FSC Controlled Wood Certification
Public Audit Summary Report

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>72-74 Market Road, 96007 Sibu, Sarawak, Malaysia.</td>
</tr>
<tr>
<td>Website:</td>
<td>Not available</td>
</tr>
<tr>
<td>Public Company Email:</td>
<td><a href="mailto:log@ktstrade.com.my">log@ktstrade.com.my</a></td>
</tr>
<tr>
<td>Standard(s):</td>
<td>FSC-STD-40-004 V3-0</td>
</tr>
<tr>
<td></td>
<td>FSC-STD-40-005 V3-1</td>
</tr>
<tr>
<td>Accreditation Body:</td>
<td>ASI</td>
</tr>
<tr>
<td>Type of certification:</td>
<td>Single</td>
</tr>
<tr>
<td>FSC COC and FSC CW Code:</td>
<td>SGS-COC-010145</td>
</tr>
<tr>
<td></td>
<td>SGS-CW-010145</td>
</tr>
<tr>
<td>First Issue Date:</td>
<td>10 Mar 2014</td>
</tr>
<tr>
<td>Expiry date:</td>
<td>09 Mar 2019</td>
</tr>
<tr>
<td>Audit(s):</td>
<td>26 to 28 Feb 2019</td>
</tr>
</tbody>
</table>

The SGS accredited office for this certification is
SGS South Africa (Pty) Ltd., Building 1, Harrowdene Office Park, 128 Western Services Road
Woodmead 2191, South Africa, Email: forestry@sgs.com.

Detailed contacts are provided under the following link: Contacts and Accreditations

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 and control measures. 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:

- 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.

Additional complementary information to this public summary report of SGS is provided by the published summary of the Due Diligence System of the certificate holder.

1 Scope of certification

<table>
<thead>
<tr>
<th>Scope of certification:</th>
<th>Purchase of Controlled Wood logs, outsource storage and sales of FSC Controlled Wood logs using Transfer System</th>
</tr>
</thead>
<tbody>
<tr>
<td>New scope of certification:</td>
<td>No change</td>
</tr>
<tr>
<td>Significant changes with regard to origin of material, risk assessments, control measures or other aspects of the DDS:</td>
<td>No change</td>
</tr>
</tbody>
</table>

Job n°: 3383-MY  Report date: 28 Feb 2019  Visit Type: RA  Visit n°: 1
2. Current 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 0 Minor

Based on the results of this audit and the system’s demonstrated state of development and maturity, management system certification is:

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

3. Summary of findings from field verifications (control measures)

<table>
<thead>
<tr>
<th>Reference/No. of the control measure:</th>
<th>KTS Logs Marketing only received controlled logs from 2 License Planted Forest (LPF) areas namely LPF0043 and LPF 0012. Field verification has been made at both LPF area which located bordering to each other.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample approach applied SGS (stratification, calculation formula, basic sets, number of samples, selection criteria, justification):</td>
<td>Verification at forest level are carried out for control measures implemented for all CW categories. Control measures of each category are implemented according to CNRA for Malaysia. See GP 4560B for details of findings of each category.</td>
</tr>
<tr>
<td>Brief summary of the findings, in the case this is a control measure with field verifications (supply unit/forest level or supply chain level):</td>
<td></td>
</tr>
</tbody>
</table>

4. Confidentiality of information

<table>
<thead>
<tr>
<th>Information to be considered as confidential and to be excluded from public summaries:</th>
<th>☒ Not applicable, not restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Requested by the organization</td>
<td>☐ Requested by stakeholders</td>
</tr>
<tr>
<td>☐ Requested by other parties</td>
<td>Evaluation by SGS and decision:</td>
</tr>
</tbody>
</table>

5. Exceptional extension of time to adapt the DDS
Exceptional extension of time to adapt the DDS to approved FSC risk assessments.
6. Stakeholder consultation conducted by SGS

Summary of stakeholder comments received: | Brief description of how the comment has been taken into account:
---|---
Stakeholder consultation was launched on 8 Feb 2019. No comments were received until the on site audit conducted on 26 to 28 Feb 2019. | Further investigation will be carried for the case of feedback received from stakeholder within 6 weeks of consultation – until 22 Mar 2019.

7. Nonconformities

7.1 Nonconformities identified during previous evaluations
- Nil -

7.2 New Nonconformities
- Nil -

Annex 1: List of stakeholders

**Category 1**

1. **Peter Lai**
   Powerbrite (Main Contractor – LPF/0043 & LPF/0012)
   Harvesting Training and Quality Auditor
   +60 19 765 7127

2. **Ling Yew Kwong**
   Powerbrite (Main Contractor – LPF/0043 & LPF/0012)
   Production Supervisor
   +60 86 589 112

3. **Kennedy Anak John Kuin**
   Powerbrite (Main Contractor – LPF/0043 & LPF/0012)
   Surveyor
   +60 86 589 112

4. **Ling Jiing Fu**
   Powerbrite (Main Contractor – LPF/0043 & LPF/0012)
   Admin Officer
   +60 86 589 112

**Category 2**

1. **TR. Unchau Anak Tegong**
Longhouse Headman
Tubau, Bintulu District
+60 19 834 7113

2. **TR. Dingon Anak Janang**
Longhouse Headman
Tatau, Bintulu District
+60 13 573 4799

**Category 3**
1. **Dr Antony Shadbolt**
   info@landscapeecology.co.nz
   +64 0274 63 83 81
2. Mr Jason Hon (WWF Malaysia, Sarawak Branch)
   hjaso@wwf.org.my
   HP: 016 8600590
3. Ms Samantha Liew (WWF Malaysia, Sarawak Branch)
   sliew@wwf.org.my
   019 8679239

**Category 4**
1. **Leslie Jong**
   FSC Malaysia National Office (Asia-Pacific)
   info@my.fsc.org

**Category 5**
1. **Endela ak Tipot**
   Regional Manager
   SFC (Sarawak Forestry Corporation)
   Email: endela@sarawakforestry.com
   Cell: +60 19 819 5949
2. **Mohammed Nor Azland**
   Person-in-charge for Sustainable Forestry
   SFC (Sarawak Forestry Corporation)
   Email: norazlanj@sarawakforestry.com
   Cell: +60 16 888 2194

**Category 6**
1. Professor Dimbah Ngidang
   Department of Studies
   UNIMAS

2. Dr. Poline Bala
   Email: bpoline@unimas.my
   Phone No.: +6082584182
   Anthropology and Sociology
   Department of Social Science
   UNIMAS
Stakeholder Groups

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