Scenario tables for risk ratings

Applicable to **non certified timber and timber products** *only*

Instructions:

1. Look at the first section of the questionnaire on company details to make sure that they are complete and accurate.

2. Read Part B of the completed questionnaire to complete Scenario Table A. "What are the supplier's environmental and timber procurement policies?" Read the questionnaire answers in Part B regarding purchasing policies and form in your mind a generalized view of how the supplier manages its own purchasing. For example, if the company has no purchasing policy and no individual specifically managing environmental issues, then this would point to an organization that has no commitment to sourcing legal timber and has no top-level management interest in doing the "right" thing. Then go to Scenario Table A and read the five possible scenarios. Decide which of the five descriptions in the scenario tables most closely fits the purchasing behaviour described in Part B of the questionnaire, and on that basis select that option and write down the associated score.

3. In exactly the same manner, use Part C of the completed questionnaire (the Primary Sources section) to select an option in Scenario Table B, "What is the county of origin of the timber?"

For Timber and Timber Suppliers—You should now have a good idea of the complexity of the supply chain. Use the impressions gained from the answers given in Parts C, D and E of the completed questionnaire to make a final selection for Scenario Table C, "How does the supplier manage their own wood raw material supply chain?".

Or

For Paper Suppliers—You should now have a good idea of the complexity of the supply chain. Use the impressions gained from the answers given in Parts C, F and G of the completed questionnaire to make a final selection for Scenario Table C, "How does the supplier manage their own wood raw material supply chain?".

4. Sum the scores from the three scenario tables and you will have the supplier's risk rating, which is an index.

Scenario Table A. What are the supplier's environmental and timber procurement policies?

Supplier Procurement Policy Scenario Table		
Choice nos.	**Description**	**Selection [X]**
5	The supplier has no clear environmental policy for purchasing timber. If someone is selling it and it's the right species and dimensions, then they'll buy it. Generally lacks any documented objective evidence to support claims.	

4	Supplier has a timber procurement policy but the policy is unclear. Does not acknowledge that purchasing illegal timber is an issue to be tackled.	
3	Has a timber procurement policy that addresses most of the critical issues, but it could be better worded and better communicated. Is attempting to understand the nature of its supply chains.	
2	Is trying hard to address the critical issues through its procurement policy and environmental action plan and makes sure that all within the company know what is required. Has an overarching environmental policy. The critical issues are periodically discussed with external stakeholders. Is considering independent certification.	
1	Has a clearly defined timber procurement policy (as part of an overall environmental policy) developed following consultation with internal and external stakeholders. The policy and related action plans form an important part of management systems. Has ISO 9000 and/or ISO 14000 series certificates. Is a member of an organization promoting sustainable forestry (such as WWF GFTN). Appropriate documentation supplied as objective evidence.	

Objective evidence:
Positive
➢   Copy of environmental policy
➢   Copy of timber procurement policy
➢   Copy of environmental action plan
➢   Names of NGOs consulted with
➢   Examples of staff training documentation

Negative
➢   Unable to produce any policies
➢   Copies of policies have just been cut and pasted from others
➢   No evidence of consultation with stakeholders
➢   Takes time to produce an irrelevant or poor policy

Scenario Table B. What is the country of origin of the timber?

Country of Source Forest Scenario Table		
Choice nos.	Description	Selection [X]
5	Country of source forest is unknown or uncertain.	
4	The country has a weak and ineffective regulatory system with a major lack of capacity (in terms of manpower and supporting infrastructure) in comparison to the size of the forest resource. The legal systems and supporting governance structures are weak and open to corrupt influences. There is limited or no transparency with regard to all regulatory activities connected with the forestry and timber sectors. Example: Countries with 30% or more production regarded as suspicious (see Table 1): Estonia, Cameroon, Equatorial Guinea, Gabon, Liberia, Ghana, Indonesia, Papua New Guinea, China, Peru, Ecuador. (*This is not a complete list*.)	

3	The country has a relatively ineffective regulatory system with a lack of capacity (in terms of manpower and supporting infrastructure) in comparison to the size of the forest resource. The legal systems and supporting governance structures can be manipulated to obscure the true origin of timber. There is limited transparency with regard to regulatory activities connected with the forestry and timber sectors. Example: - Countries with 15–29% of production regarded as suspicious (see Table 1): Russia, Latvia, Malaysia. (*This is not a complete list.*)	
2	The country has a reasonably well-managed regulatory system with a significant capacity (in terms of manpower and supporting infrastructure) to control many forest crimes. The legal systems and supporting governance structures are largely effective. When someone commits a forest crime and is caught, there is a significant degree of transparency with regard to the due legal processes.	
1	The country has a rigorous and well-managed regulatory system with sufficient capacity (in terms of manpower and supporting infrastructure) to more than adequately control forest crime of all types. The legal systems and supporting governance structures are regarded as largely honest and open. There is transparency with regard to all regulatory activities connected with the forestry and timber sectors.	

Scenario Table C. How does the supplier manage its own wood raw material supply chain?

Keep It Legal Manual—Suppliers Wood Raw Material Scenario Table		
Choice nos.	**Description**	**Selection [X]**
5	Supplies come from unknown source forests. The supply chain is very complex and long, with plenty of potential for illegal timber mixing. Supplier shows no commitment to helping reveal supply chain. The supply chain operators refuse to cooperate with identifying sources. Documents presented are impossible to independently verify.	
4	The supply chain is poorly defined. Timber is imported from free trade port, or the port of entry is rumored to be associated with the illegal timber trade.	
3	The suppliers are working toward traceability with organizations like TFT, WWF GFTN, GFS, or some other independent agency.	
2	The structure of the supply chain is well established and supported and documented by second-party verification. There are regular inspections by these organizations, which can vouch for the integrity of the supply chain and its transparency.	
1	There is complete traceability that is independently verified by internationally recognized third-party certification companies against a credible standard. The supply chain is well understood and tightly controlled.	
Objective evidence: Positive 1. Legitimate copies of certificates Negative ➢ No intention of being involved with any independent certification program		

Supplier name:					Date:

Keep It Legal Scenario Tables
Risk Rating Assessment Matrix

Choice table number	Choice selected					Score
	Higher risk ☐------------☐Lower risk					
Part A. What are the supplier's environmental and timber procurement policies?	5	4	3	2	1	
Part B. What is the country of origin of the timber?	5	4	3	2	1	
Part C. How does your supplier manage its own wood raw material supply chain?	5	4	3	2	1	
TOTAL SCORE						

Overall Risk Level	TOTAL SCORE
High Risk	**9—15**
Low Risk	**3—8**