

Evaluated by:



Evaluation managed by:

NEPCon Sp. z o.o.
ul. Emaus 7/11, 30-201 Kraków,
Poland
Tel: +48 124270093, +4812426
47 10
Fax: +48 12 376 7979
Contact person: Kinga Sułkowska
Email: poland@nepcon.net

LegalSource™ Certification
Surveillance Audit 2015
Report for:
Solid Parkiet s.c.
in
Wojnicz, Polska

Report Finalized: 06 June 2016
Report Format: Public Summary
Audit Dates: 30 November 2015
Audit Team: Piotr Nowak

Type of certificate: Single
Certificate code: NC-LS-017279
Certificate issued: 24 Nov. 2014
Report based on Standard(s): LegalSource Standard [ver.1.0]

Organisation Contact: Ewa Szczupak
Address: ul. Wolicka 7, 32-830
Wojnicz, Poland

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1. INTRODUCTION

The purpose of this report is to document conformance with the requirements of the LegalSource standard by Solid Parkiet s.c., hereafter referred to as "Organisation". The report presents findings of NEPCon auditors who have evaluated organisation systems and performance against the applicable requirements. Section below provides the audit conclusions and any necessary follow-up actions by the organisation through non-conformity reports (NCR).

Dispute resolution: If NEPCon clients encounter organisations or individuals having concerns or comments about NEPCon and our services, these parties are strongly encouraged to contact relevant NEPCon regional office. Formal complaints and concerns should be sent in writing.

2. AUDIT CONCLUSIONS

Audit Recommendation

Based on Organisation's conformance with LegalSource requirements, the auditor makes the following recommendation:

- Certification approved:
- NCR(s) closed

Additional comments: The scope of the LegalSource certificate and material procurement due diligence system of Organisation is limited to the internal EU market. Organization sources its wood entirely from Poland.

No import takes place from outside of Poland / EU. At all times Organisation is acting as a *trader* according to EUTR (995/2010) not as *Operator*. In the 2014 - 2015 period no "LegalSource" certified sale has taken place. Potentially for LegalSource production, FSC-certified FMUs are used as the original source of the wood and one private forest located near organization's location.

Identified non-compliances do not directly influence the established DDS and are of technical and ISO related matters.

Due to the fact ISO and the DDS are compatible, the auditor decided to indicate the below-mentioned non-compliance as related to both systems. NCR has been closed before report completion.

Non-conformity Reports (NCRs)

Note: NCRs describe evidences of Organisation non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR NCRs issued during assessments/reassessments shall be closed prior to issuance of certificate. MAJOR NCRs issued during surveillance audits shall be closed within timeline or result in suspension.

Issued for: Solid Parkiet s.c. Wojnicz, Poland			
NCR: 01/15	NC Classification:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NEPCon LegalSource Standard, version 1.0; criteria 5.1, 6.1.7.		
Report Section:	Appendix A, point 5.1 and 6.1.7		
Description of Non-conformance and Related Evidence:			
The organization has established a list of direct suppliers / sub-suppliers including certificate status of FMUs. None of the direct suppliers were FSC-certified at the date of evaluation.			
Suppliers are listed in "ISO Qualified list of suppliers" with status of each provided.			
However, during purchase invoice revision, three suppliers have been noted as not placed on the list.			

As explained by DDS responsible staff and later confirmed by on-site supplier verification, number 1 and 2 suppliers were present on the list under outdated names. Number 3 supplier is not placed in the scope of LS certificate but at the same time there is no information on their status in ISO qualified list of suppliers. See also p. 1.6.7.	
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
Timeline for Conformance:	By the next annual surveillance audit
Evidence Provided by Organisation:	List of suppliers sent on 7 December 2015. Exhibit 3.
Findings for Evaluation of Evidence:	Organization has updated / corrected its list of suppliers with missing suppliers.
NCR Status:	CLOSED
Comments (optional):	N/A

Issued for: Solid Parkiet s.c. Wojnicz, Poland			
NCR: 02/15	NC Classification:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NEPCon LegalSource Standard, version 1.0; criteria 4.1.		
Report Section:	Appendix A, point 4.1		
Description of Non-conformance and Related Evidence:			
<p>Organization has implemented procedures (Exh. 1, p.4.3) covering the requirement of DDS performance monitoring that is based on ISO internal auditing system (point 5.3 ISO Quality Book), on-going CoC revision of suppliers and supplies as well as on communication established with NEPcon to detect potential changes in standard requirements.</p> <p>Due Diligence System revision is made at least on an annual basis. The 2015 internal review was conducted in September 2015 and report presented during audit. However, the internal review did not reveal loopholes in the list of qualified suppliers regarding the name change of suppliers and 1 new supplier. See closed NCR 01/15 for details.</p>			
Corrective action request:	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>		
Timeline for Conformance:	By the next annual surveillance audit		
Evidence Provided by Organisation:	PENDING		
Findings for Evaluation of Evidence:	PENDING		
NCR Status:	OPENED		
Comments (optional):	N/A		

Observations

Note: Observations are issued for the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the organization; observations may lead to direct non-conformances if not addressed.

OBS: 01/15	Standard & Requirement:	NEPCon LegalSource Standard, version 1.0; criteria 7.5: <i>The risk assessment shall be revised at least annually and whenever changes occur to the supply chain that could alter the risk characteristics of that supply chain.</i>
	Report Section	Appendix A. Point 7.5
Description of findings leading to observation:	Organization evaluated potential risks related to legality of wood at FM, COC and transport level. The FSC National Risk Assessment for Poland has not been used.	
Observation:	Organization should consider in future assessments of risk, any findings available via the National Risk Assessment process, conducted by FSC Poland.	

Actions taken by Organisation Prior to Report Finalization

Supplier's audits were improved and findings provided during report writing. After the on-site evaluation, organization has copied and sent updated reports from supplier's annual audits..

3. AUDIT PROCESS

Audit Team

Auditor(s)	Qualifications
Piotr Nowak	Internal NEPCon Course in Wood Legality, LegalSource auditing and certification, Jaroszowice, Poland 2012 National Forest Management auditor course of PEFC FM for Polish State Forestry at Forestry University SGGW Warsaw, Poland 2011 International auditor training course of Forest Management, Chain of Custody and Controlled Wood in Riga (Estonia) 2010 and Kraków (Poland) 2011 Management Faculty in Ecology & Management Academy, Warsaw 1998. Forestry Technical Management study at 5 years Forestry Technical High School, Warcino, Poland accomplished 1989 - 1994. Health and safety, chainsaw operator and wood processing training courses and experience. Auditor COC for wood industry in Poland, Romania and Bulgaria. FM auditor in state forests (RDSF) in Poland. Employee of NEPCon Sp. z o.o. Contact: pn@nepcon.net, mob. +48 603 366 495

Description of Audit Process

The annual evaluation process has been conducted on-site on 30 November 2015 at the main office and factory site location - Wojnicz, near Tarnów, Poland and at sampled supplier's locations in

The owners of the company, daily management staff, ISO responsible person and auditor were present at opening meeting. Organization was informed about data and information protection policy as well as the methodology of the auditing and approval process.

At this second stage, the following procedures and documents were assessed:

- DDS procedures
- ISO 9001 procedures
- material ordering system
- checking of the incoming material
- purchase policy of the company
- supplier declaration signed by new supplier
- purchase and sale invoices.

During the field visit, the organization's site was visited to confirm management quality, scope of production, species used and stored, quantities, source of material, knowledge of staff, received material storage areas, sawing and production lines and halls, drying compartments and final product storage sites. Key workers were interviewed in connection to general understanding of due diligence procedures, receiving, storing, production and final sale of wood.

Afterwards, a visit and detailed evaluation of two sampled suppliers was made. Suppliers were selected with short notice before arrival of auditor and Solid Parkiet representative.

This visits were conducted on the top of company's supplier audits. During the evaluation the roundwood, source supply transport documents (forestry receipts) and invoices were checked.

After returning to main office of Solid Parkiet, the closing meeting was conducted where audit conclusions were provided verbally.

4. COMPANY DETAILS

Contacts

Primary contact for Coordination with NEPCon

Primary Position:	Contact,	Anna Budyń – Świerczek - co-owner
Address:		ul. Wolicka 7, 32 – 830 Wojnicz, Polska
Tel/Fax/Email:		+48146787500/+48146787501/solidparkiet@solidparkiet.pl

Billing Contact

Same as shown for “primary contact”

Certificate Scope

Scope item	Check all that apply to the certificate scope		Change in scope (N/A for assessments)
Certificate type:	<input checked="" type="checkbox"/> Single site	<input type="checkbox"/> Group certification	<input type="checkbox"/>
Activity:	Primary: Secondary manufacturer	Additional: -	<input type="checkbox"/>
Supplier scope	<input type="checkbox"/> No supplier verification included in scope (only low risk sources)	<input checked="" type="checkbox"/> Supplier verification included in scope	<input type="checkbox"/>

Please describe scope shortly: The LegalSource certificate scope of Organisation covers the production of solid wood floor planks made of native broad-leaved species: *Quercus robur*, *Quercus petraea*, *Fraxinus excelsior*, *Betula pendula*, *Betula pubescens*, *Fagus sylvatica*, *Acer pseudoplatanus*, *Prunus avium* and two foreign species *Quercus rubra*, *Robinia pseudoacacia*, sourced locally however.

Solid Parkiet sources all of its wood material from southern regions of Poland (Podkarpackie, Małopolskie, Śląskie). Nearly all round wood sourced by sawmills (as suppliers to Solid Parkiet) derives from FSC certified forests. The proportion of FSC-certified supply entering these sawmills may vary between 95 - 100%. The rest comes from one non-certified small private forest located in the same region of Poland.

Organization has implemented a Due Diligence System (DDS) and Chain of Custody (CoC) system despite all material coming from sawmills and FMUs is located within the EU. These systems seek to avoid the 0-5% from supplier sawmills which derive from non FSC-certified FMUs. Solid Parkiet ensures that, for LegalSource production and claims, only applies to FSC 100% certified wood is used.

Within Solid Parkiet, the sawn timber is segregated, stored, dried, and placed at production unit. Further the final product (flooring board) is packed and sold in Germany and other western European markets.

Organisation Scope

Number of sites included in this certificate: 1

Sites that qualify for desk audits: N/A

Type of legal entity (of certificate holder): Spółka cywilna (Private partnership company)

Jurisdiction of primary legal entity: Poland

Table 1: Site details

Site	Address Tel/Fax/Email	Type of operation	LegalSource product groups (include brief description)	Visited during this audit (mark the length in hours and auditor if applicable)
Solid Parkiet s.c.	ul. Wolicka 7, 32 – 830 Wojnicz, Poland +48146787500/+48146787501/solidparkiet@solidparkiet.pl	Secondary manufacturer Exporter	Floor Parquet 4409 29 91 Floor Lam-parquet 4409 29 91 Solid wood floor panels 4409 29 91 Lamela 4408 90 15 European oak (<i>Quercus robur</i> , <i>Quercus petraea</i>) European ash <i>Fraxinus excelsior</i> , Red oak <i>Quercus rubra</i> , <i>Robinia pseudoacacia</i> , <i>Betula pendula</i> , <i>Betula pubescens</i> , <i>Fagus silvatica</i> , <i>Acer pseudoplatanus</i> , <i>Prunus avium</i>	Piotr Nowak 7 hours at 3 sites (Solid Parkiet and 2suppliers).

Table 2: LegalSource Scope

Site	Inputs to Product Groups	Product placed on the market
Solid Parkiet s.c. ul. Wolicka 7, 32 – 830 Wojnicz, Polska	Square edged timber (friezes). This material is considered to be FSC-certified supplied by non-certified suppliers. So according to FSC CoC requirements, it is not FSC certified input although the material is accompanied by forestry dispatch tickets with a full FSC claim on. <i>Quercus robur</i> , <i>Quercus petraea</i> , <i>Fraxinus excelsior</i> , <i>Quercus rubra</i> , <i>Robinia pseudoacacia</i> , <i>Betula pendula</i> <i>Betula pubescens</i> , <i>Fagus silvatica</i> , <i>Acer pseudoplatanus</i> , <i>Prunus avium</i>	Floor Parquet 4409 29 91 Floor Lam-parquet 4409 29 91 Solid wood floor panels 4409 29 91 Lamela 4408 90 15 <i>Quercus robur</i> , <i>Quercus petraea</i>) European ash <i>Fraxinus excelsior</i> , Red oak <i>Quercus rubra</i> , <i>Robinia pseudoacacia</i> , <i>Betula pendula</i> <i>Betula pubescens</i> , <i>Fagus silvatica</i> , <i>Acer pseudoplatanus</i> , <i>Prunus avium</i>