



LegalSource™ Audit Report for Greenheart (Suriname) N.V.

Annual audit 2022

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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 **GREENHEART (SURINAME) N.V.** 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 NEPCo 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:	Varsha Sewdien, Compliance officer
Address:	Duisburglaan 31, Paramaribo, Suriname
Tel/Web/Email:	(597) 463327 Ext. 223 / www.greenheart.com / varshasewdien@greenheartgroup.com
Jurisdiction of primary legal entity:	Paramaribo, Suriname
Primary Activity	Primary Manufacturer
Description of Organisation:	<p>The company was established in 2003, under the name Octagon International N.V. i.o.; in 2004 the company changed into a limited company, Octagon Internatioal N.V.; in 2011 the name was changed into Greenheart (Suriname) N.V. (GHS N.V.).</p> <p>GHS N.V. is the operating forest entity in several concessions in the western area of Suriname. At the moment an area of approximately 25,000 ha is being managed by GHS N.V. A sawmill in the Apura and a further processing facility in Leiding, are also part of the activities of GHS N.V. The current activities of the company are forest harvesting, processing, export of round logs and sawn timber and local sales (sawn timber). Export sales is also taking place using two trader companies of Greenheart group.</p> <p>At forest operation, the planning and monitoring is made by the staff while felling, skidding and hauling is made by one contractor listed in the scope.</p>

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

	<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:	<p>The list of species is given in the Scope Details document (Exhibit 04), Annex 1.</p> <p><i>Product types included in this scope:</i> Round Wood – 4403; Sleepers & Cross-ties – 4406; Sawn Wood – 4407; and Dimensional Timber / Lumber, finished – 4409.</p>
Changes to certificate scope since last audit:	Concessions 1040, 550, 550b, and 551c issued to Dynasty Forestry Industry N.V. were removed from this scope. The actual extension of this certificate is 25,000 ha.
Certificate Sites or Group members	
<input type="checkbox"/> In place of below table, details are found in Exhibit []	
Site 1:	
Site name:	Greenheart (Suriname) N.V. NOTE: This legal entity includes de Forest Management Units, Apura sawmill and Leiding sawmill (secondary processing and storage site)
Site Address/ Tel/Web/Email:	Duisburglaan no. 31, Paramaribo, Suriname / (597) 463-327 / http://www.greenheartgroup.com / varshasewdien@greenheartgroup.com
Site Activity:	Forest Manager, Primary manufacturer, Secondary Manufacturer
Product Scope:	<p>The list of species is given in the Scope Details document (Exhibit 04), Annex 1.</p> <p>Round Wood – 4403; Sleepers & Cross-ties – 4406; Sawn Wood – 4407; and Dimensional Timber / Lumber, finished – 4409</p>
Site visited during audit:	<input checked="" type="checkbox"/>
Site 2	
Site name:	Caps Houtmaatschappij N.V.
Site Address/ Tel/Web/Email:	Nicolaas Gudsstraat 26, Wanica, Suriname / (597) 463-327 / http://www.greenheartgroup.com / varshasewdien@greenheartgroup.com
Site Activity:	Broker/trader without physical handling
Product Scope	<p>The list of species is given in the Scope Details document (Exhibit 04), Annex 1.</p> <p>Round Wood – 4403; Sleepers & Cross-ties – 4406; Sawn Wood – 4407; and Dimensional Timber / Lumber, finished – 4409</p>
Site visited during audit:	<input checked="" type="checkbox"/>
Site 3	
Site name:	Tasks Lumber Company N.V.

Site Address/ Tel/Web/Email:	Nicolaas Gudsstraat 26, Wanica, Suriname / (597) 463-327 / http://www.greenheartgroup.com/ varshasewdien@greenheartgroup.com
Site Activity:	Broker/trader without physical handling
Product Scope	The list of species is given in the Scope Details document (Exhibit 04), Annex 1. Round Wood – 4403; Sleepers & Cross-ties – 4406; Sawn Wood – 4407; and Dimensional Timber / Lumber, finished – 4409
Site visited during audit:	<input checked="" type="checkbox"/>
Site 4	
Site name:	Rolaplica Houtmaatschappij N.V.
Site Address/ Tel/Web/Email:	Nicolaas Gudsstraat 26, Wanica, Suriname / (597) 463-327 / http://www.greenheartgroup.com/ varshasewdien@greenheartgroup.com
Site Activity:	Broker/trader without physical handling
Product Scope	The list of species is given in the Scope Details document (Exhibit 04), Annex 1. Round Wood – 4403; Sleepers & Cross-ties – 4406; Sawn Wood – 4407; and Dimensional Timber / Lumber, finished – 4409
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team:	<p>Cristina Vidal, Lead auditor</p> <p>Paraguayan based in Costa Rica; Forestry Engineer; in 2005 she received a <i>M.Sc.</i> in Tropical Forest Management and Biodiversity Conservation from CATIE (Costa Rica). She has developed experience working in protected areas, ecosystem restoration, commercial plantations, silviculture, forestry production, ecology monitoring. She has received training as a lead auditor under ISO 14001:2004, and FSC formal training</p> <p>Miquel Betrouw, Local expert</p> <p>Local Expert. Surinamese. Student of Anton de Kom University, Forestry; 2020. He had previous experience as local expert for LS assessment.</p>
Description of Audit Process:	<p>The audit started with an opening meeting held at the Central office in Paramaribo with the presence of all the relevant staff involved in the LS scope. Later a brief presentation was made by the GHS managers to explain the scope, products, processing, clients and other relevant issues. During the first day, a document review was done along with several interviews to key personnel. On the second day, stakeholder interviews were held with SBB and the Ministry of Labor. The remaining days were assigned to visit the sawmill in Apoera. The sawmill was checked with the site manager and a brief explanation was received in each stage of the CoC system. There was no field inspection to the site given the weather</p>

	<p>conditions and logistic issues made impossible the arrival to the active kapvaks in concession 733. However, through interviews and document review it was possible to verify compliance of observational criterion. Several samples were taken in sawmill and Leiden to trace back in TIMIS (internal traceability system) and SFISS system (official traceability system).</p> <p>The last day, all findings were reviewed and pending issues were collected. After it a closing meeting was held with the relevant staff.</p>
<p>Actions taken by Organisation prior to report finalisation:</p>	<p>None.</p>
<p>Notes for the next audit:</p>	<p>None.</p>

C. Audit Findings

Audit Conclusion:	
Organisation approved: MAJOR non-conformance(s) issued	<input checked="" type="checkbox"/>
Organisation not approved: ----	<input type="checkbox"/>
Additional comments: None	

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 #:	MAJOR 01/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02), Requirement: 4.1	
Description of Non-conformance:		
<p>4.1 The Organisation shall review its due diligence system at a minimum annually, in order to address any weaknesses.</p> <p>NOTE: Internal monitoring shall cover internal entities and group members/sites (where applicable), as well as for any suppliers and sub-suppliers.</p> <p>4.1.1 All non-conformances and corrective actions identified shall be documented.</p> <p>4.1.2 Organisation shall ensure that all non-conformances are addressed and corrected in a timely manner.</p> <p>4.1.3 Organisation shall make all reports of monitoring available to the Certification Body.</p> <p>The organization reviews its DDS on an annual basis according to the protocols. No weaknesses were detected in the internal monitoring. However during field visits, RIL techniques were not properly followed up. This issue was not reported as non-conformance or as an observation to follow up.</p> <p>Update Audit 2022: GHS did not submit its internal audit report to show compliance with this NCR. Even though the restriction of stump height was relaxed by SBB, this NCR is related to monitoring and checking of overall standard 's requirements.</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:	3 months (21/01/2023).	
Evidence Provided by Organisation:	Pending	

Findings for Evaluation of Evidence:	Pending
NCR Status:	OPEN
Comments (optional):	<i>It was raised as MNC given the lack of evidence of proper follow up of the overall standard requirements.</i>

Non-Conformance #:	01/22	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 6.2	
Description of Non-conformance:		
<p><i>The Organisation shall have access to information about the origin of material to a level that allows it to:</i></p> <p><i>6.2.1 conclude that the material originates from Forest Sources or supply chains with low risk of legal violations or that potential risks have already been mitigated; OR</i></p> <p><i>6.2.2 effectively identify, specify and mitigate risks of producing or receiving illegally harvested or traded material.</i></p> <p><i>Preferred by Nature</i> received a complaint regarding some Non LS logs arrived to Apoera sawmill. Complainant indicated that these logs were converted to LS sawn lumber. Even though no evidence of mixing was found, the compliance officer, as the overall responsible personnel was not aware of this case until the interview with the auditor. It was not possible to determine the origin of the third party logs requested by the complainant.</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:	12 months (22/10/2023)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):	<i>None</i>	

Non-Conformance #:	MAJOR 02/22	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 7.4	
Description of Non-conformance:		

7.4 The Organisation shall assess relevant forest source or supply chain information to ensure that:	
7.4.1 information is relevant to indicate legality and ensure compliance with this standard;	
7.4.2 information is valid and verifiable; and,	
7.4.3 information can be related to the relevant product or supply chain.	
By a complaint received at Preferred by Nature it was identified that third party logs were received in Apoera Saw Mill but the system could not trace them as Non LS inputs. Hence no information of the source is available.	
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:	03 months (21/01/2023)
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	03/22	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 7.8	
Description of Non-conformance:		
7.8 The risk assessment shall determine the level of risk as either <i>low risk</i> or <i>specified risk</i> . The risk assessment defined the level of risk for all the criteria of the risk assessment as "low risk". There is no specified risk along the forest and supply chain. However the risk definition is questionable according to the complaint situation, where some logs were received without the awareness of its origin.		
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:	12 months (22/10/2023)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):	<i>None</i>	

Non-Conformance #:	04/22	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 8.2	
Description of Non-conformance:		
8.2.The Organisation shall document and justify the effectiveness of risk mitigation measures. No internal monitoring checking report was submitted to the auditor, so there is no documentation of mitigation measures.		
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:	12 months (22/10/2023)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):	<i>None</i>	

Non-Conformance #:	MAJOR 05/22	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 9.4, 9.5,9.6 NEPCon Generic Chain of Custody Standard (NC-STD-01), Requirement 6.2	
Description of Non-conformance:		
<p><i>9.4 The Organisation may make general promotional claims about its LegalSource conformance status.</i></p> <p><i>9.5 When making a LegalSource sales claim, the Organisation shall include its LegalSource certification code on the promotional material alongside the claim.</i></p> <p><i>9.6 The Organisation shall submit all claims related to the LegalSource program to the Certification Body for review and approval prior to use.</i></p> <p><i>6.2 Organisation shall submit all claims to NEPCon for review and approval prior to use.</i></p> <p>GHS used the trademark in its website: https://www.greenheartsuriname.com/legal-source without <i>Preferred by Nature</i> review and approval.</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:	3 months (21/01/2023)
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	<i>None</i>

Non-Conformance #:	06/22	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NEPCon Generic Chain of Custody Standard (NC-STD-01), Requirement 1.3	
Description of Non-conformance:		
<p><i>1.3 The Organisation shall develop and implement procedures for addressing non-conformances identified by auditors.</i></p> <p>Non Conformances (NC) are addressed through the internal monitoring to the DDS. However GHS did not submit its internal monitoring report to the auditor.</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:	12 months (22/10/2023)	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):	<i>None</i>	

Non-Conformance #:	07/22	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>

Standard & Requirement:	NEPCon Generic Chain of Custody Standard (NC-STD-01), Requirement 4.3
Description of Non-conformance:	
4.3 All product that cannot be identified as belonging into one of the claim categories defined in 1.6 above, shall be kept separate from all other products until documented evidence of the claim category is obtained.	
GHS did not show evidence of segregation of a sample of logs from third party that arrived to ASM for processing in March, according to a complaint received by Nepcon	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. <i>Note:</i> 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.
Timeline for Conformance:	12 months (22/10/2023)
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	<i>None</i>

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 #:	01/22
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 7.3
Description of Observation:	
GHS presented its risk assessment in its DDS, Annex 2 (Exhibit 02). It specifies the current situation and potential risk for each criteria and sub criteria in Forest and Supply chain. Risks were described in detail and mitigation measures were established properly. However given the response of the managers regarding the complaint received Preferred by Nature, the auditor detected a potential risk of mixing material if there is no control of the inputs received at ASM.	
Observation: GHS should review and update its risk assessment to have total control over the inputs received.	

Observation #:	02/22
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 7.9
Description of Observation: Preferred by Nature received a complaint from third party where Non LS logs were received at ASM. The managers did not show awareness of the reception that material into the sawmill.	
GHS should review its risk assessment to identify the appropriate mitigation measures in order to avoid receiving materials from third party without the supervision of the responsible personnel.	

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.

Non-Conformance #:	01/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02), Requirement: 4.1	
Description of Non-conformance:		
<p>4.1 The Organisation shall review its due diligence system at a minimum annually, in order to address any weaknesses.</p> <p>NOTE: Internal monitoring shall cover internal entities and group members/sites (where applicable), as well as for any suppliers and sub-suppliers.</p> <p>4.1.4 All non-conformances and corrective actions identified shall be documented.</p> <p>4.1.5 Organisation shall ensure that all non-conformances are addressed and corrected in a timely manner.</p> <p>4.1.6 Organisation shall make all reports of monitoring available to the Certification Body.</p> <p>The organization reviews its DDS on an annual basis according to the protocols. No weaknesses were detected in the internal monitoring. However during field visits, RIL techniques were not properly followed up. This issue was not reported as non-conformance or as an observation to follow up.</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:	12 months (21/10/2022).	
Evidence Provided by Organisation:	<ul style="list-style-type: none"> Letter of SBB (SBB/RSO 445/22) 	
Findings for Evaluation of Evidence:	<p>Managers requested to SBB to relax the height of the stump requirement set at the license due to the risk for the feller in terms of safety. SBB granted a letter on April 13, 2022 to Greenheart Suriname N.V. making the related adjustment, and relaxing the height to 50 cm in normal cases (straight and cylindrical stem; without buttress) and 120 cm if there is a risk for the safety of the feller.</p>	

	<p>The related root cause was the safety measure followed to avoid accidents and the lack of detailed code of practice that includes this issue.</p> <p>However there was no report of internal monitoring showing the consistency of checking of the remaining criteria of the standard. Then this NCR remains open.</p>
NCR Status:	OPEN
Comments (optional):	<i>It was raised as Major Non-Conformance given the lack of evidence of proper follow up of the overall standard requirements.</i>

Non-Conformance #:	02/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02), Annex 1, Requirement 1.2.2	
Description of Non-conformance:		
<p>1.2.2. A valid concession license agreement shall exist.</p> <p>The Organization holds a concession license under its own name (733) and it acts as the forest operator for other concessions issued to other two entities, which are also part of the Greenheart Group (Epro N.V., and Dynasty Forestry Industry N.V.). Concessions 1040, 550, 550b, and 551c issued to Dynasty Forestry Industry N.V. were valid until 01/Sep/2021; and even when the concession holder is in process of renewing the concession licenses, the process is still on-going.</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:	12 months (21/10/2022).	
Evidence Provided by Organisation:	<ul style="list-style-type: none"> Updated scope (Exhibit 04) 	
Findings for Evaluation of Evidence:	<p>GHS decided to set aside from the scope concessions # 1040, 550, 550b and 551c given that are still in process to renew the license. Only concession 733 is left in the scope for this audit and its validity is active until November 7, 2030. Therefore this NCR is duly closed.</p> <p>The management assumed that a license in process of renew was enough to include within the scope.</p>	
NCR Status:	CLOSED	
Comments (optional):	<i>None</i>	

Non-Conformance #:	03/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>

Standard & Requirement:	LegalSource Standard (LS-02), Annex 1, Requirement 1.2.3.
Description of Non-conformance:	
<p><i>1.2.3. The process of obtaining concessions shall follow an open and transparent process based on clear criteria and be confined to eligible Organisations.</i></p> <p>License that belongs to Dynasty Forestry Industry N.V. (#1040, 550 b, 551 c and 550) were due on September 2, 2021, thus no approved business plan exists for those concessions.</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:	12 months (21/10/2022).
Evidence Provided by Organisation:	<ul style="list-style-type: none"> Updated scope (Exhibit 04)
Findings for Evaluation of Evidence:	<p>Given that GHS decided to remove this license (and concessions within it) from the actual scope, this NCR is close.</p> <p>The management assumed that a license in process of renewal was taken as valid and the submitted business plan would apply for this indicator.</p>
NCR Status:	CLOSED
Comments (optional):	<i>None</i>

Non-Conformance #:	04/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02), Annex 1, Requirement 3.1.4	
Description of Non-conformance:		
<p><i>3.1.4 Harvesting restrictions shall be observed in the field.</i></p> <p>The observed stumps (tree 141, PAK, kapvak 147, concession 733; and tree 131, PAK, kapvak 148, concession 733), were higher than expected, and damage to harvested logs were observed.</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:	12 months (21/10/2022).	
Evidence Provided by Organisation:	<ul style="list-style-type: none"> SBB letter (SBB/RSO 445/22) Pictures from concession 733. 	

Findings for Evaluation of Evidence:	Managers requested to SBB to relax the height of the stump requirement set at the license due to the risk for the feller in terms of safety. SBB granted a letter on April 13, 2022 to Greenheart Suriname N.V. making the related adjustment, and relaxing the height to 50 cm in normal cases (straight and cylindrical stem; without buttress) and 120 cm if there is a risk for the safety of the feller. No field visit was done to concession 733 to inspect visually the stumps due the weather conditions. Pictures of harvested logs were seen as evidence with acceptable cutting conditions.
NCR Status:	CLOSED
Comments (optional):	<i>None</i>

Non-Conformance #:	05/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 9.1 NEPCon Generic Chain of Custody Standard (NC-STD-01), Requirement 5.1	
Description of Non-conformance:		
<p><i>9.1 For products that are covered by the scope of the LegalSource certification, the Organisation may make a product-related certification claim on sales and transport documents.</i></p> <p><i>5.1 Organisation shall ensure claim information is provided on sales invoices and shipping documents, including the following:</i></p> <p><i>5.2.1 Description of the product and the claim category;</i></p> <p><i>5.2.2 Quantity of each product/claim category;</i></p> <p><i>5.2.3 NEPCon Generic Chan of Custody Certification Code, if applicable.</i></p> <p>Three of the invoices and associated packing lists with LS certification claims (#GHS20-061 from 1/Dec/20; #GHS21-005 from 1/Feb/21; #GHS21-041 from 12/May/21) have the following description: "Legal Source Claim", and the other invoice (#GHS21-024 from 19/Mar/21) reads: "NepCon Legal Source". This is not the correct claim permitted in the LS standards.</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:	12 months (21/10/2022).	
Evidence Provided by Organisation:	<ul style="list-style-type: none"> • Invoice sample 	
Findings for Evaluation of Evidence:	<p>Auditor reviewed a sample of LS invoices to follow up the claim description. Out of ten samples, four were checked: GHS 22-001, GHS 21-059, GHS 22-008 and GHS 22-0015.</p> <p>The claim stumped was "LegalSource certified" with the appropriate certification code: NC-LS-057290.</p>	

	The management was not aware of the way to introduce claim within the sale documents. No inconsistencies were found. Thus this NCR is closed.
NCR Status:	CLOSED
Comments (optional):	<i>None</i>