

LegalSource™ Supplier Auditing

Service information

LegalSource Supplier Audits are 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 verification 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 verification

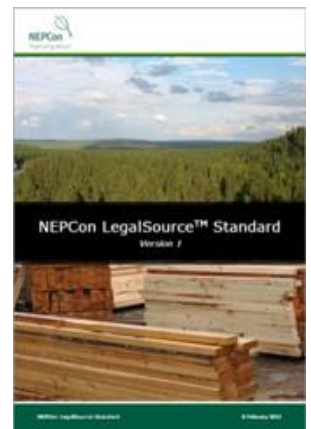
Engaging with suppliers through LegalSource supplier verification can help you to:

- ✓ Improve your suppliers' ability to support you in meeting your due diligence requirements. We can provide your suppliers with web or in-person training and capacity development.
- ✓ Understand and improve your supplier's ability to provide you with relevant information and documentation about the products you source from them.
- ✓ Build competence among your own Quality Control staff or internal auditors in evaluating supply chain information.
- ✓ Evaluate the quality and consistency of information provided to you by your suppliers.
- ✓ Assess the quality of the risk assessment and/or risk mitigation actions carried out by your suppliers.

What can be included in a supplier verification?

Your suppliers can play different roles in your efforts to implement a due diligence system. At a minimum your suppliers should be able to provide you with information about the material your purchase from them, including information related to the country of harvest of the material, species used, as well as documents that can be used to indicate that the products have been legally harvested transported and traded. Suppliers may also take a more involved role in the due diligence system where they may take on responsibility for certain parts of the due diligence system, such as helping with mitigating risks that may be identified in the supply chain.

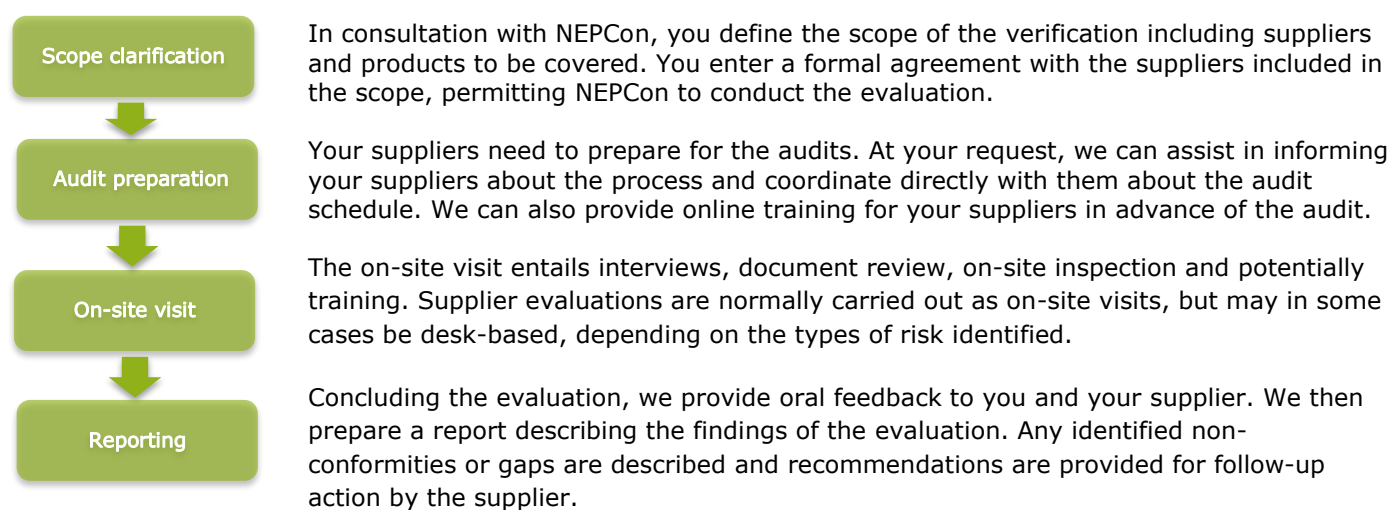
Depending on the role your suppliers take in supporting your due diligence efforts, LegalSource supplier verification can be conducted against applicable requirements of the LegalSource Standard to verify that these requirements are met.



The verification process

As the role of your suppliers may vary, so may the process for evaluating them. If the aim of the supplier verification is to establish the supplier's ability to provide information and documents related to products and supply chains, the verification will 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, implemented by the supplier, the evaluation will focus on relevant specific actions addressing specified risks.

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



Training and capacity building

We recommend combining supplier verification with capacity development, enabling your suppliers to play a more active role in supporting 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 or when on-site visits are 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 using the LegalSource Own-Verification Standard.

What about confidentiality?

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