

Sabah TLAS Audit Report Principles 5 & 6

Organisation	HNK Timber (Sabah) Sdn. Bhd. (142742-T)	Reference #	GFSSBH 004-535
Contact Person	Donna Chua (MR)	Audit Date	08/08/2023
Office Address	Lot B1319, 13 th Floor, Wisma Merdeka Phase II, Jalan Tun Razak, 88000 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 196 WTP		
Issuance Date	14 August 2023	Expiration Date	13 August 2024

Assessment Details	
Company Type	Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(E)022/2019
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Red seraya), <i>Koompassia malaccensis</i> (Kempas), <i>Shorea inappendiculata</i> (Selangan batu), Other Timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Aleeza Ho
FDS Staff	-

Terms of Assessment
The scope of the evaluation is to verify compliance of HNK Timber (Sabah) 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:

HNK Timber (Sabah) Sdn. Bhd. [HNK Timber (Sabah)] is registered in Johor Bahru, Malaysia, with registration # 142742-T. HNK Timber (Sabah) purchases sawn timber and exports mainly to Thailand and South Africa.

The previous assessment was conducted in August 2022 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-388).

Associated Organizations & Subcontractors:

HNK Timber (Sabah) engages Carl Ronnow Logistics Sdn. Bhd. (located in Kota Kinabalu) as their subcontractor to provide kiln-dry services.

Description of the Supply Chain:

From July 2022 to July 2023, HNK Timber (Sabah) purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
Borneo Greenwood Sdn. Bhd.	FDS(KK)(E)007/2019	Sawn timber	Kota Kinabalu	GFS 211 WTP (26/02/2024)	Low
Uni-Lumber Sdn. Bhd.	FDS(KK)(E)102/2019	Sawn timber	Kota Kinabalu	GFS 233 WTP (18/06/2024)	Low
Rimbunan Gagah Sdn. Bhd. (Dyna Wawasan Sdn. Bhd.)	JP(S)TD004/19(B01)	Sawn timber	Telupid	Non-Compliance	High

Note: *GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & products.

Summary Results:

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

GAPs: Year 2023

GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

HNK Timber (Sabah) Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

The next surveillance visit is scheduled for August 2024.

End of Summary Report