

FSC Controlled Wood Certification Complementary Audit Report

Organization:	Kronospan-Mofa Hungary Kft		
Address:	Budapesti út 72 Mohács 7700 Hungary		
Website:	www.kronospan-mofa.hu	Public Company Email	g.katoli@kronospan-mofa.hu
Standard(s):	FSC-STD-40-004 V3-1 (COC) FSC-STD-40-005 V3-1 (CW) FSC STD-50-001 V2-1 (Trademark)		Accreditation Body: ASI
Type of certification:	COC - Single Certificate - Legal Entity		
Site(s) audited:	7700 Mohács Budapesti út 72.	Date(s) of Audit(s):	18-19 May 2023
Lead Auditor:	Bojan Djuric	Additional Team Member(s):	Zoltán Bélteki, Júlia Vadász
FSC COC and FSC CW Code:	SGSCH-COC-007004 SGSCH-CW-007004	First Issue Date:	2009-11-27
License Code:	FSC-C031325	Expiry date:	2024-11-26
This report is confidential and distribution is limited to the audit team, client representative and the SGS office.			
<p>SGS designed and maintains a system for evaluating the relevance, effectiveness, and adequacy of Due Diligence Systems (DDS) according to the FSC accreditation requirements. The verification is conducted by qualified SGS personnel, particularly by a COC-lead auditor, who is conducting the audit at the level of the certificate holder, by the central controlled wood coordinators and by local controlled wood experts, who have the local forestry knowledge to support the team in verifying the risk assessment (RA) and control measures (CM). SGS has developed several templates and tools to support certificate holders in setting up their DDS and assure adequate evaluation by SGS. This includes, but is not limited to:</p> <ul style="list-style-type: none"> • a mechanism for verifying risk designations against available sources of information and applicable requirements; • field verification with a scope and sampling pool relevant for the DDS under evaluation. The sampling pool shall be sufficient to confirm mitigation of risk related to origin and risk of mixing of material with non-eligible inputs; • corroborating evidence provided by the organization with independent sources when possible. 			

1. Scope of certification

Scope of certification:	Production and sale of FSC Mix and FSC Controlled wood raw and lacquered fibreboard produced from FSC 100%, FSC Controlled wood and controlled material logs, FSC 100% chips, and from purchased FSC 100%, FSC Mix, FSC Controlled wood fibreboard under credit system, including outsourcing (purchase logistics, formatting of boards);
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	and purchase and sale (or including formatting) of FSC Mix and FSC Controlled wood particleboard under transfer system.
New scope of certification:	No change
Significant changes with regard to origin material:	No change
Significant changes with regard to risk assessments:	No change
Significant changes with regard to control measures:	No change

2 System under Review

Risk or Mixing

Exact number of suppliers:	16
Approx. number of sub-suppliers:	110
Supplier types:	Forest source, logger, trader
Average length of the non-FSC-certified supply chain:	2 (1-3)

Further Information about the Risk of Mixing	<input checked="" type="checkbox"/> GP4555B DDS Summary, Section B (Public information) <input checked="" type="checkbox"/> GP4555B DDS Summary, Annex 1 (Supply Chain Audits if applicable, not public) <input checked="" type="checkbox"/> GP4553B CW Checklist, Section 2 and 3 (not public) <input checked="" type="checkbox"/> GP4551B, Annex 1, Supply chain audits, Section 4 (not public)
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Risk of Origin

Country:	Supply area:	SGS RA expertise level:	Control measures identified:
Hungary	Whole country	<input checked="" type="checkbox"/> global <input type="checkbox"/> local	None
Austria	East Austria	<input checked="" type="checkbox"/> global <input type="checkbox"/> local	None
France	Mid country	<input checked="" type="checkbox"/> global <input type="checkbox"/> local	None
		<input type="checkbox"/> global <input type="checkbox"/> local	

Further Information about the Risk of Origin	<input checked="" type="checkbox"/> GP4555B DDS Summary, Section C (Public information) <input checked="" type="checkbox"/> FSC Risk Assessments (Public information) <input type="checkbox"/> GP4557B FSC COC Company Extended Risk Assessment Template (Public information)
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Control Measures

Further Information about Control Measures	<input checked="" type="checkbox"/> GP4555B DDS Summary, Section D and E (Public information) <input type="checkbox"/> GP4555B DDS Summary, Annex 2 (Implementation of Control Measures, not public) <input type="checkbox"/> GP4553B CW Checklist, Section 4 (not public)
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GP4551B, Annex 2, Verification of Control Measures, Section 4 (not public)

Field Visits conducted by the Organisation

<p>A summary of the organization's findings from field verification undertaken as a control measure (conformity and non-conformities), if applicable, and steps taken by the organization to address identified non-conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.</p>	<p>Supply Unit audits not performed after updated DDS with low risk for all supply areas: Supply Chain audits made by CH - List and Report concluded at 4.6.2024 There were visit audit to the 2 suppliers (please refer to Minor NC). Only Hungary is supply region for 2023 of the controlled material> 1) Kuller - direct supplier, Komlo Bathyany, code YKULo1, date of audit 8.April 2024; next visit scheduled for 1.10.2024; visit to sub suppliers 3 (2 state managed forest and 1 private forest- Haidiger Gorgy, forester licence: 2023/17/U05/205, harvest permit for FMU Dusnok, comp 3C, area 1,58ha, 78m3 delivery from state owned forest; 2) Geiger (partner code YGE101) city Bocsa, – direct supplier, visit date . April 4th 2024, (next visit scheduled for 1.10.2024, report form. B704-6, version 2.4 ; has risk assessment, for Geiger low risk, approved as supplier. Included sub suppliers in the visit: 4 sub supplier; sample verified, personal licence number of the forester M-AA1029519, supply from private forest Izsak, Hungary, compartment 2 D, 11.01 ha, Poplar 3204 m3. Sample verified Odor Jozef. M-AA 0949739, FMU Reim, private forest comp 59C, 277m3 poplar. Harvest 8th Sept 2023 All audits confirmed compliance and implemented all standard requirement ,and national legislation related to timber tracking and legality ; no findings; (detailed contacts and addresses of visited sub-suppliers are in the CW Checklist)</p>
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Field Visits conducted by SGS

<p>Brief summary of findings from field verification(s), including audits at the forest level and on-site verification of suppliers in the supply chain (a summary of conformity and non-conformities is expected), with justification for the sampling rate applied in any type of field verification of the DDS.</p>	<p>Supply chain audits were made by the CH and followed by verification audits by CB; sample calculation was 50% or 0.8*SQRT(n), resulting in 2 SCH in Hungary made by the SGS. Verification audits confirmed compliance of standard requirements and national legislation related to timber tracking and legality ; no findings Visits at Geiger and Kaszó Zrt.</p>
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3 Other information relating controlled wood certification

Confidentiality of Information

<p>Information to be considered as confidential and to be excluded from public summaries:</p>	<p><input checked="" type="checkbox"/> Not applicable, not restrictions <input type="checkbox"/> Requested by the Organization <input type="checkbox"/> Requested by Stakeholder</p>
<p>Justification provided by the certificate holder or stakeholders or other party:</p>	
<p>Evaluation by SGS and decision:</p>	

Exceptional extension of time to adapt the DDS to approved FSC risk assessments

If applicable, timeline and circumstances of an extension for the period during which the organization shall adapt the DDS to approved FSC risk assessments:	<input checked="" type="checkbox"/> Not applicable, no extensions <input type="checkbox"/> Requested by the Organization
Implementation due date:	
Extension due date:	
Justification provided by the organisation:	
Evaluation by SGS and decision:	

Stakeholder Consultation

Remark: In the case of a surveillance audit the information below originate from the last initial or recertification audit. For supplies form areas with "low risk" designation, no stakeholder consultation may be required.

Name of the Stakeholder (Organisation):	Stakeholder Group (see below):	Geographical area(s) for which the Stakeholder is representative:
NA, low risk supply areas		
Summary of stakeholder comments received:	Brief description of how the comment has been taken into account:	
1. Economic interests 2. Social interests 3. NGOs involved or with an interest in social aspects of forest management and other Environmental interests 4. FSC-accredited certification bodies active in the country	5. National and state forest agencies 6. Experts with expertise in controlled wood categories 7. Research institutions and universities 8. FSC regional offices, FSC network partners, registered standard development groups and NRA working groups in the region	

4 Audit findings and conclusions

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives required by the standard(s). The audit methods used were interviews, observation of activities and review of documentation and records.

The audit team concludes that the organization has has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 0 Major 1 Minor

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity, management system certification be:

Granted / Continued / Withheld / Suspended until satisfactory corrective action is completed.

5 Nonconformities

Non-Conformities identified during previous evaluations

Nonconformity	N° ___ of ___	<input type="checkbox"/> Major	<input type="checkbox"/> Minor
Department / Function:		Standard Ref.:	
Document Ref.:		Issue / Rev. status:	
Details of nonconformity:			
Close out evidence and conclusion:			

New Non-Conformities

Nonconformity	N° <u>1</u> of <u>1</u>	<input type="checkbox"/> Major	<input checked="" type="checkbox"/> Minor
Department / Function:	FSC CW Controlled material procurement department	Standard Reference:	FSC-STD-40-005 V3-1 (CW) cl 1.7
Document Ref.:	Internal -supply chain report files		
Details of Nonconformity:	The organization implement internal audits of its DDS at least annually and does ensure that it is being implemented correctly, however not sufficient number of supplier is visited – there were 2 visits out of 4 needed (formula for calculation is not applied correctly to total number of 16 suppliers in supply chain of controlled material)		
Proposed Action Plan	The procurement team made and improved supplier audit system with updated questionnaire and file records keeping. They just started with the implementation and the sufficient number of visit will be achieved shortly.		

Nonconformities detailed here shall be addressed through the organization's corrective action process, in accordance with the relevant corrective action requirements of the audit standard, including actions to analyse the cause of the nonconformity and prevent recurrence, and complete records maintained.

Major nonconformities:

Corrective actions to address major nonconformities shall be carried out immediately and include a cause analysis. An SGS auditor will evaluate the actions taken, their effectiveness and determine whether certification can be granted or continued within 90 days. For re-certification audits the time scales may need to be reduced to ensure re-certification prior to expiry of current certification.

The follow-up audit will take place by:

- on-site visit
- remote audit; Please send records with supporting evidence to the SGS Auditor within 90 days.

Minor nonconformities:

Corrective actions to address minor nonconformities shall be carried out within 12 months and include a cause analysis. An SGS auditor will evaluate the actions taken and their effectiveness. The corrective actions to address the minor nonconformities including a cause analysis needs to be provided on an action plan.

The DDS Summary provided by the Certificate Holder is part of the public information and published together with this Public Summary Report.

End of the SGS Public Summary Report.