




SUPPLIER EVALUATION

LIFE-IN-RD003-1.1-English

Version 1.1 - International - English

(MAY/2018)

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OBJECTIVE

The objective of this Reference Document is to define the minimum requirements for the Purchasing Policy, mentioned on Principle 1; Criterion 2 (P1.C2) of LIFE Certification Standards.

APPLICATION

The present Reference Document applies to LIFE Certified organizations, auditors, and other stakeholders in LIFE Certification and Methodology:

APPROVAL

Document approved by LIFE Institute's Board of Directors.

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1. PURCHASING POLICY

The LIFE Institute prioritizes collaborative business relationships, instead of punitive or coercive ones. Thus, it encourages certified organizations to work on the continuous development of their suppliers, through clarification and instructions related to good environmental practices. This behavior aims at stimulating the constant quest for knowledge of the relationship between its supply chain and biodiversity.

As a result of this collaborative development, the organization/producer must present and apply a Purchasing Policy, or similar document, which certifies a commitment towards the supply chain, consistent with the minimum requirements set forth in this document.

2. IDENTIFICATION OF DIRECT SUPPLIERS

The organization/producer must identify 100% of their **direct** or **immediate suppliers**. It is understood by direct or immediate supplier whoever is directly contracted by the organization/producer for the supply of materials that make up the direct cost of their final products. The category of direct or indirect services has not been considered for this document.


Direct cost is one that can be directly assigned (or identified) to a product, product line, cost center, or department, not requiring apportionment to be assigned to the funded object.

3. IDENTIFICATION OF RISK TO BIODIVERSITY FROM DIRECT SUPPLIERS

The organization/producer must have and apply criteria for the identification of risks from all its direct or immediate suppliers. This identification of risks may be presented by category of suppliers who present the same characteristics.

Minimum requirements for the identification of risks from each category of direct supplier must be:

- Information about the origin of products or biodiversity resources:
 - Species, classification of the threat level to native species, location of origin, category of potential invasion of exotic species.
- Connection between the category's activity with the loss of habitats.

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- Connection between the category’s activity with significant environmental impacts. The certified organization/producer must present and justify its criteria for analysis to define whether, and when, the aspects are considered significant.

4. MINIMUM CRITERIA FOR THE APPROVAL OF RISK SUPPLIERS

- Legality of operations.
- Evidences that the organization/producer, linked to the extraction of biodiversity resources, has not contributed to the threat to native species.
- Commitment towards zero deforestation (evidence that the resource is not from deforestation).

5. CRITERIA FOR PERIODIC EVALUATION AND CLASSIFICATION OF DIRECT SUPPLIERS

The organization/producer must define and apply requirements related to biodiversity to assess, classify, and select its direct suppliers, considering at least:


- Good environmental and/or sectoral practices (e.g.: Certifications).
- Measurement, mitigation, and compensation of impacts on biodiversity (e.g.: LIFE Certification).

Both for approval and for supplier selection and classification, the organization/producer must prioritize those with better performance in relation to biodiversity, considering the mentioned criteria.

If the organization/producer presents LIFE Certified suppliers, either through their participation in supplier adhesion to the process or in selecting LIFE certified suppliers, it may receive scores referring to “Strategic Initiative for Conversation” (provided for on Group 4 of LIFE-BR-TG02).

The minimum criteria must be provided for in contractual clauses, sustainable purchasing processes, and risk management processes, according to operation size and scale.

Next, the LIFE Certified Organization/Producer direct supplier evaluation process (Image 01).

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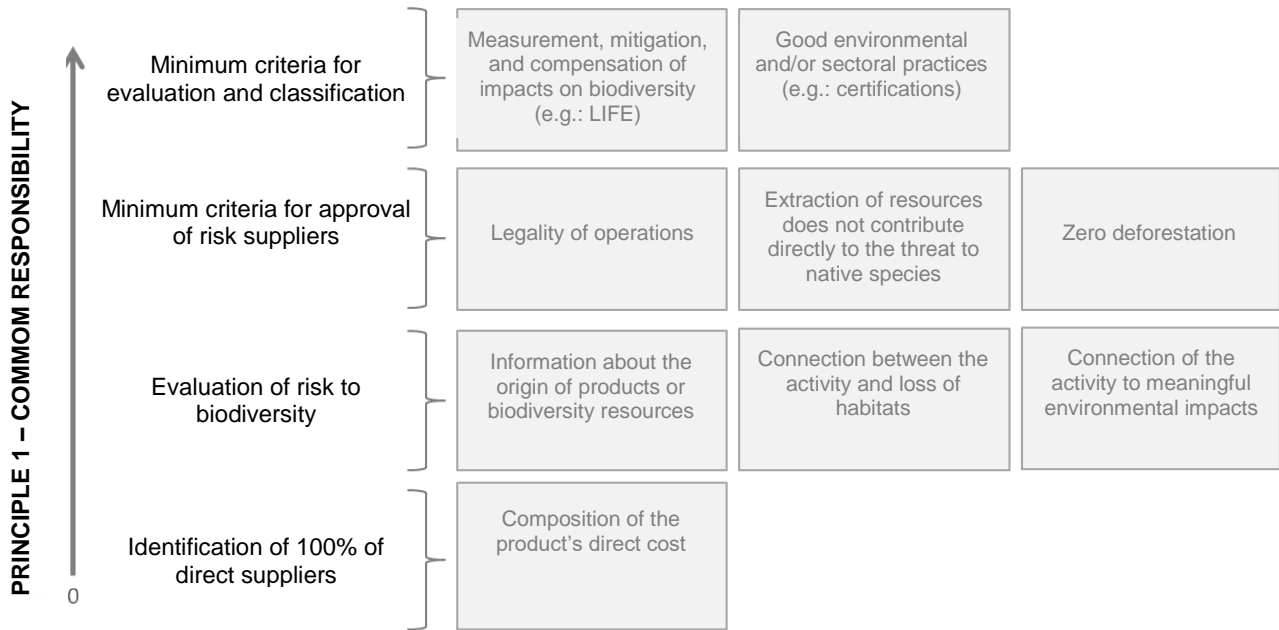


Image 01 – Life Certified Organization/Producer Direct Supplier Evaluation Process

6. GLOSSARY

The terms used in this document are available on the LIFE Glossary.