



# LegalSource™ Audit Report for Carl Ronnow (M) Sdn Bhd

**Scope change audit 2018**

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**Organisation Contact**

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**Audit managed by**

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## A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by **Carl Ronnow (M) Sdn Bhd** and **Organisation (CR Ltd)** hereafter referred to as "Organisation". The report presents findings of LegalSource auditors, who have evaluated the Organisation's systems and performance against the applicable requirements. The sections below provide the audit conclusions and follow-up actions required by the Organisation.

**Dispute resolution:** If stakeholders have concerns or comments about the LegalSource standard or the auditing body, they are encouraged to contact their closest NEPCon regional office. Formal concerns and complaints should be sent in writing.

## B. Scope

The LegalSource audit, report and certificate covers the following scope:

Report Type	
Report type:	Public Summary

Organisation Details	
Primary contact:	Dick Anning, Environmental Manager
Address:	Locked Bag 20, Kota Kinabalu, Sabah, 88990, Malaysia
Tel/Web/Email:	+60 88 483 888 / + 60 88 483 801 / <a href="http://carlronnow.com/">http://carlronnow.com/</a>
Jurisdiction of primary legal entity:	Malaysia
Primary Activity	Broker/trader with physical storage
Description of Organisation:	Carl Ronnow (CR) is a sawn timber (and other wood products) exporter and trader located in Malaysia.

Certificate Scope	
Certificate Type	<input checked="" type="checkbox"/> Single site certificate <input type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) v2 <input checked="" type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01)
Product scope:	<p>The scope of the DDS is defined by: products; suppliers (region of harvest), and markets:</p> <ol style="list-style-type: none"> <li>1. <b>Products</b> <ol style="list-style-type: none"> <li>i. Malaysian Timber Certification System (MTCS, as endorsed by PEFC): Sawn timber (HS code: 4407) and timber decking (HS code: 4409).</li> <li>ii. LegalSource Certified (Gabon): Sawn timber, moldings and doors and door frames</li> </ol> </li> <li>2. <b>Certification systems</b></li> </ol>

	<p>Organisation includes only certified products within the scope of its DDS. For now, the following certification system is included within the scope of its DDS:</p> <ol style="list-style-type: none"> <li>i. Malaysian Timber Certification System (MTCS) as endorsed by PEFC. Claims: PEFC 100%</li> <li>ii. LegalSource Certification System (LS) by NEPCon. Claims: LegalSource-certified</li> </ol> <p>As further certification systems are evaluated, these would be included within the scope of its DDS.</p> <p><b>3. Regions of harvest</b></p> <p>Organisation has limited the scope of its DDS to include the following countries/regions of harvest:</p> <ol style="list-style-type: none"> <li>i. Peninsular Malaysia (PEFC 100%)</li> <li>ii. Gabon (LegalSource)</li> </ol> <p><b>4. Markets</b></p> <p>Organisation has limited the scope of its DDS to include only products destined to the following markets:</p> <ol style="list-style-type: none"> <li>i. EU countries (Peninsular Malaysia PEFC 100%)</li> <li>ii. Global (LegalSource certified product from Gabon)</li> </ol> <p>There are no restrictions on the species, all species included in the DDS are from natural forests and not from timber plantations.</p>
Changes to certificate scope since last audit:	<p>During this audit, Organisation has expanded the scope of its certificate to:</p> <ul style="list-style-type: none"> <li>• Include LegalSource (LS) certified wood products from Gabon</li> <li>• Include a third site (legal entity) of Carl Ronnow Group, operating out of Malaysia (Site 3)</li> </ul>
<b>Certificate Sites or Group members</b>	
<b>Site 1:</b>	
Site name:	Carl Ronnow (M) Sdn Bhd
Site Address/ Tel/Web/Email:	Same as above
Site Activity:	Broker/trader with physical storage
Product Scope:	Sawn timber as defined in the scope above
Site visited during audit:	<input type="checkbox"/>
<b>Site 2</b>	
Site name:	Minho (outsourcing facility)
Site Address/ Tel/Web/Email:	12-3-1, Jalan Setia Prima P Bandar Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan
Site Activity:	Broker/trader with physical storage
Product Scope	Sawn timber as defined in the scope above

Site visited during audit:	<input type="checkbox"/>
<b>Site 3:</b>	
Site name:	Carl Ronnow Ltd
Site Address/ Tel/Web/Email:	Suite No. 02, Office Suites @ Kensington Gardens, No. U1317, Jalan Jumidar Buyong, 8700 Federal Territory of Labuan, Malaysia
Site Activity:	Broker/trader without physical handling
Product Scope:	Sawn timber, mouldings and doors and door frames
Site visited during audit:	<input type="checkbox"/>

Evaluation Process	
Audit team:	<b>David Hadley</b> David supports the management of NEPCon's Responsible Sourcing department, covering our due diligence services for forest-impact commodities. This includes the day-to-day management of NEPCon's LegalSource services, as well as FSC Controlled Wood certification.
Description of Audit Process:	A "bridging" desk-audit was conducted (to meet the commercial needs of Organisation) based on email exchanges and a review of the main DDS procedures manual for the new entity (site 3). A full evaluation of all systems and procedures will take place during the annual audit scheduled also for October 2018.
Actions taken by Organisation prior to report finalisation:	
Notes for the next audit:	

## C. Audit Findings

Audit Conclusion:	
Organisation approved: No non-conformances issued	<input checked="" type="checkbox"/>
Organisation not approved:	<input type="checkbox"/>
Additional comments:	

### Non-Conformances

Non-conformance reports (NCRs) describe the non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR non-conformances issued during assessments/reassessments shall be closed prior to issuance of the certificate. MAJOR non-conformances issued during annual audits shall be closed within the timeline specified in the NCR or result in certificate suspension. Where applicable, all non-conformances against standard requirements are shown below:

No new non-conformances raised as a result of this expansion audit. All criteria shall be evaluated fully at next audit scheduled also for October 2018.