



SUMMARY OF FINDINGS -2011 Review

Based on the scope of this review, no major issues were identified that prevent the PREPS database operating as a unique tool for good decision making within the paper sector. Recommendations are made to continue to further improve the processes in line with the changing external environment.

Many of the Newleaf recommendations in 2010, along with on-going internal developments by PREPS, have since been implemented. These include several new versions of the PREPS Process Document, a revised paper grading system, a higher level of transparency with regards to decision making processes and the use of laboratory analysis to determine the accuracy of the mills' declarations to PREPS.

Two areas were found where process improvements could be made:

- The level of evidence currently used to grade paper as *legal origin* is not currently as robust as other due diligence processes or industry best practice which, in future, will demand a higher level of documentary evidence from the original sources of materials. The new EU regulations will enforce the higher level of evidence required to assess legality. This is likely to affect some PREPS members who, as operators, will be required by law to obtain robust evidence from their supply chain. Future PREPS processes will need to be mindful of this.

Process Improvement 1: revise the use of the term *legal* versus *risk* in the current grading system used to assess the grade of a paper and of a forest origin. Alternatively, introduce a higher level of documentary evidence on behalf of the membership. Should the use of *risk* be confirmed, it is recommended to fully explain this at the front of the Process Document and remove references to legal/legality.

- As part of the review process of documentary evidence, the procedure of sampling is in its early stages. There is currently an opportunity for further transparency around the selection of what papers are tested, how the papers have been identified as representative samples and the corrective actions undertaken when issues have been established. The information could also be very beneficial to members classified as *operators* under the new EU regulation.

Process Improvement 2: strengthening the transparency of the sampling process and its documentation within the Process Document.