

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Tenant: Bumi Timber Sdn. Bhd.(1331606-P) Licensee: DM Cergas Sdn. Bhd. (748137-X)	<b>Reference #</b>	GFSSBH 004-486
<b>Contact Person</b>	Sim Ket Hiung (Marketing Manager)	<b>Audit Date</b>	11/04/2023
<b>Office Address</b>	1 <sup>st</sup> Floor, Lot 15, Kota Plaza 1, Jalan Masjid, 89000 Keningau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Mile 27, Jalan Nabawan-Sook, 89009 Keningau, Sabah, Malaysia.	<b>Telephone</b>	+6087 336 781
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 244 WTP		
<b>Issuance Date</b>	17 April 2023	<b>Expiration Date</b>	16 April 2024

### Assessment Details

<b>Company Type</b>	Sawmill, veneer mill and moulding mill
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(N)SO001/16(X17)
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Shorea spp.</i> (Selangan batu), <i>Eusideroxylon zwageri</i> (Belian), OT (Other timber)
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Sandra George
<b>FDS Staff</b>	Hj. Norjain Hj. Matali (PPD Sook)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Bumi Timber Sdn. Bhd. (DM Cergas 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:

Bumi Timber Sdn. Bhd. (Bumi Timber) is registered in Kuala Lumpur, Malaysia, with registration # 1331606-P. Bumi Timber is currently producing sawn timber for the local market. Bumi Timber obtained a PEFC certification with certificate #: PSV-PEFC-COC-101099.

Bumi Timber has a tenancy agreement with DM Cergas to rent the property to manufacture sawn timber from 01/05/2021 to 31/04/2024.

The previous assessment was conducted in May 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-342).

**Associated Organizations & Subcontractors:**

Bumi Timber does not engage any other contractor to provide sawmilling services or manpower and manufacturing products.

**Description of the Supply Chain:**

From March 2022 to March 2023, Bumi Timber purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bornion Timber Sdn. Bhd.	SFMLA 03/1997	Round Logs	Keningau	GFS 054 LVS (07/08/2023)	Low
Rakyat Berjaya Sdn. Bhd.	TWU 17/11, YT 4/08	Round Logs	Tawau	-	High
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round Logs	Tibow	GFS 025 LVS (10/07/2023)	Low
Dymnah Jubile & 18 Peserta (Team Best Timber Sdn. Bhd.)	JPHTN/FRM 700-2/4/1/826/JILID.2/5	Round Logs	Keningau	GFS 168 LVS (04/09/2023)	Low
Junaidi Awang & 45 Peserta	2B308343	Round Logs	Tongod	-	High
Epin bin Gapai & 37 Peserta	JPHTN/FRM 700-2/4/1/808/JLD.2/3	Round Logs	Keningau	-	High

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

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.5 5.2.7	Closed	<p><b>May 2022:</b> The allocation of batch numbers was incorrect with respect to COC procedures. Bumi Timber has not adequately verified the environmental status of the timber received based on their COC procedure.</p> <p><b>April 2023:</b> Bumi Timber has allocated batch numbers and VL status on the WIP and finished products correctly as defined in the COC manual.</p>
001/2023	Obs 001-2022	5.3.3 5.3.6	Raised to Minor	<p><b>May 2022:</b> The company has yet to rectify the issues raised by DOSH in 2021.</p> <p><b>April 2023:</b> Bumi Timber has yet to rectify two (2) issues raised by DOSH in 2021.</p>

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

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

**Recommendations**

**Bumi Timber Sdn. Bhd. (DM Cergas 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.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:

**Gap 001/2023 (Minor) – Checklist 5.3.3, 5.3.6:** Bumi Timber shall address the issues raised by DOSH.

The next surveillance visit is scheduled for April 2024.

**End of Summary Report**