



LegalSource™ Certification & Claims Procedure V2.0



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A Scope

This document aims to provide information on the procedures and requirements that will be applied to organisations undergoing LegalSource™ certification.

All aspects of this document are considered to be normative, including the scope, effective date, references, terms and definitions, tables, notes, addendum and annexes, unless otherwise stated.

B References

- LegalSource Standard (LS-02)
- NEPCon Certification System Evaluation Standard (LS-18)
- NEPCon Generic Chain of Custody Standard (NC-STD-01)
- NEPCon Generic Group and Multi-Site Standard (NC-STD-02)

C Terms and definitions

Certification: Third-party attestation related to products, processes, systems or persons.

Certification decision: Granting, maintaining, renewing, expanding the scope of, reducing the scope of, suspending, reinstating, or withdrawing certification.

EU Timber Regulation (EUTR): *REGULATION (EU) No 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market* and related EU regulations and guidance documents.

LegalSource certificate: A certificate is a document issued under the rules of a certification system, indicating that adequate confidence is provided that a duly identified product, process or service is in conformity with a specific standard or other normative document [ISO/IEC Guide 2:1991 paragraph 14.8 and ISO/CASCO 193 paragraph 4.5].

A LegalSource certificate provides a credible guarantee that there is no major failure in conformance to the requirements of the specified LegalSource normative document(s) in any operational site within the scope of the certificate.

Within the LegalSource certification system there exist three types of LegalSource certificates:

- Single certificates
- Group/multi-site certificates

LegalSource operation: An individual, company or other legal entity operating one or more facilities or sites within any 'stage' of the forest product supply chain and issuing invoices for materials or products with a LegalSource claim that can be used by customers to treat such products as certified or make promotional claims.

Due diligence system (DDS): A set of steps or actions taken to ensure that due diligence is exercised. The due diligence system may consist of written guidelines and procedures that describe the due diligence process in detail.

Evaluation: Systematic examination of the extent to which a product, process or service fulfils specified requirements (term used in ISO/IEC Guide 65).

Typical types of evaluation:

- Pre-Evaluation: assessment to determine the applicant's readiness for their main evaluation.
- Main Evaluation: initial assessment of an applicant for LegalSource certification.
- Re-Evaluation: assessment for re-certification.
- Surveillance evaluation: see "surveillance".

NOTE: NEPCon may also conduct other types of evaluations in addition to the ones listed above, e.g., Corrective Action Request (CAR) and pre-condition verification audits, expansion of scope evaluations, certificate transfer evaluations.

Forest Management Unit (FMU): A spatial area with clearly defined boundaries managed to a set of explicit long-term forest management objectives. This area or areas includes all facilities and areas within or adjacent to this spatial area or areas under legal title or management control of, or operated by or on behalf of a forest manager, for the purpose of contributing to the management objectives.

Monitoring Organisation: A private entity that is legally recognised by the European Commission to provide EU operators with operational due diligence systems. Monitoring Organisations are obligated to take appropriate action in the event of failure by an operator to properly use its due diligence system, including notification of competent authorities in the event of significant or repeated failure by the operator.

Organisation: The person or entity holding or applying for certification and therefore responsible for demonstrating compliance with the applicable requirements upon which LegalSource certification is based.

Outsourcing: The practice of contracting an internal business process (activities or tasks that produce a specific service or product) out to a third party Organisation rather than staffing it internally.

Participating Site: Site included in the scope of a Multi-site or group certificate. Subcontractors that are used within the terms of outsourcing agreements are not considered Participating Sites.

Scope of LegalSource certificates: The scope of a LegalSource certificate defines the sites, products (by product types and labelling category/material status), and processes/activities that are included in an evaluation, together with the LegalSource certification standard(s) against which these have been audited, in order to ensure that products from those sites and processes meet all the applicable requirements.

The scope determines the point at which the certified LegalSource system starts (i.e. the point at which the Organisation takes possession of certified and non-certified material relevant to the LegalSource certification), the basic material-related processes (e.g. processing, manufacture, labelling, storage and/or transport), up to the point at which it finishes (i.e. the point that the LegalSource-certified products leaves the Organisation's control). Any product which is within the defined scope of the certificate at the time the certificate is issued – **and which has been subject to the systems and procedures evaluated as compliant with the applicable requirements of relevant LegalSource normative document(s)** - may be sold as LegalSource-certified.

Products which have already left the LegalSource system under evaluation at the time the certificate is issued (i.e. which have been sold or shipped) cannot be considered to be certified and are not eligible to carry the LegalSource Trademarks. In the case of joint forest management and LegalSource certification, timber that had been felled prior to the issue of a certificate and which has not yet been sold by the forest management enterprise – **but which has been subject to the systems and procedures evaluated as compliant with the applicable requirements of relevant LegalSource normative document(s)** - may be sold as LegalSource-certified.

Equivalent considerations apply when a LegalSource certificate is withdrawn or expires. Certified products that were produced in conformance to all applicable LegalSource normative documents which left the evaluated LegalSource system whilst the certificate was valid remain certified even after the certificate has been withdrawn. Products which have not yet left the Organisation's LegalSource system at the time the certificate is withdrawn lose their certified status with immediate effect.

Site: A single functional unit of an Organisation situated at one physical location, which is geographically distinct from other units of the same Organisation. An Organisation's units with distinct physical locations may, however, be regarded as parts of a site if they are an extension of it with no purchasing, processing, or sales functions of their own (e.g. a remote stockholding). A site can never include more than one legal entity. Subcontractors that are used within the terms of outsourcing agreements (e.g. outsourced warehouse) are not considered sites. NOTE: Typical examples for sites are processing or trading facilities such as manufacturing sites, sales offices, or company-owned warehouses.

Surveillance: Systematic iteration of conformity assessment activities as a basis for maintaining the validity of LegalSource certification.

1 LegalSource Certification Procedures

This section outlines the procedures applied to organisations undergoing LegalSource Certification.

1.1 Application and Agreement

1.1.1 The Organisation shall submit a request for LegalSource Certification services to NEPCon.

NOTE: a LegalSource Certification service request can be made here:
www.nepcon.org/receive-service-quote

1.1.2 NEPCon shall submit a proposal for the requested services, accompanied by a Certification Agreement

NOTE: Organisations that wish to use NEPCon as a Monitoring Organisation (EU Member states only) shall also sign the annex to the Certification Agreement related to Monitoring Organisation services.

1.2 Audit Planning

1.2.1 Once the Certification Agreement has been signed, the logistical arrangements of the audit shall be mutually agreed between NEPCon and the Organisation.

1.2.2 The Organisation shall provide NEPCon with sufficient information about the products, species, supply-chains and sites to be included in the scope of the LegalSource certification, as well as a written summary of the DDS system that will ensure a full and proper evaluation of the scope.

1.2.3 This scope and summary of the DDS shall be included within the public summaries of audit reports made by NEPCon for LegalSource certification (see 1.4.1).

1.3 Evaluation of the Organisation

1.3.1 The Organisation shall ensure that NEPCon auditors are granted access to each operational site within the scope of an evaluation (including a sample of Participating Sites of Group or Multi-site certificates) in order to allow auditors to make direct, factual observations to evaluate the Organisation's conformity with all applicable certification requirements. Where relevant, access shall also be facilitated to allow the evaluation of conformity of the activities of suppliers and sub-suppliers.

According to the type of LegalSource evaluation, audit activities to evaluate conformity with certification requirements may include:

- a) Identification and assessment of management documentation and a sufficient number and variety of records at each operational site selected for evaluation to confirm that management is functioning effectively and as described, particularly with respect to the identified critical control points;
- b) Evaluation of a complete overview of all sources, products and supply chains to be included in the scope of the certification.
- c) Interviews with a sufficient number and variety of employees and contractors at each operational site selected for evaluation to verify the Organisation's conformity to all applicable certification requirements. Interviews may also take place with stakeholders and/or government authorities, as applicable.
- d) Evaluation of the Organisation's implementation of all applicable Corrective Action Requests;

- e) Review of all complaints, disputes or allegations of non-conformities. These may be received by the Organisation and/or by NEPCon. They may also be allegations made about the activities of the Organisation or suppliers or sub-suppliers, that are brought to NEPCon's attention through news outlets, social media, research studies and/or other publications, rather than through a communication directed to NEPCon from an identified person or group.
- f) Physical inspection of all sites selected for evaluation, including inspection of all locations where operational activities under the scope of the certificate are carried out.

Desk audits may be conducted in the following cases:

- Sites that do not take physical possession of LegalSource-certified materials/products or in their own or rented facilities, and do not label, alter, store or re-package the products (e.g. sales offices);
- Storage sites of finished products, and where NEPCon has confirmed that the risk of mixing LegalSource certified products with other materials is inexistent. (I.e. sites that only store LegalSource certified products).

NOTE: NEPCon is not obliged to conduct desk audits, even when all requirements above appear to be satisfied. At its own discretion, initially or at any time, NEPCon may decide to carry out site visits where and when necessary to ensure confidence in a certificate.

- g) Purchasing and sales documentation of any materials or products (invoices, bills, transport documents, sales contracts);
- h) Confirmations that inputs described as LegalSource-certified were:
 - Originating from sources with low risk of illegal harvest, transport and trade.
 - Originating from supply chains with low risk of mixing in the transport and processing.
- i) The correct use of the LegalSource Trademarks (off-product and promotional) and the 'LegalSource Certified' claim in segregation marks, sales and transport documentation;
- j) Training records (e.g. training materials, participants list).

- 1.3.2 Upon request, the Organisation shall provide - or facilitate and guarantee access to NEPCon to obtain or collect - physical samples of products, product-parts or materials for the testing of timber species and/or origin of harvest.

This may be done as part of assessments or audits but may also take place outside scheduled audits where changes to supply chains or products warrant a change in the potential risk. This may also occur as a result of substantiated complaints, disputes or allegations of non-conformities raised by third parties.

NOTE: Tests shall only be required by NEPCon in cases where there are justified risks that the reported material origin or species are unknown or wrong.

1.4 Certification

- 1.4.1 Upon a decision to grant LegalSource certification – and after each subsequent (surveillance, scope-change or Corrective Action Verification) audit - NEPCon shall upload a

public summary of the audit report containing the following information to the dedicated page on the NEPCon website:

www.nepcon.org/certification/legalsource/legalsource-tools-and-guidance/legalsource-certificate-database

The audit report shall contain:

- An overview of the LegalSource-certified organisation, including details about the scope of the LegalSource certification, including sites, sources and product types as well as a summary of the evaluation process.
- The certification decision.
- The findings of the audit including an overview of any Corrective Action Requests raised.

NOTE: The LegalSource Certificate Database can be found here:

www.nepcon.org/certification/legalsource/legalsource-tools-and-guidance/legalsource-certificate-database

1.4.2 LegalSource certificates are issued for a five-year period.

1.4.3 Within the timespan of the LegalSource certificate, at least four (4) surveillance evaluations shall take place before the certificate expires. The number of surveillance evaluations may be reduced according to 1.5.4.

1.5 Surveillance audits

1.5.1 The Organisation shall allow the NEPCon to carry out a surveillance audit to monitor the Organisation's continued conformance to all applicable certification requirements at least annually.

1.5.2 The Organisation shall allow NEPCon to conduct un-announced audits of relevant sites where relevant for the evaluation of the conformance of the organisation to the certification requirements.

1.5.3 For operations or sites that have not produced, labelled or sold any LegalSource-certified products – nor sourced materials relevant to the LegalSource certification – surveillance

evaluations may be waived. However, NEPCon will not waive more than two (2) consecutive surveillance evaluations.

NOTE: The decision to waive a surveillance evaluation on the grounds described above is at the discretion of NEPCon. NEPCon may require a surveillance evaluation to be carried out if this is considered necessary to ensure confidence in the LegalSource certificate.

1.5.4 When a surveillance evaluation is waived, the Organisation shall sign a declaration stating that no material relevant to the LegalSource certification has been sourced, nor products produced, labelled or sold as LegalSource-certified since the last surveillance audit.

1.5.5 At surveillance audits, the Organisation shall enable NEPCon to review and assess:

- a) Any changes to the scope of the certificate, including new LegalSource operations or Participating Sites, and changes in business activities;
- b) Changes to the supply base of the Organisation;

NOTE: Changes to supply base of the Organisation shall be communicated to NEPCon prior to including such supply chains and initiate sourcing under the LegalSource certification scope.

- c) Changes to the Organisation's management system;
- d) Materials sourcing, storage, production, inventory and sales records.

1.6 Using NEPCon LegalSource in regulated markets

1.6.1 Organisations that place products on markets where there are legal requirements to implement due diligence or due care (e.g. the EU, US, Australia, and Japan) and use LegalSource Certification to support compliance with the legal requirements shall:

- a) Include all products within the scope of the applicable regulation within the scope of their LegalSource certification.
- c) Agree to abide by all applicable obligations placed on operators.
- d) Recognise the right and obligation of NEPCon to share audit reports and other relevant information with competent authorities where applicable.
- e) Recognise that it maintains full liability over its own compliance with legal obligations and any related legislation.

2 LegalSource Claims & Communications Procedures

These procedures serve to protect the value and integrity of NEPCon's LegalSource brand and the LegalSource Certified mark.

2.1 Who is eligible to use the LegalSource Certified mark and claims?

- 2.1.1 Organisations certified against the LegalSource Standard may use the LegalSource Certified mark and LegalSource claims.
- 2.1.2 All usage requires prior approval by NEPCon on a case by case basis. Detailed requirements pertaining to the approval process are provided at the end of this document.

2.2 Using the LegalSource Certified Mark

- 2.2.1 The certification mark can only be used off-product. It may be used for marketing and public information materials. Examples of off-product promotional materials:
 - Calendars
 - Advertisements – print and TV
 - Posters
 - Newsletters
 - Promotional materials
 - Brochures
 - Web sites
- 2.2.2 The off-product claims shall not be used in a context or way that gives the impression that products or materials that are not within the LegalSource certification scope, are included in the scope.
- 2.2.3 No one, under any circumstance, shall copy, reproduce or otherwise use the certification mark without receiving prior written approval from NEPCon.
- 2.2.4 Unauthorised use of the NEPCon LegalSource Certified mark is strictly prohibited. NEPCon reserves the right to take legal action against any party that reproduces or copies the NEPCon LegalSource Certified mark without prior written authorisation.

2.3 The LegalSource Certified Mark: graphic requirements

- 2.3.1 The NEPCon LegalSource Certified mark and LegalSource claims may be used by companies certified against the LegalSource standard.
- 2.3.2 All public use of the LegalSource trademarks by certified companies shall be reviewed and approved by an approved NEPCon Trademark Agent.
- 2.3.3 The LegalSource certification mark can only be used on off-product marketing and public information materials. The LegalSource trademarks are:
 - The name "LegalSource™"
 - The words "LegalSource™ Certified"
 - The LegalSource promotional logo (Figure 1)

Figure 1: LegalSource promotional logos



- 2.3.4 The NEPCon LegalSource Certified mark is a proprietary, single graphic unit that must never be altered from its original form. No element of the mark may be used to stand alone as a graphic image.
- 2.3.5 To ensure that the NEPCon LegalSource Certified mark is never compromised, it shall not compete with existing text, graphics or images, including certification seals.
- 2.3.6 The mark shall not appear in a position where it might be confused with an organisation or product brand name.
- 2.3.7 Clear space around the verification mark shall be minimum 20% of the height of the mark. No other elements may appear in this space.
- 2.3.8 Labels shall be large enough that all of the text is legible.
- 2.3.9 Labels are available in the following three colours: black; “NEPCon green”; and white on NEPCon green.

NOTE: All label designs are subject to further development by NEPCon Marketing and Communications department.

2.4 Principles for off-product label use

- 2.4.1 NEPCon off-product LegalSource Certified mark labels shall only be used provided the following principles are followed:
 1. Off-product labels may be applied for promotional use, such as websites, letterheads, catalogues, email signatures, annual reports and CSR reports.
 2. Off-product labels shall be accompanied by a pre-approved claim (see below).
 3. Off-product labels shall meet all requirements of Section 9 of the LegalSource standard.
 4. Off-product labels communicating LegalSource certification shall only be used after organisation has demonstrated compliance to the LegalSource standard

2.5 Pre-approved statements

- 2.5.1 Organisations that have received LegalSource Certification and who use the off-product labels may use one or more of the following statement in conjunction with the LegalSource Certified label and as part of any off-product claims:
 1. [ORGANISATION] holds LegalSource™ certification, demonstrating that our due diligence system meets the LegalSource requirements”. [precondition for using this claim: the organisation is LegalSource certified]
 2. [ORGANISATION] holds LegalSource™ certification covering [SCOPE]. The certification demonstrates that [SPECIFY PRODUCTS] are covered by a due diligence system that meets LegalSource Requirements”. [precondition for using this claim: tall products in scope are covered by the certification scope and meets LS standard requirements]

3. Our LegalSource™ certification demonstrates that our due diligence system is implemented in line with the requirements of the EUTR. [precondition for using this claim: the scope covers all EUTR relevant products]
4. Our LegalSource™ certification documents that [ORGANISATION] is exercising due diligence in line with the EUTR requirements to manage the risk of placing illegally harvested timber on the EU market. [precondition for using this claim: the scope covers all EUTR relevant products]

Organisations that have received LegalSource certification AND will use NEPCon as a Monitoring Organisation under the EU Timber Regulation may use the following statement:

1. [ORGANISATION] is certified against the LegalSource standard and uses NEPCon as EUTR Monitoring Organisation. [precondition for using this claim: the scope covers all EUTR relevant products and the Organisation is signed on to use NEPCon as an MO]

2.6 Additional off-product statements and claims

Additional off-product statements and claims referencing LegalSource may be permitted, providing:

- They are not misleading in any way.
- Any presentation of the scope or assurance of the LegalSource certificate is presented accurately.
- Any additional off-product statements and claims are submitted for review and approval, as outlined in Section 7.

2.7 Submission & Review Procedures

2.7.1 Certified organisations shall always send a draft of the promotional item including any LegalSource claims and/or the NEPCon LegalSource Certified mark via email to NEPCon for review and approval prior to publication.

2.7.2 NEPCon shall **NEPCon makes every effort to approve submissions that meet these guidelines within five (5) days or sooner.**

- a. If any trademark use is deemed incorrect, the certification holder is notified by a NEPCon trademark expert via email (via fax or telephone if email is not available).

2.8 Exceptions

Special exceptions to the guidelines outlined in this document may be considered and depend on the circumstances. For such requests or for questions regarding these guidelines, please contact your local NEPCon representative.

About NEPCon

NEPCon (Nature Economy and People Connected) is an international non-profit organisation that works to build capacity and commitment for mainstreaming sustainability. For over 20 years, we have worked to foster sustainable land use and responsible trade in forest commodities. We do this through innovation projects and through sustainability services.

We are accredited certifiers for sustainability schemes such as FSC™, PEFC, and SBP.

We also certify to our own LegalSource Standard and Carbon Footprint Management standards. A self-managing division of NEPCon promotes and delivers our certification services. Surplus from certification activities supports the development on NEPCon's non-profit activities.

NEPCon is recognised by the EU as a Monitoring Organisation under the EU Timber Regulation.

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