



LegalSource™ Audit Report

for Solid Parkiet spółka cywilna

Annual audit 2020

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A. 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 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	
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Tel/Web/Email:	+48146787500 , solidparkiet@solidparkiet.pl http://solidparkiet.pl/
Jurisdiction of primary legal entity:	Poland
Primary Activity	Secondary Manufacturer
Description of Organisation:	<p>Manufacturer of floor products. Single site with 1 factory located in the south of Poland.</p> <p>The LegalSource certificate scope of Organisation covers the production of solid wood floor planks made of native to Poland broad-leaved species: <i>Quercus robur</i> [mainly], <i>Quercus petraea</i>, <i>Fraxinus excelsior</i>, <i>Acer pseudoplatanus</i>, and one non-native species grown in Poland - <i>Quercus rubra</i>. Additionally FSC certified <i>Pinus Sylvestris</i> and <i>Picea abies</i> plywood is used. The sawn-wood material is sourced locally (south of Poland) within radius of no more than 150 km from CH's factory. Species other than oak are used occasionally and main production is based on oak.</p> <p>Solid Parkiet sources all of its wood material from southern regions of Poland (Podkarpackie, Małopolskie, Śląskie). Annual material turnover runs from 1200 m³ (2017), 1300 m³ (2018), up to 1577 m³ (2019). Nearly all roundwood sourced by sawmills (Solid Parkiet suppliers) derives from FSC certified state forests. The proportion of FSC sourced material entering these sawmills may vary between 97% - 100%. The rest comes from single, approved, non-certified SLIMF private forest located nearby the Solid Parkiet location (15 km) and from 2018 - PEFC certified FMUs of RDLP Krosno State Forest (northern region, FSC low risk FMUs only: nadleśnictwa Tuszyna, Strzyżów, Leżajsk, Krasieczyn, Oleszyce, Jarosław, Głogów, Lubaczów, Brzozów, Dukla). FMUs are low risk in FSC CNRA for Poland.). FSC controlled wood approach used as verification of PEFC certified input (CNRA 2018).</p>

	<p>Organization has implemented a Due Diligence System (DDS) and Chain of Custody (CoC) system for Polish region only. All input material is coming from sawmills and FMUs located south of Poland (except FSC certified plywood). No import takes place. These systems seek to avoid the wood from non-approved FMUs, private forests, that might enter sawmills. Solid Parkiet ensures that, for LegalSource production and claims following wood categories are used:</p> <ul style="list-style-type: none"> - FSC 100% certified, - 100% PEFC certified only from regions identified as low risk in FSC CNRA for Poland 2018 - Single approved SLIMF private forest visited on-site and evaluated annually. <p>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 German and other western European markets.</p>
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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 <input checked="" 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:	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>). FSC 100% Plywood: <i>Pinus Sylvestris</i> , <i>Picea abies</i> .
Current changes to certificate scope since last audit:	In 2020 no changes have been implemented.
Past changes (implemented in previous audit)	In 2019 following species have been removed: <i>Robinia pseudoacacia</i> , <i>Betula pendula</i> , <i>Betula pubescens</i> , <i>Fagus sylvatica</i> , <i>Acer pseudoplatanus</i> , <i>Prunus avium</i> . In 2019 following species have been added: <i>Pinus Sylvestris</i> and <i>Picea abies</i> in a form of FSC certified plywood from Paged Sklejka, Poland. No other changes to certificate scope.
Certificate Sites or Group members	
X No other sites	

Evaluation Process	
Audit team:	Piotr Nowak – LS / FSC / PEFC auditor
Description of Audit Process:	<p>2020 annual evaluation process has been conducted on-site on 14th of October 2020 at the main office, factory site location - Wojnicz, near Tarnów, Poland and 15th October at chosen supplier location (supplier with private FMU).</p> <p>The owners of the company, daily management staff, certificate 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.</p> <p>At this second stage, the following procedures and documents were assessed:</p> <ul style="list-style-type: none"> - DDS procedures - risk evaluation - material ordering system - checking of the incoming material - purchase policy of the company - supplier declaration signed by new supplier - purchase and sale invoices. - supplier list - access to FSC CNRA for Poland <p>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.</p> <p>The closing meeting was conducted where audit conclusions were provided verbally.</p> <p>Supplier sample audit has been conducted on-site at 2 chosen suppliers:</p> <p>A. FPHU Trans – Drew s.c. Edyta Gątarz Pogan</p> <p>Interview with owner of a small company and supervising Forest Inspector have been conducted, sawn-meal premises, log-landing stock inspected to confirm origin of wood by digit identity numbers. Following documents were checked: availability of signed wood origin declaration, harvesting legality tickets, registry documents.</p> <p>F.ex.: Świadcetwo legalności drewna ZN753.100.2019.zm, 3,97m3. Wystawione przez L-śniczy Zbigniew Mura. Spec. ds. Lasów Niepaństwowych N-ctwo Gromnik. UPUL Obrębu Błonie za okres 01.01.2013 – 31,12.2022 Starostwo Powiatowe w Tarnowie. Obręb nadzorczy Tarnów, Pleśna, Skrzyszów.</p> <p>B. Usługi montażowo-ślusarskie Mateusz Ryba (Lipiny 162c, 39-220 Pilzno) – new supplier</p> <p>Interview with owner and workers have been performed, round wood and sawn wood inspected to confirm species and origin by digit identity</p>

	numbers. Following documents were checked: legal registry of the company; <i>Wyciąg z Centralnej Ewidencji Informacji o Działalności Gospodarczej dated 9.04.2017 by Ministerstwo Rozwoju NIP 8722322450</i> , availability of signed wood origin declaration, round wood purchase invoices, transport forest dispatch tickets nr 7/20/200/6589/6333 z dnia 7.10.2020, N-ctwo Gromnik, Db 21,91 m3
Actions taken by Organisation prior to report finalisation:	No additional actions required or taken
Notes for the next audit:	No specific instructions.

C. Audit Findings

Audit Conclusion:	
Organisation approved: No non-conformances issued	<input checked="" type="checkbox"/>
Organisation not approved:	<input type="checkbox"/>
Additional comments: Low risk LS certificate holder. The scope of the LegalSource certificate and material procurement due diligence system of Organisation is limited to local suppliers and FMUs. Organization sources its wood entirely from south of Poland. No import takes place. In 2014 – November 2020 period no "LegalSource" certified sale has taken place.	

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 against standard requirements are shown below:

No non-compliances identified during 2020 annual audit.

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	01/20 SF no. 48851
Standard & Requirement:	LegalSource Standard (LS-02) v2, Requirement 7.5
<p>Description of Observation: Organization use FSC third party certification system at forest management level – as input material qualification and approval criteria. Starting from 2018 onwards also PEFC certified FMUs from RDSF in Krosno are accepted as wood sources. For PEFC certified forests, FSC controlled wood criteria has been used to define accepted FMUs as sources of wood. NEPCon file – legality evaluation of FSC system (“Certification Scheme Evaluation 2016”) - has been provided to client. Exhibit 04. Exhibit 05.8</p> <p>Both FSC (almost all of of wood origin) and PEFC (minority of wood origin) are accepted on round wood level as material applicable to FM standards that have high level of compliance with legality approved definition. Material coming from PEFC CoC evaluation, that does have gaps identified is NOT USED by Solid Parkiet. Between 2016 and 2020 new FSC and PEFC scheme evaluations has emerged and are available. F.ex. 2019 FSC Certification schemes report FSC Jan '19, 2019 PEFC Certification schemes report PEFC JAN '19.</p> <p><i>Between 2016 and 2020 new FSC and PEFC scheme evaluations has emerged and are available to be used. Organization should review findings from evaluation as part of training as well as part of risk identification.</i></p>	

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.

No NCRs issued in 2019 to be evaluated.