



# LegalSource™ Audit Report

## for Lubox Holland BV

### Audit 2018

Report date: 23<sup>th</sup> March 2018

Certificate code: NC-LS-026520

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## A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by Lubox Holland BV hereafter referred to as "Organisation". The report presents findings of LegalSource auditors, who have evaluated the Organisation's systems and performance against the applicable requirements. The sections below provide the audit conclusions and follow-up actions required by the Organisation.

**Dispute resolution:** If stakeholders have concerns or comments about the LegalSource standard or the auditing body, they are encouraged to contact their closest NEPCon regional office. Formal concerns and complaints should be sent in writing.

## B. Scope

The LegalSource audit, report and certificate covers the following scope:

Report Type	
Report type:	Confidential

Organisation Details	
Primary contact:	Rick Burgmans
Address:	Antwerpsestraat 127 4645 BD Putte The Netherlands
Tel/Web/Email:	+31 164 620 032 / <a href="http://www.lubox.nl">www.lubox.nl</a> / <a href="mailto:rb@lubox.nl">rb@lubox.nl</a>
Jurisdiction of primary legal entity:	The Netherlands
Primary Activity	Broker/trader with physical storage
Description of Organisation:	Lubox Holland BV is a trader in soft woods, mainly from Russia. They have storage in Doetinchem, but many of the deliveries go directly to the customers. They purchase only FSC certified timber.

Certificate Scope	
Certificate Type	<input checked="" type="checkbox"/> Single site certificate <input type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) v2 <input type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01)

	<input type="checkbox"/> NEPCon Generic Group & Multi-Site Standard (NC-STD-02)
Product scope:	<p>Sawn wood</p> <p>Picea abies</p> <p>Pinus sylvestris</p> <p>Larix siberiensis</p> <p>Pseudotsuga menziesii</p> <p>Larix decidua, Larix kaempferi</p> <p>HS Code: 4407, 4403</p> <p>Origins: Russia, Ukraine</p>
Changes to certificate scope since last audit:	N/A
<b>Certificate Sites or Group members</b>	
<input type="checkbox"/> In place of below table, details are found in Exhibit [N/A]	
<b>Site 1:</b>	
Site name:	Lubox Holland BV
Site Address/ Tel/Web/Email:	See 'Organisation Details' above.
Site Activity:	Broker/trader without physical handling
Product Scope:	See 'product scope' above
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team:	<p><b>Tim Roelandts</b></p> <p>Tim Roelandts is auditor for NEPCon in the Netherlands and Belgium. Tim has a Master in international relations and is carrying out CoC audits since 2012. He passed FSC and LegalSource lead auditor courses since 2016.</p>
Description of Audit Process:	<p>Prior to the audit Lubox Holland BV (Lubox) had submitted their Due Diligence system for sourcing of timber products, relevant legality documents and the audit reports of their suppliers.</p> <p>On-site audit covered the following:</p>

	<p>1. Opening meeting, audit program and scope</p> <p>2. Introduction by Lubox to the organisation and their Due Diligence system</p> <p>3. Evaluation of the documented procedures, including responsibilities, commitments made by the organisation, procedures for internal monitoring and definition of product scope</p> <p>4. Evaluation of the general procedures for access to information, risk assessments and risk mitigation procedures adopted by Organisation</p> <p>5. Evaluation of operational implementation of the DD system, including:</p> <p>a. Interview with staff involved in the operational implementation of the DD system</p> <p>b. Evaluation of a sample of supply chains and the implementation of the Due Diligence on the selected samples (access to information, risk assessment and risk mitigation)</p> <p>6. Closing meeting: presentation of LegalSource audit conclusions and discussions and follow-up.</p> <p>A wide range of documentation and records were reviewed during the audit, including the following (NEPCon DDS documents are used):</p> <ul style="list-style-type: none"> <li>- Due Diligence Manual</li> <li>- Staff Instruction Sheet</li> <li>- Legality Declaration for Suppliers</li> <li>- Supplier Consent and Information Form</li> <li>- Responsible Purchasing Policy</li> <li>- Letter for request of information</li> </ul> <p>During the audit a sample of consignments (both boat and truck loads) were selected for which Organisation presented how their Due Diligence system had been implemented.</p>
Actions taken by Organisation prior to report finalisation:	Complaint procedure was added to the DDS as well as the evaluation of the certification schemes. The draft evaluation of NEPCon of the FSC system was adopted and used.
Notes for the next audit:	None

## C. Audit Findings

Audit Conclusion:	
Organisation approved: Minor non-conformance(s) issued	<input checked="" type="checkbox"/>
Organisation not approved:	<input type="checkbox"/>
Additional comments: Minor non-conformance that was issued, could also be closed.	

### Non-Conformances

Non-conformance reports (NCRs) describe the non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR non-conformances issued during assessments/reassessments shall be closed prior to issuance of the certificate. MAJOR non-conformances issued during annual audits shall be closed within the timeline specified in the NCR, or result in certificate suspension. Where applicable, all non-conformances against standard requirements are shown below:

Non-Conformance #:	01/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Requirement 4.1	
Description of Non-conformance:		
<p>Exh 2 section 4.3 states that the DDS shall be maintained, evaluated and revised where necessary on an annual basis. As an internal audit the responsible LS person looks at two random invoices and checked whether they met LS procedures.</p> <p>The DDS system is kept up to date and revised on an ongoing basis and during a yearly internal audit. However, there is no report available for the revision this year.</p>		
Corrective action request:	4.1 The Organisation shall review its due diligence system at a minimum annually, in order to address any weaknesses...	
Timeline for Conformance:	12 months from report finalization date	
Evidence Provided by Organisation:		
Findings for Evaluation of Evidence:		
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	02/18
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Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Requirement 9.6	
Description of Non-conformance:		
The organisation is aware of this requirement and it's included in the procedures, exh 1, section 5.1.1. However there is a description on the website regarding legal source that is not in line with the requirements as it is not submitted to the Certification body and it makes statements about the legality of wood instead of giving information about its Due Diligence system.		
Corrective action request:	The Organisation shall submit all claims related to the LegalSource program to the Certification Body for review and approval prior to use.	
Timeline for Conformance:	3 months from report finalization date	
Evidence Provided by Organisation:		
Findings for Evaluation of Evidence:		
NCR Status:	OPEN	
Comments (optional):		

### Observations

Observations (Obs) are issued for the early stages of a problem which does not in and of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the Organisation or where general improvements may be made. Where applicable, all observations are shown below:

<b>Observation #:</b>	03/18
<b>Standard &amp; Requirement:</b>	LegalSource Standard (LS-02) v2, Requirement 1.1.2
<b>Description of Observation:</b>	
The organization has a policy statement committing to responsible sourcing as described in 1.1 However, companies that have an active Website should also make the document available there online.	



# D. Closed Non-Conformances

Closed Non-Conformances

This section indicates where the Organisation has adequately addressed non-conformances issued during or since the last audit.

Any non-conformances which cannot be closed remain open and appear in Section C (above). Failure to comply with a minor non-conformance results in the NCR being upgraded to major; the specified follow-up action is required by the Organisation or involuntary suspension will take place.

- N/A