



LegalSource™ Audit Report for Danzer UK Ltd.

Annual audit 2020

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Organisation Contact

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A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by Danzer UK Ltd. 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:	Ken Walsh
Address:	46 Market Hill, Maldon, Essex, CM9 4QA
Tel/Web/Email:	+44 1621 851002 / http://danzer.co.uk / ken.walsh@danzer.co.uk
Jurisdiction of primary legal entity:	United Kingdom
Primary Activity	Broker/trader with physical storage
Description of Organisation:	<p>Danzer UK Ltd, part of Danzer Group, is solely a trading company, with no production taking place. Danzer UK sales can be divided between sawn timber and added-value products (manufactured products such as worktops, flooring and mouldings). Most added-value products are single-species products, although the organisation is beginning to work more with composite products such as engineered flooring and doors.</p> <p>In principle Danzer UK is a multi-site organisation since storage takes place in separate locations, however no processing takes place, the material is simply stored. Multi-site requirements are therefore handled via the chain of custody system.</p> <p>Danzer UK is located in one office location in Maldon, Essex. Warehoused products are usually stored at an outsourced facility in Liverpool (Denholm Handling Ltd) or Maldon (W Clarks & Sons Ltd.). There are two other storage facilities in the UK. There is also a storage facility in Switzerland and drying facility located in the Netherlands within the scope of the certificate.</p> <p>Danzer UK acts as a trader (taking legal possession) in 99% of its trading activity. For the other 1% it is acting as an agent (arranging purchases/sales and charging a commission). At the present time, Danzer UK imports from all continents except South America. Approximately 25% of its purchases are from within the Danzer group.</p> <p>The vast majority of products sourced from outside of Europe/United States are purchased as certified (FSC 100%, FSC CW, PEFC) or under a</p>

	private or public legality assurance verification (SVLK, OLB, MYTLAS, RA VLC).
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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) V2-1
Product scope:	<p>Sawn timber and added-value products (e.g. flooring, doors, mouldings, worktops).</p> <p>All products sourced by Danzer UK and supplied to its customers are included within the Due Diligence System (DDS). This is the case regardless of whether:</p> <p>a. the wood originated (Country of Harvest) from within or outside the EU b. the wood products are sourced from companies based within, or outside, the EU c. the purchase is from another company within Danzer Group.</p>
Changes to certificate scope since last audit:	Subcontractors have been removed as participating sites from the certificate.
Certificate Sites	
Site 1:	
Site name:	Danzer UK Ltd.
Site Address/ Tel/Web/Email:	46 Market Hill, Maldon, Essex, CM9 4QA +44 1621 851002 / www.danzer.co.uk / ken.walsh@danzer.co.uk
Site Activity:	Broker/trader without physical handling
Product Scope:	<p>Sawn timber packets and added-value products (doors, moldings, worktops), all species</p> <p>4407: Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm</p> <p>4418: Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes</p> <p>9403 30, 9403 40, 9403 50 00, 9403 60 and 9403 90 30 Wooden furniture</p>
Site visited during audit:	<input type="checkbox"/>

Evaluation Process	
Audit team:	Tim Roelandts

	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.
Description of Audit Process:	<p>3 December 2020, Danzer UK remote audit due to Covid-19 travel restrictions.</p> <ol style="list-style-type: none"> 1. Opening meeting, presentation of participants, audit programme and scope 2. Introduction by the Organisation and the current Due Diligence System (DDS) in practice. 3. Evaluation of quality management aspects of the DDS, including the documented procedures, including responsibilities, commitments made by the Organisation, procedures for internal monitoring and definition of product scope. 4. Evaluation of the general procedures for access to information, risk assessments and risk mitigation procedures adopted. 5. Evaluation of operational implementation of the DDS, including a sample of supply chains and the implementation of Due Diligence on the selected samples (access to information, risk assessment and risk mitigation). 6. Break for lunch 7. Continued evaluation of operational implementation of the DDS (see 5 above). 8. Collection of relevant evidence 9. Closing Meeting. <p>Interviews took place with the Danzer UK Managing Director (Ken Walsh) and Compliance and systems manager (Ian Spurling).</p>
Actions taken by Organisation prior to report finalisation:	N/A
Notes for the next audit:	N/A

C. Audit Findings

Audit Conclusion:	
Organisation approved: No non-conformances issued	<input checked="" type="checkbox"/>
Organisation not approved: Choose an item.	<input type="checkbox"/>
Additional comments: [Add as applicable]	

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:

N/A - NONE

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:

Observation #:	50681
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 3.1
Description of Observation: The organisation's procedures cover all applicable standard requirements. As per last year's audit, it was noted that the organization is currently planning to simplify the procedures to better reflect the supply chains sourced from and different risk mitigation strategy (due to generally lower and less frequent risks) to those of other organisations in the Danzer group. The current procedures are in line with requirements and do not impact Danzer UK's ability to conduct due diligence as per standard requirements. Due to Covid-19 and related issues, the new set of procedures is not yet available, but already in an advanced state. <i>In order to have an effective DDS system and to avoid confusion and materials with various versions it would be beneficial to have one clear and updated manual.</i>	

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

