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Ukraine Risk Mitigation Guide

Timber

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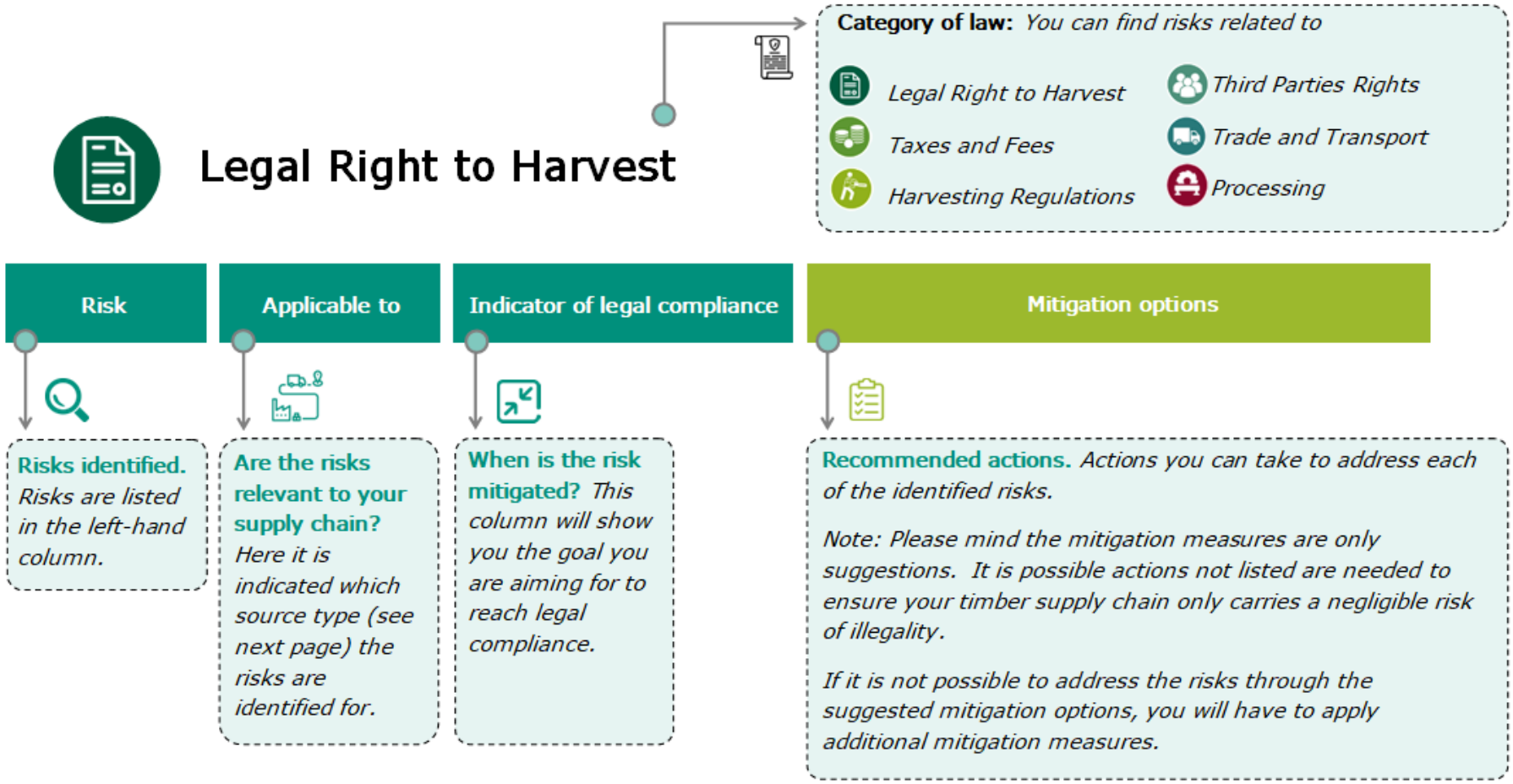
Ukraine Forestry Risk Mitigation Guide

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



Timber Source Types

To understand what risks are relevant for your supply chain, you will first need to identify the origin of your timber. In general, it is often helpful to know not only the country of origin, but also other information about the origin, such as legal ownership, management regime, forest classification and permits in order to select the Timber Source Type(s) that applies to your supply chain. Identifying the right Timber Source Type is important to detail which risks are related to your supply chain and your timber products and how you can mitigate them.

Definitions used for Timber Source Types in Ukraine:

A. Forest owned by the state and managed by SFRA	State-owned subordinated to and managed by the State Agency of Forest Resources of Ukraine (SFRA) under the Ministry of Environmental Protection and Natural Resources. These areas include production forests, protected forests (nature conservation forest and forest delivering other ecosystem services) and cover 73% of all forests in Ukraine Legislation is defined at the national level through Law and Orders and Internal Orders of State Agencies. Some Orders and all Internal Orders of State Agencies are specific just for forest managed by SFRA.
B. Forest managed by other entities	Forest areas of communal and private ownership and state ownership, subordinated to entities other than SFRA: - Communal property - about 13% of forest lands (1.3 million hectares) - Private property - less than 0.1 % of forest lands - State property managed by other agencies –about 14 % of forest lands Legislation is defined at the national level through Law and Orders. Some FMEs could have specific guidelines to follow, defined by the forest owner. However, there is no unified regulation, like in the case of forest owned by the state and managed by SFRA (Source type A).

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Risk	General Potential mitigation actions

There is a generally high level of legality risk identified for Ukraine, as well as a high level of perceived corruption (CPI 33/100 in 2020[1]).
Below we have listed specific risks that we have identified.
	For mitigating risks in Ukraine, the following types of risk mitigation measures are recommended:
	• Supply chain mapping back to forest level
	• Database and internet search.
	  ○ Check the *Inspection Portal website* (https://inspections.gov.ua) to verify if there are any violations detected for the forest level or supply chain. At the Inspection Portal monitoring reports from many different actors in Ukraine will be available.
	  ○ Search for information in the public domain (e.g., internet search via google.com or other search engines) for information and news related to the specific FME where timber is harvested or related to the supply chain.
	• Document Review
	  • Relevant documents to review will depend of the risks and supply chains
	  • Generally, reports (acts in Ukrainian) of the State Environmental Inspectorate (Державна екологічна інспекція України) are relevant

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

	to confirm the absence of violations. This document can at times be available at the Inspection Portal. Where this is not the case it can be obtained from the relevant FME. • Onsite verification • Stakeholder consultation It is recommended to seek professional advice and support from the EU Monitoring Organisation and organizations such as Certification bodies with knowledge on the country and forest sector to conduct onsite verification.

Legal Rights to Harvest

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Risk of occupation of forest land for other activities (1.1)	All Source types	Wood shall not originate from areas occupied and/or converted into other land types	**Review information from online databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of occupation of forest land for other activities; **Review documents and verify:** • Request and check the latest report of the State Environmental Inspectorate to verify that no risks related to the occupation of the forest have been identified.

			Onsite verification • Field observations from forest visits shall verify the absence of other activities on forest land where timber is originating from. **Consult:** • Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm that there is no occupation of forest land for other activities. • Interviews with relevant staff/workers of the FME shall show that they are aware of legislative requirements to not allow other activities in forest land.
Risk of forest management without having land right documents in place (1.1)	Forest managed by other entities	Land right documents shall be in place	**Review documents and information from online databases:** • Request and check the certificate of ownership rights. This can be checked online in the State Cadastre Database (*https://map.land.gov.ua/*) • Request and check registration from State Register for Real Estate. See "How to check the land plot ownership" -(instruction in Ukrainian): *Як перевірити інформацію про земельну ділянку – Головне управління Держгеокадастру у Херсонській області (land.gov.ua)*
Risk of conversion of forest land to agriculture (1.1)	Forest managed by other entities	Wood shall not originate from land converted to other land-use types.	**Review documents and verify documents:** • Request and check registration form in the State Register for Real Estate

Risk of planning and conducting unjustified sanitary cutting in the healthy forest (1.3, 1.4)	All Source Types	Sanitary cutting shall only be planned when justified due to justifiable sanitary needs	It is recommended not to purchase wood from sanitary cuttings, if possible. Measures that could be applied in case of purchase of wood from sanitary cutting are:
			
			Review information from the internet and online databases:
			• Check Inspection Portal website (https://inspections.gov.ua) for;
			  ○ the absence of planning of sanitary cutting in a healthy forest.
			  ○ the absence of risks related to the illegal obtaining of harvesting permits for sanitary cuttings

			Note: Harvesting permits for sanitary logging includes Logging Tickets, Phytosanitary Assessment (performed by the specialized expert organization), as well as permission of the Regional Department of the State Forest Resource Agency (for sanitary clear cuttings), or permission from the Ministry of Environment (for sanitary cutting in Nature Reserve Fund (protected areas)).
			• Review satellite data: In some cases, it is possible to check the health of the forest stand through satellite data when the effects are visible (windstorm, drying).
			
			In case risks are identified, online, onsite audits for each logging site (not just sampling) are recommended.
			
			Review documents and verify:
			• Request and check that reports (acts in Ukrainian) of State Environmental Inspectorate confirm that.
			  ○ the environmental legislation has been followed and that there are no violations identified during harvest planning.
			  ○ No violations related to issuing of permits.
			
			Onsite verification
			• Before sanitary cutting, the logging site preparation by the forest organisation representatives (FME/Forest managers) or by independent experts should be checked to verify the necessity of carrying out sanitary cutting.
			• Interviews with staff/workers shall confirm legislative requirements on when sanitary cutting can be planned.
			
			Consult:
			• Consult local environmental NGOs to obtain objectivity in planning and issuing harvesting permits for sanitary cuts.

Risk of lack of approval of continuous forest management planning at the FME level (1.3)	All source types	The Ministry of Environment shall approve all continuous forest management plans	**Review document and verify:** • Review the Forest Management Plan to verify the validity and approval by the Ministry of Environment **Review information from online databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to not renewed of FMP in time; In case there are risks, request additional information from FMP.
Risk of logging in areas not covered by a Forest Management Plan (1.3) Note: the risk is relevant also for FMEs with a forest management plan as this does not always cover the whole forest	All source types	Logging activities shall be conducted only within the area covered by the Forest Management Plan	Waybills will only be issued if a Forest Management Plan is in place for the area of harvest. Therefore, the risk will be mitigated by collecting waybills and ensuring that there has been no fraudulent use of these waybills. Apply the mitigation measures from Trade and transport section (1.16 and 1.17) to ensure waybills are in place and not used in a fraudulent way. • Request and check waybills for all transport of wood from the forest. • In the case of wood obtained from source type A. Forest owned and managed by the state, check the waybill in the state database (https://open.ukrforest.com/) to ensure that the waybill is genuine. • Ensure that quantity of raw material from waybills is enough to cover production; • Ensure that yield is in limits known for transformation of raw material to a specific product. **Onsite verification:** • Control of truck transport at forest and sawmill (point of departure and destination) shall verify that. ○ a waybill accompanies transport of wood

			○ species, qualities, and quantities of wood transported on trucks compared with the information contained in the waybills • transport time is reasonable
Risk of incorrect allotment and mensuration of harvest areas (1.3)	All Source Types	Harvest areas shall be correctly allotted and mensurated.	**Onsite verification** • Confirm the absence of abnormalities in allotment and mensuration of harvest areas. The person/team conducting the onsite audit shall have the necessary language skills and knowledge. **Review documents and information from online databases:** • Check the *Inspection Portal website (https://inspections.gov.ua)* for the absence of risks related to the incorrect allotment and mensuration of harvest areas; **Review Documents and verify** • State forestry bodies have records of inspection and inventory of allotment and mensuration of harvest areas. The FME can provide the document • Report (Acts in Ukrainian) of state control bodies on verifying compliance with environmental legislation confirm the legality of obtaining harvest permits (Logging Tickets). The FME can provide the document. • Reporting documentation of forest users to confirm observance of limits on forest resources use within the boundaries of territories and objects of the Nature Reserve Fund (NRF) of national and local significance. • GPS-monitoring of forest machines in state forest enterprises, if possible. The practice is voluntary and not widely used. The main purpose of the software product is to create a database on the movement of forest machines in the forests and roads of Ukraine. Each user of this System will be able to track and view the transport of wood from the felling site to the consumer online; view the enclosed documents (waybills TTN-forest), the starting points of the vehicle, its stops on the route, and the points of unloading wood in real-time on the map of Ukraine. **Consult:**

			Consult local environmental organisations for objectivity on allotment and mensuration of harvest areas are correctly conducted
Risk of preparing technological (logging) maps without considering field practices (1.3)	All source types	Technological (logging) maps shall be completed and correspond to the situation on the ground	**Review documents and verify:** • Verify that the technological (logging) maps are in line with the situation on the ground and the onsite operation. • Request and Check reports (acts in Ukrainian) of State Environmental Inspectorate (Державна екологічна інспекція України) confirming the absence of violations related to the logging maps. **Review information from online databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to technological (logging) maps **Onsite verification** • Field check to confirm that the technological (logging) maps are completed and in compliance with the situation in the field;
Risk of incorrect assessment of volumes, species composition, and size-quality characteristics of wood during planning (1.3)	All Source Types	The assessment of Volumes, species composition, and size-quality shall be accurately conducted during the planning	**Review documents and verify:** • Check the record of species and volumes (On harvesting permit (Logging Ticket) and technological map) • Check reports (act)s of state control bodies to verify compliance with volumes, species, and quality measurements. • Check volumes and species on invoices/waybills (verify waybills – apply measures from 1.16-1.17)) between Forest Management Enterprise and the next supply chain tier. **Review information from online databases:** • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to the incorrect assessment of volumes, species composition, and size-quality characteristics of wood; **Onsite verification**

			• Confirm the absence of incorrect assessment of volumes, species composition, and size-quality characteristics of wood. Field observations shall align with documentation and information from the internet/databases listed above. The person/team conducting the onsite audit shall have the necessary language skills and knowledge. **Consult**: Consult local environmental organisations for the objectivity of correct assessing volumes, species composition, and size-quality characteristics of wood during planning.
Risk of harvest without the necessary permits (Logging ticket) (1.4)	All Source Types	Harvesting permit (Logging Ticket) and connected documents (waybills) shall be in place	**Review information from online databases:** • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to unauthorized logging activities *For wood sourced from Category A. Forest owned and managed by the state* Check the waybill in the state database to ensure that waybill is genuine. **Review documents and verify.** Logging Tickets are valid for a year, and harvesting could be conducted several times within that period on the same plot (in contradiction with legislation). Waybills will contain additional information to the Logging Ticket and be issued only if a harvest permit (Logging Ticket) is in place. Therefore, the risk identified can be mitigated by requesting and checking the presence of waybills for all transports from the forest. • Request and check waybills for all transport of wood from the forest. • In the case of wood obtained from source type A. Forest owned and managed by the state, check the waybill in the state database (https://open.ukrforest.com/) to ensure that the waybill is genuine. • Ensure that quantity of raw material from waybills is enough to cover production.

			• Ensure that yield is in limits known for transformation of raw material to a specific product. **Onsite verification:** Control of truck transport at forest and sawmill (point of departure and destination) shall verify that. • a waybill accompanies transport of wood • species, qualities, and quantities of wood transported on trucks compared with the information contained in the waybills • transport time is reasonable *For wood sourced from Category B. Forest managed by other entities* Ensure that mitigation measures are defined in 1.1 (Mitigating the risk of Management without having the right land documents requested by the Law). **Review documents and information from online databases:** • Request and check the certificate of ownership rights. This can be checked online in the State Cadastre Database (https://map.land.gov.ua/) • Request and check registration from State Register for Real Estate. See "How to check the land plot ownership" -(instruction in Ukrainian): Як перевірити інформацію про земельну ділянку – Головне управління Держгеокадастру у Херсонській області (land.gov.ua)
The risk that harvesting permits (Logging Tickets) contains wrong information: - species are not correctly identified	All source types	Data contained in the harvesting permit (Logging Ticket) shall reflect accurate inventory data and related material delivered.	**Onsite verification:** • The issuance of harvest permits (Logging Tickets) based on in-correct inventory data could be checked through onsite verification conducted by implementing mitigation measures from 1.3 - Mitigating the risk of incorrect assessment of harvested volume and species. **Review documents and verify:** Document review to support onsite verification.

(high-value species classified as low-value species) - harvesting permits (Logging Tickets) are based on wrong inventory data (1.4)			• Check the Forest Management plan and verify that data in the harvesting permit (Logging Ticket) matches the inventory data. Indicated species on the harvesting permit (Logging Ticket) shall be available in the inventory. • Check invoice/waybill and verify that species and quality match the received material, as well as the information provided in the harvesting permit.
Risk of selling Roundwood through direct agreement, without auction (1.4)	All source types (Exceptions for the sale of fuelwood or directly to locals)	Roundwood should, after shall be sold February 1, 2020, shall be through auctions	The selling of roundwood through auction could be checked through document review. **Review documents and verify:** • Check contract of sale of wood (forest products), including invoices and specifications • Check auction certificate. Verify that wood is sold at average prices. **Review information from online databases:** • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to the selling wood methods.
Risk of selling roundwood through auction without competition (1.4)		Roundwood shall be sold through auctions with open competition	

Taxes and Fees

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Risk of underestimation of the tax "special use of forest resources" as the tax is based on in-correct classification of wood (1.5)	All source types	"Special use of forest resources" shall be paid based on the correct classification of wood	The issue of incorrect classification of wood should be addressed by applying mitigation measures related to: • Sub-category 1.3 "Risk of incorrect assessment of volumes, species composition and size-quality characteristics of wood"; • Duc-category 1.8 "Mitigating the risk of poor quality of harvesting activities and violation of technical and silvicultural requirements." In addition, the following mitigation measures should be applied. **Review documents and verify:** • Acts of inspection by the state fiscal authorities to confirm the accuracy of assessment of rent for special use of forest resources. • Check financial audit and ensure that there are no financial risks. • Check the recalculations of taxes and ensure that the data is correct (Information can be found at the Main Departments of the State Tax Service in the regions.
Risk of underestimation of VAT, income, and profit taxes as the taxes are based on in-correct classification of wood (1.6,.7)	All source types	VAT and income/profit tax shall be paid of correct classification of wood	When classification is accurately conducted, taxes will be paid appropriately. The risk identified is related to the incorrect classification of the products. The issue of incorrect classification of wood should be addressed by applying mitigation measures related to: • Sub-category 1.3 "Risk of incorrect assessment of volumes, species composition and size-quality characteristics of wood". • Duc-category 1.8 "Mitigating the risk of poor quality of harvesting activities and violation of technical and silvicultural requirements."

Timber Harvesting Activities

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Risk of violation of technical and silvicultural requirements (1.8) Examples of violations: skidding trails that are not followed; damage of trees; damage of soil, etc.	All source types	Technical and silvicultural requirements are being followed in the field	**Onsite verification** • Field check of logging site to confirm good quality harvesting practices and that technical and silvicultural requirement are being followed. **Review documents and verify:** • Check the requirements from the technological (logging) map to support onsite verification • Request and Check acts of State Environmental Inspectorate confirming the absence of violations related to the quality of harvesting activities and following the technical and silvicultural requirements. **Review databases:** • Check Inspection Portal website for the absence of risks related to the quality of harvesting activities and following the technical and silvicultural requirements; In case there are risks, check the occurrence in an onsite visit.
The risk that habitats of Red Book species are destroyed (1.9)	All source types	Habitats of Red Book species shall be protected	**Onsite verification** • Field check of harvesting area to confirm that harvesting is not destroying species listed in Red Book. • Interviews with FME Staff to ensure they are aware of Red Book species identified in the area they managed.

			Review documents and information from online databases: • Request the technological (logging) maps and check the environmental requirements. Verify that the technological maps comply with the protected sites/species in FME unit maps. • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to species listed in Red Book • Request and check the last report of the State Environmental Inspectorate. **Consult:** • Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm the absence of risks related to destroying habitats of Red Book Species.
The risk that identified Nature Reserve Funds are not registered correctly in the State Land Cadastre (1.9)	All source types	Information on restrictions (encumbrances) of land use rights on Nature Reserve Funds lands shall be correctly described in the State Land Cadastre	**Review documents and verify:** • Check the list of Nature Reserve Fund objects • Check the correct registration for NRFs in the State Land Cadastre – request record from the State Register of Real Property Rights and confirm the Nature Reserve status.
Risk of illegal logging in protected areas (Nature Reserve Funds) (1.9)	All source types (Risk of mixing)	Timber shall not originate from protected areas (Nature Reserve Funds)	Wood from Nature Reserve Funds shall be avoided. To ensure the wood does not originate from protected Nature Reserve Funds, ensure that timber sourced originates from a legal timber source. This shall be done through supply chain mapping, collection of supply chain documentation, and ensuring that the material sourced is not mixed with illegally logged timber.

			The risk of illegal logging could be verified by implementing mitigation measures from the trade and transport section (1.16+1.17) with an additional check of whether the waybills specify that wood originates directly or close to protected sites/compartments have a considerable impact on these sites.
			
			Review documents and verify:
			• Request and check waybills for all transport of wood from the forest.
			  ○ In the case of wood obtained from source type A. Forest owned and managed by the state, check the waybill in the state database (https://open.ukrforest.com/) to ensure that the waybill is genuine.
			  ○ Ensure that quantity of raw material from waybills is enough to cover production.
			  ○ Ensure that yield is in limits known for transformation of raw material to a specific product.
			  ○ Check if the waybills specify that wood originates directly or close to protected sites/compartments and could considerably impact these sites.
			
			Onsite verification:
			Control of truck transport at forest and sawmill (point of departure and destination) shall verify that.
			• a waybill accompanies transport of wood
			• species, qualities, and quantities of wood transported on trucks compared with the information contained in the waybills
			• transport time is reasonable

Risk that harvesting activities affect the conservation status of protected areas (e.g., landscapes, monumental trees, etc.) (1.9)	All source types	Harvesting activities shall not affect the conservation status of protected areas	**Review documents and verify:** • Check the list of NRF objects • Request the technological (logging) maps and check the environmental requirements. • Acts of State Forest Resource Agency inspection to confirm compliance with nature conservation requirements during logging

			Review information from online databases: • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to logging activities affecting the NRFs • Request and check the last report (acts in Ukrainian) of the State Environmental Inspectorate. **Onsite verification** • Field check of harvesting area confirms the necessity of harvesting activity, and that harvesting is not affecting the conservation status; **Consult:** • Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm the absence of risks related to harvesting activities developed in NRFs.
Risk that prohibited sanitary cutting in the Carpathians is conducted through another cutting type name, but in practice is still to be considered sanitary cutting (1.10) (e.g., restoration cuttings)	All source types	Sanitary cutting (regardless of name) shall not occur in the Carpathians (altitude higher than 1100m).	**Onsite verification** • Check if the harvest area is in the Carpathian region at an altitude higher than 1100 m • check if cutting could be classified as sanitary cutting. **Review documents and verify** • Request and review harvesting permits (logging Ticket) and check the type of cutting. • Request and check the last report of the State Environmental Inspectorate to check if there are issues related to harvesting. **Review information from databases:** • Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to prohibited sanitary cutting conducted in the Carpathian region; In case there are risks, check the occurrence in an onsite visit. **Consultation:**

			• Conduct a stakeholder consultation process with governmental authorities and representatives of civil society to confirm the prohibition related to sanitary felling is respected in the FME.
Risk that trees performing "important environmental functions" (as defined by the Law) are removed (1.10)	All source types	Trees that perform "important environmental functions" shall be maintained	**Onsite verification** Onsite forest visits to verify. • If trees that perform "important environmental functions" (as defined by Law) are present in the forest/forest plot, and. • in case that these species are present, the protection status shall be verified **Review documents and verify:** • Request and review harvesting permits (Logging Ticket) for information about trees that perform "important environmental functions." Information from the document shall be in line with findings from the field. **Review information from databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to harvesting of trees that perform "important environmental functions"; In case there are risks, check the occurrence in an onsite visit. **Consult:** Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm that nature conservation requirements during logging activities are followed.
Risk that the requirements for the development of Environmental Impact Assessments (EIA)	All source types	The development of Environmental Impact Assessments (EIAs) shall follow the legal requirements	It is recommended to implement onsite observation, document review, and consultation with governmental authorities and representatives of civil society. This measure will not fully verify that legislation is followed; however, if experts are used in this process, they shall verify if the harvesting area needs additional measures that are not considered in the EIA, and it will minimise the risk of the legislation having been violated.

are not followed (1.10)			**Review documents and verify:** • Review the Environmental Impact Assessment is in place. • Harvesting permits (Logging Tickets) to verify the area of harvesting require an EIA. • Request and check the last report of the State Environmental Inspectorate. **Review information from databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to environmental impact assessment. **Onsite verification** Forest visits shall verify. • if the Environmental Impact Assessment correspond to the actual situation in the field • if there is a negative environmental impact of harvesting activities in violation of the Law. **Consult**: • Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm that environmental impact is considered in harvesting activities.

Risk that the logging maps, chapter 8 on Nature Protection requirements do not contain environmental details (1.10)	All source types	Environmental maps shall contain environmental details	**Onsite verification**
			• Forest visits shall verify that logging maps correspond with field observations and contain relevant environmental details.
			
			Review documents and verify:
			• Check Technological (logging) maps, both under development and completed.
			  ○ Environmental details are added to the logging maps.
			  ○ Nature conservation requirements are incorporated.

			• Request and check the last report of the State Environmental Inspectorate to confirm compliance with nature conservation requirements. • Reports (acts in Ukrainian) of State Forest Resource Agency inspection to confirm compliance with nature conservation requirements during logging **Information from databases:** • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to the inclusion of environmental details on the logging maps.

Risk that health and safety equipment are not provided by the employer or used by the staff (1.11)	All source types	Health and safety equipment shall be provided and used	**Onsite verification:**
			• Forest visits shall verify that forestry staff has/and use health and safety equipment.
			• Interview with forest workers: During the onsite visit, ensure to talk privately with forest workers. Based on discussion with them.
			  ○ ensure that health and safety equipment is provided.
			  ○ ensure that they are wearing health and safety equipment daily.
			
			Review documents and verify:
			• Request and review the last invoice of purchasing health and safety equipment.
			• Check if documents that H&S equipment has been supplied to forest workers
			• Request and review the internal periodic check of H&S performance of the staff of the FME
			• Request and check the last report of the State Service of Ukraine on the Work Issues.
			
			Review information from databases:
			• Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to providing health and safety equipment

Risk that forest workers are not following the safety measures defined in logging maps (1.11)	All source types	Forest workers shall follow safety measures defined in logging maps	**Onsite verification** • Field observations shall verify that safety measures defined in logging maps are followed. • Interview with forest workers: During the onsite visit, ensure to talk privately with forest workers. Based on discussion with them. ○ ensure that they are aware of health and safety measures defined in logging maps **Review documents and verify:** • Request and review the content of logging maps in terms of health and safety rules. • Check if there are documents showing safety measures defined in logging maps are followed. • Request and check the latest report of the State Service of Ukraine on the Work Issues. **Review information from the database:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to wearing health and safety equipment
Risk that periodical medical checks are not conducted (1.11)	All source types		**Onsite verification** • Interviews with the harvesting team shall verify periodic medical checks are conducted. **Document review and verify** • Check medical check sheets issued by a medical unit specialising in working conditions.
Risk that not all forest workers are employed through formal agreements (1.12)	All source types	Forest workers shall have an employment agreement/contract in place	**Onsite verification** • Interview with forest workers: During the onsite visit, ensure to talk privately with forest workers. Based on discussion with them.

			○ ensure that the forest workers have an agreement with the organisation. **Review documents and verify** • Request and review the contracts (or orders) with forest workers and ensure that the number of forest workers is appropriate to the scale of activities. • Request and check the last report of the State Service of Ukraine on the Work Issues. **Review information from databases:** • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to the employment of forest workers.
Risk that forests workers do not receive benefits guaranteed by Law (1.12)	All source types	Forest workers shall receive benefits as guaranteed by Law	**Review documents and verify:** • Evidence that salary payments are up to date and records showing that the salaries are paid on time and are not lower than state guarantees. • Request and check the last report of the State Service of Ukraine on the Work Issues. **Review information from databases:** • Check Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to not giving benefits to forest workers **Onsite verification** • Interview with forest workers: During the onsite visit, ensure to talk privately with forest workers. Based on discussion with them. ○ ensure that forest worker has received benefits guaranteed by the Law.

Trade and Transport

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Risk of incorrect classification of species, qualities, and quantities in waybills (1.16)	All source types	Classification of species, qualities, and quantities in waybills shall be correct.	**Review documents and verify:** • Request and check waybills for all transport of wood from the forest. • In the case of wood obtained from source type A. Forest owned and managed by the state, check the waybill in the state database (https://open.ukrforest.com/) to ensure that the waybill is genuine. • Ensure that quantity of raw material from waybills is enough to cover production. • Ensure that yield is in limits known for transformation of raw material to a specific product. **Onsite verification:** Control of truck transport at forest and sawmill (point of departure and destination) shall verify that. • a waybill accompanies transport of wood • species, qualities, and quantities of wood transported on trucks compared with the information contained in the waybills • transport time is reasonable
Risk of transport of wood without waybills (1.17)	All source types	Waybills shall accompany the transport of wood	
Risk of multiple transports with the same waybill (1.17)	All source types	Waybills shall be used for transport once and shall relate to the product transported	
Risk of transport with fraudulent waybill (1.17)	All source types	Waybills used for transport shall not be tampered	
Risk of illegal transfer pricing occurring at a	All source types	Illegal transfer pricing does not occur	**Review documents and verify:** • Check invoices and verify prices are aligned with sales prices and are not suspicious.

different level of the supply chain (1.18)			• Ensure that there are no letterbox companies involved in the supply chain.
Risk that wood or wood products banned from export are exported (1.19)	All source types	Only wood or wood products allowed for export are exported.	**The following are banned for export:** • Roundwood timber (code 4403) (fuelwood is exempt). • The following valuable and rare tree species; Acacia (акація), Sorbus torminalis (берека), cherry tree (вишня), pear (груша), walnut (горіх), chestnut (каштан), yew (тис ягідний), bird-cherry (черешня), sycamore (явір) and juniper (ялівець). **Onsite verification** Check the final product and ensure that the final product and species used are not banned for export;
Risk of understating classification and volumes of timber for exports (1.19)	All source types	Classification and volumes for export shall be accurate	**Onsite verification** Inspect the final product to ensure the correct classification and volume. **Review documents and verify:** Ensure that correct classification and volume is written on invoice and product specification.

Processing

Risk	Applicable to	Indicator of legal compliance	Mitigation options
Risk that small sawmills are not legally registered (1.22)	Small sawmills	Sawmills shall be legally registered	**Review documents and verify:** The legal registration of the sawmill could be checked through • the existence of a business license • to ensure that waybills accompany all wood transports, as only legally registered companies can issue waybills. Ensure that mitigation measures from chapters 1.16 - Risk of incorrect classification of species, qualities, and quantities in waybills *are in place*.
Risk that activities are conducted without minimisation of pollution (1.23)	All operation facilities	Pollution shall be minimised	**Onsite verification:** • Visit production facility to verify the pollution facilities and ensure that facilities are in line with documents. **Review documents and verify:** • Request and check acts of State Environmental Inspectorate (Державна екологічна інспекція України) confirming that the level of pollution and the presence of permits for emission. **Consult:** Implement a stakeholder consultation process with governmental authorities and representatives of civil society to confirm the minimization of pollution.
The risk that activities are conducted without	All operation facilities	Health and safety requirements shall be in place	**Onsite verification**

considering health and safety requirements (1.25)			• Visits to production facility shall verify that health and safety requirements are followed. • Interview workers to verify that health and safety requirements are followed. **Review documents and information from online databases:** • Request and check reports (acts) of State Environmental Inspectorate (Державна екологічна інспекція України) confirming that the following of health and safety requirements • Request and check internal procedures.
The risk that technical specification of technological equipment is inaccurate (1.25)	All operation facilities	Technological equipment shall be correctly specified	**Onsite verification** • Visits to production facilities shall verify that the technical specification of technological equipment is accurate. **Review documents and information from online databases:** • Request and check reports (acts) of State Environmental Inspectorate (Державна екологічна інспекція України) confirming that the accurate technical specification of technological equipment. • Request and check the technical specification.
Risk that workers are not employed through a formal agreements (1.26)	All operation facilities	Formal agreements shall cover workers	**Onsite audits** • Interview with staff: During the onsite visit, ensure to talk privately with staff. Based on discussion with them. ○ ensure that the staff has an agreement with the organisation. **Review documents and verify** • Request and review the contracts (or orders) with staff and ensure that the number of staff is appropriate to the scale of activities. • Request and check the last report of the State Service of Ukraine on the Work Issues.

			Review information from databases: • Check the Inspection Portal website (https://inspections.gov.ua) for the absence of risks related to the employment of forest workers.

About
LIFE Legal Wood

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

LIFE - Support EUTR II - LIFE18 GIE/DK/000763

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

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