

# LegalSource™ Supplier Evaluation

## Service information

LegalSource Supplier Evaluation is tailored to organisations that source forest products from non-certified supply chains and need to reduce their risk of sourcing illegally harvested or traded forest products.

Engaging with suppliers is a fundamental activity when implementing a due diligence system. Suppliers are often closer to the source of forest products and able to provide important information about your products. Suppliers may also take responsibility for part of the activities needed to implement your due diligence system.

Our supplier evaluation services support you in engaging with your suppliers to assure their ability to provide information/documentation necessary for meeting legal requirements such as the EU Timber Regulation.

### The benefits of supplier evaluation

Engaging with suppliers through LegalSource supplier evaluation can help you to:

- ✓ Improve your suppliers' ability to fulfil your due diligence requirements. We can provide your suppliers with web or in-person training prior to the evaluation. In addition, the evaluation process itself brings insight and know-how.
- ✓ Build competence among your own Quality Control staff or internal auditors in evaluating suppliers' compliance with due diligence requirements. LegalSource supplier evaluation facilitates the integration and efficient handling of due diligence in your own supplier evaluation programme.
- ✓ Evaluate your suppliers' conformance with due diligence requirements, including the validity of information on sourcing and legal origin of wood that suppliers submit to you.
- ✓ Evaluate your suppliers' access to required information.
- ✓ Assess the quality of the risk assessment and/or risk mitigation actions carried out by your supplier.

### Which requirements apply to suppliers?

The requirements that your suppliers should fulfil depend on their role in exercising due diligence as a part of your company's supply chain. Suppliers may take responsibility for certain parts of the due diligence system, such as risk assessment of specific sources, risk mitigating activities and evaluation of certain risk factors.

In other instances, your supplier may play a less active role and may only be involved in providing access to information and allowing you to audit their systems if risk has been identified.

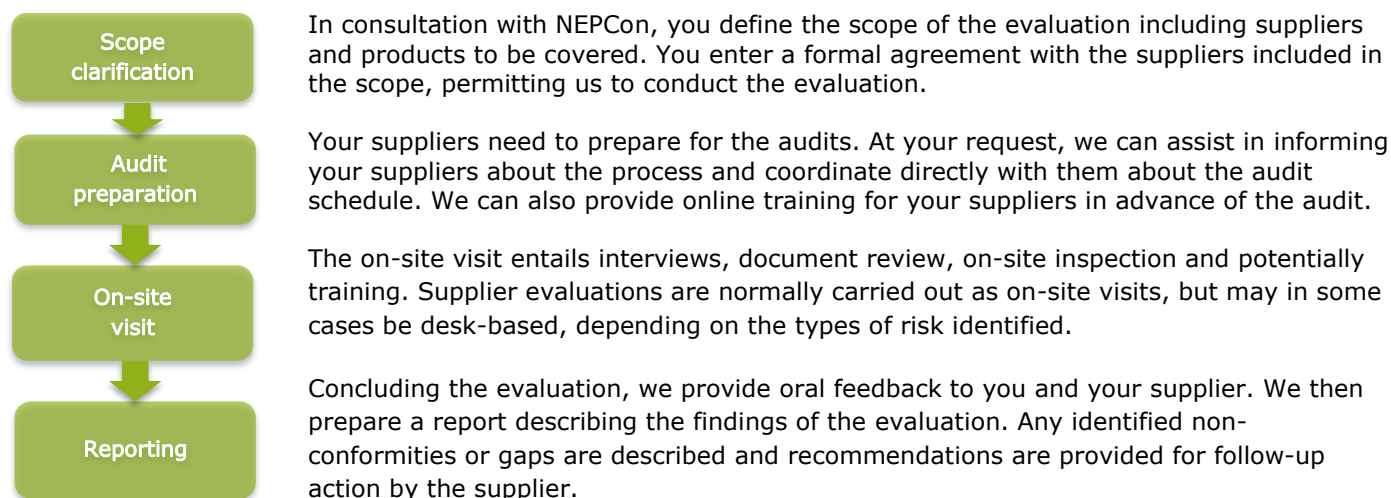
LegalSource supplier evaluation is conducted against the requirements specified in the LegalSource Standard; however, the specific requirements applicable to a supplier will depend on the role they have taken in the due diligence process.



## The evaluation process

The evaluation process depends on the objective. If the purpose is to establish the supplier's readiness to provide required information and documents, the evaluation will often consist of a one-day visit to the supplier's facility that will include document reviews and staff interviews. If the purpose is to verify the effectiveness of risk mitigating actions, the evaluation will focus on the relevant suppliers' specific actions addressing identified risk.

Below is a rough outline of a typical supplier evaluation process, involving an on-site visit:



## Training and capacity building

We recommend combining supplier evaluation with capacity development, enabling your suppliers to play a more active role in your due diligence system implementation. You may also combine supplier evaluation with training for your own staff.

## When is supplier evaluation required to maintain LegalSource certification?

Evaluation of suppliers on-site is required when risks have been specified and when an on-site visit is necessary to evaluate the effectiveness of mitigating actions. Desk-based verification can be used in cases where this is considered an efficient way of evaluating conformance with the relevant LegalSource requirements.

On-site supplier verification required for LegalSource certification can be carried out by NEPCon upon request. Alternatively, the evaluation may be conducted by you or by another entity appointed by you. The evaluation must be documented and must effectively evaluate specified risks and the results of risk mitigating actions. NEPCon needs to verify that the evaluation meets the requirements of the LegalSource Standard.

## What about confidentiality?

Any information disclosed to our staff is protected through our strict confidentiality requirements.