

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Carl Ronnow (Malaysia) Sdn. Bhd. (184068-W)
Contact Person	Dick Anning (Environmental Manager)
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Mill Address	Kg. Melawa, 14.5KM, Jalan Sepangar Bay, 88450 Menggatal, Locked Bag 20, 88990 Kota Kinabalu, Sabah, Malaysia.
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Reference #	G162-426
Audit Date	17/05/2018
Date close out	-
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Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 177 WTP		
Issuance Date	01 June 2018	Expiration Date	31 May 2019

Assessment Details

Company Type	Trading office
Scope of Assessment	Carl Ronnow (Malaysia) Sdn. Bhd.
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Shorea spp.</i> (Red seraya, Yellow seraya), and other species (OT)
Lead Assessor	Michelle Boyou
Assessor(s)	Lai Jia Woei, Franklin Emang
FDS Staff	John A. Gudin (EIS PPD Kota Kinabalu), RH Muznah Sabardin (EIS PPD Kota Kinabalu), Justin Lohuji (MCEE Kota Kinabalu), RHK Zaini Abdul Hamid (KPPM Kota Kinabalu), PH Jepri Ibrahim (PPM Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Carl Ronnow (Malaysia) Sdn. Bhd. to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Auditor's reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of GFS.

Background Information:

Carl Ronnow (Malaysia) Sdn. Bhd. [**Carl Ronnow (Malaysia)**] is registered in Kuala Lumpur, Malaysia with the registration number 184068-W. The company trades sawn timber to South Africa, Saudi Arabia, Bahrain, Iraq, Pakistan, Australia, China, Italy, India, Vietnam, Philippines and United Kingdom.

Associated Organizations & Subcontractors:

Carl Ronnow (Malaysia) does not engage any other companies as their subcontractors to provide or manufacture products. Carl Ronnow (Malaysia) is associated with Carl Ronnow Logistics Sdn. Bhd.

Description of the Supply Chain:

In 2017, Carl Ronnow (Malaysia) purchased / received raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Gold Rank Sdn. Bhd.	JP(T)TW001/10(X04)	Sawn timber	Tawau	FDS(SCS)005/2018 (31/01/2019)	GFS 010 WTP (31/01/2019)
Irama Ramai Sdn. Bhd. (Uni-Lumber Sdn. Bhd.)	JP(N)KG001/12(X04)	Sawn timber	Keningau	FDS(SCS)074/2016 (31/07/2017)*	GFS 110 WTP (30/04/2019)
Sherwood Timber Processing Sdn. Bhd. (Megah Jadi Sdn. Bhd.)	JP(T)TW004/00(X02)R	Sawn timber	Tawau	FDS(SCS)006/2018 (31/01/2019)	GFS 209 WTP (31/01/2019)
Lusera Sdn. Bhd.	JP(K)KK001/09(X39)	Sawn timber	Kota Kinabalu	FDS(SCS)069/2016 (31/07/2017)*	GFS 114 WTP (31/07/2018)
Sogoraya Sdn. Bhd.	JP(K)KK007/09(M01)	Sawn timber	Kota Kinabalu	FDS(SCS)068/2016 (31/07/2017)*	GFS 104 WTP (31/07/2018)
OAC Trading Sdn. Bhd.	JP(PT)008/15	Sawn timber	Kota Kinabalu	FDS(SCS)039/2017 (30/04/2018)*	GFS 200 WTP (30/04/2019)
Sentosa Serimas Sdn. Bhd.	JP(N)SO001/15(X62)	Sawn timber	Sook	FDS(SCS)006/2017 (31/01/2018)*	GFS 107 WTP (31/01/2019)
Unikarya Trading Sdn. Bhd.	JP(T)TW003/05(X04)	Sawn timber	Tawau	FDS(SCS)057/2017 (06/07/2018)	GFS 190 WTP (06/07/2018)
Selera Indah Sdn. Bhd.	JP(T)TW001/00(X50)R	Sawn timber	Tawau	FDS(SCS)106/2016 (30/11/2017)*	GFS 096 WTP (05/06/2018)
Kilang Papan Hiong Tiong Sdn. Bhd.	JP(K)KK003/00(X04)R	Sawn timber	Kota Kinabalu	FDS(SCS)030/2017 (31/03/2018)*	GFS 071 WTP (31/03/2019)
Jalur Positif Sdn. Bhd.	-	Sawn timber	Keningau	-	-
KYL Timber Sdn. Bhd.	-	Sawn timber	Kota Kinabalu	-	-
C & V Enterprise	-	Sawn timber	Keningau	-	-

Note: *Pending an update on FDS official website

Summary Results:

(Major gap = 0, Minor gap = 0, Observation = 1)

GAPs:			
GAP #	Type	Checklist	Description
-	-	-	-

*Major = Non-Compliance

Status of Outstanding GAPs:				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

Observations:		
OBS #	Checklist #	Description
001-2018	6.1.4, 6.1.6	1 out of 3 removal passes for the export consignments sampled was not made available during the assessment.

Highlights of Close-Out Visit (if applicable)	Date
Not applicable.	

Recommendations
<p>Carl Ronnow (Malaysia) Sdn. Bhd. has demonstrated compliance to the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) by FDS.</p> <p>Observation 001-2018 – Checklist 6.1.4, 6.1.6: Carl Ronnow (Malaysia) shall maintain all removal passes for exports consignments issued by FDS.</p> <p>The next surveillance visit is scheduled in May 2019.</p>

End of Summary Report