



APPALACHIAN

Hardwood Manufacturers, Inc.



Dear AHMI Producer member:

In a changing business environment where customers are seeking more documentation about the source of your lumber and products, Appalachian Hardwood Manufacturers, Inc. has developed a new program to answer those questions, save you time and help you sell lumber. The Appalachian Hardwood Verified Legal (AHVL) program provides a process to confirm that you are a legal entity in the United States and adhere to the rule of law, verify your products are legally sourced, and a simple procedure where a local certified public accountant can third-party audit your adherence to the standards.

This program is designed to meet the basic demands of the European Union Timber Requirements (EUTR) and other countries. AHMI members have received notice from European customers that further documentation is needed to meet the regulations. The AHMI Board of Trustees approved this program to answer the European requirements and what may follow from Australia and other countries.

This marketing initiative follows the successful Appalachian Hardwood Verified Sustainable which marks its eighth year in 2014 with more than three-fourths of AHMI members participating. We hope to have the same results with Verified Legal.

Enclosed you will find:

- Appalachian Hardwood Verified Legal (AHVL) Declaration adopted by AHMI;
- AHVL requirements and the AHVL audit procedure performed by AHMI or a designee if required by your customer;
- AHVL certificate to provide to your customer;
- AHVL Procurement form for landowners or loggers to complete. This information can also be added to log tally forms or landowner contracts.

I look forward to working with you on this initiative. If you have questions, please contact me immediately.

Regards,

Thomas R. Inman
President

Enclosures



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Appalachian Hardwood Verified Legal Participating Member Declaration

1. Responsibility

The Appalachian Hardwood Manufacturers, Inc. (AHMI) member company has appointed an employee who shall be responsible for implementing this Policy and discussing relevant issues regularly with the highest level of management. The company will make all employees associated with timber purchasing aware of the Policy and its commitments, and provide appropriate education and training to allow its full implementation. The company recognizes that it has a responsibility to the environment, customers, suppliers and staff to base its commercial activities on well-managed forests.

2. Legality

The AHMI member company adheres to all local, state and federal laws and condemns illegal logging practices. The company is committed to purchasing all timber from legal sources and will obtain all available evidence of compliance from suppliers that they are operating in accordance with the laws of their country.

3. Traceability and Supplier Monitoring

The AHMI member company will perform an assessment of each Supplier to obtain information regarding the sources of raw material used in the manufacture of hardwood products. This information will form part of purchasing decisions and will be made available to auditors in accordance with the Policy.

4. Continuous Improvement

The AHMI member company is committed to purchase timber and timber products from sustainably managed forests and will work with relevant groups to develop its purchasing policy.

5. Reporting and Audit

The AHMI member company will report annually to auditors selected in accordance with the Policy. The auditors will assess and verify the company's progress and compliance under the Policy.



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Appalachian Hardwood Verified Legal Audit

Appalachian Hardwood Manufacturers, Inc. (AHMI) has formulated requirements for forest management and hardwood lumber producing companies participating in the **Appalachian Hardwood Verified Legal (AHVL)** program. AHMI members agree to an audit by AHMI or a designee to verify legality against its standards, which are publicly available.

The **Verified Legal** program requires participants:

- 1) Operate a legal business entity.
- 2) Follow accepted industry practices and all local, state and federal laws applicable to forest management and timber harvesting including all applicable environmental regulations.
- 3) Pay all compensation, taxes and fees due to timber owners or the owner’s designated representative and government entities as required by local, state and federal laws

Aspect 1) Legal Business Entity

Criterion 1.a The company is a corporation, limited liability company or partnership, duly organized and existing under the laws of a State of the U.S.A., or a sole proprietorship owned and operated by a citizen and resident of a State of the U.S.A. The company and its contractors and supplier have valid contracts to purchase the timber, and all required permits and licenses to harvest timber on the Forest Management Unit (FMU) have been issued by the appropriate authority.

Approved _____ Denied _____ Corrective action on attached sheet

Aspect 2) Forest Management and Timber Harvesting Agreements

Criterion 2.a Forest Management and Timber harvest operations follow accepted industry practices and comply with local, state and federal law.

Guidance: The company complies with all applicable local, state and federal law pertaining to forestland management, timber harvesting, biodiversity, water, soil, endangered species and air quality. Timber harvested under these agreements is considered to be legal timber.

Approved _____ Denied _____ Corrective action on attached sheet



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Criterion 2.b Timber harvest operations and timber purchases are based on valid agreements with FMU owners or representatives.

Guidance: The company has a purchase agreement with the FMU owner or designated representative. Timber harvested under these agreements is considered to be legal.

Approved _____ Denied _____ Corrective action on attached sheet

Aspect 3) Taxes, fees and compensations

Criterion 3.a The company has paid all compensation due to the FMU owner or the owner’s designee for the timber harvested and delivered to the company. All applicable local, state and federal taxes and fees have been paid by company.

Guidance: Payment due under the applicable contract for the goods and service has been paid to the timber owner or designated representative. All applicable taxes and fees have been paid by the company.

Approved _____ Denied _____ Corrective action on attached sheet

Criterion 3.b The company has a system in place for documenting its operations and complying with its obligations.

Guidance: In order to fulfill its obligations, the company shall maintain a register of relevant laws and regulations, and be able to demonstrate how it manages compliance with applicable laws, regulations and obligations.

Approved _____ Denied _____ Corrective action on attached sheet

Signed _____ Date _____

Name _____ Accreditation _____

Company _____



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Appalachian Hardwood Verified Legal Certificate

In signing this declaration, I attest to the following:

- ✓ That our company is a corporation, limited liability company or partnership, duly organized and existing under the laws of the State of _____, U.S.A. or a sole proprietorship owned and operated by a citizen and resident of that State.
- ✓ That our company has purchased these hardwood logs from the legal owner or its duly authorized representative after conducting all required due diligence, and in compliance with all local, state and federal laws
- ✓ That the hardwood lumber the company supplies is the following:
 _____ Species Scientific Name
 _____ Species Common Name
- ✓ That all of the logs we procure originate in the following U.S. states in the Appalachian region (circle): **New York, Pennsylvania, Ohio, West Virginia, Maryland, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama** or _____
- ✓ The risk of illegally sourced logs and lumber from the United States is extremely low

Company name _____
AHMI Member #

Address

I certify that I am an owner/officer of our Company and the information furnished herein is true and correct:		
_____ Signature	_____ Type or Print Name	_____ Date

Our company is a member in good standing of **Appalachian Hardwood Manufacturers, Inc. (AHMI)** and manufactures Appalachian Hardwood Lumber sourced from the 344-county AHMI territory which is a Sustainable Hardwood Forest as defined by AHMI and based on research data from the United States Forest Service Forest Inventory and Analysis. Our company has passed the Appalachian Hardwood Verified Legal audit process.



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Appalachian Hardwood Log/Lumber Procurement Verification Form

In signing this declaration, I attest to the following:

- ✓ That company is the owner or duly representative of the owner for the hardwood logs/lumber that supplied to

on _____.

- ✓ That the hardwood logs/lumber supplied are the following species:

_____ Species Scientific Name

_____ Species Common Name

- ✓ That all of the logs or hardwood products originate in the following U.S. states (*circle*): **New York, Pennsylvania, Ohio, West Virginia, Maryland, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama** or _____

Company name

Mailing address / Physical address (if different from mailing address)

I certify that I am an owner or officer or duly representative of our Company and the information furnished herein is true and correct:

Signature

Date

Print Name