

Sabah TLAS Audit Report Principles 5 & 6

| | | | |
|-----------------------|--|-----------------------|-----------------|
| Organisation | Le Viano Sdn. Bhd. 201301010799 (1040636-P) | Reference # | GFSSBH 004-628 |
| Contact Person | Mr. Kelvin Ng (Management Rep) | Audit Date | 18/03/2024 |
| Office Address | 2, Jalan Kolombong, Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia. | Date close out | - |
| Mill Address | Warehouse: 2, Jalan Kolombong, Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia. | Telephone | +6016 833 2929 |
| Email | Kelvin_ng929@yahoo.com DFO KK: Aglsmail.AgTuah@sabah.gov.my PPW KK: MohdNasir.AgSuman@sabah.gov.my | Fax | - |
| | | Approved By | Dr. Kevin Grace |

Statements

| | | | |
|--------------------------|---------------|------------------------|---------------|
| Audit Statement # | GFS 276 WTP | | |
| Issuance Date | 25 March 2024 | Expiration Date | 24 March 2025 |

Assessment Details

| | |
|----------------------------|---|
| Company Type | Importer |
| Scope of Assessment | Sabah TLAS P5-6: FDS(KK)(I)007/2020, FDS(KK)(S)002/2021 |
| Product Group | Blockboard, Plywood |
| Source of Material | Peninsular & Sabah, Malaysia. |
| Species | Mixed species from natural forests |
| Lead Assessor | Vanessa Abin (Acting Lead) |
| Assessor(s) | Glory Linggou |
| FDS Staff | - |

Terms of Assessment

The scope of the evaluation is to verify compliance of Le Viano 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:

Le Viano Sdn. Bhd. (Le Viano) is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 201301010799 (1040636-P). Le Viano imports blockboard from Peninsular Malaysia and purchases plywood from local suppliers and sells them as renovation materials for the local market.

The previous assessment was conducted in March 2023 that resulted in 3 gap(s) and 3 observation(s) (Report #: GFSSBH 004-480).

Associated Organizations & Subcontractors:

Le Viano has a verbal agreement with Asia Shipping & Forwarding (Sabah) Sdn. Bhd. as its forwarding agent to handle documentation for import activities.

Description of the Supply Chain:

From February 2023 to February 2024, Le Viano purchased raw materials from the suppliers as below:

| Supplier | License | Raw Material | Location | GFS WTP # STCC # | Overall Risk * |
|--------------------------------|---------------------|--------------|---------------------|--------------------------|----------------|
| Veracity Corporation Sdn. Bhd. | JP(N)KG001/00(X02)R | Plywood | Keningau | GFS 053 WTP (17/09/2024) | Low |
| C & H Enterprise | FDS(SS)(I)038/2019 | Plywood | Sandakan | GFS 235 WTP (23/07/2024) | Low |
| Kim Guan Impex Sdn. Bhd. | FDS(KK)(I)021/2019 | Plywood | Kota Kinabalu | GFS 258 WTP (25/12/2024) | Low |
| Tonah Trading Co. Sdn. Bhd. | Not stated | Blockboard | Peninsular Malaysia | - | High |

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

Summary Results:

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

| GAPs: Year 2024 | | | | |
|-----------------|-------|-------------------------|--------|---|
| GAP # | Type | Checklist | Status | Description |
| 001/2022 | minor | 5.2.4 | Closed | <p>April 2022: There is no evidence that the COC procedure has been established to define trading activities related to Sabah TLAS requirements.</p> <p>March 2023: Le Viano has yet to establish and document a Chain of Custody (COC) system for its import and trading activities.</p> <p>March 2024: Le Viano established and maintained the CoC procedures.</p> |
| 002/2022 | minor | 5.3.2 5.3.7 5.3.8 | Closed | <p>April 2022: No training on safety and fire was conducted by the company from 2021 to 2022.</p> <p>March 2023: Le Viano has yet to conduct safety and fire training.</p> <p>March 2024: Le Viano conducted safety and fire training.</p> |
| 001/2023 | minor | 6.2.4 | Closed | <p>March 2023: Le Viano did not conduct a Risk Assessment for imported products from Peninsular Malaysia.</p> <p>March 2024: Le Viano has conducted the risk assessments for all imported products from Peninsular Malaysia.</p> |

*Major = Non-Compliance

| Observations: Year 2024 | | |
|-------------------------|----------------|---|
| Obs # | Checklist | Description |
| 001-2023 Addressed | 6.2.3 6.2.6 | March 2023: Le Viano did not keep a copy of the SFD import approval in its office. March 2024: Le Viano kept copies of the SFD import approval in its office. |
| 002-2023 Addressed | 6.2.8 6.3.1 | March 2023: Le Viano did not keep a copy of the inspection fee receipt in its office. March 2024: Le Viano only imported blockboard; thus, the inspection fee is exempted. |
| 003-2023 Addressed | 6.3.2 6.3.3 | March 2023: Le Viano did not keep a copy of the removal pass in its office. March 2024: Le Viano kept copies of the removal pass in its office. |

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

| Recommendations |
|--|
| <p>Le Viano 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.</p> <p>The next surveillance visit is scheduled for March 2025.</p> |

End of Summary Report