

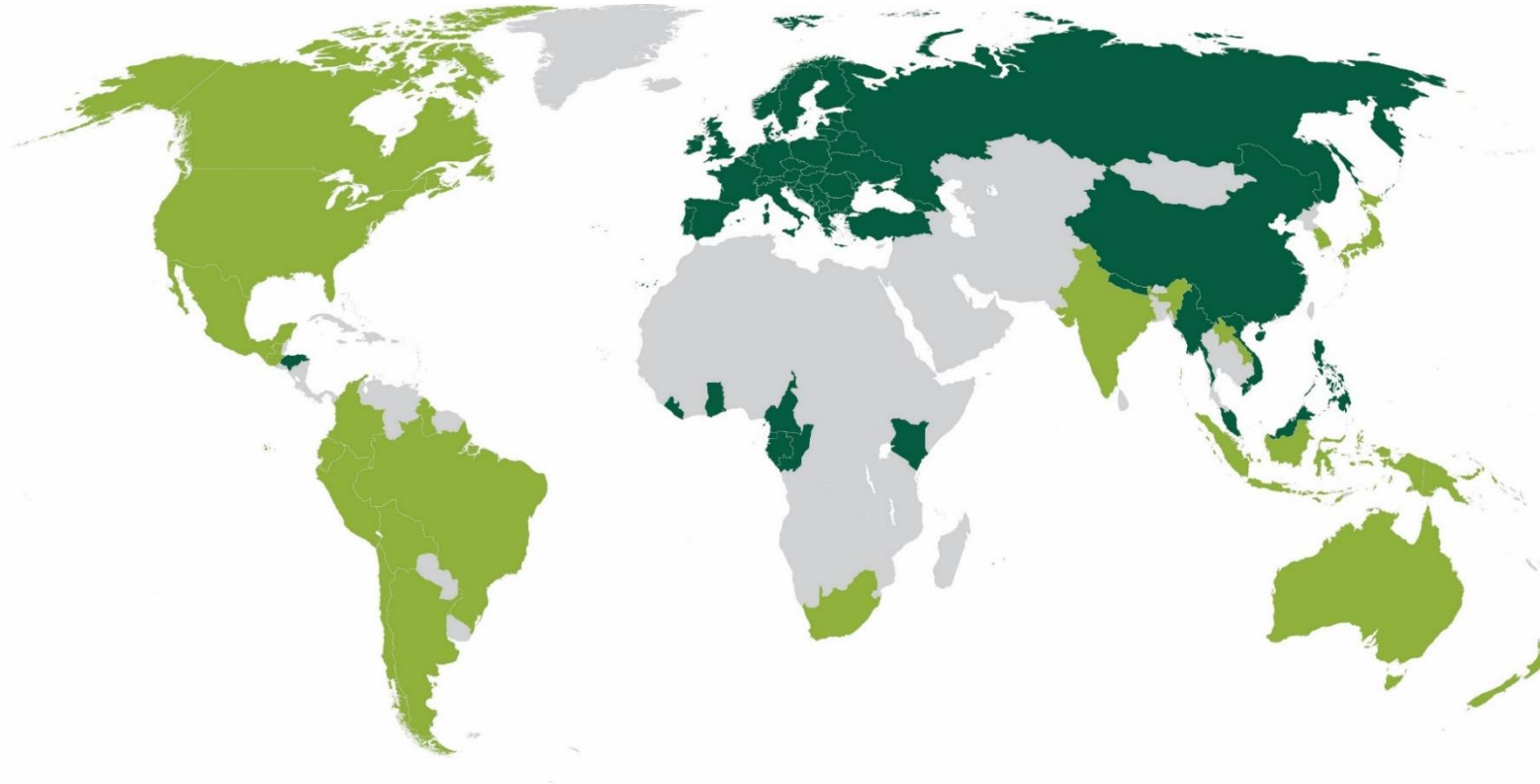


# NEPCon

*Preferred by Nature™*



# Our Team and Projects around the world



**100+** full-time staff

**19** countries

**23** nationalities



Network of **160+** consultants

We have implemented **100+** projects  
on natural resources management



**13** legal entities

across **Europe,**  
**Russia and Asia**



# Certification Services



We have certified  
over  
**31** million ha  
of  
FSC forestland



In  
more than  
**15**  
countries







**Legal timber  
trade in Vietnam  
and Cameroon**



Projects  
**building  
capacity** of  
small and  
medium-sized  
enterprises  
**(SMEs)** in  
Vietnam &  
Cameroon to  
**provide legal  
timber**





**Thousands** of  
**delegates** from over  
**30 countries**  
have joined  
**our training events**

Look out for our events:  
[www.nepcon.org/events](http://www.nepcon.org/events)





# What is the role of Monitoring Organisations?





# How can Monitoring Organisations help?

1

Maintain and regularly evaluate a due diligence system

2

Verify the proper use of its due diligence system

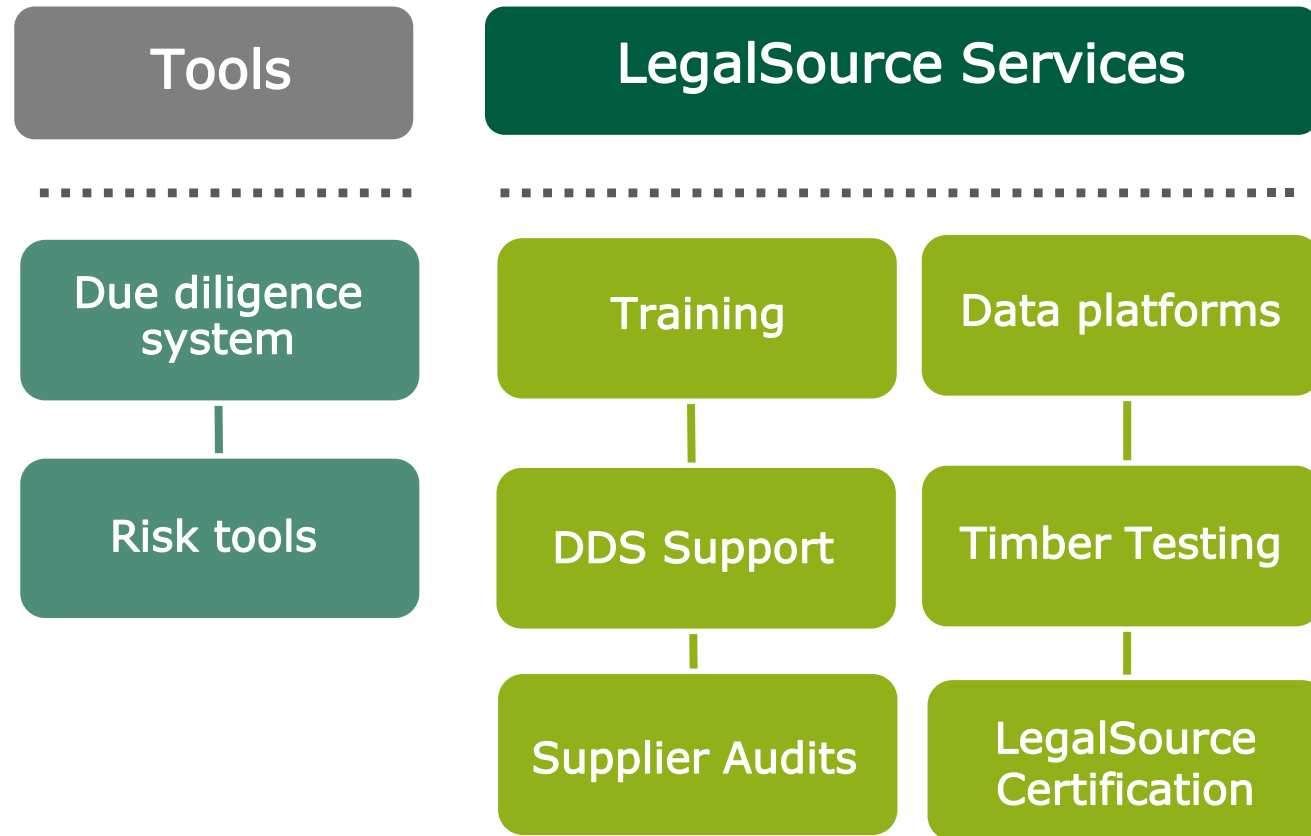
3

Take appropriate action in the event of failure, including; notify competent authorities when significant or repeated failure by the Operator



# How can Monitoring Organisations help?

## NEPCon Services



*Create your DDS!*

*Review, support and improve your DDS!*



- 1 Support implementation** of due diligence system in the organisation: Focus on establishing *management system, competences and DD working procedures* in the organisation. Operator may *outsource* advanced risk assessments to the MO and request *periodic evaluation* and updating of their DDS
- 2 Operator outsource Due Diligence work.** The MO conduct most of the due diligence, i.e. *collect information, conduct risk assessment and implement desk based risk mitigation*. Result is reported to the operator.





## **Gap Analysis**

- ✓ **Identify strengths & weaknesses**
- ✓ **Direct and strengthen Due Diligence**
  - ✓ **Action Plan for improvement**





## Training

- ✓ Training for Core Staff & Buying Teams
- ✓ Training of suppliers
- ✓ Understand EUTR & Due Diligence Requirements



Sutars

Kv. Nr.	Būklas Nr.	Tūris m³			Viss lūvums	Nefāv lūvums	B virs. m²	Valstības tūris	Pacika	Pastab
		padarums	mafkums	lūv. faktus						
Sānu girinācija										
					257	70	203	0.61	I	Phytas + ik
					178	29	207	0.35	E	li skāks ik
	1	210	37							
		140	29		544	80	624	0.58	E	Phytas
			55		147	102	840	0.71	E	Phytas
					91	12	109	0.82	E	li skāks + ik
					11	11	208	0.42	E	li skāks ik
					11	11	208	0.42	E	Phytas 25/10/10/10
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					11	11	208	0.42	E	Phytas

Kv Nr	Skt Nr	Plotas Ja	Būklas Nr	Tūris m³			Viss lūvums	Nefāv lūvums	B virs. m²	Valstības tūris	Pacika	Pastab
				padarums	mafkums	lūv. faktus						
20	18, 19	1.3	8	426	47		434	61	547	0.803	P	Phyt + ik
08	14	1.6	4	301	43	11	348	56	404	0.800	E	Phyt
127	16	0.4	1	21	4		20	5	34	0.719	E	Phyt
141	27, 19	2.6	185	217	68		186	58	444	0.806	E	Phyt
144	2, 9, 8	0.4	1	1146	323	1	1431	102	1683		E	Phyt
				5367	1889	20	4536					

0	35, 33	1.9	10									
33	10	3.9	8									
	28, 35, 36	0.3	11									
	30	0.1	2									
	37, 39	0.2	12									
	4	0.2	4									
	34	1.5	11									
	25	1.5	2									
	1	0.8	4									
	6	2	6									
	14	0.4	7									
		0.1	3	40		9	473	17	132	0.602	E	Ph
		0.9	12	21	3	1	41	70	549	0.507	E	Ph
		0.6	4	103	33		24	3	46	1	E	Ph
		1.9	3	83	4		228	4	28	0.308	E	Ph
				834	121		87	35	263	0.501	E	Ph
18.3				4536	399	17	972	12	99	0.602	J	Ph
						82	5011	753	5764	0.309	B	Ph
2.8	1			986	26							
1.2	1188											

## Due Diligence Support

- ✓ Expand, integrate & improve DDS
- ✓ Tailor procedures & working practices
- ✓ Facilitate easy implementation





## Ongoing Due Diligence Support

- ✓ Document review, translation & validation
- ✓ Timber Testing
- ✓ On-site Auditing (Forest & Supply Chain)
- ✓ Conducting Supply Chain Risk Assessments

### Due Diligence System

1

Quality  
Management

2

Access to  
Information

3

Risk  
assessment

4

Risk  
mitigation

- ✓ Dedicated NEPCo Adviser
- ✓ Expert Legality Specialists
- ✓ Expert In-country Consultants

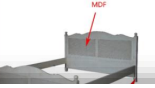


# Due Diligence in Practice



# Due Diligence System and Tools



1. Product Information				2. Information about origin		4. Agreement on materials included?				
Product specification	EU Product Group	PRODUCT verification	Component or single material	Species (scientific name)	Species (trade name)	Country of harvest (if known)	Sub-national region of harvest (if known)	Harvest concession (if known)	Image	NEPCon Comments
17184021	9403.30.340		Component	1. Cunninghamia lanceolata 2. MOF/Eucalyptus pinus and other mixed woods 3. Cunninghamia lanceolata	1. China Fir 2. Eucalyptus species, Pine species, other	China	1. FRI FROM GUZHOU PROVINCE 2. MOF FROM FUJIAN PROVINCE 3. LAUJIAN			1 No Cunninghamia lanceolata in

### Risk Identification Checklist (DD-08)

This is the principal document template used for risk identification of product supply chains as part of the risk assessment process conducted by [ORGANISATION NAME]

Supplier name: \_\_\_\_\_  
Supplier location: \_\_\_\_\_  
Product/ Supply Chain Ref: \_\_\_\_\_  
Declared Species: \_\_\_\_\_  
Declared Origin: \_\_\_\_\_

Risk Category #	Risk Category	Sub-Category #	Risk Indicator	Guidance
17184022	Access to info			
1				

### Risk Mitigation Action Plan

This is the principal document template used for risk mitigation of product supply chains as part of the risk assessment process conducted by [ORGANISATION]

Supplier name/ location: \_\_\_\_\_  
Product ID/ Name: \_\_\_\_\_  
Declared Species: \_\_\_\_\_  
Declared Origin: \_\_\_\_\_

The table below summarises ONLY sub-categories where 'specified' risk was identified and not pre-controlled. Those risks require mitigation actions to be implemented:

Origin	Risk Sub-Category	Risk Description	Risk Mitigation Actions Planned:	Timeline	Responsible Staff	Risk Mitigation Conducted:	Risk Conclusion (Low Risk of Specified Risk)	
17184023	2	Copy risk sub-category from Risk Identification Checklist	Copy risk description from Risk Identification Checklist	Insert planned mitigation actions	Insert timeline for completion of each risk mitigation action	Insert responsible staff member in charge of implementing each risk mitigation action	Insert summary of risk mitigation actions implemented and verification of effectiveness.	Insert revised risk conclusion
Material/Proc ID								
Supply Time	3							
See GUID 14								

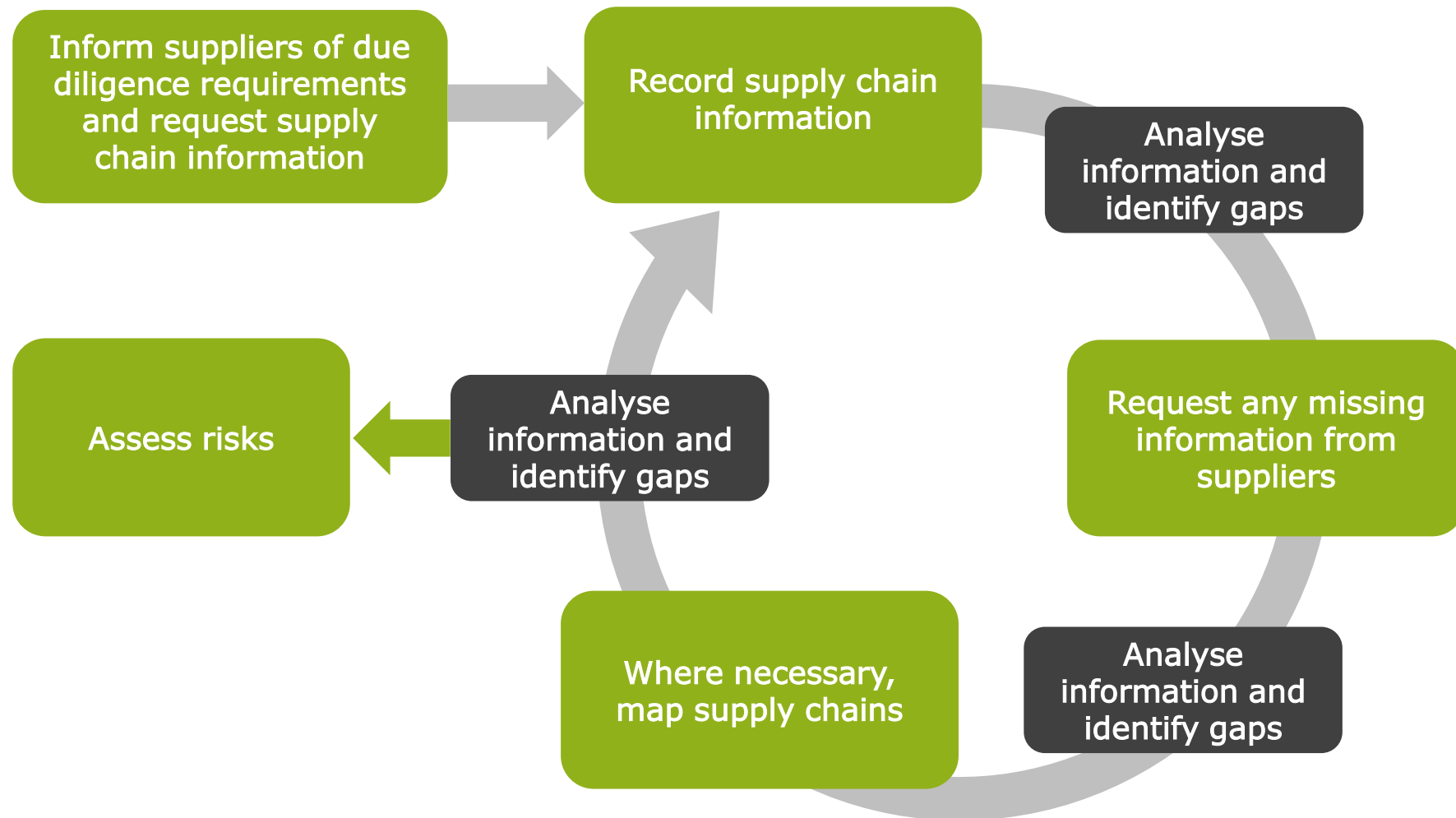
### Risk Conclusion

Supply Chain Example	1	Risk has been identified for <b>NONE</b> of the risk sub-categories shown above					LOW RISK	<input type="checkbox"/>
	2	Risk has been identified for <b>ONE OR MORE</b> of the risk sub-categories shown above					SPECIFIED RISK	<input type="checkbox"/>
	3	Summary Risk Justification:						
Supply Chain 1	1							
	2							

Free Download from NEPCon website: [Link](#)



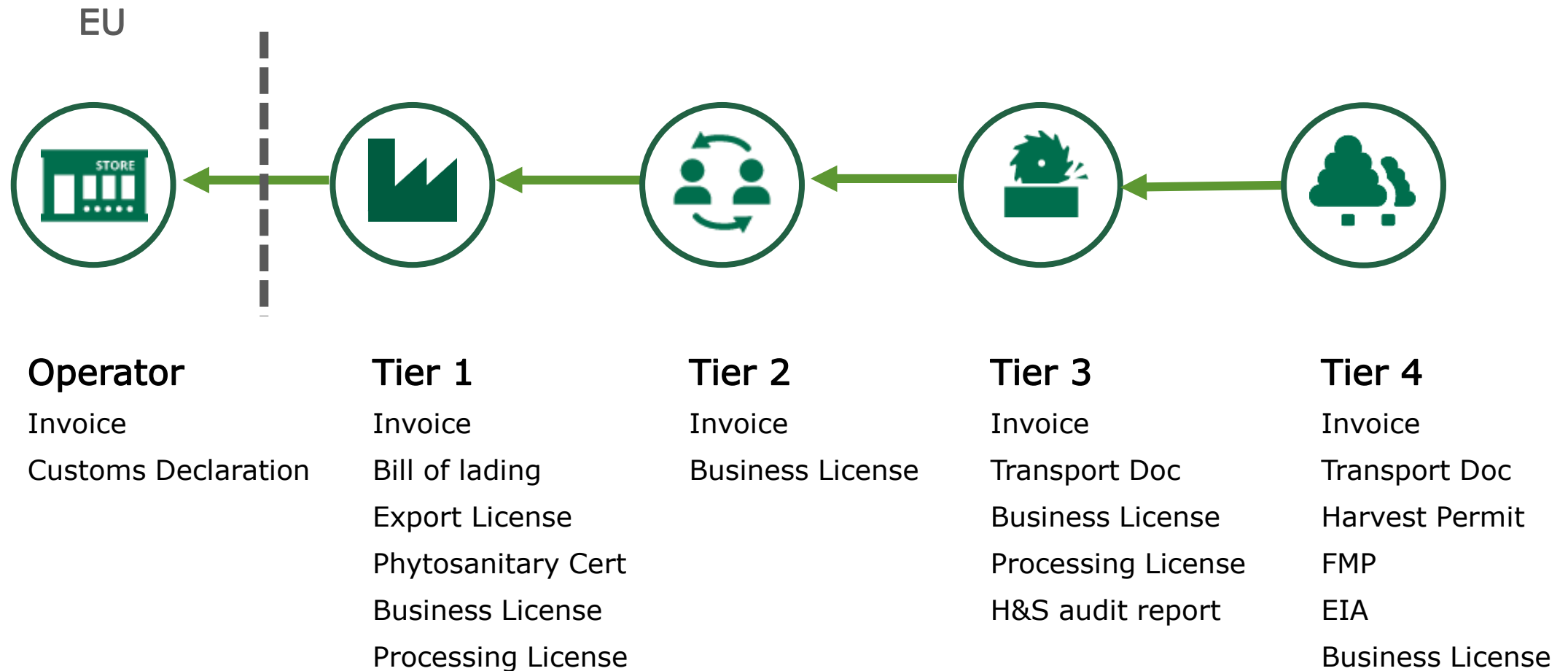
## Step 1: Accessing and Evaluating Information





# Due Diligence in Practice

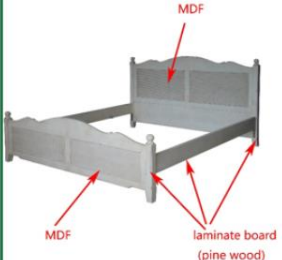

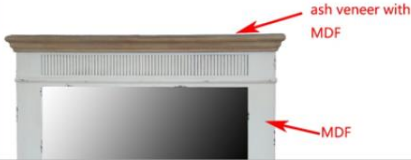
## Step 1: Accessing and Evaluating Information





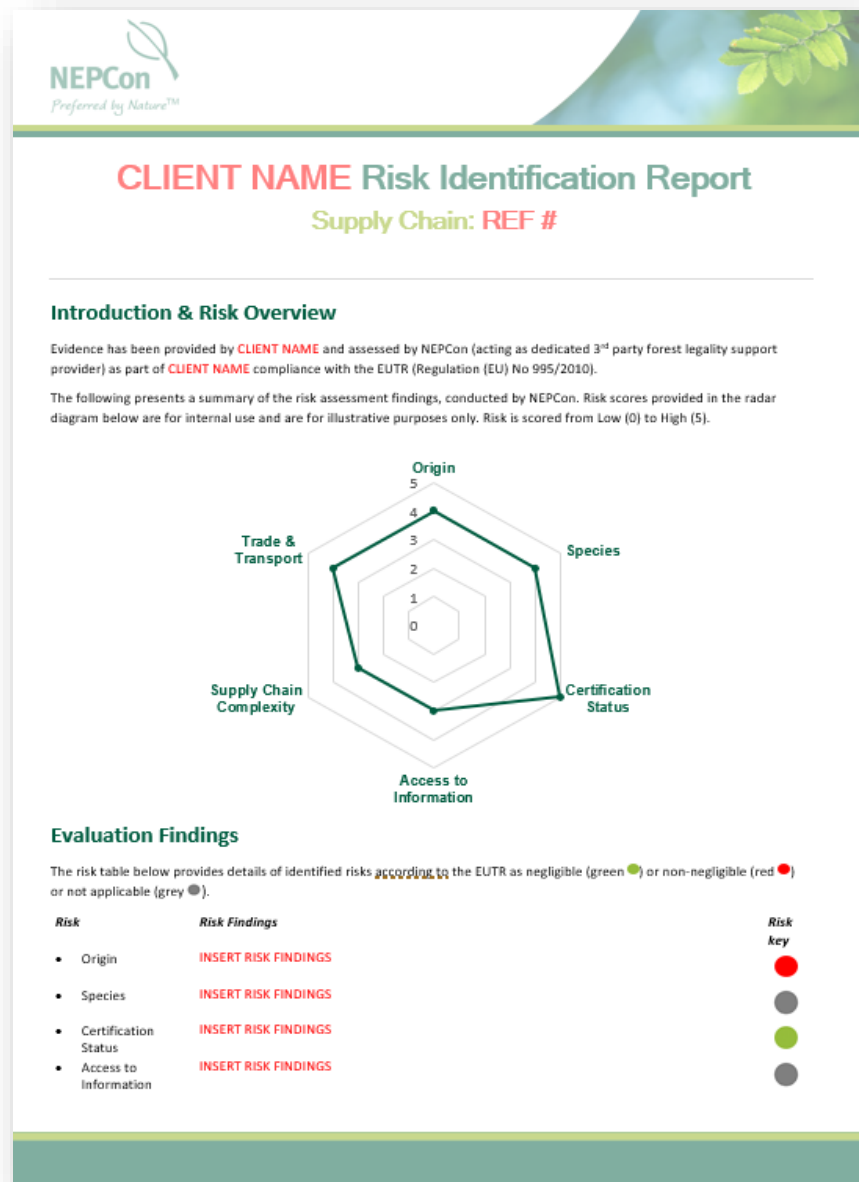
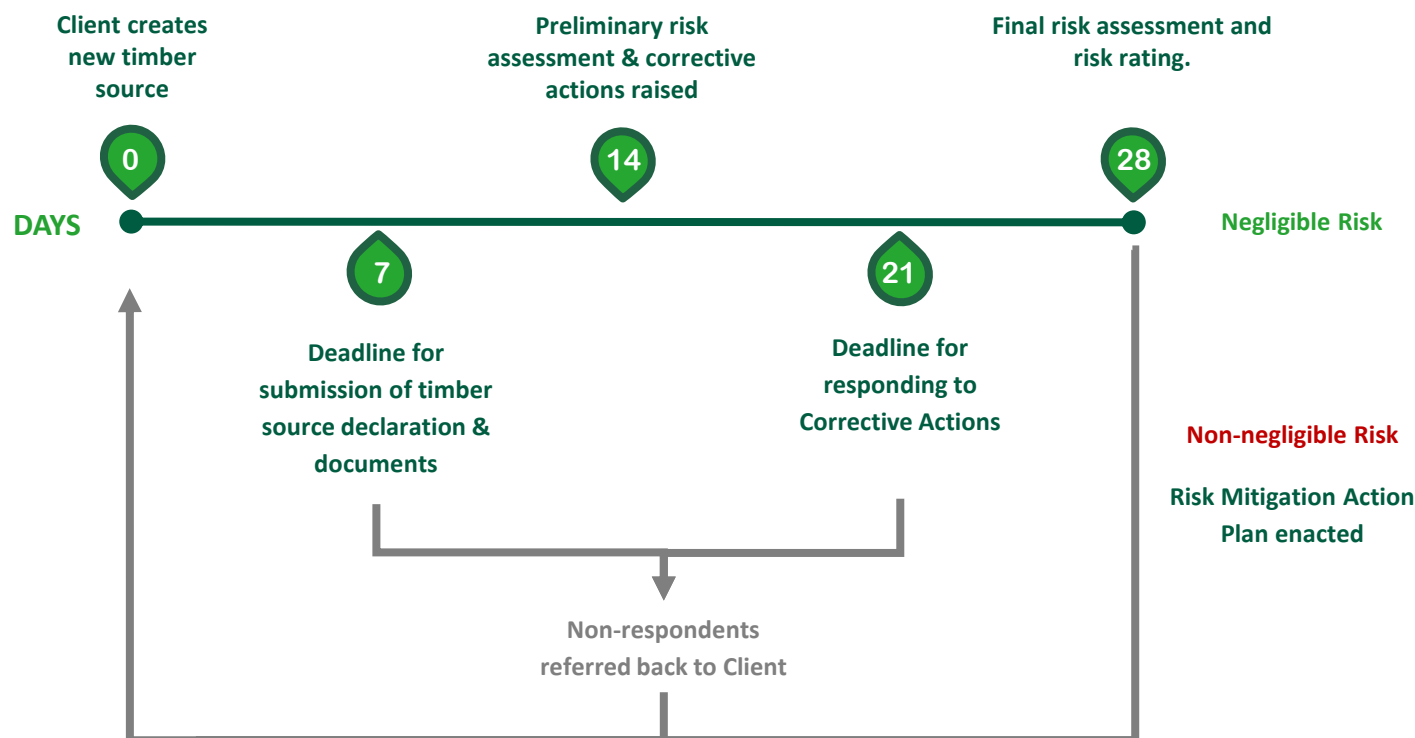
# Due Diligence in Practice

## Step 1: Accessing and Evaluating Information

1. Product Information						2. Information about origin			4. Agreement on materials included?	
Product type/description	EU Product Group	PRODUCT verification / certification	Component or single material	Species (scientific name)	Species (trade name)	Country of harvest (if known)	Sub-national region of harvest (if known)	Harvest concession (if known)	Image	NEPCon Comments
10194021	9403 30, 940...		Component	1. Cunninghamia lanceolata, 2. MDF(Eucalyptus, pinus, and other mixed woods), 3. Plywood(Populus spp, plywood with Pinus spp veneer)	1. China Fir 2. Eucalyptus species, Pine species, other unknown species 3. Pine specie(s) + Poplar specie(s)	China		1. FIR FROM GUIZHOU PROVINCE 2. MDF FROM FUJIAN PROVINCE 3. LAMINATE BOARD PLYWOOD FROM GUANGXI PROVINCE		1. No Cunninghamia lanceolata in the image.
10194022	9403 30, 940...		Component	1. Fraxinus spp., 2. MDF(Eucalyptus, pinus, and other mixed woods)	1. Ash specie, 2. Eucalyptus species, Pine species, other unknown species	China		1. ASH VENEER FROM JILIN PROVINCE 2. MDF FROM FUJIAN PROVINCE		Product declaration provided by Supplier (column E) and image are in agreement.
10194023	9403 30, 940...		Component	1. Fraxinus spp., 2. MDF(Eucalyptus, pinus, and other mixed woods)	1. Ash specie, 2. Eucalyptus species, Pine species, other unknown species	China		1. ASH VENEER FROM JILIN PROVINCE 2. MDF FROM FUJIAN PROVINCE		Product declaration provided by Supplier (column E) and image are in agreement.



# Outsourcing of Risk Assessment for all or selected products



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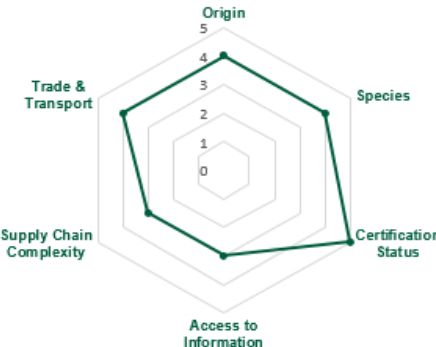
## CLIENT NAME Risk Identification Report

Supply Chain: REF #

### Introduction & Risk Overview

Evidence has been provided by CLIENT NAME and assessed by NEPCon (acting as dedicated 3<sup>rd</sup> party forest legality support provider) as part of CLIENT NAME compliance with the EUTR (Regulation (EU) No 995/2010).

The following presents a summary of the risk assessment findings, conducted by NEPCon. Risk scores provided in the radar diagram below are for internal use and are for illustrative purposes only. Risk is scored from Low (0) to High (5).



The radar diagram shows risk scores for six categories: Origin, Species, Certification Status, Access to Information, Supply Chain Complexity, and Trade & Transport. The scores are as follows:

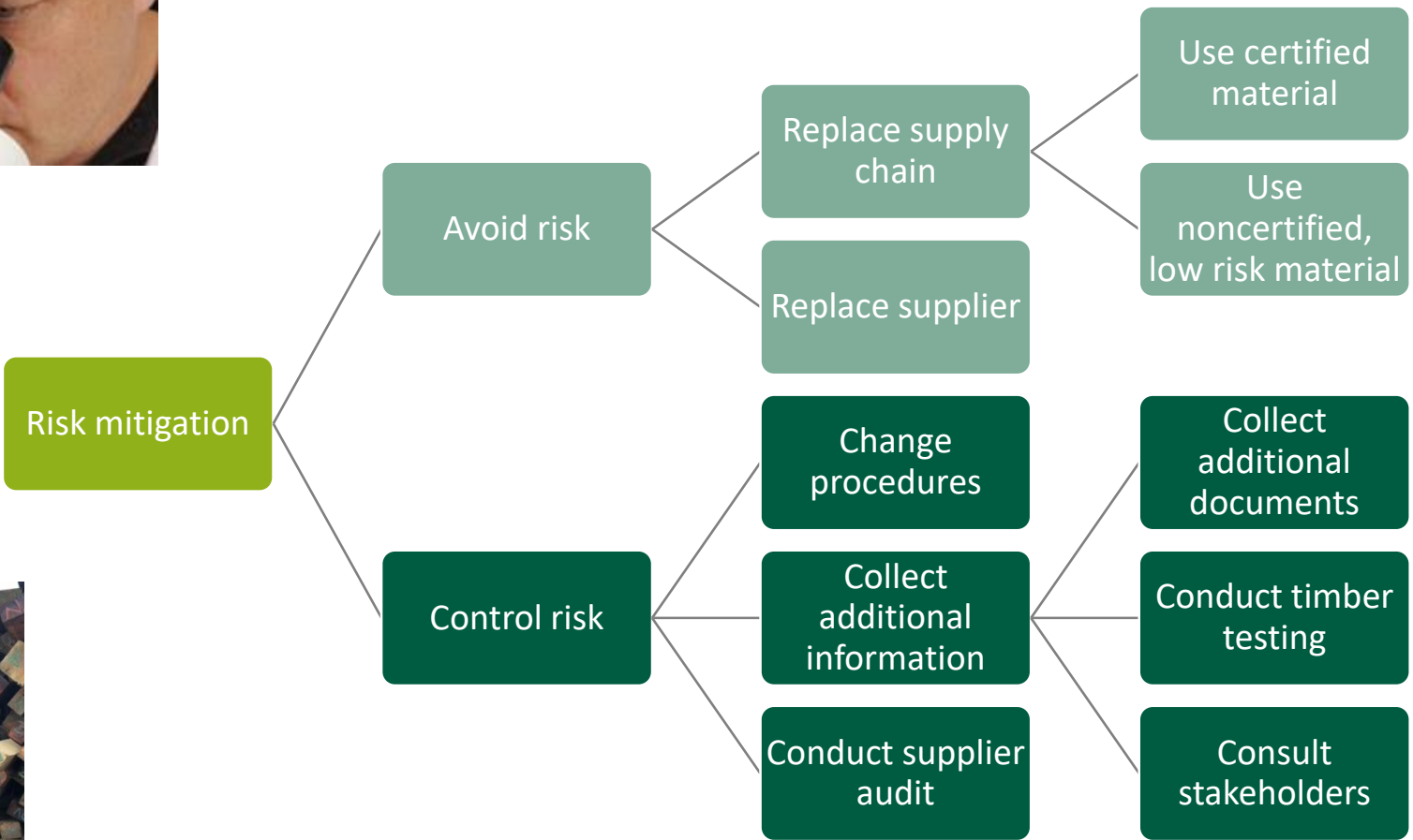
Category	Score
Origin	4
Species	3
Certification Status	4
Access to Information	3
Supply Chain Complexity	2
Trade & Transport	3

### Evaluation Findings

The risk table below provides details of identified risks according to the EUTR as negligible (green ●) or non-negligible (red ●) or not applicable (grey ●).

Risk	Risk Findings	Risk key
• Origin	INSERT RISK FINDINGS	●
• Species	INSERT RISK FINDINGS	●
• Certification Status	INSERT RISK FINDINGS	●
• Access to Information	INSERT RISK FINDINGS	●







# Country Risk Assessments

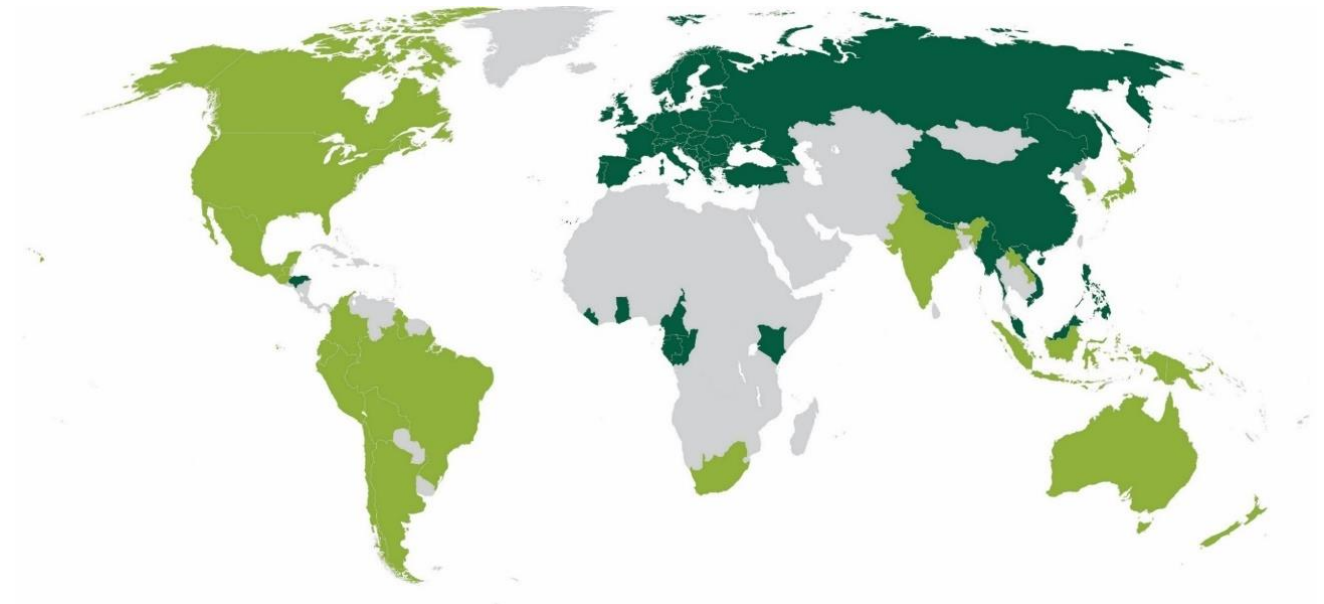


“ legally harvested means  
harvested in accordance  
with the

*applicable legislation*

in the

*country of harvest ”*





78

**Country risk assessments**  
for  
**timber, palm oil,  
beef, and soy**  
covering supply chains  
from all over the world



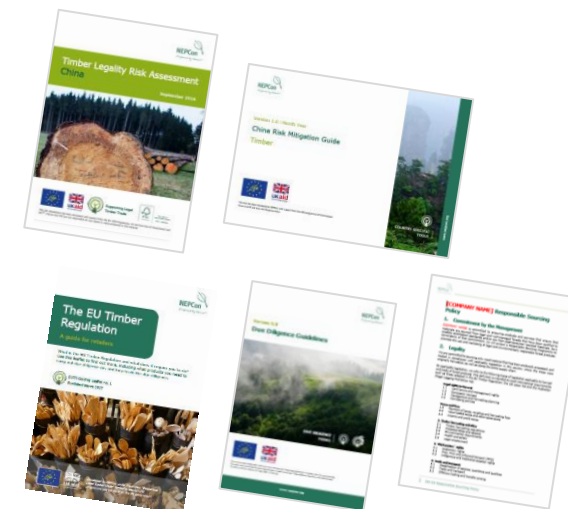
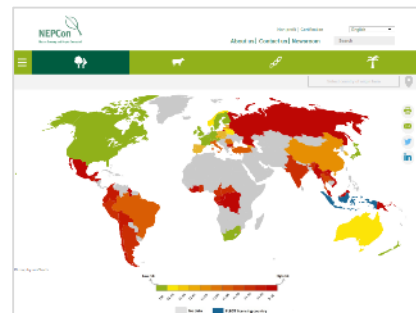
125+

**Guidance and tools**  
to help  
**companies**  
**evaluate and manage**  
**the risks**  
in their supply chain





# A user-friendly one-stop resource



1

**SELECT**  
commodity

2

**ACCESS**  
an overview map of  
sourcing risks  
+  
**SELECT**  
country for details

3

**VIEW**  
country detailed risk data  
(e.g. risks related to each  
type of forest  
production...)

4

**EXPLORE**  
a suite of country  
guidance and due  
diligence tools to  
mitigate the risks



# Timber Legality Team





# Keep in Touch with Us



*Stay up-to-date  
with our latest  
news & events*



## Michael K Jakobsen

Forest Legality Expert

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**NEPCon  
Update**

[www.nepcon.org/newsletter](http://www.nepcon.org/newsletter)

*NEPCon works to foster sustainable land use and responsible trade in forest commodities. We do this through innovation projects, sustainability services and training.*