & Công bằng
5. Hiệu quả
6. Giám sát độc lập
7. Tự nguyện

7 nguyên tắc này được tổng hợp trong tài liệu mang mã số **HAWA-POL-01**: “Chính sách của HAWA DDS”

Căn cứ trên 7 nguyên tắc nêu trên, ở cấp độ thứ hai, 7 bộ tiêu chuẩn của HAWA DDS được xây dựng, bao gồm:

- Bộ tiêu chuẩn **HAWA-DD-01**: “Các yêu cầu về nguyên liệu được đưa vào hệ thống”
- Bộ tiêu chuẩn **HAWA-DD-02**: “Các yêu cầu đối với doanh nghiệp tham gia hệ thống”
- Bộ tiêu chuẩn **HAWA-DD-03**: “Các yêu cầu về tra xét kỹ lưỡng nguồn gốc gỗ”
- Bộ tiêu chuẩn **HAWA-DD-04**: “Các yêu cầu đối với cơ quan cung cấp DV xác minh”
- Bộ tiêu chuẩn **HAWA-DD-05**: “Các yêu cầu đối với nền tảng HAWA DDS”
- Bộ tiêu chuẩn **HAWA-DD-06**: “Các yêu cầu đối với hoạt động giám sát độc lập”
- Bộ tiêu chuẩn **HAWA-DD-07**: “Giải thích các thuật ngữ được dùng trong bộ tiêu chuẩn”

Để hướng dẫn và cụ thể hóa việc ứng dụng các bộ tiêu chuẩn này trong vận hành nền tảng HAWA DDS, ban soạn thảo đã xây dựng các tài liệu cấp độ thứ 3 bao gồm những quy trình thủ tục thực hiện. Bộ tài liệu quy trình thủ tục này bao gồm các tài liệu sau:

- Bộ quy trình **HAWA-Pro-01**: “Các quy trình của nền tảng HAWA DDS”
- Bộ quy trình **HAWA-Pro-02**: “Các quy trình tra xét kỹ lưỡng nguồn gốc gỗ rừng trồng nội địa”
- Bộ quy trình **HAWA-Pro-03**: “Các quy trình tra xét kỹ lưỡng nguồn gốc gỗ nhập khẩu”

Các quy trình này sau đó được cụ thể hóa thêm 1 bước nữa thành các tài liệu chi tiết nhất thuộc cấp độ 4, bao gồm các biểu mẫu phục vụ cho nghiệp vụ tra xét kỹ lưỡng nguồn gốc gỗ, bao gồm 8 tài liệu sau:

- Biểu mẫu **HAWA-TMP-01**: “Cam kết của doanh nghiệp”
- Biểu mẫu **HAWA-TMP-02**: “Cam kết của Cơ quan cung cấp DV Xác minh”
- Biểu mẫu **HAWA-TMP-03**: “Danh sách xác định rủi ro”
- Biểu mẫu **HAWA-TMP-04**: “Công cụ tạo lập bản đồ chuỗi cung ứng”
- Biểu mẫu **HAWA-TMP-05**: “Mẫu báo cáo kiểm toán nhà cung cấp”
- Biểu mẫu **HAWA-TMP-06**: “Mẫu lấy thông tin của nhà cung cấp”
- Biểu mẫu **HAWA-TMP-07**: “Thư gửi nhà cung cấp”
- Biểu mẫu **HAWA-TMP-08**: “Mẫu quản lý nhà cung cấp”

Toàn bộ 26 tài liệu này được nhóm biên soạn phát triển trong suốt khoảng thời gian từ tháng 9/2018 cho đến tháng 5/2021 thì hoàn thiện và đã sẵn sàng để ra mắt và phục vụ cộng đồng doanh nghiệp Việt Nam cũng như các nhà mua hàng quốc tế.

Bộ tài liệu này ra đời đi kèm với một cơ chế vận hành và giám sát đảm bảo sự tuân thủ nghiêm ngặt để đảm bảo rằng toàn bộ các kết quả đầu ra của nền tảng HAWA DDS sẽ đáp ứng các tiêu chuẩn quốc tế được đề ra, qua đó giúp cho các nhà mua hàng quốc tế yên tâm về các sản phẩm gỗ có nguồn gốc xuất xứ từ Việt Nam đi qua nền tảng HAWA DDS.

Khác với các Bộ tiêu chuẩn hiện có trên thế giới được viết theo yêu cầu và mong muốn của nhà mua hàng nước ngoài, đặt trong bối cảnh của các nước phát triển và sau đó áp đặt lên các nước đang phát triển; bộ tiêu chuẩn HAWA DDS được biên soạn căn cứ trên nhu cầu thực tế, mong muốn và khả năng thực hiện của các doanh nghiệp Việt Nam, đặt nó trong bối cảnh của Việt Nam, trong khi vẫn đảm bảo nó phù hợp với cốt lõi của các tiêu chuẩn và thông lệ quốc tế. Khi thực thi bộ tiêu chuẩn này, các doanh nghiệp Việt Nam sẽ thấy nó tự nhiên và phù hợp thay vì cảm thấy bị ép buộc đôi khi quá vô lý. Với sự tham gia sâu sắc của tổ chức NEPCo, một trong những thành viên sáng lập bộ tiêu chuẩn FSC nổi tiếng, bộ tiêu chuẩn HAWA DDS có tiềm năng nhận được sự ủng hộ của các tổ chức và doanh nghiệp trên thế giới có liên quan đến ngành gỗ, lâm nghiệp và môi trường.

Bộ Tài liệu Cốt lõi này cùng với nền tảng Công nghệ Thông tin Hệ thống Giải trình & Truy xuất Nguồn gốc Gỗ HAWA DDS sẽ là tiền đề quan trọng để từ đó HAWA phối hợp với các hiệp hội ngành gỗ trong nước và quốc tế xây dựng thành công một chứng chỉ được quốc tế công nhận cho các sản phẩm gỗ được sản xuất tại Việt Nam.

Thay mặt Nhóm biên soạn Bộ Tiêu chuẩn

Trưởng Ban Quản lý & Phát triển Dự án



Đào Tiến Dũng

Các thành viên trong nhóm chuyên gia phát triển bộ tiêu chuẩn:

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- Mr. David Hadley Garcia -Deputy Director of Responsible Sourcing (LegalSource and FSC Controlled Wood) - NEPCon
- Mr. Christian Sloth - Responsible Source Programme Manager – NEPCon





HAWA DDS Policy

HAWA-POL-01 Version 1.0

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A Introduction

This document describes the fundamental policy of the HAWA DDS platform. In effect, together these form the mission statement or commitment of the HAWA DDS Project/Platform Management Unit (PMU), which it shall work to uphold.

The seven core principles of the policy are designed to ensure that the HAWA DDS platform is operated in a way that meets international best practices for system management, operation and data security.

B Scope

The core principles are central to all element of the HAWA DDS Platform.

C Effective date

Version 1.0 of the HAWA DDS Policy was approved by HAWA Project Management Unit on 11 December 2020.

These requirements will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

D Version history

Version 1.0 of this Policy was published on 11 December 2020.

Background

The Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA) was established as a non-governmental organization and volunteer association in 1990. HAWA recently has over 400 company members, operating in the following fields:

- Wood processing: furniture (indoor and outdoor) (51%)
- Handicrafts: bamboo, rattan, water hyacinth, lacquer ware, fine art, pottery, porcelain (22%)
- Trade: timber, machinery, varnish, hardware (22%)
- Service provision (5%)

HAWA is implementing the HAWA DDS Platform in order provide a system for HAWA members and non-members to trade forest products with an effective online system to manage information about the traded products, in order to enable members to understand their supply chains and reduce risks of trading in illegally harvested materials.

The HAWA DDS Platform is managed according to seven core principles:

Principle 1: Confidentiality

Principle 2: Transparency

Principle 3: Truthfulness & Accuracy

Principle 4: Impartiality & Fairness

Principle 5: Efficiency & Effectiveness

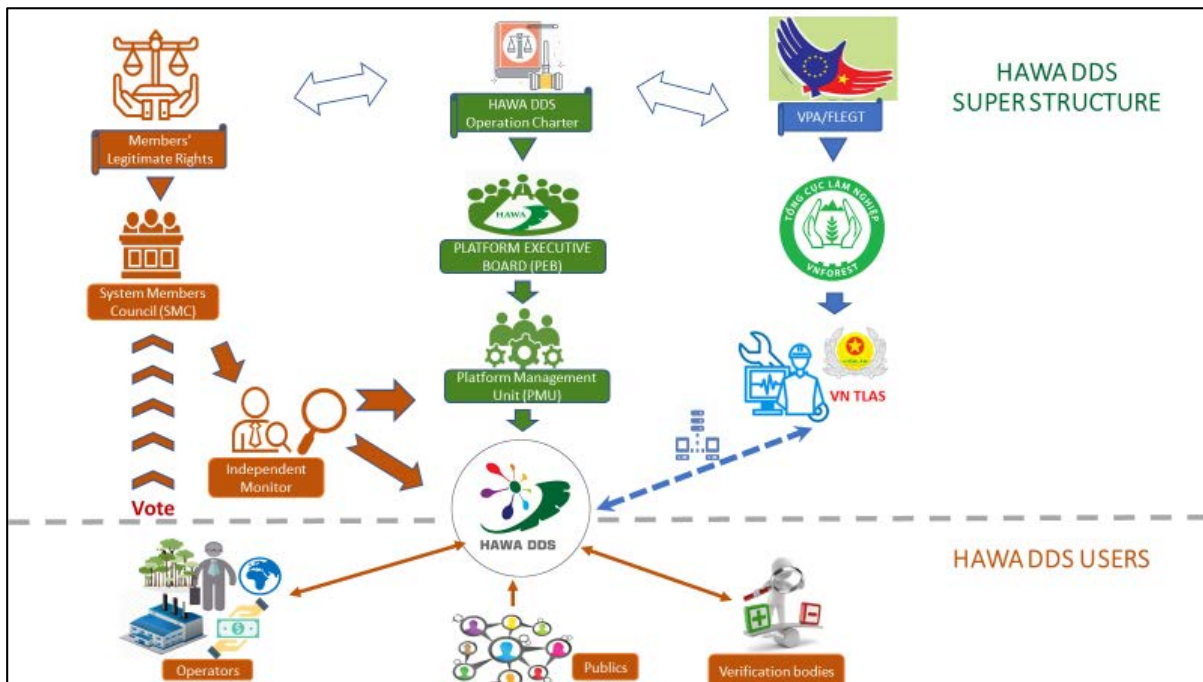
Principle 6: Independent Monitoring

Principle 7: Voluntariness

It is the responsibility of the Platform Executive Board (PEB) and the HAWA DDS Project/Platform Management Unit (PMU) to ensure that the HAWA DDS is implemented in accordance with these principles.

Organisational Structure

The HAWA DDS is managed directly by the HAWA DDS PMU, under the oversight of the HAWA Executive Board.



Principles of the HAWA DDS Platform

The core principles of the HAWA DDS are:

Principle 1: Confidentiality

This principle intends for enterprises to have confidence that information provided to, stored, shared or communicated via the HAWA DDS Platform, is done so in a way which both respects the commercial sensitivity of information and ensures that confidentiality of information is maintained where necessary.

Principle 2: Transparency

This principle is intended to ensure that the submission and verification of timber sources, supply-chains and due diligence information are conducted in a transparent manner. The principle seeks to eliminate risk of mixing or intrusion of illegally harvested or traded wood – or wood of unknown origin – into supply chains recorded within the HAWA DDS Platform. It also seeks to ensure the credibility of information & evidence provided by HAWA DDS members.

However, HAWA DDS must implement this principle in parallel with Principle 1 (Confidentiality) in order to ensure that sensitive business information will not be disclosed in an uncontrolled way.

Member-users of the HAWA DDS Platform must sign a commitment to comply with this principle also, so that timber due diligence can be performed in a transparent and honest way.

Principle 3: Truthfulness & Accuracy

This principle seeks to ensure that HAWA DDS Members only provide true and accurate information and are responsible for the authenticity and correctness of the information and evidence provided.

Based on the information provided by Operators, the system will seek to make accurate calculations - and at the same time connect and evaluate information and evidence available throughout the supply chain - to facilitate the operator to make accurate and correct conclusions about the legal/risk status of wood products in real time.

Principle 4: Impartiality & Fairness

Information regarding timber and timber products will be verified by different parties including, but not limited to, the following: suppliers; buyers; 3rd-party Verification Bodies as well as importers from international markets.

This Principle seeks to prevent, eliminate, or mitigate risks which may affect negatively the impartiality of results and conclusions generated by - and within - the HAWA DDS Platform. This principle is being built into the HAWA DDS Platform, in the following ways:

- Information technology solutions which are intended to make impossible any interference with information previously declared, recorded or uploaded to the HAWA DDS Platform, and thus minimize the risk of changing or falsifying information and evidence, ensuring the impartiality and credibility of the system.
- Ensuring the rights and responsibilities of HAWA DDS Members are built on a set of codes of conduct.
- Ensuring fairness through extensive consultation mechanisms, during development and in the execution of the HAWA DDS Platform. This will be demonstrated through the development of the System Member Council (SMC), which Members of the HAWA DDS platform will elect themselves. The SMC will be established when the HAWA DDS platform is fully developed and functioning in its final version.

The SMC will have the function of representing and protecting legitimate rights and interests of the Member-users of the HAWA DDS platform. It will operate independently from the System Executive and Management Boards. The SMC will also directly choose a competent unit to perform an independent monitoring role of the HAWA DDS platform and its internal personnel.

Principle 5: Efficiency and Effectiveness

This Principle seeks to ensure that the speed and accuracy of the HAWA DDS Platform in calculating and generating tracking results in real time. The objective is to help Members to operate as efficiently and effectively as possible, by optimising time-saving functions of the HAWA DDS Platform, allowing the Member to minimise resources necessary to the conducting and recording of its due diligence activities.

Specifically, Principle 5 intends to ensure that the Platform will work effectively to assist the Operators' due diligence performance in the following areas:

1. Information Collection
 - a. Collecting information for due diligence performance by the member Operators is the main function of the HAWA DDS platform, using advanced information technologies.
 - b. The Platform shall create effective online tools for buyers and sellers to declare information and provide evidence corroborating the origin, transformation, movement and changes of ownership of timbers and timber products within the supply chain, in real time.
 - c. The Platform shall archive and connect information and evidence together, thus developing a visualised supply chain map for timber products during their journey along

a supply chain. Within the HAWA DDS Platform, all necessary information will be stored and utilised in conformance with information security & transparency principles.

2. Risk Assessment:

- a. Risk assessment is the responsibility of the Operators (HAWA DDS Member) before buying any timber/timber material within the HAWA DDS system. However, the Operator shall receive the support of the HAWA DDS platform with provided information and evidence collected from all previous suppliers during its journey along the supply chain.
- b. The Platform shall integrate due diligence performance into the buying and selling process among the HAWA DDS Operator members, thereby helping the buyer or potential buyer to review and analyse risk-levels before deciding whether to buy and/or take risk mitigation actions.
- c. The Platform shall be able to help the timber/timber product buyer (who is also a member Operators of the HAWA DDS Platform) to trace these products back to the source, or to know the timber origin status upon its entering into the HAWA DDS system.

3. Risk Mitigation:

- a. Risk mitigation is also the member Operator's responsibility and shall be conducted between the buyer and seller via their direct communication inside or outside the system, with or without the involvement of a 3rd party verification service, depending on their own decision.
- b. During the risk mitigation process the seller, or upstream supply chain entities, may be requested by the buyer or buyer's authorised verification service supplier (Verification Body) to provide additional information or evidence. The seller therefore must update this extra information or evidence into the HAWA DDS system, and the buyer must update its request in the system as well to reflect all the necessary mitigation actions that have been carried out.
- c. Any actions relating to risk mitigation, whether the requirement for additional information or the use of a third-party verification service, or the rejection of a buying opportunity, shall be recorded into the HAWA DDS system and maintained for at least seven (7) years.

4. Access to information

- a. The platform allows an Operator access to information about the products to a level that allows it to:
 - Conclude that input materials originate from forest sources or supply chains with low risk of legal violations or that potential risks have already been mitigated; OR
 - Effectively identify, specify, and mitigate risks of producing or receiving illegally harvested, traded or transported material.
- b. The Platform facilitates the Operator to ensure that information and evidence:
 - are relevant to indicate low risk in relation to non-compliance of applicable legislation;
 - are valid and verifiable; and,
 - can be related to the relevant product or supply chain. All the changes or transformations made to materials within the HAWA DDS platform shall be recorded, updated, and notified to all the related buyers along the supply chain that the changes may affect.

Principle 6: Independent Monitoring

This Principle seeks to ensure independent oversight of the HAWA DDS Platform. The principle is being built into the following two elements of the HAWA DDS Platform:

- An Independent Monitor will be established by the System Member Council (SMC) in order to protect the rights of all members participating in HAWA DDS and supervise the conformance of the PMU with its own requirements.
- An independent financial mechanism will help the Independent Monitor to have a sustainable operating budget without any dependence on the budget of HAWA DDS's management unit.

This principle shall be applied when the HAWA DDS platform is fully developed and functioning in its final version.

Principle 7: Voluntariness

The HAWA DDS platform has been developed – and will be operated – by HAWA (through its authorized entity) basing its activities on a thorough understanding of the difficulties and challenges that enterprises within the forest and forest-industry sectors are encountering.

Therefore, this Principle seeks that the solutions offered by the system thoroughly address and solve many of these challenges, as well as ensuring additional benefits to Member-users at the highest level.

Enterprises are not obliged to participate in the HAWA DDS Platform if they are not assured of their legitimate rights or not satisfied with any service provided by the platform. This principle seeks to ensure the platform will operate in a user-centric way, bringing practical benefits to enterprises, and at the same time assuring an efficient mechanism to protect the legitimate rights of members.

In other words, the drive for enterprises to engage with the HAWA DDS Platform will be the reliability of the service, their confidence in the ability of the HAWA DDS Platform to meet the principles in this policy, and their satisfaction in relation to service quality.

End of Document



HAWA DDS
Material entry – Information
Requirements
HAWA-DD-01 Version 1.0

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A Introduction

This first HAWA DDS Standard ('the Standard') describes the information requirements covering products and material included in the HAWA DDS Platform.

The objective of the HAWA DDS Platform is to enable efficient tracking and tracing of timber and wood-derived products, as well as to support its verification as having been harvested and traded legally.

The objective of defining information requirements for material entry is to:

- Help Operators - in their role as buyers within supply chains - to access information and evidence to assess risks related to the timber material before deciding to purchase.
- Help Operators - in their role as sellers - to provide sufficient information and evidence to prove the appropriateness (including either as legal or low risk) of the timber material to be entered into HAWA DDS platform.
- Give Verification Bodies information to verify if timber material entered into HAWA DDS is low risk or not, and therefore make an official conclusion about the timber material origin identity.

The Standard describes which data and information shall be entered into the HAWA DDS platform for the following scenarios:

1. **Primary Entry:** Material entered for the first time; and,
2. **Secondary Entry:** Material entered that has been previously purchased on the platform and for which additional information is subsequently required as the product progresses down supply-chains within the Platform. Secondary Entries cover entries along the supply chain each time the material changes ownership, volume, location or undergoes a transformation.

Note on the use of this Standard

All aspects of this Standard are considered to be normative, including the scope, standard effective date, references, terms and definitions, requirements, notes, tables and annexes, unless otherwise stated. However, in general, the requirements presented with **shall** are strictly required, while the elements presented with **should** are highly recommended, although it is possible that in exceptional and justified cases they may be disregarded, or alternative options or requirements may exist.

B Scope

This Standard is applicable to Operator Members of the HAWA DDS who enter information related to timber and timber products into the HAWA DDS Platform.

The standard links directly with the objective of the HAWA DDS Platform to enable efficient verification and tracking of timber and timber products.

C Standard effective date

Version 1.0 of the Standard was approved by HAWA DDS Platform Management Unit and the HAWA Executive Board on/2021

The Standard will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

D Version history

Version 1.0 of this standard was published on .../2021.

E References

The following sources were instrumental in the development of this Standard:

- Vietnam – EU Voluntary Partnership Agreement on Forest Legality Enforcement, Governance, and Trade (VPA/FLEGT)
- Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (EU Timber Regulation or EUTR)
- Amendments to the Lacey Act 2008 from H.R.2419, Sec. 8204 (Lacey Act)
- Illegal Logging Prohibition Act 2012 (Australia) and associated explanatory memorandum and the Illegal Logging Prohibition Amendment Regulation 2013 and associated explanatory memorandum.
- ISEAL Credibility Principles v1.0
- ISEAL Glossary of Terms, Version 1, January 2015
- ISEAL Standard Setting Code v6 December 2014
- ISEAL Assurance Code Version 1.0
- NEPCon LegalSource Standard, Version 2-1

Material Information Requirements

1 General requirements

- 1.1.1 Prior to being able to enter material into the HAWA DDS Platform, Operators shall be approved by the Platform Management Unit (PMU) as a member of HAWA DDS (see HAWA-DD-02 for requirements).
- 1.1.2 Material entered into the HAWA DDS shall conform with at least one of the following:
 - a) Be certified or verified against a credible third-party scheme conforming with the requirements of this standard or which confirms the material to be post-consumer reclaimed, or;
 - b) Be verifiable¹ as low risk material for illegal harvesting and trade, or post-consumer reclaimed (with a low risk that the material is pre-consumer reclaimed or virgin material), or;
 - c) Have been subject to a credible due diligence system which has concluded the material to have a verified low risk of illegal harvesting and trade or to be post-consumer reclaimed material,

2 Information and evidence requirements – (All Entries)

- 2.1 The Operator entering material information and evidence into the HAWA DDS Platform shall be accountable for ensuring that the information and evidence provided are truthful, correct and sufficient to meet the information requirement as described by the HAWA DDS Platform.
- 2.2 Any material information and evidence entered into the HAWA DDS Platform, shall be sufficient to enable identification of:
 - 2.2.1 The origin of the material, based on which the buyer shall be able to evaluate legality risks of the material, or evaluate the reclaimed status of the material) and/or document the certification status of the material (if applicable).
 - 2.2.2 The current status of the material relating to: owner, location, volume, and material form
- 2.3 Information and evidence shall be made available, by the Operator selling the material, for verification at any time by the buyer or a 3rd party Verification Body meeting the requirements of HAWA-DD-03, to verify information availability and/or assess legal compliance following the criteria stipulated in the relevant Annex of standard HAWA-DD-02.
- 2.4 The Operator shall enter the primary Timber Origin Status of the material.
 - 2.4.1 The Operator shall enter a statement on the risk status of the timber supply, as one of the following risk options: '*Possibly Low risk*', '*Unable to Identify the risk*', and '*Possibly High risk*'.
 - 2.4.2 The Operator shall provide a comment to justify or explain the risk status chosen². .)
- 2.5 The material shall be accompanied by the following specific information:

¹ Verifiable refers to the ability of 3rd or 2nd parties to access information and evidence, and evaluate legal compliance at all levels of the supply chain, if necessary, to achieve a low risk of illegal harvest and trade.

² Based on the risk status chosen, the selling Operator may provide further information or evidence for the buying Operator.

- a) the name and form/type of product³;
- b) the common and scientific name(s) of tree species (applied for the natural wood)
- c) quantity and/or volume of material entered into the HAWA DDS Platform⁴.
- d) Specifications of the entered material.
- e) the country(ies) of origin and, where necessary⁵, the sub-national region of harvest or the concession of harvest (applied for imported material);
- f) name(s) and location(s) of origin and/or supplier(s) from where the Operator has sourced material;
- g) information in relation to the certification/verification status of the material.
- h) information in relation to any sanctions, fines, embargoes, confiscations, warnings or other communications issued by a Competent Authority with regards to the imported material.
- i) Primary Timber Packing List (or Timber Packing list for Origin).
- j) Exporter or Importer (as applicable)
- k) Real time evidence (as available), including but not limited to:
 - Co-ordinates of wood material at time of purchase and/or harvest
 - Time stamp of of wood material at time of purchase and/or harvest
 - Real time pictures and/or videos and/or other media taken at the time and place of harvest.
- l) Direct supplier information
- m) All other information as required by the HAWA DDS Platform

2.6 For points c) onwards, this information shall be added for each component or separate identifiable input material.

2.7 For points d), e), f) and g) above, evidence shall be uploaded to prove the truthfulness of the information.

2.8 For point k), Real Time Evidence (RTE) shall be uploaded by using HAWA DDS application on mobile devices.

2.9 Any conclusions reached by the HAWA DDS Platform on data or information sufficiency and/or logicity shall be made available to a potential buyer and/or Verification Body, as necessary.

2.10 Non-certified material shall be accompanied by sufficient information and evidence to indicate the risk of legal non-compliance related to harvest and trade according to annexes 1 and 2 of HAWA-DD-03, as applicable or to verify according to the definition for reclaimed material as per HAWA-DD-02, Annex 3.

³ The following main classifications of *form* shall be used: Tree, Log, Lumber, Board, Component, Finished product. Sub-classifications may be added later. *Type* may refer to virgin, engineered, recycled wood, etc...

⁴ Quantities must be expressed in one of the following units: cubic meter, pieces; Weight in Kg or metric tonnes.

⁵ Detailed origin information, e.g. at the level of the forest of harvest (Forest Management unit), may be necessary in situations where the material cannot be concluded to be low risk, and detailed risk assessment at all stages of the supply chain is therefore necessary.

2.11 If necessary, the seller shall make additional information and evidence available as requested by the buyer or a Verification Body.

3 Information requirements – Primary Entries

3.1 Operators shall upload all relevant information and evidence related to the material as outlined in section 2.

3.2 If the Operator conducting the Primary Entry of material into the HAWA DDS Platform, is implementing due diligence system covering the material in question, they shall upload any applicable information about the results of its due diligence in relation to the material.

4 Information requirements – Secondary Entries

Material purchased on the HAWA DDS Platform may be re-entered into the platform after processing, re-packing or others. In this case the Operator conducting the Secondary Entry(-ies) shall ensure that the following additional requirements are met:

4.1 The Operator shall ensure that the HAWA DDS Platform is updated according to any transformation, transport or changes of either ownership, location, form or volume which have occurred to the material.

4.2 Verification statement(s), with evidence provided, from Verification Body(ies) shall be submitted to the HAWA DDS Platform (as applicable)

4.3 The Operator shall insert conversion rates used in manufacturing/processing, for each component or separate identifiable input material which has been processed or transformed.

4.3.1 For each conversion rate provided, this shall be based on the volumes or quantities of input material consumed and related output material produced in each case.

5 Certified material information (all entries)

5.1 The Operator entering the material as certified or verified against an independent third-party scheme shall hold a valid certification covering the products for which information is entered the HAWA DDS Platform.

5.2 Material entered into the HAWA DDS as certified or verified against an independent third-party scheme shall be accompanied by the following minimum information:

1. Information in relation to the certification status of the Operator entering the material into the HAWA DDS
2. Evidence (according to the certification scheme) to corroborate the material as included within the scope of the certification

NOTE: this could include a copy of the certificate, and information from certification Scheme about the scope of the certificate.

3. Evidence (according to the certification scheme) to corroborate the material is sold as certified.
4. Certification evidence at each level in the supply chain (where not already uploaded)
5. Link(s) to certification data on the certification scheme website, certificate database and/or other information which corroborates the validity of information provided in the three points above.

End of Document



HAWA DDS

Operator Requirements

HAWA-DD-02 Version 1.0

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A Introduction.

This HAWA DDS Standard ('the Standard') describes the admission and systems requirements for an Operator using the HAWA DDS Platform.

The Standard is developed to set out requirements for the system that Operators shall implement in order for them to fulfil specific aspects of their role and their use of the HAWA DDS Platform.

Note on the use of this Standard

All aspects of this document are considered to be normative, including the scope, effective date, references, requirements, notes, tables and annexes, unless otherwise stated. However, in general, requirements presented with **shall** are strictly required, while the elements presented with **should** are highly recommended, although it is possible that in exceptional and justified cases they may be disregarded, or alternative options or requirements may exist.

B Scope

The requirements of this standard are applicable to ALL Operators seeking admission into the HAWA DDS Platform.

The **Due Diligence Requirements** applicable to those Operators responsible for conducting due diligence can be found in HAWA-DD-03.

Example:

A seller of material may choose only to submit relevant information about their material (according to HAWA DD-01) and have in place a system to meet the relevant general Operator requirements. When approved for admission, they can upload information and evidence about the material they wish to sell. If the buyer wishes to conduct due diligence on the traded product, this shall be in line with HAWA-DD-03.

C Standard effective date

Version 1.0 of the HAWA-DDS-02 was approved by HAWA Project Management Unit on 11 December 2020.

These requirements will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

D Version history

Version 1.0 of this standard was published on 11 December 2020.

E References

The following sources were instrumental in the development of this Standard:

- EU Vietnam VPA
- Draft Vietnam TLAS Decree
- NEPCon LegalSource Standard

F General Operator Requirements

The General Operator Requirements are applicable to all Operators using the HAWA DDS Platform, whether as a seller or a buyer.

Requirements:

Guidance:

1. Application and admission

- 1.1 Upon application for admission to use the HAWA DDS Platform the Candidate Operator shall electronically submit all required information to support its application.
 - 1.1.1 A Candidate Operator shall apply to be a Member-user of the HAWA DDS Platform and submit a self-declaration through the online application system.
 - 1.1.2 Only if the Candidate Operator has received written confirmation of approval from the PMU, shall it be able to submit material into the HAWA DDS Platform.

This information shall be assessed and evaluated in relation to the legal compliance of the Operator and other factors.

2. General requirements

- 2.1 The Operator shall ensure that – upon request - the PMU, Verification Bodies and/or the HAWA DDS Independent Monitor are granted access to:
 - 2.1.1 all operational sites, legal entities and activities, for which it has obtained HAWA DDS membership - and/or for which it has control/access - which is relevant to the work of the PMU, Verification Body or Independent Monitor.
 - 2.1.2 all relevant documents related to the HAWA DDS Platform.
 - 2.1.3 obtain or collect physical samples of products, product-parts or materials for testing if necessary.
- 2.2 The Operator shall ensure that all information or input provided to HAWA DDS Platform is truthful and correct, to the best knowledge of the Operator.

Access may be requested as part of routine evaluations or monitoring or outside of any normal scheduled activities.

Access may also be requested as a result of substantiated complaints, disputes or allegations of non-conformities raised by third parties.

Sellers must be responsible for the truthfulness and correctness of information & evidences provided by themselves.

Buyers must take responsibility for all the comments, rating and additional

information submitted in relation to the material that they are assessing/reviewing.

- 2.3 The Operator shall ensure that any material entered into the HAWA DDS Platform fulfils all relevant requirements of this Standard and of standard HAWA-DD-01.

3. Commitment

- 3.1 The Operator shall have and implement a policy stating its commitment to: i) comply with the HAWA DDS Principles (HAWA-POL-01) and; ii) to producing or sourcing, manufacturing, transporting and trading wood products legally.

The policy shall be:

- 3.1.1 written;
- 3.1.2 publicly available; and,
- 3.1.3 endorsed at executive level.

The HAWA Principles can be found in the document HAWA-POL-01.

The interpretation of “publicly available” depends on the size and set-up of the Operator. Smaller Operators that do not have a web site, at a minimum, should readily provide the policy upon request. If an Operator has a web site, the commitment should be available on that web site.

Executive level refers to the highest level of authority in the Operator. This provides assurance that the commitment is representative of the whole operation.

4. Responsibilities and competence

- 4.1 The Operator shall appoint a person or position as having overall responsibility for conformance with all applicable requirements in relation to the HAWA DDS Platform, and this standard, as applicable.
- 4.2 The appointed person/position shall have sufficient authority and resources to ensure that requirements are met.
- 4.3 The Operator shall designate individual responsibilities for all applicable requirements in relation to the HAWA DDS Platform, and this standard, as applicable.
- 4.4 All relevant people with responsibilities shall be aware of, and competent in implementing, the Operator’s procedures relevant to fulfilling these requirements.

Where relevant, responsibilities can be designated to specific positions with different tasks related to implementation.

5. Legal Compliance

- 5.1 The Operator shall operate according to Vietnamese law, or the law in country and/or region in which the Operator is based.

5.2 The Operator shall not:

5.2.1 be engaged in criminal activity within the forestry or forest-products sector or have a trade or business relationship with entities related to illegal activities.

5.2.2 be engaged in illegal timber trading, storing, transporting or processing; and/or engaged in violations of relevance (or impact) in relation to the HAWA DDS Platform requirements for HAWA-DD-02 (including all Annexes, as applicable).

5.2.3 be engaged in unresolved legal disputes or investigations:

1.1.1 Within Vietnam, in relation to forest or timber-legality or laws relating to the payment of taxes, compliance with environment requirements or labour issues, and shall not appear in the OCS Law Violation Database.

1.1.2 In other countries in which the Operator is based or operates, in relation to forest or timber-legality.

1.2 In relation to 5.2.2 and 5.2.3, the Operator shall declare if it has been – or in the process of being - investigated and/or sanctioned for infractions of relevance (or impact) in relation to the HAWA DDS Platform requirements - by Government authorities in Vietnam or the country where it is based, or in any country from which the Operator is sourcing materials (as applicable).

6. Records

6.1 The Operator shall integrate the use of the HAWA DDS Platform into their recording system relating to timber and timber products to ensure that their entry to/exit from the Operator's business are covered.

6.2 All relevant records archived from HAWA DDS platform shall be retained for a minimum of seven (7) years in the Operator's premises or system account in forms of either soft or hard copies

7. Quality control

7.1 The Operator shall review its own operations and performance in relation to HAWA Procedures on an ongoing basis, in order to

The complexity and scope of internal monitoring should correspond to the size

identify and manage any risks of illegality, in order to find any weaknesses.

and complexity of the Operator and supply chains.

7.3 The Operator shall have and implement a complaints procedure to address substantiated complaints related to the production or sourcing of material, including:

A substantiated complaint is a complaint brought to the attention of the Operator that is accompanied by verifiable evidence.

This may be brought to the attention of the operator by:

- 7.3.1 assessment of evidence provided in the complaint within 5 working days of its receipt; and,
- 7.3.2 in cases where evidence is considered relevant, implementation of appropriate corrective actions and updating the HAWA DDS Platform.

- Stakeholders
- HAWA DDS PMU
- Independent Monitor
- Members of HAWA DDS

7.4 Where the Operator identifies that a product within the HAWA DDS Platform:

It is important that procedures are in place and implemented in case new information that may negatively affect the risk profile of products entered into the HAWA DDS Platform.

- has been entered with incorrect information
- has been, or is in the process of being, investigated and/or concluded as being illegally harvested or traded in contravention of the HAWA DDS Platform requirements - by Government authorities in Vietnam or in any country within the supply chain through which the product/material has passed,

NOTE: Operators are obliged to supply this information if they become aware of it, even after they have processed and sold on the wood product subject to the concern.

the Operator shall implement the following within three (3) business days of becoming aware of the new information:

- 7.4.1 in case of illegally harvested or traded wood-products, immediately cease to sell any remaining products held in stock and alert HAWA DDS PMU;
- 7.4.2 Update the risk status of the material to: *'Possibly High risk'* *'High risk'* or *'illegal'* (as applicable) providing an explanation for the change of status and uploading relevant information and records to the HAWA DDS Platform, or remove the material from the HAWA DDS Platform;
- 7.4.4 analyse causes and implement mitigation measures to prevent re-occurrence;
- 7.4.5 allow Verification Bodies and/or the HAWA DDS PMU to evaluate the

material or other mitigation actions taken.

- 7.5 The Operator shall discontinue relationships with suppliers in cases of major or continuous violations of these requirements, including:
- 7.5.1 excluding supply and/or suppliers from its sourcing or production where significant and/or continuous non-compliance is identified; and,
 - 7.5.2 ensuring that material is not sourced from the supply chain or area in question until risks have been mitigated.
 - 7.5.3 Report the case to the PMU

There are no universal thresholds determining when the evidence or risk of legal violations is significant enough to warrant discontinuing a relationship. However, if the Operator discovers that legal violations are not immediately and properly addressed, it shall suspend or discontinue purchasing from that supplier.

- 7.6 If an Operator uses third-party verification or certification systems, the Operators shall ensure that:
- 7.6.1 the system provides assurance of low risk of illegal harvest, trade and transport and mixing.
 - 7.6.2 in case the scheme does not provide adequate assurance, the areas for which risk exist shall be mitigated.
 - 7.6.3 all information required by the specific scheme shall be gathered for each certified product; and,
 - 7.6.4 the information related to the certification claim shall be valid and accurate.

Material certified or verified against a third-party scheme must be able to meet the legality definitions and requirements of the HAWA-DD03:

The HAWA PMU may have evaluated the scheme and approved it, on the behalf of HAWA DDS members. In this case the Operator should follow that guidance.

If the HAWA PMU has not conducted this evaluation, it will be required that the Operator evaluates the certification or verification scheme that is used, with regards to its ability to cover relevant legal requirements, as well as the system's ability to provide an appropriate level of supply chain control and quality assurance. Where significant gaps in the certification system have been identified, these should be mitigated.

8. Claims and communication

This section describes the claims requirements for Operators (Member-users of the HAWA DDS Platform).

- 8.1 Claims about the conformance status of wood products in relation to the HAWA DDS shall be made exclusively via the HAWA DDS Platform, using the link and/or QR code
- 8.2 The Operator shall not make on-product claims or labels relating to any aspect of the HAWA DDS platform

No information about the status of a product should be placed on the material itself at any time, except for the sole

purpose of segregating the certified material from non-certified to avoid mixing.

8.3 Operators may make general promotional claims outside of the HAWA DDS IT system about its membership to the HAWA DDS platform.

Business to Business promotional claims may cover the following types:

- Claims about the Operator’s membership to the HAWA DDS Platform
- Claims about intent, mission and/or impact of the HAWA DDS Platform
- Other claims that are not required to be controlled.

8.4 The Operator shall only make promotional communication that are accompanied by: i) a clear description of the scope of its HAWA DDS membership and; ii) its HAWA DDS membership number

A scope description is only required if the Operator has not included all products in the scope of its HAWA certification.

End of Document



HAWA DDS

Operator Due Diligence Requirements

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A Introduction

This HAWA Standard ('the Standard') describes the due diligence requirements for Operators selecting to implement their own due diligence system.

The Standard is developed to set out requirements for the system that Operators shall implement in order for them to fulfil specific aspects of their role and their use of the HAWA DDS Platform.

Note on the use of this Standard:

All aspects of this document are considered to be normative, including the scope, effective date, references, terms and definitions, requirements, notes, tables and annexes, unless otherwise stated.

B Scope

The requirements of this standard are applicable to Operators using the HAWA DDS Platform and selecting to implement a due diligence system to manage risks.

It is underlined that the use of this standard is voluntary and should only be applied when Operators choose to implement their own due diligence system.

Implementing a due diligence system may be relevant for Operators that import non-certified material, or where risks are identified, that need additional risk mitigation efforts.

Example:

A seller of material may choose to implement a due diligence system to provide assurance that the material entered into the HAWA DDS Platform is low risk of illegal logging. If doing so the Seller should use the HAWA-DD-03 requirements to ensure a strong due diligence system with high level of integrity. The Seller may also choose to ask a Verification Body to verify the results of the due diligence independently.

C Definition of legal timber

The HAWA DDS definition legal timber is based on the Vietnam VPA Legality Definition in the case of wood which is harvested domestically from within Viet Nam (see Annex 1).

For timber which is harvested outside of Viet Nam, HAWA has adopted the legality definition developed by NEPCo, which have been used by NEPCo as part of their process to be recognised as a Monitoring Organisation within the EU. Until this definition has been clarified, Annex 2 serves as the definition of legality for imported wood products.

This definition of timber legality will be revised and updated according to any new legislation or requirements passed by Vietnamese government in relation to laws connected with the VPA, as well as changes to regulatory requirements of international markets such as the EU Timber Regulation.

D Standard effective date

Version 1.0 of the HAWA-DDS-03 was approved by HAWA Chairman on .../.../2021.

These requirements will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

E Version history

Version 1.0 of this standard was published on .../.../2021

F References

The following sources were instrumental in the development of this Standard:

- EU Timber Regulation 995/2010
- EU Vietnam VPA
- Draft Vietnam TLAS Decree (Version 3)
- NEPCon LegalSource Standard

Due Diligence Requirements.

The due diligence process can be implemented before the Primary Entry of material into the HAWA DDS Platform or be conducted on material purchased within or outside the Platform. The DD process may be conducted by: i) sellers prior to sale or; ii) buyers prior to sale.

Any due diligence process shall be covered by procedures, as outlined in HAWA-DD-02, as well as meeting the following specific requirements for the due diligence process.

1. Documented system

1.1 The Operator shall have in place written procedures covering all applicable elements of the activities related to the DDS.

NOTE: Depending of the role of the Operator (e.g. importer), this may include a full due diligence system to access information, as well as assessing and mitigating potential risks.

The procedures should reflect the activities of the Operator. If the Operator only buys and sells timber or timber products that have a verified low risk, the procedures should reflect this simplicity. There is no need for complex procedures where they are not used in the operation

2. Quality control

2.1 Internal monitoring shall cover the DDS, including internal entities and group members/sites (where applicable), as well as for any suppliers and sub-suppliers.

2.1.1 All non-conformances and corrective actions identified shall be documented.

2.1.2 The Operator shall ensure that all non-conformances are addressed and corrected in a timely manner

Non-conformances can be identified by the Operator itself, during internal monitoring. The Operator should ensure a process to take relevant corrective measures and address root cause issues.

2.2 The Operator shall address any non-conformances where they have been identified by a Verification Body, in a timely manner.

Where the Operator uses a VB to evaluate legality and/or conformance to due diligence requirements, the Operator shall ensure that the non-conformances that may have been raised by the VB, are addressed within the timelines assigned by the VB.

3. Access to information

3.1 The Operator shall have access to information about the products to a level that allows it to:

3.1.1 conclude that input materials originate from forest sources or supply chains

Information about the forest of harvest and supply chain of the product should be detailed enough either to (a) allow an objective and justifiable conclusion of low risk to be made, or (b) identify risks and implement meaningful risk mitigation actions. There is no universal threshold for the

with low risk of legal violations or that potential risks have already been mitigated;
OR

3.1.2 effectively identify, specify and mitigate risks of producing or receiving illegally harvested, traded or transported material.

level of detail required; rather, the level of detail should be based on an individual evaluation of each supply chain.

The information requirements increase with risk because meaningful risk mitigation measures can be taken only if the full supply chain and origin are known.

In this instance documentation and information should be detailed and verifiable to a level that allows an objective conclusion about risk. This may be documented evidence that material originates from an area with verified low risk rating or an area with no or very limited indications of illegal harvesting.

Where a low risk conclusion cannot be made, information and evidence should be collected and analysed in order to provide a clear picture of the risks present for the specific supply chain.

3.2 The Operator shall ensure that changes to supply chains are identified prior to these changes being made.

3.2.1 For Primary Entries, the Operator shall ensure that suppliers (if any) inform the Operator about changes to the sourcing of material before these are being made (if applicable).

3.2.2 For Secondary Entries the Operator shall verify that the information and evidence received through the HAWA DDS Platform is up-to date.

Changes to supply chains or the origin of material may change the risk profile of the product. Therefore, the Operator should take proactive steps to ensure that they always have up to date information about the origin or supply chains before such changes are implemented.

3.3 The Operator shall ensure that:

It is suggested that requirements are made formally (e.g. via purchase orders or contracts) between buyer and seller that the seller provides this information as required.

The use of evidence and other information is a key part of the risk assessment. However, it is key that the information contained in such evidence are related to the products or material and can be validated.

3.3.1 information and evidence are relevant to indicate legality;

Information should be accessible at relevant levels in the supply chain and cover relevant needs for information and evidence. It is not the intention that evidence shall be collected without a specific relevance to ensuring due diligence.

3.3.2 information and evidence are valid

Operator should verify that information is valid

and verifiable; and,

3.3.3 information and evidence can be related to the relevant product or supply chain.

3.4 All information available shall be uploaded to the HAWA DDS Platform together with verifiable evidence.

(not falsified or outdated). This may include to evaluate the validity of different types of evidence and the information they contain.

A key aspect of information management is to ensure that information (and evidence) from the supply chain or the forest area can be related to the actual products or supply chains in question. There should be evidence that information and provided documents are linked to the products.

4. Risk assessment

4.1 The Operator shall conduct risk assessment for all material with the exception of:

4.1.1 Material certified or verified against a credible third-party scheme which fully conforms with the requirements of the HAWA DDS, as outlined in Annex 04.

4.1.2 Material which fully conforms with the definition of post-consumer reclaimed, as outlined in Annex 3, with a low risk that the material may contain or be contaminated with pre-consumer reclaimed or virgin material; and,

4.1.3 Material verified by a VB as having a low risk of illegal harvesting and/or trade.

4.2 The Operator shall assess and specify the level of risk of illegal forest products being produced or entering the supply chain, including the following issues:

4.2.1 risk of legal violations related to forest harvesting activities;

NOTE: Use Annex 1 or 2 to specify risks where applicable.

The risk assessment process will in many cases take place through an iterative process where each iteration provides added layers of detail, until a firm conclusion can be reached. The process may start by identifying the general level of risk from a sourcing country or area (using generally available information such as the CPI, or information about illegal harvesting). The next step may be to further specify risks using more detailed information such as is available in the Global Forest Registry, as well as applying the risk assessment more specifically to individual supply chains and species.

The country of origin is normally the first general level of the risk assessment that can be used to identify where further risk specification should be carried out.

NOTE: Detailed risk evaluations exist for some countries within the FSC Controlled Wood framework and NEPCON's Sourcing Hub www.nepcon.org/sourcinghub.

4.2.2 risk of legal violations in relation to trade and transport of the products; and

NOTE: Use Annex 1 or 2 to specify risks where applicable.

4.2.3 risk that the material is mixed with material of illegal or unknown origin somewhere during transport, processing or storage.

Even if material is from legally harvested forests, there may be illegal activities in the supply chain relating to its trade, transport or processing.

The types of material being handled, and the risk of mixing shall be evaluated throughout the supply chain, in order to assess the risk that material of unknown or illegal origin is mixed into the supply chain.

Where risks are specified relating to the species or origins of the material, DNA, Isotopic or fibre analysis may be applied to support verification of information

4.4 The Operator shall document and record in the HAWA DDS Platform, the risk assessment process and provide justification for the degree of risk specified for each individual origin or supply chain.

The description of risk needs to be justified and described using clear arguments for the findings.

4.5 The risk assessment shall determine the level of risk as either *low risk* or *specified risk*.

Note: Based on the risk assessment the Operator shall enter a conclusion in the HAWA DDS Platform as '*Possibly Low risk*', '*Unable to Identify the risk*', and '*Possibly High risk*'

For low risk sources, Operators are not required to undertake any risk mitigation measures and the material can be considered to be in conformance with the HAWA Requirements.

Where risks cannot be classified as low, they shall be concluded as specified risk. The specification of risk shall be carried out in a way that allows the Operator to effectively mitigate those risks (according to requirements in Section 8).

Operators using these requirements to demonstrate compliance with the EUTR should be aware that *low risk* equates to *negligible risk*.

5. Risk mitigation

5.1 The Operator shall develop and implement efficient and justified measures for mitigating any specified risks.

Risk mitigation shall address specified risks. The more detailed the risk assessment is, the easier it will be to identify appropriate risk mitigation measures.

5.2 The Operator shall document and record in the HAWA DDS Platform the risk mitigation actions taken, and justify the effectiveness of risk mitigation measures.

When risk mitigation measures have been implemented, the Operator shall be able to evaluate their effectiveness and describe how these measures have mitigated the specified risks.

5.3 The Operator shall not produce, process, trade or transport timber and timber products under the scope of its due diligence system if the origin is unknown.

This requirement aims at ensuring that material with unknown origin or material with high risk of illegal harvesting or trade is not being used by the Operator without appropriate risk mitigation. Materials with specified risk of illegal trade or harvest may only be included in the DDS scope once the risks have been effectively mitigated.

Annex 1: Forest harvesting & Trade in Viet Nam - Legality Framework

This Annex refers directly to Annex II of the Vietnam VPA. It comprises the definition of legality at the forest level and in the supply chain as well as verifiers for evaluating conformance to applicable legislation by processing and trade entities. The criteria can support the specification of risk and subsequent risk mitigation in the supply chain.

Annex 2: Forest harvesting & trade in countries other than Vietnam - Legality Framework

This Annex contains the requirements for evaluating the risk of illegal activities occurring at the forest level outside Vietnam and in the supply chain as well as verifiers for evaluating conformance to applicable legislation by Vietnamese processing and trade entities. The criteria can be used for specification of risk and subsequent risk mitigation in the supply chain.

Note that the Verifiers are examples that can be used as appropriate.

Legality categories and sub-categories	Verifiers	Guidance
<ul style="list-style-type: none"> Legal rights to harvest 	<p>General requirement: The legal status of the FME shall be clearly defined and its boundaries delineated. The legal right to operate has been legally obtained and includes legal right to operate and to harvest timber from within the defined FMU.</p>	
1.1 Land tenure and management rights	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> The Land registry shall confirm ownership and validity of property deed. Tax authorities shall confirm valid tax registration. Valid business registration documents shall exist. The business register shall confirm valid business licenses to operate within the jurisdiction. In areas with land ownership conflicts, consultation with neighbours, local communities and others shall confirm that land tenure rights are clear. Stakeholder consultation should confirm that registration of FME has been granted following legally prescribed processes. Stakeholder consultation should confirm that legal status of the operation or rights for conducting the established activities are not subject to court orders or other legally established decisions to cease operations. The management contract or other agreements with the owner 	<p>The focus of this category is relevant legislation covering land tenure rights, as well as management rights that include the use of legal methods to obtain tenure rights and management rights. The legislation also covers legal business registration and tax registration, including relevant legally required licenses.</p> <p>Risk may be encountered where land tenure or management rights have not been issued according to prevailing regulations, or the process of issuing land tenure and management rights has involved corruption.</p> <p>The intent of this sub-category is to assure that any land tenure and management rights have been issued according to the legislation.</p>

Legality categories and sub-categories	Verifiers	Guidance
	<p>or manager shall indicate clear management rights.</p> <ul style="list-style-type: none"> ○ The issuance of legal rights and registration shall be subject to public disclosure prior to commencement of any activities within FMUs. ○ Inspections of harvesting Sites shall confirm that harvesting takes place within property limits (including felling, transport and log landings). 	
5.2 Concession licenses	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • A valid concession license agreement shall exist. • Evidence that proper legal procedures shall be followed to obtain concession licenses. • The process of obtaining concessions shall follow an open and transparent process based on clear criteria and be confined to eligible Organisations. • Independent stakeholder consultation shall confirm that legal procedures have been followed to obtain concession licenses. 	<p>The focus of this category is legislation regulating procedures for issuing concession licenses, including use of legal methods to obtain concession licenses.</p> <p>Bribery, corruption and nepotism are well-known issues associated with concession licenses.</p> <p>The intent of this sub-category is to avoid situations where Organisations are obtaining concession licenses via illegal means such as bribery, or where Organisations or entities that are not eligible to hold such rights do so via illegal means.</p> <p>When evaluating the risk in this sub-category, identify situations where due process has not been followed. In those instances, the concession rights can be considered as issued on an illegal basis.</p> <p>The level of corruption in the country, or sub-national region of harvest, is considered to be a significant factor when considering the likelihood of a concession license being illegally issued. Therefore, corruption indicators (CPI) should be considered when evaluating risks.</p>
5.3 Management and harvesting planning	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • Approved forest management plans shall exist for the FMU where the harvesting is taking place. • Forest management plans shall contain all legally required information and procedures. • Annual operating or harvesting plans shall be in place and approved 	<p>The focus here is any legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by Competent Authorities (taking into consideration the risk of corruption).</p> <p>The key risk factor is a poor-quality management plan resulting in</p>

Legality categories and sub-categories	Verifiers	Guidance
	<p>by legally competent authorities.</p> <ul style="list-style-type: none"> • Annual operating or harvesting plans shall contain information and procedures, according to all legal requirements. • The contents of the operating and harvesting plans shall be consistent with approved forest management plans. • If legally required, plans for carrying out harvesting operations shall be subject to public disclosure and objections prior to commencement. • If legally required, harvesting restrictions shall be identified in management plans and maps. • Harvesting inventories shall be conducted according to legal requirements. • Field verifications shall indicate that the requirements described in the management/harvesting plans are adhered to in the field. • Stakeholder consultation shall indicate that the forest management plan has been approved according to legally prescribed process. • The contents of the management plan shall be technically sound and consistent in meeting legal requirements. 	<p>overharvesting or environmental damage.</p> <p>The risk that the required management planning documents are not in place or not approved by competent authorities should also be considered.</p>
5.4 Harvesting permits	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • Harvesting permits (license or similar legal document governing the harvesting of forest resources) shall exist. • Harvesting limits shall be clearly defined based on maps and quantities. • Authorities shall confirm the validity of the harvesting permit. • Stakeholder consultation shall confirm that the harvesting permit has been issued – according to the relevant laws and regulations – by the legally designated Competent Authority. • Field inspection shall confirm that harvesting takes place within limits given in the harvesting permit. • Field inspection shall confirm that information regarding area, species, volumes and other details provided in the harvesting permit 	<p>The focus of this category is legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations, including the use of legal methods to obtain the permit.</p> <p>The intent of this sub-category is to avoid situations where harvesting permits have not been issued, were obtained via illegal means such as bribery, or were issued for areas or species not eligible for harvesting. Bribery is a well-known issue in some jurisdictions in connection with the issuing of harvesting permits. Bribery can be used to obtain harvesting permits for areas and species that should not be harvested according to the legislation (e.g. protected areas, areas that do not fulfil requirements of minimum age or diameter, species that cannot be harvested etc.). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify</p>

Legality categories and sub-categories	Verifiers	Guidance
<ul style="list-style-type: none"> Taxes and fees 	<p>are correct and within limits prescribed in the legislation.</p> <ul style="list-style-type: none"> Field inspection shall confirm that all harvesting restrictions given in the harvesting permit are observed such as buffer zones, protected trees, placement of logging trails, etc. <p>General requirement: The FME shall fulfil requirements in relation to all obligatory taxes, fees and/or royalty payments associated with maintaining the legal right to harvest and permitted harvesting volumes.</p>	<p>products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators (CPI) should therefore be considered when evaluating risks.</p>
<p>2.1 Payment of taxes, royalties and harvesting fees</p>	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Evidence shall exist for payments of harvesting-related royalties, taxes, harvesting fees, area taxes and other charges. Volumes, species and qualities given in sales and transport documents shall match the fees and royalties paid. Organisation shall be current with all applicable taxes and fees related to the maintenance of the right to harvest/manage the forest. Authorities shall confirm that the operation has paid all applicable fees. 	<p>Consideration should be given to legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees; as well as payments of the fees based on correct classification of quantities, qualities and species.</p> <p>Other taxes related to the maintenance of the legal rights to harvest and manage the forest should also be considered (e.g. area-based taxes).</p> <p>Incorrect classification of forest products is a well-known issue, often combined with bribery of officials in charge of controlling the classification.</p>
<p>2.2 Value-added taxes and other sales taxes</p>	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Sales documents shall include applicable sales taxes. Evidence for payment of sales taxes shall exist. Volumes, species and qualities given in sales and transport documents shall match the fees paid. Sales prices shall be in line with market prices. Harvested species, volume and qualities shall match the sales documents. Authorities shall confirm that the operation is up-to-date in payment 	<p>This relates to legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).</p> <p>Tax avoidance can occur by selling products without official sales documents or selling products far below the market price combined with unofficial payments.</p>

Legality categories and sub-categories	Verifiers	Guidance
<ul style="list-style-type: none"> Timber harvesting activities 	<p>of applicable sales taxes.</p> <p>General requirement: The FME shall operate in conformance with legal requirements relating to the harvesting and in-forest processing of forest products. Management plans and annual operating plans – as required by law – shall exist, contain accurate information and be adequately implemented.</p>	
<p>3.1 Timber harvesting regulations</p>	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Harvesting shall be conducted within the authorised boundaries of the FMU. Harvesting shall not take place in areas where harvesting is legally prohibited. Tree species or selected trees found within the FMU of which felling is prohibited shall be listed in operational plans. Harvesting restrictions shall be observed in the field. Tree species or selected trees found within the FMU for which felling is prohibited shall be protected from harvest or damage. Volumes harvested shall comply with legally approved levels. <p>Forest management verifiers (relevant only to evaluation of FMEs)</p> <ul style="list-style-type: none"> Forest management activities shall be conducted in accordance with approved plans and legislation. 	<p>This section covers legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regeneration, reduced impact logging, clear felling, transport of timber from felling Sites and seasonal limitations, etc.</p> <p>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 planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.</p> <p>Identifying trees in the field may include tree marking of trees not allowed for harvesting, or only marking of protected species/trees.</p> <p>Related to forest management (relevant only for forest management compliance evaluation) this criterion covers legal requirements for forest management, in addition to issues directly related to harvesting.</p>
<p>3.2 Protected Sites and species</p>	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> If required by the legislation, all legally protected areas (including species habitats) shall be included in the management plan or related documentation. Legally established procedures for surveying, managing and protecting endangered or threatened species within the management unit shall be followed. 	<p>This category covers legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats.</p> <p>Note that protected areas may include nature reserves as well as protected cultural sites, including sites with historical monuments</p> <p>The intent of this category is to avoid the risk of harvesting within protected Sites or areas as well as illegal harvest of protected species.</p>

Legality categories and sub-categories	Verifiers	Guidance
3.3 Environmental requirements	<ul style="list-style-type: none"> Regulations relating to protected areas, set-aside areas, protected species and hunting shall be observed. <p>Examples of verifiers:</p> <ul style="list-style-type: none"> If legally required, Environmental and/or Social Impact Assessments shall be in place and approved by the legally Competent Authority. Requirements for environmental monitoring shall be observed. Environmental restrictions shall be followed in the field, such as requirements related to soil damage, buffer zones, slope gradient limitations, retained trees, seasonal restrictions, etc. <p>Forest management verifiers (relevant only to evaluation of FMEs)</p> <ul style="list-style-type: none"> Environmental requirements related to forest management and plantation establishment such as legal requirements for road construction, management of watercourses, use of fire, use of chemicals, fuel use and storage, limitations of conversion etc. shall be adhered to. 	<p>For FMUs this issue shall relate to all forest management activities.</p> <p>This requirement covers legislation related to environmental impact assessment in connection with harvesting or forest management, acceptable levels of damage or disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding Sites), maintenance of retained trees on felling Sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.</p> <p>Risks in this category should be identified where systematic and/or large-scale non-compliance with legally required environmental protection measures are evident to an extent that threatens the forest resources or other environmental values.</p>
3.4 Health and safety	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Occupational health and safety requirements shall be observed by all personnel involved in forest harvesting activities. Interviews with staff and contractors shall confirm that legally required protective equipment is required/provided by the Organisation. Evidence of legally required training and certifications 	<p>The focus of this category is legally required personal protective equipment for persons involved in harvesting (or forest management) activities, use of safe felling and transport practices, establishment of protection zones around harvesting Sites, safety requirements relating to machinery used, and legal and safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest (not office work, or activities other than actual forest management).</p> <p>The intent of this category is to identify cases where health and safety regulations are being ignored to a degree that puts the health and safety of forest workers at significant risk throughout the forest operation.</p>

Legality categories and sub-categories	Verifiers	Guidance
3.5 Legal employment	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • If legally required, persons involved in forest harvesting activities shall be employed under a formal contract. • Persons involved in forest harvesting activities shall be covered by obligatory insurances. • Persons involved in forest harvesting activities shall hold required certificates of competency for the function(s) they carry out. • At least the legally established minimum salaries shall be paid for personnel involved in forest harvesting activities. • Salaries shall be paid officially and declared by the employer according to requirements for personnel involved in forest harvesting activities. • Minimum age shall be observed for all personnel involved in forest harvesting activities. • Minimum age shall be observed for all personnel involved in hazardous work. • Stakeholders shall confirm that forced or compulsory labour is not occurring in forest harvesting activities. 	<p>The focus of this category is legal obligations relating to employment of personnel involved in harvesting (or forest management) activities including the requirement for contracts and working permits, obligatory insurances, certificates of competency and other training requirements. Furthermore, the points cover compliance with minimum working age stipulations (including for hazardous work), legislation against discrimination and forced and compulsory labour; and freedom of association.</p> <p>The intent is to enable identification of systematic or large-scale non-compliance with labour and/or employment rules and regulations. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, under-age or illegal labour.</p>
<ul style="list-style-type: none"> • Third parties' rights 	<p>General requirement: Legally recognised customary rights shall be taken into account in the management of forest resources</p>	
4.1 Customary rights	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • Stakeholder consultation shall confirm that customary rights are observed during forest management/harvesting activities. 	<p>The focus here is legislation covering customary rights relevant to forest management/harvesting activities including requirements relating to sharing of benefits and tenure rights.</p>
4.2 Free, Prior and Informed Consent (FPIC)	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • Stakeholder consultation shall confirm that legal requirements related to Free, Prior and Informed Consent were observed where third parties' rights were relinquished to a third party. 	<p>This category covers legislation relating to Free, Prior and Informed Consent (FPIC) – in connection with transfer of forest management rights and customary rights to the Organisation in charge of the forest management/harvesting operation. Transfer of the harvesting rights by the owner is done using free will (not forced) prior to the harvest, with full knowledge of the consequences of the decision. Some legislation may not specifically mention FPIC, but have other, similar, legislation in</p>

Legality categories and sub-categories	Verifiers	Guidance
4.3 Indigenous and traditional peoples' rights	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Stakeholder consultation shall confirm that Indigenous/traditional peoples' established rights are not violated in relation to forest management/harvesting activities. 	<p>place with the same intent.</p> <p>The focus here is legislation that regulates the rights of indigenous people as far as those rights relate to forestry activities. Possible aspects to consider are land tenure; and the right to use certain forest-related resources or practice traditional activities, where these may involve forest lands.</p>
<ul style="list-style-type: none"> Trade and transport 	<p>General requirement: The FME shall adhere to applicable transport, trade, import or export regulations, procedures and restrictions.</p>	
5.1 Classification of species, quantities, and qualities	<p>Examples of verifiers:</p> <p>Products shall be correctly classified (species, quantities, qualities etc.) on sales documents, Customs declarations and other legally required documents.</p>	<p>This category relates to 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 of reducing/avoiding payment of legally prescribed taxes and fees.</p> <p>The threshold at which material or products should be considered illegal should be established based on the risk that material is traded under false statements of species, quantities or qualities. This could cover cases where this type of false classification is implemented to avoid payment of royalties or taxes – or where trade bans on product types or species are implemented locally, nationally or internationally. This is mainly an issue in countries with high levels of corruption (CPI <50).</p>
5.2 Trade and transport	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> Species and product types shall be legally traded. Required trade permits shall exist and be documented. All required transport documents shall exist and be documented. 	<p>All required trading and transport permits shall exist and be documented.</p> <p>These documents include legally required removal passes, waybills and other documents permitting the removal of timber from the harvesting Site.</p>

Legality categories and sub-categories	Verifiers	Guidance
	<ul style="list-style-type: none"> • Volume, species and qualities shall be classified according to legal requirements. • Documents related to transportation, trade or export shall be clearly linked to the specific material in question. 	<p>In countries with high levels of corruption, these documents are often faked or obtained using bribery.</p> <p>In cases of illegal logging, transport documents from Sites other than the actual harvesting Site are often provided as fake proof of legality of the harvested material.</p>
5.3 Offshore trading and transfer pricing	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • If illegal in the country of the supplier or sub-supplier, the products shall not have been traded through countries known as 'tax havens'. • There shall be no illegal manipulation in relation to the transfer pricing. 	<p>This category relates to legislation regulating offshore trading.</p> <p>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.</p> <p>Many countries have established legislation covering transfer pricing and offshore trading.</p> <p>When products are sold out of the country for prices that are significantly lower than market value, and then sold at market prices to the next entity in the supply chain, it is usually a clear indicator of money laundering or tax evasion. Commonly, the products are not physically transferred to the trading company.</p>
5.4 Customs regulations	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • Products shall be correctly classified (type, Customs code, species, quantities, qualities, etc.). • All required import and exports permits shall be in place. • Evidence of payment of custom fees/charges 	<p>Relevant here is Customs legislation covering areas such as export/import licenses, product classification (codes, quantities, qualities and species).</p>
5.5 CITES	<p>Examples of verifiers:</p> <ul style="list-style-type: none"> • All cross-border trade of CITES-listed species shall be documented and accompanied by required export, import and re-export certificates issued by Competent Authorities (CITES Management Authorities). 	<p>The focus of this category is the requirement for CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).</p>
<ul style="list-style-type: none"> • Processing 	<p>General requirement: Processing of timber shall comply with applicable legislation related to handling and processing of</p>	

Legality categories and sub-categories	Verifiers	Guidance
6.1 Legal Registration of business	<p>wood.</p> <p>Legislation regulating the registration of business and approval of scope of business and processing.</p> <p>Examples of verifiers:</p> <ul style="list-style-type: none"> companies shall be operating in conformance with legal requirements with regards to legal obligations on business registration (business/sawmill license, operation visas, tax payment cards, approvals, etc.). 	

Annex 3: Reclaimed materials

This Annex contains the definition of reclaimed material according to the HAWA DDS Platform. The criteria can be used for specification of risk (that material is or is not post-consumer reclaimed material) and subsequent risk mitigation in the supply chain.

Material category	Definition	Guidance
<p>Post-consumer reclaimed material</p>	<p>Wood and wood-products that have completed their life cycle and would otherwise be disposed of as waste.</p> <p>Material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end-users of the product.</p>	<p>Examples of sources of post-consumer reclaimed material:</p> <ul style="list-style-type: none"> • Commercial waste (Retail, Office, Small Business); • Construction and Demolition Debris; • Fibres and solid wood recovered from landfills, transfer stations, and Material Recovery Facilities • Industrial Packaging and Administrative wastes (does not include process wastes); • Institutional (schools) and residential waste <p>Examples of post-consumer reclaimed material:</p> <ul style="list-style-type: none"> • Reclaimed wood material <ul style="list-style-type: none"> ○ Commercial Transport Packaging including pallets, crates, cases, cable drums at the end of their useful life ○ Construction and Demolition debris including doors, flooring, old cabinets, mouldings, and dimensional lumber, discarded wood packaging e.g. pallets and cable drums. Wood reclaimed through 'Deconstruction" e.g. salvaged dimensional lumber and architectural elements; ○ Damaged Stock and Rejected Products manufactured from post-consumer wood products, including deconstructed building materials, or wood reclaimed from construction and demolition (C&D) debris; ○ Used telephone poles, railroad ties, building materials, furnishings, cabinets, shop fittings, shelving etc. that have been used for their intended purpose by residential, commercial, or industrial consumers; ○ Off-cuts, shavings, sawdust and the like generated during the re-milling of postconsumer wood products, deconstructed building materials, or wood reclaimed from C&D debris. ○ Commercial transport packaging • Reclaimed Paper materials:

		<ul style="list-style-type: none"> o Computer printouts o Magazines, direct mail, home office materials, and boxes o Old magazines from residential or office collections o Old newspapers from residential or office collections o Reclaimed household scrap paper and packaging, including old newspapers o Reclaimed office wastepaper o Used corrugated boxes Used tabulating cards
<p>Pre-consumer reclaimed material</p>	<p>Material that is reclaimed from a process of secondary manufacture or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and not capable of being re-used on-site in the same manufacturing process that generated it.</p>	<p>Examples of sources of pre-consumer reclaimed material:</p> <ul style="list-style-type: none"> • Municipal Sources • Commercial, Institutional or Industrial Sources • Process waste from converters and secondary manufacturing onwards <p>Examples of pre-consumer reclaimed material:</p> <ul style="list-style-type: none"> • Reclaimed Wood materials <ul style="list-style-type: none"> o Damaged stock, rejected products, overstock, discontinued items not used for their intended purpose; o Offcuts, shavings, sawdust, and the like, generated during secondary manufacture or subsequent steps in manufacturing an end product o All scrap generated during the intermediate steps in producing an end product following primary manufacturing (i.e. post-mill); o Bindery trim and scrap; o Forms conversion scrap; o Merchant return stock; o Obsolete inventories from distributors, printers, converters and others beyond the original manufacturer; • Reclaimed paper materials

		<ul style="list-style-type: none"> ○ Over-issue publications; ○ Printers’ scraps, pre-printing, make-ready, overruns, errors, rejections; ○ Publisher overruns and returns; ○ Scrap from product manufacturing, including bag, box and carton manufacturing; ○ Scraps from converters, mail order houses, others in value-added chain; ○ Sheeting scrap from converters
<p>Not accepted as reclaimed wood material</p>	<p>Reclaimed material cannot be obtained from primary processing. Off-cuts produced from virgin parent materials that are discarded by a primary or secondary production process but that have properties allowing them to be reused.</p>	<p>Examples of material not accepted as reclaimed:</p> <ul style="list-style-type: none"> • Wood material in the form of off-cuts produced from virgin parent materials that are discarded by a primary or secondary production process but that has properties allowing it to be reused on site by being incorporated back into the same manufacturing process that generated it. • Co-products from virgin parent materials (example: Offcuts, shavings, sawdust, and the like, generated during primary manufacture of logs). • Forestry Waste: any virgin material considered as forest or urban waste. (e.g. branches, small or rotten pieces of wood, trunks of old trees and palms planted for food production, salvaged urban trees and underwater salvaged trees). • Materials that are discarded by a manufacture process but that has properties allowing it to be reused on site by being incorporated back into the same manufacturing process that generated it. Examples: <ul style="list-style-type: none"> ○ Dry paper trimmings from production or on-site sheeting and converting operations; ○ Faulty paper at the mill; ○ Mill broke, trim and scrap reused onsite in the same manufacturing process; ○ Obsolete inventories at the mill; ○ Wet paper removed from the paper machine.

Annex 4: Requirements for evaluating certification and verification standard systems

The below framework contains the principles, criteria and indicators used for evaluating certification systems.

6. Legality Definition

P	C	I	Requirements	Definition and guidance for evaluation
1			Legal compliance	The System shall contain a legality definition, including applicable legislation related to harvesting, trade and transport enabling efficient evaluation of legal compliance where needed. The Standard shall clearly specify the applicable laws that shall be complied with in order for harvesting and trade of timber to be considered legal. In this regard it shall not be considered adequate to include only a generic statement such as "all relevant laws and regulations shall be met". The Standard shall contain requirements that relate to or cover applicable legislation as defined by the categories below.
1	1		Legal rights to harvest	
1	1	1	Land tenure and management rights	The standard shall include requirements that ensure compliance with legislation covering land tenure rights, including customary rights as well as management rights incorporating the use of legal methods to obtain tenure rights and management rights. The standard should also cover legal business registration and tax registration, including relevant legal required licenses. There shall be requirements to ensure that licenses, right of tenure and management rights have been issued according to the legally prescribed procedure and excluding corrupt practices.
1	1	2	Concession licenses	The standard shall include requirements that ensure compliance with legislation regulating procedures for the issuing of concession licenses, including use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are recognized issues in connection with concession licenses.
1	1	3	Management and harvesting planning	The standard shall include requirements that ensure compliance with legislation and legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, as well as approval of these by competent authorities.

1	1	4	Harvesting permits	The standard shall include requirements that ensure compliance with legislation regulating the issuing of harvesting permits, licenses or other legal documents required for specific harvesting operations. This requirement includes the use of legal methods to obtain the permit. Corruption is a well-known issue in connection with the issuing of harvesting permits.
1	2	Taxes and fees		
1	2	1	Payment of royalties and harvesting fees	The standard shall include requirements that ensure compliance with legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This requirement includes payments of the fees based on correct classification of quantities, qualities and species. It also considers taxes related to the maintenance of the legal rights to harvest and manage the forest (e.g. area-based taxes).
1	2	2	Value-added taxes and other sales taxes	The standard shall include requirements that ensure compliance with legislation covering different types of sales taxes that apply to the material being sold, including selling material as growing forest (standing stock sales).
1	3	Timber harvesting activities		
1	3	1	Timber harvesting regulations	The standard shall include requirements that ensure compliance with legal obligations for harvesting techniques and technology including selective cutting, shelter wood regeneration, clear felling, transport of timber from felling sites and 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 planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.
1	3	2	Protected sites and species	The standard shall include requirements that ensure compliance with legislation related to protected areas as well as protected, rare or endangered species, including their habitats and potential habitats. Note that protected areas may include protected cultural sites, including sites with historical monuments.
1	3	3	Environmental requirements	The standard shall include requirements that ensure compliance with legislation related to environmental impact assessment in connection with harvesting, acceptable levels of damage and disturbance of soil resources, establishment of buffer zones (e.g. along watercourses, open areas, breeding sites), maintenance of retained trees on felling sites, seasonal limitations on harvesting, and environmental requirements for forest machinery.

1	3	4	Health and safety	The standard shall include requirements that ensure compliance with legislation related to personal protective equipment for persons involved in harvesting activities, use of safe felling and transport practices, establishment of protection zones around harvesting sites, and safety requirements relating to machinery used, and legal and safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relate to operations in the forest, including in-forest processing (not office work, or activities other than actual forest operations).
1	3	5	Legal employment	The standard shall include requirements that ensure compliance with legislation for employment of personnel involved in harvesting (and in-forest processing) activities including requirements for contracts and working permits, requirements for obligatory insurances, requirements for certificates of competence and other training requirements, and payment of social and income taxes withheld by the employer. Furthermore, the requirements shall cover observance of the minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.
1	4		Third parties' rights	
1	4	1	Customary rights	The standard shall include requirements that ensure compliance with legislation covering customary rights relevant to forest harvesting activities including obligations relating to sharing of benefits, and indigenous rights.
1	4	2	Free, Prior and Informed Consent	The standard shall include requirements that ensure compliance with legislation covering 'Free, Prior and Informed Consent' in connection with transfer of forest management rights and customary rights to the organisation in charge of the harvesting operation.
1	4	3	Indigenous and traditional peoples' rights	The standard shall include requirements that ensure compliance with legislation that regulates the rights of indigenous/traditional peoples as far as those rights relate to forestry activities. Possible aspects to consider are land tenure; and the right to use certain forest-related resources or practice traditional activities, where these may involve forest lands.
1	5		Trade and transport	
1	5	1	Classification of species, quantities, qualities	The standard shall include requirements that ensure compliance with 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 of reducing/avoiding payment of legally prescribed taxes and fees.

1	5	2	Trade and transport	The standard shall include requirements that ensure compliance with required trading permits as well as legally required transport documents that accompany transport of wood from forest operations.
1	5	3	Offshore trading and transfer pricing	The standard shall include requirements that ensure compliance with 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. 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 they are legally prohibited in the country, can be included here.
1	5	4	Customs regulations	The standard shall include requirements that ensure compliance with legislation covering areas such as export/import licenses, and product classification related to customs (codes, quantities, qualities and species).
1	5	5	CITES	The standard shall include requirements that ensure compliance with legislation related to CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).

7. Supply-chain & Chain of Custody requirements

2			Chain of Custody	The System shall include requirements to ensure that material included in the scope of certification/verification will not be mixed with unknown or non-compliant material, irrespective of the method applied. The requirements below, therefore, do not require tracking of all timber from the forest, but allow for risk-based systems to manage risk of contamination with illegal or unknown material.
2	1		The System shall require systematic processes to enable the identification of the country of origin of the material, and where applicable to a higher level of detail, such as the sub-national region or concession level.	Depending on the System's approach to tracking and sourcing, there shall be systems in place either to track all material (product certification systems) or to track and trace products to a level of detail appropriate to the level of risk identified in the supply chain (risk-based Due Diligence Systems).
2	2		The System shall require systematic processes to enable the identification of the species included in materials or products included in the scope of certification.	The names of the species of trees included in all products in the scope of certification shall be available and identified by common or trade name, as well as scientific name (genus and species).
2	3		The System shall include clear and effective measures to prevent material from specified risk, unverified or potentially illegal sources from entering the supply chain.	Systems to assure segregation of materials from unknown or potentially illegal sources shall exist. This may be done via different types of systems, but there shall be a well-documented process to assure that materials are not mixed in cases where several different material categories (origins or risks) are handled.

2	4	Where applicable, the System shall require the tracking of certified or verified legal wood along the supply chain, using appropriate inventory methods and documented controls where necessary to ensure that risks of mixing are managed.	Chain of Custody system requirements shall be formulated and implemented to assure that material carrying the certification or verification claim can be traced through processing and transport.
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8.

9. Quality Assurance Requirements

3	System requirements	The System shall include requirements for certified or verified organisations to have in place systems and procedures covering all requirements of the standard.
3	1	For companies implementing own-verification (1 st , 2 nd , or 3 rd) systems (of sources or supply chains), the System shall include clear requirements for such systems and for oversight by the assurance provider of the scope and quality of their implementation. In cases where other 3 rd party Systems are recognised by the System, it shall be clear on what basis recognition is done and how it is verified that other Systems assure conformance with the specific System requirements.
3	2	There should be clear requirements in the System to require certified organisations to regularly review the proper functioning of their own procedures. Ensuring the continued implementation of procedures is important to the on-going ability of the organisation to meet certification requirements.
3	3	There should be clear requirements embedded in the System to ensure that any procedures applied by certified companies are able to efficiently address changes to supply chains. Changes in supply chains may introduce new risks and these should be dealt with prior to including products from these new supply chains in the scope of the certification.

4		Transparency	System standards and requirements for both certified organisations and assurance providers shall be publicly available. Systems shall ensure that relevant information about the development and content of the standard, how the system is governed, who is evaluated and under what process, impact information and the various ways in which stakeholders can engage is freely available (ISEAL credibility principles).
4	1	The System shall ensure that standards and requirements for certified organizations are publicly available on the internet.	Transparency of the requirements against which certified organizations are evaluated is a key feature of a certification System.
4	2	The System shall ensure that an up-to-date register of certified/verified organizations is publicly available.	This requirement should make it possible to identify the certification status of named companies from their name or certification code.
4	3	The System shall ensure that certification reports (or at least summaries with relevant findings) are made publicly available on the internet.	At the level of the certified organization, the public summary information should – as a minimum – provide accurate and up-to-date information on: i. Scope of the certificate with regards to a full list of sites, facilities or members included. ii. Scope of the certificate with regards to those materials, products or product groups that are included. iii. The date of issue and ordinary date of termination/withdrawal of the certificate. iv. The current state of validity of the certificate (active, suspended, terminated) v. Rationale for certification decision, overview of findings and description of non-conformances
4	4	The System shall include formal and transparent, publicly available procedures for the handling of disputes and complaints related to certification and surveillance audits.	Procedures for handling complaints and disputes shall be developed, made publicly available and implemented. The procedures shall be clearly publicized, making it easy for stakeholders to submit comments or complaints where applicable.

5			<p>The System requires the relevant personnel of both Assurance Providers and certified organizations to have competence in their responsibilities.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ISO 19011 definition of competence: (3.14) Demonstrated personal attributes and demonstrated ability to apply knowledge and skills. ISEAL: Auditors need to be able to use their judgement to come to a quick understanding of a client's performance. Similarly, individuals responsible for audit reviews and decisions also need to be competent in their responsibilities. Among the strategies to mitigate the risks of non-conformity, having competent auditors is one of the most important. Basic requirements for supporting auditor competence are included in ISO17065 (6.1.2) and in ISO 17021-2 Section 7 and Annexes A to D in that document. The System owner must take ultimate responsibility for the competence of auditors working in its assurance programme.
5	1	<p>The Standard shall include requirements and ensure that certified organizations have qualified and competent staff who are able to consistently assure that standards are met and enforced.</p>	<p>This requirement specifies the importance of ensuring that certified organizations have qualified and competent staff tasked with ensuring that the standard requirements are met and enforced.</p>
5	2	<p>The System shall have mechanisms to ensure that auditors, and other relevant staff of the Assurance provider, are qualified and competent to evaluate organisations' compliance with specific standard requirements.</p>	<p>This requirement relates to the existence of clear requirements for competence and qualifications of auditors involved in evaluating standard conformance, as well as personnel involved in the certification decision-making process.</p>
6		<p>Impartiality and Oversight</p>	<p>Auditors, and other personnel relevant to the conformance evaluation of an organisation shall be impartial to the entity(-ies) under evaluation.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ISO 19011: Independence: the basis for the impartiality of the audit and objectivity of the audit conclusions. Auditors should be independent of the activity being audited wherever practicable, and should in all cases act in a manner that is free from bias and conflict of interest. For internal audits, auditors should be independent from the operating managers of the function being audited. Auditors should maintain objectivity throughout the audit process to ensure that the audit findings and conclusions are based only on the audit evidence. ISEAL: standard systems [shall] identify and mitigate conflicts of interest throughout their operations, particularly in the assurance process and in governance.

6	1	The System shall ensure that auditors are impartial enabling them to make independent evaluation of standard conformance by the entity under evaluation.	Impartiality should be clearly defined and included as a component of the System requirements on auditors and assurance providers that they remain impartial and independent to the organisation under evaluation. Requirements for impartiality should be defined at all levels of the System, from auditing, to certification decision through the development and maintenance of the System itself.
6	2	The System owner shall ensure that certification decisions are made by entities impartial to the auditee.	The certification decision process should be well defined and include requirements to ensure that the decision on certification is conducted by positions/bodies that are impartial to the auditee.
6	3	Oversight mechanism	<p>NOTE:</p> <ul style="list-style-type: none"> ISEAL assurance code: Oversight of assurance providers is typically managed through an ISO 17011 accreditation process, but can be accomplished in other ways, depending on the needs of the standards system. For example, a standards system could employ an independent assurance body to review the System. Alternatively, a System owner could arrange to oversee the work of assurance providers directly, recognizing that this model provides less independence and requires the owner to have the competencies described in this section. Less formal Systems could develop a scrutiny committee of peers or stakeholders to oversee the assurance process. In all models of oversight, independence of the oversight mechanism from the assurance provider is necessary. <p>The owner or operator of the System should have efficient requirements to ensure that the competence <i>and performance</i> of assurance providers is regularly evaluated. The review of performance should be used for subsequent follow up and implementation of corrective actions where shortcomings are identified.</p>
6	3	1	The System owner shall ensure that the competence and consistent performance of assurance providers is periodically reviewed.
6	3	2	The System owners shall specify the approach to be used in oversight, ensuring that the oversight mechanism is independent of the assurance providers being assessed.
6	3	3	The System owners shall define the frequency of oversight or the procedure for determining the frequency, applicable in the case of risk-based oversight.
7		Auditing process (assurance provider requirements)	<p>Where the System owner is the assurance provider, the owner shall ensure that oversight is carried out by personnel independent of those engaged in the assurance process.</p> <p>Compliance with the System standards is audited regularly and the results are publicly available. The System shall include clear requirements and procedures for auditing activities, as well as how audit results are presented and made available to third parties.</p>

7	1	<p>The System shall ensure that assurance providers apply the documented methodology for assessment of clients.</p> <p>As a minimum, this methodology shall include procedures for the following activities:</p> <ul style="list-style-type: none"> > Evaluation of conformity of organizations to the standards (e.g. audit of sites, or inspection of records or of self-assessment declarations); > Review and certification decision; > Issuance of a certificate; and > Periodic re-assessment. 	<p>The System should have in place efficient and adequate requirements and procedures that shall be met by assurance providers. These requirements should ensure that assurance providers use the designated methodology for the evaluation of organizations seeking certification. Requirements for assurance providers should be clear and unambiguous and allow the System owner to verify their level of conformance to these requirements.</p>
7	2	<p>The System shall include mechanisms to ensure that assurance providers conduct stakeholder consultation as appropriate during the audit (only applicable where necessary for evaluating compliance of organizations).</p>	<p>Stakeholder consultation may be required in some cases. For example, this could be during the evaluation of compliance to laws relating to third parties' rights to resources. Where required, the time and place of the initial evaluation and surveillance audits should be made known to stakeholders, together with an invitation to provide comments about the assessed organisation (and its activities) to the assurance provider or accreditation body.</p>
7	3	<p>The System shall ensure that the assurance provider applies a clear basis for:</p> <ul style="list-style-type: none"> > establishing conformance > raising corrective actions for non-compliance > certification decision making. 	<p>Clarity in the performance threshold for organizations seeking certification should be clear and unambiguous. The procedures for assurance providers should ensure that a uniform threshold is applied to evaluate conformance by ay auditees.</p> <p>This criterion relates to the ability of the assurance providers to make consistent and standardized decisions on conformance by clients. This is important as clarity of conformance thresholds are necessary for the client to understand the requirements they are supposed to meet and for the auditors to be able to make consistent decisions of conformance.</p>

7	4	<p>The System shall ensure that assurance providers have in place - and implement - procedures for audits that include at least the following:</p> <ul style="list-style-type: none"> > frequency of audits; (minimum annually); > requirements for on-site visits where applicable; > sampling protocol for audits (if applicable); > structure and competencies of the audit team; > the minimum set of aspects that need to be checked in every audit; > minimum content of audit reports, including non-conformances, clarification of scope, audit process and evaluation findings. 	<p>These requirements relate directly to the procedures implemented by the assurance providers to conduct audits. These types of requirements on assurance providers are often part of accreditation standards and reflected in assurance provider procedures for auditors.</p> <p>As the requirements reflected in 7.1, the assurance provider should have in place procedures to ensure that they are following the System requirements for auditing. The assurance provider therefore should have in place an efficient set of procedures to ensure consistent and uniform implementation of the System's audit requirements.</p>
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Annex 5: Multi-site & Group organisations (that work on the behalf of members/sites)

This Annex is relevant to HAWA DDS Members which are group/multisite organisations OR for organisations that work on the behalf of groups of Members. It contains requirements for systems implemented by Groups with multiple entities or Organisations working with multiple sites.

Requirements

10. 1. Eligible operations

- 1.1 A "Central Office" shall be appointed to act on the behalf of the Multi-Site Organisation or Group.
- 1.2 The Central Office shall have the competence and capacity to implement and control all applicable requirements of the Group or Multi-Site Organisation.
- 1.3 The Central Office shall document and implement rules regarding eligibility for participating Group members or sites.
- 1.4 The Central Office shall have sufficient authority to ensure that each Site or Group member conforms to the applicable standard(s) and all relevant requirements of this standard.

Guidance

11.

The Central Office is key within a Group or Multi-Site management model as the entity that manages conformance to the requirements of the applicable standard(s) across all Group members or sites.

Staff allocated responsibility in the Central Office shall have competences in order to ensure that the requirements of the applicable standard(s) are met by all Sites or Group members.

See Annex 6 of this standard for clarification on eligibility requirements for certification.

It is important that the Central Office has sufficient authority to ensure that the requirements of the applicable standard(s) are met by all Group members or sites.

This may be ensured through common ownership structure that includes all Sites, or through contracts or agreements between each Site and the Central Office entity.

14.

12.

13. 2. Central Office requirements

- 2.1 The Central Office shall designate one person or position with overall responsibility for management of the participating Group members or sites.
- 2.2 The Central Office shall develop, implement and maintain documented procedures covering the applicable requirements of this standard and the applicable standards, including clear procedures for inclusion and removal of participating sites or Group members.
- 2.3 In relation to demonstrating conformance with all requirements for managing the Group members or sites, the Central Office shall maintain all applicable records for a minimum of five (5) years.
- 2.4 The Central Office shall be responsible for ensuring that all relevant requirements of the applicable standard(s) are fully implemented by all Sites or Group members.
- 2.5 Where applicable, the Central Office shall be responsible for ensuring that all conditions on which membership to the HAWA DDS is dependent are adhered to, including that any non-conformances raised by the HAWA DDS PMU or the Independent Monitor are addressed.
- 2.6 The Central Office shall have the authority to raise internal non-conformances against any Site or Group member and to enforce their correct implementation.
- 2.7 The Central Office shall have the authority to remove participating Group members or sites, if the requirements of participation are not met or if any non-conformances – identified by the HAWA DDS PMU or the Independent Monitor – are not addressed.
- 2.8 The Central Office shall maintain an up-to-date record of all participating Sites or Group members.
- A position or several positions should be identified to hold specific responsibilities. One of these should be the position holding the overall responsibility for the functioning of the complete Group or Multi-Site system.
- Procedures should be developed to inform sites or Group members about system requirements and to maintain a systematic approach to the Group or Multi-Site management.
- Where applicable, it is the Multi-Site Organisation or Group manager that holds the contractual responsibility to the HAWA DDS for the conformance by all Sites or Group members to the HAWA DDS Platform.
- As required in 2.11 the Central Office shall audit Sites or Group members. It is necessary that Central Office authority is available to ensure that non-conformances are correctly addressed.
- If non-conformances are not corrected, it shall be possible for the Central Office to remove Sites or Group members. This could be part of a written agreement or contract between the Central Office and each Site.
- Where applicable, when new sites or Group members are added or removed, it is important to notify the HAWA DDS

PMU in order to allow evaluation of the potential need for additional audits.

members.
2.8.1 For each group member/site, the Central office shall record the date of entry to and exit from the scope of the Group or Multi-site Organisation.

2.8.2 The Central Office shall notify the HAWA DDS PMU within three (3) working days of any added or excluded Group members or Sites.

2.9 The Central Office shall ensure each participating Group member or site understands – via access to information or documentation and the provision of training activities - the relevant terms and conditions of participation and certification. Including:

- a) the requirements of the HAWA DDS Platform;
- b) the documented procedure(s) of the Central Office;
- d) Explanation of the right or the HAWA DDS PMU or the Independent Monitor to access the Site or Group member for the purposes of external evaluation and monitoring (including unannounced audits);
- e) Explanation of the requirements of the HAWA DDS PMU or the Independent Monitor with respect to collecting information.

2.10 The Central Office shall carry out an initial evaluation of each applicant (Group-member or site) to ensure that it conforms to all relevant requirements of the HAWA DDS Platform and any additional requirements established by the Central Office prior to their inclusion as a Participating Site or Group member.

2.11 The Central Office shall conduct regular evaluations (at least annually) of all Group members or sites to evaluate continued conformity with all applicable requirements.

15. 3. Requirements for Sites and Group members

3.1 Each Site or Group member shall be responsible for:

- a) Assigning a representative as the contact for the Central Office. The representative shall have managerial authority to ensure the implementation of, and adherence to, all procedures necessary for conformance with the HAWA DDS Platform, including any outsourced activities;

It is important that sites or Group members are aware of the standard requirements and the Central Office procedures. Therefore, activities should be undertaken to ensure that all sites and relevant staff at each site are aware of the procedures and requirements

16.

Each Site or Group member shall be clear on their responsibilities and ensure that the requirements of the standard are being followed.

- b) Compliance with all applicable participation requirements as specified by the Central Office;
- c) Responding effectively to all requests or instructions from the Central Office, the HAWA DDS PMU or the Independent Monitor, where applicable;
- e) Informing the Central Office of all changes in ownership, staff, procedures or processes that may affect conformance with the HAWA DDS Platform or participation requirements;
- f) Providing full cooperation and assistance with respect to the satisfactory completion of visits or evaluations performed by the Central Office, the HAWA DDS PMU or the Independent Monitor, where applicable.
- g) Ensuring that all non-conformances issued by the Central Office or, where applicable, the HAWA DDS PMU or the Independent Monitor Certification Body are addressed within their established timelines.

Annex 6: Group and Multi-Site eligibility requirements

This Annex is relevant to HAWA DDS Members which are group/multisite organisations OR for organisations that work on the behalf of groups of Members. It contains the eligibility requirements for Groups or Multisite organisations, to provide clarity as to when the requirements in Annex 5 shall be implemented by the Member.

1. Conformance with Annex 5 is not required

Members with multiple Sites or Operators may be included in the scope of a single HAWA DDS membership **WITHOUT the need for conformance with the requirements in Annex 5** if they comply with all of the following eligibility criteria:

- a) One single Site/entity within the scope of the membership:
 - i) Is acting as liaison/legal representative with the HAWA DDS Platform;
 - ii) Is responsible for invoicing for materials or products within the scope of materials or products traded via the HAWA DDS Platform to external clients;
 - iii) Controls the use of the claims related to the HAWA DDS Platform.
- b) All Sites/entities within the scope of the membership:
 - i) Operate under a common ownership structure;
 - ii) Are managed under direct control of the Central Office which acts as the liaison/legal representative;
 - iii) Have an exclusive business relationship with each other for the output materials or products covered by the scope of materials or products traded via the HAWA DDS Platform.

2. Conformance with Annex 5 is required - Members with multiple Sites/entities

A member of the HAWA DDS Platform of multiple Sites/entities **SHALL ensure conformance with the requirements in Annex 5**, under the following eligibility criteria:

- a) All Sites/entities and the Central Office are linked through common ownership or through a franchise model;
- b) All participating Sites/entities:
 - i) Have a legal and/or contractual relationship with the Organisation;

- ii) Are subject to a centrally administered and controlled management system established by the entity that has authority and responsibilities¹ beyond those related solely to the HAWA DDS Platform, including at least one of the following elements:
- Centralised purchase or sales function;
 - Common operational procedures (e.g. same production methods, same product specifications, integrated management software);
 - Operating under the same brand name (e.g. franchise, retailer);
- iii) Are subject to – and bound by – admission or removal from the scope of the Multi-Site certificate by the organisation.

3 Conformance with Annex 5 is required – Members representing groups of Operators

Groups of independent “small” enterprises or entities (Group members) under the following eligibility criteria, and which are included within the scope of a single HAWA DDS Platform membership **SHALL ensure conformance with the requirements in Annex 5:**

- a) All Group members and the assigned Central Office are located in Viet Nam.
- b) Each Group member shall qualify as “small” as defined by:
 - i. no more than 100 employees (full time equivalent), or
 - ii. no more than 100 employees (full time equivalent) and a maximum total annual turnover of 50,000,000,000 VND
- c) All participating Group members:
 - a. Have a contractual relationship with the Central Office;
 - b. Are subject to a centrally administered and controlled management system established by the Central Office that holds the authority and responsibilities related to the HAWA DDS Platform, including the legal authority to admit or remove Group members from the Group.

¹ Authority and responsibilities may include, e.g.: establishing operational requirements, maintaining financial data, ensuring legal compliance, operating under the same brand name.

End of Document



HAWA DDS

Verification Body Requirements

HAWA-DD-04 Version 1.0

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A Introduction

This HAWA Standard ('the Standard') describes the requirements for Verification Bodies (VBs) to be recognised as credible organisations which are able to conduct verification activities in relation to Operators to reduce risk of producing or trading illegally harvested timber.

Verification activities may be conducted by different types of entities, such as certification bodies already accredited to other certifications system, individual consultants, lawyers and others. The verification activities a specific entity can engage in is limited to their competence and capacity.

Note on the use of this Standard

All aspects of this document are considered to be normative, including the scope, effective date, references, terms and definitions, requirements, notes, tables and annexes, unless otherwise stated.

B Scope

The requirements are applicable to organisations and individuals acting as verification bodies for Member-users of the HAWA DDS Platform.

The objective of this standard is to ensure that VBs are applying and managing verification activities in a competent, consistent, impartial, transparent, rigorous, reliable and credible manner. The aim is to ensure international acceptance of the HAWA DDS Platform, and so furthering legal trade and compliance with the obligations placed on importers by the VPA between EU and Viet Nam.

C Effective date

Version 1.0 of the HAWA-DDS-04 was approved by HAWA Project Management Unit on 11 December 2020.

These requirements will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

D Version history

Version 1.0 of this standard was published on 11 December 2020.

E References

The following sources were instrumental in the development of this Standard:

- Voluntary partnership agreement between the European union and the socialist republic of Vietnam on forest law enforcement, governance and trade
- ISO/IEC 17065: 2012: Conformity Assessment - Requirements for Bodies Certifying Product, Processes and Services (hereafter ISO/IEC 17065), and
- ISO 19011:2018, Guidelines for auditing management systems (hereafter ISO/IEC 19011), and
- ISO/IEC 17021-1, Conformity assessment — Requirements for bodies providing audit and certification of management systems (hereafter ISO/IEC 17021-1).
- FSC-STD-20-011 (V4-0) Chain of Custody evaluations

F General Requirements for Verification Bodies

1 General Verification Body requirements

- 1.1 Verification Bodies shall be required to conform at all times with the requirements set out in part 2 of this standard.
- 1.2 Verification Bodies shall have legal personality and be established within Viet Nam.
- 1.3 Verification Bodies shall not be involved in the governing of the HAWA DDS.
- 1.4 During the course of its recognition, a Verification Body shall inform the HAWA PMU without delay of any of the following situations:
 - a) a change that may affect the ability of that Verification Body to exercise those functions as a Verification Body for which it is recognized by the PMU
 - b) the Verification Body adds or removes agencies, branches or subsidiaries within Viet Nam, relevant to its functioning as a Verification Body.
 - c) the Verification Body ceases to exercise those functions as a Verification Body for which it is recognized by the PMU.

2 Recognition of a Verification Body by the HAWA PMU

- 2.1 Applicant Verification Bodies (VBs) shall apply to the HAWA PMU for recognition as a Verification Body.
- 2.2 Prior to recognition as a Verification Body, the applicant VB shall be required to demonstrate that it has the capacity and organisational structure that ensures the proper exercising of its functions as a Verification Body, as outlined in this standard.
- 2.3 For this purpose, information shall be submitted by the applicant Verification Body to the HAWA PMU, that includes the following:
 - a) information to demonstrate that applicant Verification Body has legal personality and is established within Viet Nam.
 - b) Clarification of the competences and verification activities, in which the applicant wishes to engage.
 - c) Information to demonstrate the applicant has a system of policies, procedures and measures which ensures the proper exercise of its functions of a Verification Body, as outlined in part 2 of this standard.
 - d) information to demonstrate access to sufficient financial and technical resources – including competencies of personnel – to exercise its functions as a Verification Body.
- 2.4 The applicant Verification Body shall grant access to the PMU in relation to all relevant information necessary to its recognition application – and support - the HAWA PMU in its evaluation of the applicant, to determine whether formal recognition is granted or otherwise.

3 Policies and procedures

- 3.1 The Verification Body shall develop and implement procedures meeting all relevant requirements of this standard, as well as other requirements related to their functioning as a VB within the HAWA DDS.
- 3.2 The Verification Body shall have a system in place for the periodic (at least annual) internal evaluation and improvement of the effectiveness of its own policies and procedures relating to the HAWA DDS;

4 Verification

- 4.1 The Verification Body shall evaluate Operators and/or information against the requirements of the HAWA standards as applicable, as requested by an Operator or the PMU.
- 4.2 In order to provide such an evaluation, the Verification Body shall:
 - a) Evaluate one or more of the following different aspects of Operators that are relevant in relation to products, supply chains or operators under verification:
 - Operator structure, processing operations, inputs and outputs
 - Records of all descriptions that verify, among other things:
 - the supply-chain, origin, species and products included in the verification scope, as well as to its processing, conversion factors, physical form, location and the physical path the wood has taken
 - legal compliance of the products or operators which handled them.
 - Information about the supply chain of material
 - Information related to due diligence and CoC systems: existence and performance. Effectiveness of any mitigation measures implemented as part of a DDS
 - Information obtained via interview with staff of Operators, their suppliers or contracted organisations which work on their behalf.
 - Information related to staff competence of Operators responsible for conducting (internal or external) supplier evaluations.
 - b) Confirm that the Operator's management system is capable of ensuring that HAWA DDS requirements are implemented (as relevant to the scope of the evaluation) – or confirm the veracity of information uploaded to the platform.
 - c) Conduct adequate and appropriate sampling and review of sites, documents, management records, interviews, and direct observations, in order to verify that there is full conformance in relation to the HAWA DDS requirements.
- 4.3 The Verification Body shall inform the PMU of any illegal, fraudulent or criminal activity it observes by the Operator, or for which it obtains evidence.

5 Impartiality

- 5.1 The Verification Body shall be independent of the Operator(s) under evaluation.
- 5.2 The Verification Body shall have systems and procedures to safeguard the objectivity and impartiality of its verification and decision-making activities.
- 5.3 The Verification Body shall identify and analyse risks of conflict of interest - at the organisational and individual level - arising as a result of it exercising functions as a

Verification Body, including any conflicts arising from its relationship with related bodies or subcontractors.

- 5.4 Where a risk of a conflict of interest has been identified, the Verification Body shall have in place written policies and procedures to avoid or remove it. Both the conflict of interest and action take to avoid it, shall be documented.

6 Confidentiality

- 6.1 The Verification Body shall be responsible, through legally enforceable commitments, for the management of all information obtained or created during the performance of its verification activities. Information is considered proprietary and shall be regarded as confidential, except for information that the Operator makes or is required to make publicly available, or when agreed between the VB and the Operator.
- 6.2 The Verification Body shall maintain and implement documented policies and procedures for maintenance of confidentiality, including:
- a) a policy statement on confidentiality;
 - b) system for ensuring that personnel are aware of the policy and of their consequent obligations;
 - c) a written confidentiality agreement to be signed by all relevant personnel who have access to confidential information.
- 6.3 When the Verification Body is required by law or authorized by contractual arrangements to release confidential information, the Operator or person concerned shall, unless prohibited by law, be notified of the information provided.
- 6.4 Information about the Operator that is not publicly available and is obtained from sources other than the Operator (e.g. from a complainant) shall be treated as confidential, unless the source of information and the Operator give written consent to disclose it.

7 Complaints management

- 7.1 The Verification Body shall have a publicly available procedure to receive, evaluate and make decisions on complaints or appeals, which shall at least include the following elements:
- a) provide the complainant the opportunity to present the complaint or appeal to an entity within the Verification Body's organizational control. i.e. complaints cannot be accepted on issues that are outside the control of the Verification Body;
 - b) require the complainant to include a clear description of the complaint, with objective evidence to support the complaint.
 - c) require the name and contact information of the submitter.
- 7.2 Upon receipt of a complaint, the Verification Body shall confirm whether the complaint relates to verification activities for which it is responsible and, if so, shall address it.
- 7.3 The Verification Body shall register all relevant complaints with the HAWA PMU.
- 7.4 The Verification Body shall be responsible for gathering and verifying all necessary information related to the complaint in order to facilitate a decision.
- 7.5 The Verification Body shall seek a timely resolution of complaints and appeals.

- 7.6 The decision resolving the complaint shall be made, or reviewed and approved, by person(s) not involved or connected with the subject matter of the complaint itself.
- 7.7 The Verification Body shall record and track complaints, as well as actions undertaken to resolve them.
- 7.8 Complainants shall be offered the opportunity to refer their complaint to the HAWA PMU or to the Independent Monitor, if the issue has not been resolved through the full implementation of the Verification Body's own procedures, or if the complainant disagrees with the conclusions reached by the Verification Body and/ or is dissatisfied by the way the Verification Body handled the complaint.

8 Publicly available information

- 8.1 The Verification Body shall maintain, and make publicly available (on its website where possible), the following:
- a) information about the Verification Body's scope of competences and verification activities; and,
 - b) information about procedures for handling complaints and appeals.

9 Competence and qualifications

- 9.1 The Verification Body shall have at its disposal sufficient human and technical resources to cover the robust and effective implementation of the verification activities for which it is recognised.
- 9.2 The Verification Body shall maintain records documenting the duties and responsibilities of its personnel.
- 9.3 Personnel shall be competent in the functions they perform.
- 9.4 Specifically, personnel shall meet the following minimum criteria, attested by evidence of formal qualifications:
- 9.5 formal professional training in discipline(s) relevant to the functions of the Verification Body;
- 9.6 for senior technical positions, at least five years of professional experience in function related to the functions of the Verification Body;
- 9.7 Additionally, Personnel undertaking verification activities shall have the necessary competence knowledge and experience applicable to the forest or forest-industry sector, according to the work of Operators and verification activities they will conduct, including:
- a) Knowledge of applicable laws and regulations relevant to the forest-sector supply chains in the countries of origin.
 - b) Knowledge of forest-sector business management practices
 - c) Knowledge of operation of suppliers, including management systems and products
 - d) Knowledge of the forest resources, supply chains relevant to the specific evaluation. E.g. knowledge or legality risks in the area or country of origin of the timber.
 - e) Knowledge of due diligence systems, their implementation and evaluation
 - f) Language skills appropriate to relevant stakeholders

- 9.8 The Verification Body shall have in place procedures for monitoring the performance and technical competence of its personnel.

10 Contracts between Operators and Verification Bodies

- 10.1 Verification Bodies providing verification services to Operators shall have in place a contract between itself and the Operator.
- 10.2 Contracts shall include the following:
- a) The relevant provisions ensuring the right of the Verification Body at any reasonable time to have access to the Operators premises for the purpose of inspecting and/or taking copies of any information, documentation, goods, books and records deemed necessary by the Verification Body or by the HAWA PMU.
 - b) The relevant provisions ensuring the Operator facilitates in a timely manner the provision to the Verification Body of all such information, documentation and records as deemed necessary by the Verification Body or the HAWA PMU.
 - c) The relevant provisions ensuring the right of the Verification Body to use and process any information relating to the Operator or otherwise provided by or through the Operator.
- 10.3 The conditions and terms necessary for an Operator to maintain the Verification Statement shall include that the Operator:
- a) complies and continues to comply with all the Verification Body's conditions and terms for maintaining, renewing and re-issuing of the Verification Statement, including but not limited to the full implementation of any actions required to correct minor non-conformances that were identified prior to the issue of the Verification Statement;
 - b) complies and continues to comply with all the Verification Body's and HAWA DDS requirements, arrangement and licences regarding claims, logos, trademarks or any other intellectual property rights of the Verification Body and the HAWA PMU;
 - c) corrects any non-conformances with the applicable standard(s) within the minimum period specified by the Verification Body;
 - d) undergoes ongoing surveillance as determined by the Verification Body.

11 Verification Statements

- 11.1 The Verification Body shall issue a Verification Statement based on their evaluation of the operation's conformance in relation to applicable requirements of the HAWA due diligence Standards.
- 11.2 Where a Verification Statement is issued, it shall contain:
- a) Entity Responsible for the verification
 - b) Date(s) of verification
 - c) Date of issue of verification statement
 - d) List of any non-conformances identified.
 - e) Findings and conclusions in relation to the verification activity .
 - f) Verification Statement scope, describing what is included within the verification activity and statement:

- Species included.
- Products included.
- Volumes or quantities included
- Forest areas, legal entities, sites or geographic locations included .
- Scope of due diligence system included (where applicable)

11.3 Where a Verification Statement or findings are issued to an Operator and/or recorded via functions on the HAWA DDS Platform, the Verification Body shall also make a summary of its evaluation.

11.4 The Verification Statement shall be updated directly to the platform website via the member account provided to the Verification Body.

11.5 Only at the point of upload of the Verification Statement, shall the status of the timber material/product under evaluation be modified.

11.6 The Verification Body shall obtain and use the current version of any reporting templates either on paper or integrated as functions on the platform developed by HAWA.

Note: The listing of a reporting template on the HAWA DDS website shall mean that its use is mandatory.

11.7 As required, the Verification Statement, public summary reports and updates to the HAWA DDS Platform, shall be uploaded no later than ten (10) working days after the completion of verification work (desk-based or on-site) by the Verification Body.

11.8 In the event that the Verification Body suspends, terminates or withdraws a Verification Statement, it shall promptly (and in any event within three business days of the suspension or withdrawal or termination) update the HAWA DDS Platform with the relevant information.

11.9 Such notification shall state the action taken and the effective date and reason of suspension or withdrawal or termination.

11.10 All non-conformances with the applicable requirements of the relevant HAWA standard(s) as well as status of activities to address these, shall be recorded within the Verification Statement.

11.11 The Verification Body shall not issue or re-issue a Verification Statement to a company if there is one or more major non-conformance(s) with applicable HAWA Standard(s).

11.12 Where the Verification Statement has expired, has been terminated, suspended or withdrawn, due to major non-conformances, the Verification Body shall issue a notification letter that includes:

- a) A clear statement to withdraw or suspend the Verification Statement
- b) The official date from which the Verifications Statement becomes invalid
- c) The rationale for invalidating the Verifications Statement which shall include, but is not limited to, an explanation for any breach of the verification/audit contract and the nature of the relevant non-conformance with HAWA standard(s)
- d) In case of expired statement, or statement having been terminated voluntarily, a reference to the voluntary decision of the company or the agreement between the company and the Verification Body.

- e) A requirement to refrain from using any HAWA DDS trademarks in relation to the affected product or company.
- f) A statement requiring the company to provide acknowledge in writing of receipt of the letter of notification, its acceptance of its conditions and that it understands the invalidation of its statement.
- g) The Verification Body shall keep records of all letters of notification sent to companies and the respective letters acknowledging receipt and understanding of the conditions.

12 Evaluating conformance (as applicable)

The following requirements apply where the Verification Body shall evaluate requirements of the HAWA standards and assess if there is conformance with these requirements.

- 12.1 Where a non-conformance is identified, the Verification Body shall determine whether it constitutes a minor or major non-conformance.
- 12.2 A non-conformance may be considered minor if:
 - a) It is a temporary lapse OR
 - b) It is unusual/non-systemic OR
 - c) The impacts of the non-conformance are limited in their scale and duration AND
 - d) It does not result in failure to meet the relevant requirement.
- 12.3 A non-conformance shall be considered major if, either alone or in combination with other non-conformances, it results in, a fundamental failure to meet the relevant requirement(s). Such failure shall be indicated by non-conformance(s) which:
 - a) Continue over a long period of time, OR
 - b) Are repeated or systematic, OR
 - c) Affect a wide range of the production, OR
 - d) Are not corrected or adequately addressed by the responsible managers, once they have been identified.
- 12.4 The Verification Body shall determine whether the impact of multiple minor non-conformances is sufficient to demonstrate 'systemic' failure (i.e. failure of management systems). In such situations, these minor non-conformances shall constitute a major non-conformance.
- 12.5 Based on the type of the non-conformance, the Verification Body shall conclude whether the non-conformance will result in one of the following:
 - a) A corrective action request.
 - b) A decision not to issue a verification statement
 - c) Suspension or withdrawal of the Verification Statement in case of major non-conformances

The auditor may also identify emerging issues, which, if not addressed by the Operator, may lead to future non-conformances. Such issues shall be recorded as 'observations' for the benefit of the Operator.

G Requirements for specific verification activities

The following shall apply to the Verification Body, according to the competences and verification activities, in which the applicant wishes to engage and be evaluated.

13 Evaluation of shipments/supplies relating to an Operator's sourcing of wood-products

The following requirements apply where a Verification Body includes within the scope of its verification activities the verification of shipments/supplies related to Operators' sourcing of wood-products:

- 13.1 The Verification Body shall have a system for evaluating shipments/supplies - using HAWA-DDS-01 and HAWA-DDS-02 as a reference - according to the scope and scale of the Operator's activities.
- 13.2 The Verification Body shall specify and justify in its system the means of verification it will employ, including, but not limited to:
 - a) a mechanism for verifying documentation, evidence and information against available sources of information and applicable requirements to confirm legal compliance;
 - b) field verification with a scope and sampling pool relevant to the shipments/supplies. Sampling pools shall be sufficient to confirm (as applicable) legal compliance, low risk related to origin and risk of mixing of material with non-eligible inputs; and,
 - c) corroborating evidence provided by the Operator with independent sources when possible.
- 13.3 In case records used for evaluating a shipment/supply shall be sampled at random or as part of a risk-based approach, the Verification Body shall not be guided or influenced by the Operator when selecting documents for sampling.

14 Evaluation of operators' DDS (as applicable)

The following requirements apply where a Verification Body includes within the scope of its verification activities the verification of an Operators' DDS.

- 14.1 The Verification Body shall have a system for evaluating the relevance, effectiveness, and adequacy of a DDS - using HAWA-DDS-03 as a reference for a credible due diligence system - according to the scope and scale of the Operator's activities. The Verification Body shall specify and justify in its system the means of verification of risk assessments and risk mitigation measures established by the Operator, including, but not limited to:
 - a) a mechanism for verifying risk designations against available sources of information and applicable requirements;
 - b) field verification with a scope and sampling pool relevant for the DDS under evaluation. The sampling pool shall be sufficient to confirm mitigation of risk related to origin and risk of mixing of material with non-eligible inputs;
 - c) corroborating evidence provided by the Operator with independent sources when possible.

- 14.2 The Verification Body shall evaluate (as applicable) whether the DDS has been implemented as designed and in accordance with all applicable requirements and any additional guidance provided or approved by the HAWA PMU.
- 14.3 In case records used for evaluating the DDS shall be sampled at random or as part of a risk-based approach, the Verification Body shall not be guided or influenced by the Operator when selecting documents for sampling.
- 14.4 The Verification Body shall verify (as applicable) whether the DDS under evaluation, allows the Operator to:
- a) confirm the species and origin of the material;
 - b) conduct a robust risk assessment related to the origin of the material;
 - c) conduct a robust risk assessment related to mixing material with noneligible inputs in supply chains, and;
 - d) develop and implement adequate risk mitigation measures.
- 14.5 The Verification Body shall verify (as applicable) whether the Operator's risk assessment is adequate, in line with HAWA-DD-03, including whether:
- a) the risk assessment follows HAWA requirements;
 - b) the sources of information used are independent, objective, and sufficient to justify risk designation;
 - c) the geographic scale of the assessment is adequate to the supply area(s);
 - d) the risk designation is justified and verifiable based on sources used in the risk assessment;
 - e) the risk specification includes sufficient information to allow the development of adequate risk mitigation measures;
 - f) experts used to conduct the risk assessment are competent
- 14.6 The Verification Body shall verify (as applicable) whether the Operator has reviewed the continued correctness and relevance of its risk assessment, in line with HAWA-DD-03, and made revisions where necessary.
- 14.7 The Verification Body shall verify (as applicable) whether the risk assessment related to the mixing of material with non-eligible inputs during transport, processing, and storage before the material reaches the Operator is adequate for the materials they have worked with in the platform.
- 14.8 The Verification Body shall verify (as applicable) the adequacy of risk mitigation measures, in line with HAWA-DD-03, including:
- a) a sample of each type of risk mitigation measure (as applicable) for each type of risk identified in them. The sampling rate shall be established and justified by the VB according materials they have worked with in HAWA DDS.
 - b) results of internal and external audits already conducted by the Operator;
 - c) comments, complaints, and appeals received (as applicable) by the Operator, the Verification Body, the HAWA DDS PMU or the Independent Monitor;
 - d) The process of own-review and improvement of risk assessment and risk mitigation actions by the Operator.

15 Forest level verification audits (as applicable)

The following requirements apply where a Verification Body includes within the scope of its verification activities the verification of Operator compliance at the forest or plantation level:

15.1 Evaluations shall include:

- a) evaluation of an adequate and appropriate sample of sites and records,
- b) interviews with relevant staff and workers,
- c) review of relevant documents and records,
- d) interviews with affected stakeholders (where relevant to evaluate risks), and
- e) review of any complaints, disputes or allegations of non-conformance regarding any aspect which might impact the Verification statement.

16 Evaluation of tracking and traceability systems in processing and trade facilities (as applicable)

The following requirements apply where a Verification Body includes within the scope of its verification activities the verification of tracking, processing or storage of timber products - where verification of physical segregation or traceability systems, physical volumes, or processing conversion factors, is needed in relation to different material streams to avoid risk of mixing.

16.1 Verification shall include:

- a) Inspection and, if necessary, retention of relevant records
- b) Physical site inspection to verify the consistency and completeness of records
- c) As necessary, audits may include:
 - i. Evaluation of a tracking or traceability system on which the Verification Statement would be based
 - ii. Review of any complaints, disputes or allegations of non-conformance regarding any aspect which might impact the Verification statement.

End of Document



HAWA DDS Platform Requirements

HAWA-DD-05 Version 1.0

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A Introduction.

This HAWA Standard ('the Standard') describes the fundamental requirements of the HAWA DDS Platform (the Platform) and the management system surrounding the application of the system.

B Scope

The requirements of the standard are applicable to HAWA DDS and in particular: the HAWA Executive Board (HEB); the HAWA DDS Service Supply Company (The Company); the Platform Executive Board (PEB) and the HAWA DDS Platform Management Unit (PMU) as the main responsible entities for the management of the Platform.

C Effective date

Version 1.0 of the HAWA-DDS-05 was approved by HAWA Chairman Platform Management Unit on 11 December 2020.

These requirements will be updated periodically – and at least every three years – and will replace previous versions from the date of publishing.

D Version history

Version 1.0 of this standard was published on 11 December 2020

E Requirements for the HAWA DDS Platform

1.1 Administration of the HAWA DDS Platform

1.1.1 The HAWA Executive Board (HEB)

- 1.1.1.1 The HAWA Executive Board shall be in charge of developing and approving the overall strategy for HAWA DDS platform for each 3-year period.
- 1.1.1.2 The HAWA Executive Board shall demonstrate commitment with respect to the development and maintenance of the HAWA DDS Platform. according to the HAWA DDS Platform Principles (HAWA-POL-01).
- 1.1.1.3 The HAWA Executive Board shall appoint 3 members to the Platform Executive Board, once every 3 years. Appointments shall initially be made once the members of the HEB are determined by the HAWA Congress.

1.1.2 HAWA DDS Service Supply Company

- 1.1.2.1 The Company shall manage and assure the financial sustainability of the HAWA DDS Platform, controlling and improving the quality of services provided to HAWA DDS members and users.
 - 1.1.2.1.1 The Company shall ensure compliance with tax laws and other responsibilities to the State as stipulated by the laws of Vietnam.
- 1.1.2.2 The Company shall operate upon a Business Charter, which consistently reflects and conforms with HAWA DDS Core Materials.
- 1.1.2.3 The Company shall take responsibility for the implementation the overall strategy for the HAWA DDS Platform developed by HAWA Executive Board, in accordance with the HAWA DDS Platform Principles (HAWA-POL-01).
- 1.1.2.4 The Company shall develop an annual work plan, based on the approved strategy developed by the HAWA Executive Board.
- 1.1.2.5 The Company shall ensure that the Platform Management Unit (PMU) has access to adequate resources, including but not limited to financial resources, competent personnel and equipment, to assure the proper functioning of the platform.
- 1.1.2.6 The Director of the Company shall appoint the Manager of the PMU
- 1.1.2.7 The Director of the Company and the Chairman of the Company shall comprise the two members representing the Company on the Platform Executive Board (PEB).

1.1.3 The Platform Executive Board (PEB):

- 1.1.3.1 The HAWA Platform Executive Board (PEB) shall be comprised of a maximum of 7 members, via which the following parties shall be represented:
 - i. HAWA Executive Board: 3 members.
 - ii. The Company: 2 members (Director of the Company and the Chairman of the Company)
 - iii. External Stakeholders (*optional*): Up to 2 temporary members

- 1.1.3.2 The objective of including optional External Stakeholders co-opted onto the PEB shall be for the purposes of bringing specific expertise to the functioning of the PEB.
- 1.1.3.3 The External Stakeholders may be chosen and co-opted as temporary members of the PEB by the permanent 5 members of the PEB, according to identified needs. The Co-opted temporary members shall serve a maximum of 1 year on the PEB (although this may be renewed).
- 1.1.3.4 The PEB members shall define, maintain and conform with the rules and procedures for the governance and proper functioning of the PEB itself.
- 1.1.3.5 PEB members shall vote for PEB chairman, who shall sign approvals on behalf of board, based on majority decisions it has reached.
- 1.1.3.6 The PEB shall be responsible for the monitoring and evaluation of:
 - i. the implementation and performance of the HAWA DDS platform according to the approved strategy and yearly plan.
 - ii. conformance of HAWA DDS platform and the PMU operation against the Principles, Standards and Procedures, as stipulated in the Core Materials.
- 1.1.3.7 The PEB shall be responsible for reviewing and approving all proposals for significant development or revisions of the HAWA DDS Platform relating to the systems' functions and processes, terms, and conditions within the Core Materials' documents.
- 1.1.3.8 In relation to the System Members Council (SMC), the PEB shall be responsible for:
 - i. determining the appropriate moment for setting up the SMC, including consideration of the financial stability of the HAWA DDS Platform.
 - ii. supporting the set-up of the SMC, until it is able to operate independently.
 - iii. ensuring, once set up, that the SMC obtains access to sufficient financing to support its activities
 - iv. ensuring, once set up, that the SMC is supported and facilitated in its work by all parts of the HAWA DDS Platform including the PMU and the PEB itself.

1.1.4 The Platform Management Unit (PMU)

- 1.1.4.1 The PMU shall be responsible for the practical implementation, day-to-day management and ongoing operation of the HAWA DDS Platform, as well as the maintenance and improvement of the Platform, in accordance with the HAWA DDS Platform Principles (HAWA-POL-01).
- 1.1.4.2 The Platform Management Unit (PMU) shall operate under the oversight of the PEB.
- 1.1.4.3 The PMU shall report regularly to the PEB on HAWA DDS implementation and in relation to its responsibilities, at least on a quarterly basis and/or according to the needs or calendar determined by the PEB.

1.1.5 The System Members Council (SMC)

- 1.1.5.1 The System Members Council (SMC) shall be responsible for ensuring Operator members of the HAWA DDS platform are represented and have a voice in the governance and management of the platform.

- 1.1.5.2 The SMC shall work independently from the Platform Executive Board and the Platform Management Unit to represent and protect Operators' legitimate rights and benefits within the HAWA DDS Platform.
- 1.1.5.3 Operator members of the HAWA DDS Platform shall determine the make-up and size of the System Members Council (SMC) and shall have sole right to elect representatives to the System Members Council.
- 1.1.5.4 The SMC shall directly select a qualified organization to perform as an independent monitoring organisation. This organisation shall monitor the proper functioning of the HAWA DDS platform and the Platform Management Unit (PMU), including their conformance in relation to the HAWA DDS Policies and standards, in line with standard HAWA-DD-06.

1.2 Systems, Procedures and records of the PMU

1.2.1 Core Materials

- 1.2.1.1 The PEB shall have in place core materials - policies, standards, procedures and guides - for all aspects of the HAWA DDS Platform management and implementation.
- 1.2.1.2 The PEB shall maintain a control system for the Core Materials, which shall contain requirements to:
 - i. review and revise core material documents, as necessary. Draft documents shall be developed by the PMU with the support of experts as necessary.
 - ii. track document changes and identify the status of core material documents (draft versions, final version);
 - iii. ensure approval of core material documents prior to use.
 - iv. ensure that documents of external origin are identified, and their distribution is controlled.
 - v. prevent the unintended use of outdated documents
- 1.2.1.3 Higher level core materials (policies and standards) shall be approved by the Chairman HAWA Executive Board before coming into effect. Secondary documents such as procedures and guides may be approved by the PEB Chairman.
- 1.2.1.4 HAWA DDS Platform core materials shall be reviewed and updated as necessary, and at least every 3 years.

1.2.2 Competences and qualifications

- 1.2.2.1 HAWA DDS PMU shall have access to sufficient financial and equipment resources – including the number of personnel – to ensure the proper implementation of its duties and obligations.
- 1.2.2.2 Personnel shall be competent for the functions they perform, including making required technical judgments, defining policies and implementing them.
 - 1.2.2.2.1 The HAWA DDS PMU shall ensure that the evaluation team undertaking evaluations of Candidate Member-users and Verification Bodies, have the combined necessary knowledge and experience to evaluate against the HAWA Standards, including:

- i. Knowledge of applicable laws and regulations relevant to the supply chain and countries of origin.
- ii. Knowledge of business management practices
- iii. Knowledge of operation of suppliers, including management systems and products
- iv. Knowledge of the forest resources, supply chains relevant to the specific evaluation. E.g. knowledge of legality risks in the area or country of origin of the timber.
- v. Knowledge of due diligence systems, their implementation and evaluation
- vi. Language skills appropriate to all stakeholders

1.2.3 Records

1.2.3.1 The HAWA DDS PMU shall maintain accurate, complete and legible records of all of its activities in relation to the implementation and management of the HAWA DDS Platform.

1.2.3.1.1 These shall be kept and be readily available for evaluation by the Independent Monitor

1.2.3.2 All relevant records archived from HAWA DDS platform – and in relation to HAWA DDS PMU activities - shall be retained for a minimum of seven (7) years.

1.3 Management of complaints and disputes

1.3.1.1 HAWA DDS PMU shall have in place a complaints policy and procedure for handling and resolving substantiated complaints and disputes, including:

- i. assessment of evidence provided in the complaint within two (2) weeks of its receipt;
- ii. in cases where evidence is considered relevant, implementation of appropriate corrective actions; and (where applicable) updating of the HAWA DDS Platform,
- iii. maintenance of records of all complaints received and actions taken.

1.3.1.2 The complaints procedure shall cover complaints in relation to both the activities of:

- i. Member-user (Operators), Verification Bodies, and other users of the HAWA DDS Platform, AND;
- ii. the HAWA DDS PMU and the PEB itself, in relation to the functioning of the HAWA DDS Platform.

1.3.1.2.1 In the case of complaints regarding PEB and/or the HAWA DDS PMU, these shall be investigated as per the above procedure, but shall also be forwarded to the Independent Monitor.

1.3.1.3 Information about substantiated complaints and disputed cases shall be made publicly available on the HAWA DDS Platform website.

1.4 Development, maintenance and revision of the IT platform

1.4.1 Development and maintenance of the Platform

1.4.1.1 The development and maintenance of the Platform shall follow the OWASP Top 10 2013 standard.

1.4.2 Revisions of the Platform

1.4.2.1 Proposed revisions to the Platform shall be submitted for approval to the PEB and HAWA Executive Board.

1.4.2.2 Revisions to the Platform shall not be initiated without the approval of the HAWA Executive Board

1.4.2.3 Proposed revisions to the Platform shall be posted on the HAWA DDS website prior to commencing revisions.

1.4.2.4 Revisions shall be communicated directly to all HAWA DDS Members and include information on the nature of changes.

1.5 Confidentiality and Impartiality

1.5.1 Impartiality

1.5.1.1 The HAWA DDS PMU shall have systems and procedures in place to safeguard the objectivity and impartiality of decision-making relating to the evaluation of Candidate Member-users to join the HAWA DDS Platform, and Verification Bodies.

1.5.1.2 The HAWA DDS PMU shall be independent of the Candidate Member-users or Verification Bodies under evaluation.

1.5.1.3 The HAWA DDS PMU shall identify, analyse and maintain records documenting risks of conflict of interest arising as a result of it exercising functions, including any conflicts arising from its relationship with Member-users, Verification Bodies, the System Member Council (SMC) or other stakeholders.

1.5.1.4 Where a risk of a conflict of interest has been identified, the HAWA DDS PMU shall have in place written policies and procedures to avoid conflicts of interest at the organisational and individual level. The written policies and procedures shall be maintained and implemented.

1.5.2 Confidentiality

1.5.2.1 The HAWA DDS PMU shall be responsible for the management of all information obtained or created during the functioning of the HAWA DDS Platform. Information is considered proprietary and shall be regarded as confidential, except for information that Members or the HAWA DDS PMU make or are required to:

- i. make publicly available
- ii. make available within the confines of the HAWA DDS Platform
- iii. disclose as per legal obligations.
- iv. use for a specific purpose with written consent by the related member.

1.5.2.2 The HAWA DDS PMU shall maintain and implement documented policies and procedures for maintenance of confidentiality, including:

- i. procedures for ensuring that personnel are aware of the HAWA DDS Principles and of their consequent obligations.

- ii. a written confidentiality agreement to be signed by all relevant personnel who have access to confidential information.
- 1.5.2.3 When the HAWA DDS PMU is required by law or authorized by contractual arrangements to release confidential information, the client or person concerned shall, unless prohibited by law, be notified of the information provided.
- 1.5.2.4 Information that is not publicly available and is obtained from Members, Sources other than Members (e.g. from a complainant) shall be treated as confidential, unless the source of information and the Member give written consent to disclose it.

1.6 Management of members

1.6.1 Approval and removal of membership of Operators

- 1.6.1.1 The HAWA DDS PMU shall define the requirements for membership of the HAWA DDS in accordance with HAWA-DDS-01 and HAWA-DD-02.
- 1.6.1.2 The HAWA DDS PMU shall have a system in place for the evaluation of all requests for membership to the HAWA DDS.
- 1.6.1.3 Approvals and Denials of membership to the HAWA DDS shall be made in writing, with a justification provided in the case of denials.
- 1.6.1.4 The PMU shall assess information during the evaluation of Operators' applications, in relation to the expectations and requirements of operators as outlined in HAWA-DDS-01 and HAWA-DD-02.
- 1.6.1.5 The PMU shall provide the applicant with a decision on the membership application within 05 days from receiving the application.
- 1.6.1.6 In case the HAWA DDS PMU is alerted to an operator participating in illegal harvesting or trade of wood-products, by a HAWA DDS Member (Operator); Verification Body, Independent Monitor or other stakeholder (e.g. Government Authority) it shall have mechanisms in place to immediately update the HAWA DDS Platform of this situation and mitigate the risk of illegally harvested and traded material being uploaded, held or traded with the use of the HAWA DDS Platform.
- 1.6.1.7 In case the HAWA DDS PMU is alerted via a substantiated complaint of an operator potentially participating in illegal harvesting or trade of wood-products by a HAWA DDS Member (Operator); Verification Body, Independent Monitor or other stakeholder (e.g. Government Authority) it shall have mechanisms in place to:
- 1.6.1.7.1 investigate and respond to the complaint.
 - 1.6.1.7.2 if necessary, take actions which mitigate the risk of illegally harvested and traded material being uploaded, held or traded with the use of the HAWA DDS Platform.

1.7 Approval and removal of membership of Verification Bodies

1.7.1 Recognition of Verification Bodies

- 1.7.1.1 The HAWA DDS PMU shall have in place and implement a system and procedures for evaluating Organisations with a review to recognizing them as Verification Bodies.

- 1.7.1.2 The HAWA DDS PMU shall only grant recognition when the Verification Body conforms with all applicable normative requirements for Verification Bodies
- 1.7.1.3 The period of validity of the recognition of the Verification Body shall not exceed three (3) years.
- 1.7.1.4 The HAWA DDS PMU shall make evaluation results publicly available on the HAWA DDS Platform website.

1.7.2 Ongoing evaluation of Verification Bodies

- 1.7.2.1 The HAWA DDS PMU shall implement a system of ongoing evaluation of the performance of the Verification Bodies.
- 1.7.2.2 All non-conformances with the applicable requirements of the relevant HAWA standard(s) or applicable requirement shall be recorded.
- 1.7.2.3 Non-conformances may result in:
 - i. corrective action requests;
 - ii. a decision to withdraw – or to temporarily suspend – recognition of the Verification Body.
- 1.7.2.4 The HAWA DDS PMU may also identify emerging issues, which, if not addressed by the Verification Body, may lead to future non-conformances. Such issues shall be recorded as 'observations' for the benefit of the Verification Body.
- 1.7.2.5 The HAWA DDS PMU shall consider the impact of a non-conformance on the integrity and credibility of the HAWA DDS Platform, when evaluating whether a non-conformance results in, or is likely to result in, a fundamental failure to meet the relevant requirement or expectation of the Verification Body.
- 1.7.2.6 If relevant, the HAWA DDS PMU shall make summaries of ongoing evaluation results publicly available on the HAWA DDS Platform website.

1.7.3 Withdrawing – or suspending – a Verification Body

- 1.7.3.1 The PMU shall have procedures for withdrawal – or temporary suspension – of recognition of Verification Bodies, also:
 - i. in cases where a legitimate complaint against the VB has been raised in relation to a ~~or~~ non-conformance with any aspect of the applicable HAWA Standards, and this has been investigated and concluded as relevant.
 - ii. in cases where the VB fails to meet ongoing performance requirements or properly address corrective action requests.
- 1.7.3.2 In the event that the HAWA DDS PMU suspends or withdraws recognition, it shall update the status in the Verification Body on the HAWA DDS Platform, together with the effective date and reason for suspension or withdrawal within three (3) days of the suspension or withdrawal.
- 1.7.3.3 The HAWA DDS PMU shall issue a letter of notification to the Verification Body whose recognition has been suspended or withdrawn. The notification letter shall include:
 - i. a clear statement about the invalid status of recognition (suspended, or withdrawn);

- ii. the date from which the recognition has been suspended or withdrawn, as well as duration of suspension (if applicable);
 - iii. the rationale supporting the suspension or withdrawing of recognition.
 - iv. the requirement to stop making claims in relation to the HAWA DDS Platform;
- 1.7.3.4 The HAWA DDS PMU may reinstate recognition after suspension if all major nonconformities have been corrected by the Verification Body.

1.8 Management of material entries.

1.8.1 Approval or denial of material entries to the Platform

- 1.8.1.1 The HAWA DDS PMU shall have procedures to review and approve, or deny, material before entrance of the timber into HAWA DDS platform.
- 1.8.1.2 The HAWA DDS PMU shall ensure that, as far as possible, the information uploaded to the Platform is truthful, correct and appropriate to enable due diligence of the material.

1.8.2 Incorrect information in material entries

- 1.8.2.1 In case the HAWA DDS PMU is alerted to incorrect information on the HAWA DDS Platform, by a HAWA DDS Member (Operator); Verification Body, Independent Monitor or other stakeholder (e.g. Government Authority) it shall have mechanisms in place to immediately update the HAWA DDS Platform of this situation.

1.8.3 Illegally harvested material or products

- 1.8.3.1 In case the HAWA DDS PMU is alerted to illegally harvested or traded wood-products, by a HAWA DDS Member (Operator); Verification Body, Independent Monitor or other stakeholder (e.g. Government Authority) it shall have mechanisms in place to immediately update the HAWA DDS Platform of this situation and mitigate the risk of illegally harvested and traded material being uploaded, held or traded with the use of the HAWA DDS Platform. This shall include the option of removing the material entries from the Platform.
- 1.8.3.2 In case the HAWA DDS PMU is alerted to potentially illegally harvested or traded wood-products, via a substantiated complaint by either a HAWA DDS Member (Operator); or Verification Body, or Independent Monitor or other stakeholder (e.g. Government Authority) it shall have mechanisms in place to:

- 1.8.3.2.1 investigate and respond to the complaint within an appropriate timeframe.

- 1.8.3.2.2 if necessary, require actions to be taken which mitigate the risk of illegally harvested and traded material being uploaded, held or traded with the use of the HAWA DDS Platform. This shall include the option of removing the material entries from the Platform.

1.8.4 Approval of Certification schemes

- 1.8.4.1 The HAWA DDS PMU shall review sustainable forest management scheme or legality verification schemes, for the Timber Origin Status.

- 1.8.4.1.1 For the purpose of the evaluation of schemes, the HAWA DDS PMU shall have a framework and methodology in place.

1.8.4.1.2 Draft results of the review shall be shared for public consultation and final versions shall be published.

1.8.4.2 Approved schemes will have expressly been concluded as meeting – as a minimum - the requirements of the legality definition of the VNTLAS or as low-risk by the Government of Vietnam.

1.9 Claims & Communications

1.9.1 Defining requirements for claims and communications

1.9.1.1 The HAWA DDS PMU shall define the requirements for making claims (if any) and communications relating to the HAWA DDS. The requirements shall encompass, but not be limited to, the following:

1.9.1.2 Claims regarding the conformance status of wood products in relation to the HAWA DDS.

1.9.1.3 On-product claims or labels (if any) relating to any aspect of the HAWA DDS platform.

1.9.1.4 Promotional and off-product claims (if any) and communications made by HAWA DDS Members (Operators), HAWA and HAWA Members or other Stakeholders about the HAWA DDS platform.

1.9.2 Approving claims and communications

1.9.2.1 HAWA DDS PMU shall include the approval process for claims (if any) relating to the HAWA DDS, made externally to the HAWA DDS Platform

1.9.2.2 HAWA DDS PMU shall include mechanisms to prevent, correct or remove unauthorized claims (if any) made externally to the HAWA DDS Platform

1.10 Independent monitoring

1.10.1 Support and financing the Independent Monitor

1.10.1.1 The HAWA DDS PMU shall pro-actively support that the requirements of HAWA-DDS-06 are met, including ensuring that the Independent Monitoring of the HAWA DDS occurs at six-monthly intervals in the first year that the HAWA DDS platform is in operation, shifting to a maximum of twelve-monthly intervals for following years.

1.10.1.2 The HAWA DDS PMU shall provide special access rights to the HAWA DDS Platform for the selected Independent Monitor.

1.10.1.3 HAWA shall ensure the independent financial mechanism that will help the Independent Monitor to have a sustainable operating budget without any dependence on the budget of HAWA DDS's management unit:

1.10.1.3.1 A certain amount within 5-15% (decided by the PEB every year) of the membership fee shall be extracted automatically to an independent account under the management of SMC on the receiving of each member's Membership-fee payment.

1.10.2 Access to information

1.10.2.1 Provide special access right into the system for the selected IM.

1.10.2.2 The HAWA DDS PMU shall ensure that – upon request - the HAWA DDS Independent Monitor is granted access to:

- i. all operational sites, legal entities, staff and contractors relevant to the scope of activities that comprise implementation of the HAWA DDS Platform
- ii. all relevant documents and records related to the HAWA DDS Platform.
- iii. collected physical samples of products, product-parts or materials for testing if necessary.

1.11 Public availability of information

The HAWA DDS PMU’s commitment to transparency and to facilitate access of information to stakeholders, represents an important contribution to reinforcing the credibility of the HAWA DDS Platform.

1.11.1 The following information in relation to the HAWA DDS PMU shall be made publicly available, within reasonable timeframes:

- i. HAWA DDS requirements membership of the HAWA DDS Platform, and Verification Bodies, including fees charged.
- ii. HAWA DDS Systems and Procedures for the evaluation of Candidate Member-users to join the HAWA DDS Platform, and Verification Bodies.
- iii. Documented management structure, policies, methods, and procedures for carrying out its obligations to meet the HAWA DDS Principles.
- iv. Summary reports and results on the evaluations of the Verification Bodies.
- v. An annual report in relation to its own activities-
- vi. A response as to how gaps or weakness identified in reports by the Independent Monitor shall be addressed.
- vii. Appointees to the HAWA Platform Executive Board.



HAWA DDS Independent Monitoring Organisation Requirements HAWA-DD-06 Version 1.0

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A Introduction

In the effort to ensure quality and integrity of the HAWA DDS, a mechanism of independent monitoring will help to ensure the overall proper functioning of the HAWA DDS Platform, according to the Principles and Standards which define its functioning.

The objective of the HAWA DDS Platform is to enable efficient verification and tracking the origin of timber and timber products, and to facilitate Operators to ensure that they have been harvested and traded legally.

This Document describes the role and requirements for the Independent Monitor (IM) of the HAWA DDS Platform. The selection of a qualified entity or organisation to act as IM, shall also follow the requirements of this standard.

B Scope

This HAWA Standard ('the Standard') is applicable to the Independent Monitor (IM) of the HAWA DDS Platform. It includes the following normative requirements:

- **Terms of Reference** (ToR) outlining normative requirements for the organisation evaluating the HAWA DDS platform against the Principles and operational standards requirements. The roles, responsibilities and operational methods of the IM are defined.
- **Selection criteria** for the Independent Monitor
- **Selection method, procedures and process** for the Independent Monitor.

C Standard Effective date

Version 1.0 of HAWA-DDS-06 was approved by HAWA Project Management Unit on 11 December 2020.

The standard shall become effective only once the System Member Council has been formed and charged with the selection of the Independent Monitor.

These requirements shall be revised and updated periodically – and at a minimum of every three years – and shall replace previous versions from the date of publishing.

D Version history

Version 1.0 of this standard was published on 11 December 2020.

E References

The following sources were instrumental in the development of this Standard:

- Vietnam – EU Voluntary Partnership Agreement
- FLEGT Briefing Notes - ISEAL Credibility Principles v1.0
- ISEAL Glossary of Terms, Version 1, January 2015
- ISEAL Standard Setting Code v6 December 2014
- ISEAL Assurance Code Version 1.0
- NEPCon LegalSource Standard

1 Overall purpose and objectives of the Independent Monitor

1.1 General Requirements

- 1.1.1 The Independent Monitor shall be assigned by the System Member Council (SMC) to periodically and non-periodically evaluate the overall functioning of the HAWA DDS platform and operation of the HAWA DDS PMU.

1.2 Fundamental purpose and objectives and role of the IM

- 1.2.1 The principal roles and objectives of the Independent Monitor are to act on behalf of Operators (Member-users) in order to:
- a) **Monitor the operation of the Platform** to evaluate if the HAWA DDS PMU and Platform conform to the following fundamental principles on which the HAWA DDS Platform is based, as outlined in HAWA-POL-01 DDS Policy: Principle 1: Confidentiality; Principle 2: Transparency; Principle 3: Truthfulness & Accuracy, and Principle 4: Impartiality & Fairness.
 - b) Conduct **periodic independent evaluations** of the implementation, performance, effectiveness and credibility of the HAWA DDS Platform. These evaluations shall identify potential or existing weaknesses, malfunctions and risks in the structures and implementation of the HAWA DDS Platform that affect the credibility principles of the Platform.
 - c) **Propose solutions** to gaps or weaknesses, where applicable.
 - d) **Receive, investigate and respond to complaints and appeals** submitted by Members, stakeholders, or which have come to the attention of the Independent Monitor via other means.

2 Terms of Reference of the Independent Monitor

The Terms of Reference (ToR) outlining normative requirements for the organisation evaluating the HAWA DDS platform against the Principles and operational standards requirements, are presented in this section.

1.3 General Requirements

- 1.3.1 The Independent Monitor shall be an organisation with **legal status in Viet Nam**.
- 1.3.2 The Independent Monitor may be an organisation formally registered in Viet Nam or a foreign registered organisation.
 - a) In the case that the selected organisation is foreign registered, it shall enter into partnership with a Vietnamese partner and/or shall have a representative office in Viet Nam during the contract implementation period, to act as a focal contact point for all parties.

1.4 Independence & conflict of interest

- 1.4.1 The Independent Monitor shall be an **independent organisation** from the HAWA DDS PMU and its members (the Operators) in order to protect the legitimate benefits of the Operators and effectively monitor the operation of the HAWA DDS Platform.
- 1.4.2 The Independent Monitor shall have **no conflict of interest** resulting from an organisational or commercial relationship - as required by ISO 17021, ISO 17065 or equivalent - with any organisation or individual whose activities are subject to monitoring, including *inter alia*, HAWA, the PMU or with the Vietnam forestry (or other) regulatory authorities or anybody given the responsibility of verifying the legality of timber production, or any Operator exercising a commercial activity in the forestry sector of Vietnam.
- 1.4.3 The Independent Monitor shall declare publicly any potential or actual **conflicts of interest** resulting from an organisational activities or commercial relationships within or outside of Viet Nam – in line with ISO 17021, ISO 17065 or equivalent.

1.5 Resources and capabilities.

- 1.5.1 The Independent Monitor shall have capacity and competence in auditing and evaluation.
- 1.5.2 The Independent Monitor shall have capacity and competence in the forestry sector and in the forest-industry sector.
- 1.5.3 The Independent Monitor shall have experience in audits of quality management systems.
- 1.5.4 The Independent Monitor shall have **assigned personnel with proven expertise and experience** in auditing and evaluation in the following areas: forest management; timber processing; wood-products sourcing; timber legality; supply chain traceability and control, timber export and international markets including regulated markets for timber legality.
- 1.5.5 The Independent Monitor shall have expertise and experience in auditing and evaluation in Viet Nam – or in a country with forest sector *characteristics similar and translatable to those of Viet Nam* – as well as at least some of the main timber processing countries of export to Viet Nam.

1.6 Overall scope of activities of the Independent Monitor

The scope of the monitoring and evaluation activities of the Independent Monitor shall include the following:

- 1.6.1 With respect to purpose and objectives of the Independent Monitor and the evaluation of the HAWA DDS Platform, the following minimum elements shall be included within the scope of its activities and evaluations:
- a) The implementation, effectiveness and credibility of the HAWA DDS Platform according to the applicable core materials (policies standards, procedures, rules and regulations and guidelines) which govern its functioning;
 - b) The activities of the HAWA PMU according to the applicable core materials (standards, procedures, rules and regulations and guidelines) which govern its functioning;
 - c) The supply chain control and data management system for the HAWA DDS Platform;
 - d) Substantiated concerns raised by parties external to the HAWA DDS Platform.
- 1.6.2 The Independent Monitor shall identify and collect, document, investigate as necessary and report to the SMC and the Platform Executive Board (PEB) any complaints received directly or indirectly in relation to – or which affect - the HAWA DDS Platform.
- 1.6.3 The Independent Monitor shall assess the effectiveness of implementation of the corrective actions, or other measures for improvement implemented by the PMU in relation to the HAWA DDS Platform - to address previously identified non-compliances and system weaknesses – since the previous evaluation.
- 1.6.4 The Independent Monitor shall carry out any other study requested by the SMC to further substantiate the work of the Independent Monitor.

1.7 Quality management system

- 1.7.1 The Independent Monitor shall **operate** in accordance with a documented management system, with published policies, methods and procedures that correspond to internationally accepted best practices.
- a) Its own quality control system shall meet the requirements of ISO 17021, ISO 17065 or equivalent

1.8 Monitoring methodology

- 1.8.1 The Independent Monitor shall design, develop and implement a Monitoring methodology that shall conform to best international practice suitable with ISO 19011, ISO 17021 or equivalent.
- 1.8.2 Evaluations by the Independent Monitor shall be conducted following evidence-based methods. All the evaluation results and findings shall be fully documented and substantiated.
- 1.8.3 The Monitoring methodology shall include adequate checks of relevant documentation and records, operating procedures - as well as spot checks, sample-based and risk-based checks - in relation to all Operators and Members of the HAWA DDS Platform.
- 1.8.4 The monitoring methodology shall incorporate information from a variety of sources, including inter alia:
- a) Site visits at all stages of the supply chain, interviews, and electronic and paper-based documentation of the HAWA DDS Platform, forest and other government authorities and operators and their suppliers; as well as information from Verification Bodies.
 - b) Information and complaints about the operation of the HAWA DDS Platform from Operators and other stakeholders.
 - c) Interviews, electronic and paper-based documentation and reports of international bodies relevant to the HAWA DDS Platform, including inter alia: international buyers and suppliers; competent authorities of countries of import and export countries.
 - d) Information maintained within the HAWA DDS PMU information archive system and/or the HAWA DDS IT system.

- e) All publicly available information and reports relevant to the implementation of VNTLAS according to Vietnamese legal regulations.
- f) Information via interviews and publications and data provided by independent organizations and the media related to VNTLAS, the HAWA DDS PMU or timber legality matters within Vietnam or countries from which wood-products have been sourced.

1.8.5 The Monitoring methodology shall be approved by the SMC together with PEB.

1.9 Frequency of Monitoring

- 1.9.1 Evaluation of the HAWA DDS platform shall take place at regular intervals, at a frequency and intensity proportional to risks, and sufficient to evaluate the quality and ongoing performance and credibility of the HAWA DDS platform in relation to the objectives and principles on which it is based, as well as to identify opportunities for continual improvement.
- 1.9.2 The frequency and intensity of evaluations and other monitoring activities shall be described within the Monitoring methodology.
- 1.9.3 There shall be provision for unannounced monitoring and inspections
- 1.9.4 Evaluations should be carried out at six-monthly intervals in the first year that the Independent Monitor is in operation, shifting to a maximum of twelve-monthly intervals during subsequent years.
- 1.9.5 Upon request from the SMC, additional evaluations may be commissioned for specific assignments or for other purposes.

1.10 Complaints system

- 1.10.1 The Independent Monitor shall design a system for the receipt, collation and reporting of complaints. Complaints may be received directly or indirectly and may be made in relation to:
 - a) the operation of the HAWA DDS Platform.
 - b) the Independent Monitor's own evaluation activities¹.
- 1.10.2 In both of the above cases, the complaints and denunciation mechanisms may include denunciations without name and address of denunciators provided they are clear and supply evidence which may be substantiated.
- 1.10.3 Complaints in relation to the operation of the HAWA DDS Platform may include:
 - a) acts of corruption or violations of the law by (domestic or international) operators, suppliers, buyers, forest or government authorities or other stakeholders.
 - b) activities of the HAWA DDS PMU; outputs and performance of the HAWA DDS platform;
- 1.10.4 Complaints in relation to the Independent Monitor's own evaluation activities shall be dealt with via a mechanism developed for receiving and dealing with such complaints.
 - a) Complaints arising in relation to the Independent Monitor IM work shall be sent to the HAWA DDS PEB and the SMC
- 1.10.5 All identified complainants shall be protected. Complaints mechanisms shall assure confidentiality in the receipt of complaints.

1.11 Stakeholder and Civil Society Involvement

¹ Complaints arising from the work of the Independent Monitor shall be sent to SMC and PEB

- 1.11.1 The monitoring methodology shall specify how information received from relevant stakeholders will be recorded and utilized by the Independent Monitor.
- 1.11.2 The Independent Monitor shall ensure sufficient consultation with stakeholders in the exercising of its duties - and to this end shall develop as part of the monitoring methodology, appropriate consultation strategies, modalities and programmes.
- 1.11.3 Relevant stakeholders may include, *inter alia*, forest and other government authorities, NGOs and Civil Society organisations, forest associations, enterprises, trade unions, local communities and people living in the forest areas. Stakeholders may be national or international in scope.
- 1.11.4 The Independent Monitor shall consider and develop, where agreed, opportunities to engage with active civil-society organisations based in Viet Nam or elsewhere that can support monitoring, capacity building and information gathering.

1.12 Confidentiality and report release

- 1.12.1 The Independent Monitor is responsible for the confidentiality of data and information collected from organisations and individuals who are contacted during the evaluation process.
- 1.12.2 The Independent Monitor shall not publicize or disseminate the results or reports of the evaluation process unless authorized by the SMC.

1.13 Reporting

- 1.13.1 The Independent Monitor shall identify, document and report any non-conformances or weaknesses in the HAWA DDS Platform and propose corrective actions or measures for improvement.
 - a) The Independent Monitor shall be transparent and justify its sampling methodology for the investigation of cases, and in the development of conclusions and recommendations for corrective actions or improvement.
- 1.13.2 The Independent Monitor shall submit reports to the SMC in relation to its principal roles and objectives.
- 1.13.3 Reports shall be submitted according to a reporting framework and schedule to be elaborated and agreed with the PMU & SMC at the beginning of the assignment.
- 1.13.4 The reporting framework and schedule shall include the following elements:
 - a) Mission reports: Based on individual cases or inspections, these shall be presented immediately to the SMC and shall comprise individual cases of infractions of HAWA DDS Platform rules, illegality or otherwise. They shall provide robust evidence that allows HAWA DDS PMU to take forward legal or administrative action.
 - b) Regular periodic reports (including Main report and Summary Reports): These reports shall be submitted at least on an annual basis, or in line with the frequency of Evaluations agreed, presenting the main results and findings of the Evaluation.
 - c) In addition, the Independent Monitor may be asked to prepare and make presentations to the HAWA DDS PMU or the SMC and - upon the request of the HAWA DDS PMU or the SMC - to provide additional information to further substantiate or clarify its findings.
- 1.13.5 The reports shall indicate to relevant domestic and international stakeholders as to whether the HAWA DDS Platform is an internationally credible platform which follows and complies with requirements as set within its own core materials.

3. Independent Monitor selection and oversight

1.14 Responsibilities of the HAWA DDS System Members Council

- 1.14.1 The System Members Council shall provide the Independent Monitor with a formal mandate to access the people, documents and sites – in relation to the HAWA DDS Platform - necessary to carry out its function.
- 1.14.2 The System Members Council shall be **responsible** for the selection of the Independent Monitor. The System Members Council shall also be responsible for **oversight and contract management** in relation to the Independent Monitor.
- 1.14.3 The System Members Council shall exercise oversight over the independent account extracted from HAWA DDS membership budget.
- 1.14.4 The System Members Council shall ensure that **adequate funding and resources** from an **independent budget** automatically extracted from HAWA DDS membership fee are made available, to allow full functioning of independent monitoring, in order to protect the legitimate rights & benefits of the operators and monitor the operation of the HAWA DDS platform.
 - a) The independent budget shall include provision for training, quality control and coordination, in the case of agreed engagement with active civil-society organisations, that can support monitoring, capacity building and information gathering in relation to the work of the Independent Monitor.
- 1.14.5 The System Members Council shall ensure that the conditions necessary are in place to allow the Independent Monitor to be able to operate independently and effectively.
 - a) This shall include ensuring that the Independent Monitor is provided with access to all departments and personnel, data and information in relation to the HAWA DDS Platform, Verification Bodies and Members (Operators). This shall include access to land for inspection activities.

1.15 Responsibilities of the HAWA DDS PMU

- 1.15.1 Ensure the independent budget for IM activities by extracting a minimum of 10% of the membership fee automatically to an independent account under the management of SMC on the receiving of each member's Membership-fee payment.
- 1.15.2 Provide highest access right into the system for the selected IM.

1.16 Selection of the Independent Monitor

- 1.16.1 A transparent mechanism and selection procedure shall exist for the appointment of the Independent Monitor and clear, publicly available rules regarding its operation.
- 1.16.2 The HAWA DDS System Members Council shall be responsible for preparing and publishing the Terms of Reference for the Independent Monitor.
- 1.16.3 The Independent Monitor shall be selected by the SMC according to a publicly available set of procedures and rules, developed for this purpose.
- 1.16.4 The selection procedure shall require the submission by candidates for the role of Independent Monitors, of key documentation and resources, including inter alia:
 - a) Monitoring methodology.
 - b) Evaluation frequency and intensity.
 - c) Reporting framework methodology.
 - d) complaints management systems

- 1.16.5 The above documents shall require to be approved by both HAWA DDS PEB and SMC as part of the selection process.
- 1.16.6 The selection process shall include consideration of issues of credibility, transparency and avoidance of COI.
- 1.16.7 The Independent Monitor's contract or agreement with the SMC provides for the following items, as a minimum:
- a) safeguards concerning the protection and use of commercially-confidential information gather during the monitoring activities.
 - b) freedom from interference in the operation of the Independent Monitor's activities;
 - c) access, within the limitations prescribed by national legislation, to information relating to the operation of the HAWA DDS Platform;
 - d) access to the forest and timber transport, storage, processing and export facilities data that are relevant to the operation of members within the HAWA DDS Platform;
 - e) payment of the Independent Monitor's fees or costs based on the work undertaken regardless of the nature of its findings;

1.17 Public availability of information

The public availability of information and the commitment to transparency and to facilitate access of information to stakeholders, represents an important contribution to reinforcing the credibility of the HAWA DDS Platform.

- 1.17.1 The following information in relation to the Independent Monitor shall be made publicly available, within reasonable timeframes:
- a) Terms of Reference of the Independent Monitor
 - b) Independent Monitor selection procedure and rules.
 - c) Documented management structure, policies, methods and procedures of the Independent Monitor for carrying out its work to meet the principal roles and objectives.
 - d) IM report review mechanism of the SMC.
- 1.17.2 The following information in relation to the Independent Monitor shall be made publicly available, within reasonable timeframes, at the discretion of the SMC:
- a) Summary reports and results of the evaluations and activities of the Independent Monitor.
 - b) Minutes of meetings of the SMC on reports by the Independent Monitor

End of Document



Acronyms & Glossary

HAWA-DD-07 Version 1.0

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A Introduction

This HAWA Standard ('the Standard') provides a location for all definitions and acronyms used across the HAWA DDS platform Core Materials.

B Scope

The definitions and acronyms within this Document are relevant and applicable to all users of the HAWA Due Diligence System.

C Effective date

Version 1.0 of HAWA-DDS-05 was approved by HAWA Project Management Unit on 11 Dec 2020.

This document shall be revised and updated periodically – and at a minimum of every five years – and shall replace previous versions from the date of publishing.

Acronyms

AILPA	Australia Illegal Logging Prohibition Act
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC	Chain of Custody
CPI	Corruption Perceptions Index
DDS	Due Diligence System
EU	European Union
EUTR	EU Timber Regulation
FME	Forest Management Enterprise
FMU	Forest Management Unit
FSC™	Forest Stewardship Council™
HAWA	Handicraft and Wood Industry Association of Ho Chi Minh city
HAWA DDS	HAWA Due Diligence System
IM	Independent Monitor
OCS	Organisations Classification System (OCS) under the VN TLAS
PEB	HAWA Platform Executive Board
PEFC	Programme for the Endorsement of Forest Certification Schemes
PMU	HAWA Platform Management Unit/Project Management Unit
RTE	Real Time Evidence
SMC	System Members Council
TOS	Timber Origin Status
VNTLAS	Vietnam Timber Legality Assurance System

Glossary

Bribery is the act of giving money, goods or other forms of recompense to a recipient in exchange for an alteration of their behaviour to the benefit or interest of the giver that the recipient would otherwise not alter. Also, the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty is considered bribery. The following are some simple examples of bribery:

1. A client offers to pay some money or a gift to secure a positive audit outcome.
2. A potential supplier offers money or a gift, in order to influence a tender process.
3. A job applicant offers to pay to increase his/her chance of being offered employment.

Concession: A forest concession refers to the rights given to companies or individuals to manage forest under a set of rules, outlined in the concession license agreement.

Central Office: The identified central function (e.g. office, department, person) of a Multi-site or Group, that holds ultimate management responsibility for maintaining conformance with the HAWA DDS requirements, the relationship and contract with the HAWA DDS, and for being responsible for upholding the system and for ensuring that the requirements of the HAWA DDS Platform are met by the Members or Sites under its control.

Certification: Third-party attestation related to products, processes, systems or persons.

Conflict timber: Organisations such as Global Witness use the term *conflict timber* to describe the harvesting or trade of forest products used to fund parties engaged in *armed conflicts* resulting in serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law.¹

Control measure: An action that an Operator may take in order to mitigate the risk of sourcing material from unacceptable sources.

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES):² A multilateral treaty that aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

Corruption Perceptions Index (CPI): A global index of the perceived level of corruption in individual countries. The index has been developed by Transparency International.³

Due diligence: In the context of HAWA DDS requirements, due diligence is considered to define the actions taken by Operators to reduce the risk of sourcing illegally harvested wood and wood-based material. This is done through investigation of the timber origin and the potential for illegalities happening at the forest level, as well as in the supply chain.

Due Diligence System (DDS): A set of steps or actions taken to ensure that due diligence is exercised. The due diligence system may consist of written guidelines and procedures that describe the due diligence process in detail.

EU Timber Regulation (EUTR): REGULATION (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market and related EU regulations and guidance documents.

¹ Alexandra Pardal, Campaign Leader, Global Witness. 'Conflict timber and the EU's FLEGT programme: the case of Central African Republic.' (Presentation given at EU FLEGT week conference, Brussels 18 March 2015)

² <http://www.cites.org/Sites/default/files/eng/disc/CITES-Convention-EN.pdf>

³ <http://www.transparency.org/country>

Evidence: All the documents, items of proof going along with declared information to prove the truthfulness of that information. Evidence include, but are not limited to:

- documents,
- photographs and videos;
- Real-time Evidence (RTE), including:
 - Coordinate
 - Time stamp
 - Geometric information
 - Recorded actions by any informatic system in any format

Facilitation payments: are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

Forest Management Enterprise (FME): An Operator or other single legal entity engaged in, or responsible for, forest management.

Forest Management Unit (FMU): A clearly defined forest area with mapped boundaries, managed by a single managerial body, to a set of explicit objectives that are expressed in a self-contained multi-year management plan.⁴

Fraud is a general term for dishonest, unethical or illegal act or practice. Corruption is dishonest or fraudulent conduct by those in power, typically involving bribery.

HAWA: Handicraft and Wood Industry Association of Ho Chi Minh city. Members of the Association are referred to as **HAWA Members** (as opposed to HAWA DDS Members (Operators)).

HAWA Executive Board: Executive Board of HAWA

HAWA DDS: see HAWA DDS platform

HAWA DDS Independent Monitor: An independent organization operating on an independent budget to protect the legitimate benefits of the Operators and to monitor the operation of the HAWA DDS Platform to make sure that it follows principles and standards it commits.

HAWA DDS IT system: Online IT database and traceability system, used to record material and Operator-related data and transfer relevant information between Operators (trading entities within supply chains). The system will make available relevant data to other parties, such as Verification Bodies, as necessary.

HAWA DDS Member (hereby referred as "member"): See 'Operator'.

HAWA DDS Platform: The platform (including the HAWA DDS IT system) intended to deliver the performance objectives and needs of HAWA DDS operators, to identify and track in a credible way wood-supplies originated from within Vietnam or imported into Vietnam. The functioning of the HAWA DDS Platform is governed by a set of Core Materials - including standards - which set out the requirements for different users or entities which comprise the platform, as well as the requirements for material to enter and be registered within the HAWA DDS IT system.

HAWA DDS Platform Principles: The seven fundamental principles of the HAWA DDS platform, enshrined within the HAWA DDS Policy. Together, these Principles form together the mission statement of the HAWA DDS PMU which it shall work to uphold. The seven objectives are designed

⁴ Definition adopted from FSC-STD-01-002 FSC Glossary of Terms

to ensure that the HAWA DDS platform is operated in a way that meets international standards and expectations, in a number of areas.

HAWA DDS Member User Account: Each member of the HAWA DDS Platform can be provided multiple accounts, each account will be set with one of the following roles for operation.

- Contributor: this user can submit information in the system, such as declare forest/timber information...
- Approver: based on the information submitted by contributor, approver can view, approve, reject or send feedback to the respective contributor.
- Viewer: this user can view (read-only) full or parts of member's data based on permission granted by the member administrator
- Content Management: This user belongs to PMU and in charge of managing the content of HAWA DDS website.

HAWA DDS Member Administrator (M. Admin): the first account created when the member joined HAWA DDS, this user has administrative access of the member such as:

- Managing user accounts: Set/update account type (Approver, Contributor, Viewer) or enable/disable all accounts owned by the member
- Configuring the approval tree, i.e. which contributors will be under which approver
- Configuring member site: A company may have 1 or more than one physical sites as: offices, warehouses, factories, branches. The M. Admin will be the one who declare & adjust information about these sites.

HAWA PMU: See PMU.

Independent Monitor (IM): The organization/entity assigned by the SMC to conduct the monitoring task on operation of the Platform Management Unit and the HAWA DDS platform against the Principles, Standards, Requirements and Procedures it follows.

Low risk: A conclusion, following a risk assessment, that there is negligible or insignificant risk that illegal material is sourced or traded in a supply chain. Risk mitigation actions are not required for forest products with low risk designation. Low risk equates to "negligible risk" as defined in the EUTR.⁵ The EUTR *Guidance Document* states that "negligible risk should be understood to apply to a supply when, following full assessment of both the product-specific and the general information no cause for concern can be discerned."⁶

Material form: The form of material or products entered into the HAWA DDS Platform (e.g. sawn timber, logs...)

Monitoring Organisation: A private entity that is legally recognised by the European Commission to provide EU operators with operational due diligence systems. Monitoring Organisations are obligated to take appropriate action in the event of failure by an operator to properly use its due diligence system, including notification of competent authorities in the event of significant or repeated failure by the operator.

Negligible risk: See *low risk*.

Non-conformance: Any failure to meet the threshold requirement(s) of a requirement.

⁵ Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market ('EU Timber Regulation' or 'EUTR'), Art. 6(1)(c).

⁶ European Commission, *Guidance Document for the EU Timber Regulation* (September 2013) <<http://ec.europa.eu/environment/forests/pdf/Final%20Guidance%20document.pdf>>, p 5.

Operator: Each entity in the supply chain which is a Member-user of the HAWA DDS Platform (see HAWA DDS Member) and responsible for entering forest or wood-product related information into the HAWA DDS IT system. Operators include the first entity that enters material and information into the HAWA DDS IT system. This may be a harvester, forest owner, importer, manufacturer or trader.

Operators may be an individual, company or the legal entity responsible for meeting the requirements of standard HAWA-DD-02. In the case of group or multi-Site evaluation, one membership is issued to several entities that operate under the administration and control of a Central Office.

Organisation Classification System (OCS): The Organisations Classification System (OCS) is an integral component of the risk-based verification under VNTLAS. The purpose of the OCS is to: (i) assess the risk level of all Organisations under VNTLAS with regard to their compliance with VNTLAS requirements in order to apply appropriate verification measures in an effective, efficient and timely manner; (ii) assess the legal compliance of Organisations with respect to static and dynamic verifiers as specified in the Legality Definition of the VPA; and (iii) to reduce administrative procedures and to facilitate the production and business activities of organisations and to encourage Organisations to comply with the law.

Origin: The geographic source of forest materials, which at a minimum must specify the country of harvest, and where applicable, sub-national region or forest where the timber was harvested.

Outsourcing: The practice of contracting an internal business process (activities or tasks that produce a specific service or product) out to a third-party entity rather than staffing it internally.

Participating Site: Operators may be an individual, company or the legal entity responsible for meeting the requirements of standard HAWA-DD-02. In the case of Group or multi-Site entities, one membership is issued to several entities that operate under the administration and control of a Central Office. Participating Sites may be considered entities included in the scope of a Multi-site or group HAWA DDS membership. Subcontractors that are used within the terms of outsourcing agreements are not considered Participating Sites.

Platform Executive Board (PEB): A board set up by HAWA Executive Board to be in charge of overall management & control of the HAWA DDS platform operation. The head of PEB is the Platform/Project Director assigned by the HAWA Executive Board.

PMU: The HAWA DDS Project Management Unit/Platform Management Unit (PMU). The PMU will be responsible for overseeing the proper functioning of the HAWA DDS platform. It is the management unit assigned by the PEB to be in charge of daily operation and management of the HAWA DDS platform.

Post-consumer reclaimed material: Wood and wood-products that have completed their life cycle and would otherwise be disposed of as waste. Material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or by commercial, industrial and institutional facilities in their role as end-users of the product.

Pre-consumer reclaimed material: Material that is reclaimed from a process of secondary manufacture or further downstream industry, in which the material has not been intentionally produced, is unfit for end use and not capable of being re-used on-site in the same manufacturing process that generated it.

Principle: See HAWA DDS Platform Principles

Publicly available information: Information that has been published or broadcast for public consumption, is available on request to the public, is accessible on-line or otherwise to the public, is available to the public by subscription or purchase, could be seen or heard by any casual observer, is made available at a meeting open to the public, or is obtained by visiting a place or attending an event that is open to the public.

Real-time Evidence (RTE): Real time evidence are items of evidence generated automatically by the HAWA DDS through HAWA DDS mobile application to record actions, objects and the activities of subjects (people, users) happening in reality. These RTE are included:

- User account
- Co-ordinates
- Time
- Real time pictures
- Real time videos
- Geometric information
- Recorded actions by any informatic system in any format

Records: Written or stored information. Records may mean copies of documents, or information stored digitally with information on systems and data collected, that can be used to show compliance with standard requirements.

Site: A single functional unit of an Operator situated at one physical location, which is geographically distinct from other units of the same Operator. An Operator's units with distinct physical locations may, however, be regarded as parts of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g. a remote stockholding). A site can never include more than one legal entity. Subcontractors that are used within the terms of outsourcing agreements (e.g. outsourced warehouse) are not considered sites. NOTE: Typical examples for sites are processing or trading facilities such as manufacturing sites, sales offices, or company-owned warehouses.

Species: A group of living organisms consisting of similar individuals capable of exchanging genes or interbreeding. The species is the principal natural taxonomic unit, ranking below a genus. The common and (where applicable) full scientific name is required for all species included within the scope of the DDS.

Specified risk: A conclusion, following a risk assessment, that there is risk that illegal forest products may be sourced or enter the supply chain. Risk mitigation is required. Specified risk equates to the scenario provided in Article 6(1)(c) of the EU Regulation "except where the risk identified in course of the risk assessment procedures [...] is negligible ...".

Substantiated complaint: A grievance or objection raised against an Organisation (Operator or other) in regards to its HAWA membership or activities conducting – and within the scope of – its membership, due diligence system or timber legality risk, which is accompanied by or is found to be established by proof or competent, verifiable, evidence.

Sub-supplier: Any entities further up the supply chain that are supplying material to the suppliers or other sub-suppliers.

Supplier: The entity that supplies material to an Operator.

Supply chain: The route of forest products and entities that take legal ownership of the forest products from the forest – where the material is harvested – to the organisation that takes final ownership of the material.

System Members Council (SMC): A council elected by the Members to protect their legitimate rights & benefits. This council operates independently from the System Platform Executive and Management Boards and will directly choose a competent unit to perform an Independent Monitoring role of the HAWA DDS and its internal personnel. SMC will also be the body to handle complaints and disputes during the operation of the system, in order to ensure that members are treated equally and impartially.

Timber: synonymous with Wood. This includes timber in the following forms: felled trees, round logs, lumber, branches/tree-tops.

Timber materials: All materials made of timber, including: veneer, industrial timbers (MDF, plywood), recycled timber, timber side products (dust, tree bark, and off-cuts), wood-chips and/or wood-fibre materials.

Timber Origin Status (TOS): This is the claim and/or status that the timber or timber product may have about its origin before being entered into HAWA DDS Platform following certain internationally - or Vietnamese government recognized - standards:

Level	Timer Origin Status	Decided by	Detailed
1	Illegality	Government	Where a Member has failed to get approval by Government authorities for a specific wood supply after certain length of time (e.g. 1 month).
7	Legality	Government	Accompanied by approval papers issued by Government authorities. Or if when VB or PMU is required to verify the scanned gov. approval paper and conclude that the paper is trustable, then legality status shall be maintained.
4	Legal evidence available	System	Neutral status, minimum requirement for material to be allowed to enter into the HAWA DDS Platform.
3	Possibly high risk	Buyers	Each buyer shall rate evidence provided by seller, as part of their own risk assessment. <ul style="list-style-type: none"> Possibly High-risk Rating by the buyer after verifying evidence provided by the Seller. Ratings from previous buyers in the chain shall be accumulated to produce this status automatically.
5	Possibly low risk	Buyers	Each buyer shall rate evidence provided by sellers, therefore conducting their risk assessment. <ul style="list-style-type: none"> Possibly Low-risk Rating by the buyer after verifying evidence provided by the Seller Rating from previous buyers in the chain shall be accumulated to produce this status automatically.
2	High risk	VB System (automatic if system risk)	If the HAWA DDS Member fails – or is unable to - provide sufficient key information or evidence required by the system after certain length of time (e.g. 5 days)

		warning is not addressed)	Conclusion issued by VB using the platform provided information and evidence to verify the information.
6	Low risk	VB	<p>Either concluded by the VB:</p> <ul style="list-style-type: none"> before material is entered into the system through another Due Diligence System. after material entered into the system by verifying material information and evidence provided onto the HAWA DDS Platform. <p>Other non FSC/PEFC certifications (like LegalSource) not expressly considered as meeting the requirements of the legality definition/VNTLAS or as low-risk by the VN Government.</p>
8	Sustainability certified or Legal-verified	<p>Accredited Certification Body of the Scheme</p> <p>VB</p>	<p>Certified by an accredited CB against a sustainable forest management scheme, such as FSC or PEFC or against a legality verification scheme.</p> <p>These schemes will have expressly been concluded as meeting the requirements of the legality definition of the VNTLAS or as low-risk by the Government of Vietnam.</p>

Timber products: Products made of wood and/or materials derived from wood. These include all the manufactured products or semi-completed products, such as: completed or semi-completed furniture components or pieces for assembly.

Validation: This is an action to evaluate the validity of information + evidence requested by system participants (for example: evidence + information proving legal forest). Validation is done completely automatically by HAWA DDS IT system.

Verification: This is an action to evaluate the accuracy and truthfulness of information by comparing information with evidence presented within the HAWA DDS IT System. Verifications may be performed by two distinct groups:

- Buyers

For information and evidence provided by seller, before making purchase the buyer will be responsible for reviewing and evaluating the accuracy, reliability and truthfulness of above information and evidence. Then the Buyer will determine the level of risk of illegality in relation to the Seller's timber or timber products source. The Buyer's verification result will be recorded on the HAWA DDS IT system in "Explanation Log" accompanying each account that the system creates for the Buyer.

- Verification Body (VB)

In case the Buyer or Seller does not want to directly verify, or needs the help of 3rd party professional entity, it can invite a VB to provide verification services.

Verification Body (VB): Independent third-party organisation with headquarters or representative office in Vietnam in charge of providing verification services. This body must meet the requirements/standards of VB members as per standard HAWA-DD-04.

Verification Statement: A statement that is issued by a Verification Body under the rules of HAWA-DD-03, indicating that adequate confidence is provided that a duly identified product, process, supply chain or service is in conformity with one or more elements of the HAWA DDS requirements.

It is intended that a Verification Statement provides a credible assurance that there is no major failure in conformance to the requirements of the specified HAWA DDS normative requirements in any operational site within the scope of the evaluation by the Verification Body.

Virgin Material: Primary (i.e. non-reclaimed) material originating in forests or plantations

Wood product: Any forest product or material that an Operator handles. This includes round wood, lumber, processed wood-based intermediate and final products, pulp, paper, non-timber forest products, etc.

End of Document
