

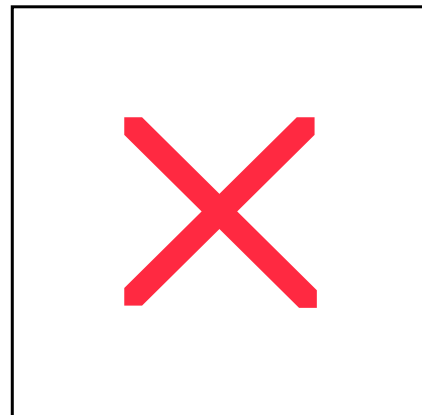
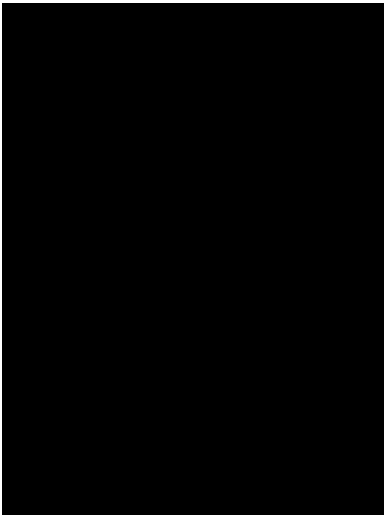
The Trust to Conserve Northeast Forestlands Group Chain-of-Custody Manual

FSC CERTIFICATE NUMBER:

SW- COC-001677

Effective October 27, 2005 to October 26, 2010

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Introduction

The Trust to Conserve Northeast Forestlands holds Forest Stewardship Council (FSC) group chain of custody and controlled wood certificate SW-COC-001677, SW-CW-001677, valid from October 27, 2005 to October 26, 2010. Membership in the group is open to Master Logger certified companies and wood product manufacturers who agree to abide by these guidelines.

The Trust is committed to managing this certificate in accordance with the Forest Stewardship Council Policies. The following guidelines provide the basis of our management and our commitment to the spirit and intent of the FSC policies.

Chain of custody refers to the path taken by raw materials, processed materials, *finished products*, and co-products from the forest to the consumer, including each stage of processing, transformation, manufacturing, storage and transport where progress to the next stage of the supply chain involves a change of ownership (independent custodianship) of the materials or the products.

Controlled wood is virgin material originating in non FSC-certified forests or plantations supplied with an *FSC claim* by a *supplier* which has been assessed by an FSC-accredited certification body for conformity with FSC Chain of Custody and/or FSC Controlled Wood requirements....

Vision Statement of the Trust to Conserve Northeast Forestlands

Enhancing the working forest ecosystem through exceptional accountability.

Chain of Custody Group Membership Procedure

Membership in the Trust's Group Chain of Custody Certificate is open to certified Master Logger companies and wood product manufacturers.

To qualify for group membership:

- The member must be willing and able to submit standardized data to TCNF in a prescribed form and on a prescribed timeline to substantiate their inputs and outputs of all certified material. Certified Material refers to Controlled Wood and/or FSC certified wood.
- The member grants TCNF the internal authority to control the use of the FSC trademark by the group
- To qualify for Group Membership, the member must have 15 or less employees, or have no more than 25 employees and an annual turnover of no more than US \$1,000,000 (turnover is defined as total annual revenue from goods and services)
- All Master Logger Certified companies in good standing shall qualify for "Controlled Wood" certification.
- TCNF will visit each member prior to their inclusion in the scope of this Certificate.
- All members within the group will designate a Site Manager who will be the primary contact with the TCNF and who will be responsible for managing the member company's chain of custody procedures.

- TCNF will assist the member in developing a Documented Control System – site-specific procedures that the member company agrees to follow to maintain the chain of custody.
- A signed consent/acknowledgment will be obtained from the Site Manager prior to the company's inclusion in the scope of the Chain of Custody Certificate.
- When a member is added SmartWood (the certifying body) will be informed within 30 days and sent a copy of the consent/acknowledgement.
- The Trust will provide new members with orientation and training materials, including FSC standards for chain of custody and trademark use, and the company's Documented Control System.
- When a new member is added to the group certificate, TCNF will communicate the group certification number to the member and assign a site-specific subcode, and provide instructions for use of the certification number.

Monitoring, Reporting, and Documentation Requirements:

- TCNF will annually visit each member to ensure their continued compliance with the documented policies and procedures for maintaining this Certificate.
- If TCNF finds deficiencies in the conformity of any member, then TCNF will issue a Corrective Action Request (CAR). If the terms of the CAR are not met within the designated timeframe, then TCNF will remove the member from the scope of the Certificate and inform SmartWood within 30 days of the removal. See the CAR section of this manual for further details.
- TCNF will maintain records of each annual site visit for a member each Site's level of conformity with the documented policies and procedures for maintaining this Certificate.
- TCNF will collect sufficient data in order to present information about the inflows and outflows of FSC-certified and Controlled Wood materials for each member.
- TCNF will ensure that all records covering the most recent five years of activity related to the Certificate and product sold under the Certificate are accessible to SmartWood auditors.

Corrective Action Request (CAR) Procedures:

In the process of periodically monitoring the members, either TCNF or SmartWood may find deficiencies in a members's compliance with the requirements of the group CoC certificate. In these instances, either TCNF or the SmartWood auditor will issue a Corrective Action Request (CAR) with which the member must comply within a specified period of time or be removed from the scope of the group CoC Certificate.

The following procedures will be followed in the event of CAR issuance.

- a) If SmartWood issues the CAR, then TCNF will, as immediately as is practical, communicate the CAR to the member. TCNF will communicate with the member to establish a plan to

- implement the CAR and report the results back to SmartWood. TCNF will, if requested by SmartWood, undertake a visit of the member to ensure compliance with the CAR.
- b) If TCNF issues the CAR, then it will take the form of a letter, FAX, or email to the site manager that details the nature of the deficiency and the required timeframe for correction. TCNF will monitor the progress of the CAR's implementation and undertake a visit of the member to ensure compliance with the CAR.
 - c) If a CAR is not implemented to TCNF and/or SmartWood's satisfaction, then TCNF must remove the member from the certification and inform SmartWood of its removal within 30 days.

FSC-Certified Wood Documentation and Handling Procedures:

FSC CoC Procedures for member Master Loggers:

The following procedures apply to those members that harvest and transport forest products from lands certified by FSC and to an FSC-certified Chain of Custody operation.

1.0 Landowner or Resource Manager FSC-certificate Verification

- 1.1 Prior to the transport of the first load from an FSC-certified harvest, member will contact TCNF to verify the FSC certificate status of the parcel being harvested.
- 1.2 TCNF will verify FSC certificate status through the FSC Website or other official lists.
- 1.3 No material may be sold or transported as "FSC-certified" until FSC status is verified by TCNF.
- 1.4 TCNF will respond to the member with a decision within 24 hours of notification.
- 1.5 Member must obtain a copy of the landowner or resource manager FSC certificate
- 1.6 Member must obtain written sale contract or invoice stating the seller's FSC certificate code and FSC claim.

2.0 Tracking procedure

- 2.1 Trip Tickets will accompany each load of FSC-certified material. TCNF's FSC CoC code and the FSC claim (FSC Pure) will be printed on every Trip Ticket.
- 2.2 A copy of each ticket will be retained by the member company.
- 2.3 The original ticket will accompany the load to the purchaser.
- 2.4 Records will be maintained by the member for five years and provided as summary information to TCNF annually upon request.

3.0 Isolation and identification of FSC certified wood.

- 3.1 Members with concurrent operations on multiple landowners shall not combine loads of FSC-certified and non-FSC materials on a single truck.
- 3.2 When using one landing with multiple landowners the wood will be separated by a natural barrier or identified in separate piles marking the ends of all certified logs with a unique paint color.
- 3.3 Clean up loads, which is any amount of wood that is less than a full load, may not be combined with any non-FSC material.

3.4 When using a concentration yard owned and operated by member, FSC-certified material must be stored in a separate location and identified with signs or other markings. Appropriate documentation must accompany all loads of FSC-certified material leaving the concentration yard. Controlled wood will be handled with the same procedure.

4.0 Reporting of FSC-certified sales volume.

4.1 Member shall report annually to TCNF the volume of material purchased and sold, by FSC-certificate number (landowner or Resource Manager).

4.2 TCNF shall provide the member with a reporting form.

FSC CoC Procedures for Member Processors:

The following procedures apply to those members who are not certified Master Loggers.

1.0 FSC-certificate Verification for Source Material

1.1 Prior to the receipt of the first load of FSC-certified material, the member will contact TCNF to verify the FSC certificate status of the supplier.

1.2 TCNF will verify FSC certificate status through the FSC Website or other official lists.

1.3 No material may be received as “FSC-certified” until FSC status is verified by TCNF.

1.4 TCNF will respond to the member with a decision within 24 hours of notification.

2.0 Tracking procedure

2.1 Trip Tickets, invoices, or other shipping documents will be used to identify loads of FSC-certified material. The supplier’s valid FSC FM or CoC code must be stamped or otherwise indicated on every document accompanying a load of FSC-certified material.

2.2 The original shipping document must accompany the load.

2.3 The member shall obtain an official copy of the FSC certificate for all FSC materials purchased from each supplier offering FSC materials and verify the status of the certificates when contracts are negotiated.

2.4 A current copy of each supplier’s FSC certificate will be kept on file by the member.

2.5 Records will be maintained by the member for five years and provided as summary information to TCNF annually upon request

3.0 Isolation and identification of FSC certified wood.

3.1 FSC-pure materials that will be used in exclusive production to maintain that status must be identifiable from all other materials. The member shall ensure that inputs used for FSC product groups remain clearly identifiable and separable by product group or, if identical inputs are used for more than one FSC product group, by their associated *FSC* claim.

3.2 The member shall employ procedures for identifying and isolating FSC-certified material during production, unless the member is using the FSC Mixed Credit or Mixed Percentage systems.

3.3 Members using the Credit system will maintain a credit account that accurately records inputs and outputs of FSC-certified material by product group.

3.4 The member shall employ procedures for identifying and isolating finished FSC-Pure certified products.

3.5 Invoices shall accompany all sales of certified products and will include the FSC certificate number and the FSC claim, and state the products and quantities sold.

4.0 Reporting of FSC-certified volume.

- 4.1 Members will accurately measure and record the volume of all FSC inputs and outputs.
- 4.2 The member shall report annually to TCNF the volume of FSC-certified products purchased, produced and sold.
- 4.3 TCNF shall provide the member with a reporting form.

Pledge to avoid unacceptable sources of wood.

Members of the Trust to Conserve Northeast Forestland's certified Chain of Custody group pledge that through their actions they avoid the use of unacceptable sources of wood in products carrying the FSC label. Unacceptable sources include:

- a) illegally harvested wood;
- b) wood harvested in violation of traditional and civil rights;
- c) wood harvested in forests in which high conservation values are threatened by management activities;
- d) wood harvested in forests being converted to plantations or non-forest use; and
- e) wood from forests in which genetically modified trees are planted.

Use of FSC/Rainforest Alliance Trademarks

Prior approval is required for any use of the Forest Stewardship Council and Rainforest Alliance/SmartWood names, acronyms (FSC), logos, labels, or seals, either as an on-product label or for off-product promotional purposes. Group members must submit requests for trademark use through TCNF. Promotional use shall be limited to member companies covered by the scope of the TCNF certificate.

Procedures:

Group members will submit drafts of on-product or off-product use to TCNF who will submit them to SmartWood for approval.

No use is allowed until SmartWood approval is received

TCNF will inform the group member of SmartWoods response.

TCNF will maintain a record of all trademark use requests and approvals for a minimum of five years.

Training / Orientation Materials

TCNF will provide initial orientation materials to each member company in order to prepare them for Chain-of-Custody procedures.

Training and Orientation Material Provided to members:

- General information on FSC certification and SmartWood (below)
- The member's Documented Control System
- FSC standard for Chain of Custody Certification (FSC-STD-40-004 Version 2.0)
- FSC On-Product Labeling Requirements (FSC-STD-40-201 (version 2.0))
- FSC Certification: Chain of Custody: a technical guide for manufacturers and suppliers

General Information on FSC Chain-of-Custody Certification:

What is the SmartWood Certification Program?

SmartWood is one of several FSC accredited certification bodies worldwide that certifies forests and the companies that use products from these forests. SmartWood is a program of the Rainforest Alliance, a non-profit organization with headquarters in New York. SmartWood is the first, oldest, and largest certifier of forests and companies that manufacture forest products.

Who sets the certification standards?

SmartWood is accredited by an international agency called the Forest Stewardship Council (FSC). The FSC establishes the standards that all certifiers must follow. Forest certification means that a team of experts has carefully examined the goals of the forest owners, their written management plans for the forest, logging practices, environmental issues (such as threatened species), community relations, and worker safety. At least once a year, SmartWood re-visits the certified forest or company to make sure the conditions of certification are still being met.

How does certification change my job?

Selling and labeling certified products means that each certified firm is guaranteeing to the customer that products marked with an FSC label originated from a forest that has been certified as responsibly managed. Therefore, it is essential that FSC-certified materials not be mixed with non-certified during any phase of receipt, production, storage, and shipping.* This will be assured through the process of tracking and product labeling as well as through employee understanding of the certified materials handling procedures.

* - Chain of Custody certified companies using the FSC Mixed Credit or Mixed Percentage systems may mix certified and non-certified materials during the production process provided they maintain an accurate accounting of the certified inputs and outputs.