



LegalSource™ Audit Report for Lubox Holland BV

Annual audit 2020

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Organisation Contact

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Contents

| | |
|---|-------------------------------------|
| A. INTRODUCTION | 4 |
| B. SCOPE | 4 |
| C. AUDIT FINDINGS | 7 |
| D. CLOSED NON-CONFORMANCES | 8 |
| E. LEGALSOURCE DUE DILIGENCE CHECKLIST (CONFIDENTIAL) | ERROR! BOOKMARK NOT DEFINED. |
| APPENDIX 1: OVERVIEW OF PRODUCTS/ SUPPLY CHAINS EVALUATED (CONFIDENTIAL) ... | ERROR! BOOKMARK NOT DEFINED. |
| APPENDIX 2: EXHIBIT LIST (CONFIDENTIAL) | ERROR! BOOKMARK NOT DEFINED. |

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 / www.lubox.nl / rb@lubox.nl |
| 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) v2.0 <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: | Sawn Wood Picea abies |

| | |
|--|--|
| | <p>Pinus sylvestris</p> <p>Pseudotsuga menziesii</p> <p>Larix decidua, Larix kaempferi</p> <p>HS Code: 4407, 4403</p> <p>Origins: Russia, (Ukraine), Belarus</p> |
| Changes to certificate scope since last audit: | N/A |
| Certificate Sites or Group members | |
| <input type="checkbox"/> In place of below table, details are found in Exhibit [N/A] | |
| Site 1: | |
| 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>Tim Roelandts</p> <p>Tim Roelandts is auditor for NEPCo 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> <ol style="list-style-type: none"> 1. Opening meeting, audit program and scope 2. Introduction by Lubox to the organisation and their Due Diligence system 3. Evaluation of 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 <p>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"> - Due Diligence Manual - Staff Instruction Sheet - Legality Declaration for Suppliers - Supplier Consent and Information Form - Responsible Purchasing Policy - Letter for request of information <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> |
| <p>Actions taken by Organisation prior to report finalisation:</p> | <p>None</p> |
| <p>Notes for the next audit:</p> | <p>The Organisation will restructure the Risk Assessment to better reflect the identified risks per country and to better include the risks that are still identified within the FSC certification system.</p> |

C. Audit Findings

| Audit Conclusion: | |
|---|-------------------------------------|
| Organisation approved: No non-conformances issued | <input checked="" type="checkbox"/> |
| Organisation not approved: | <input type="checkbox"/> |
| Additional comments: | |

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:

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:

None.

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.