

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Rajang Plywood (Sabah) Sdn. Bhd. 199901012866 (487766-H)	<b>Reference #</b>	GFSSBH 004-627
<b>Contact Person</b>	Alison Yee (Executive)	<b>Audit Date</b>	13/03/2024
<b>Office Address</b>	TB 4327, 2nd Floor, Block 31, Fajar Complex, Jalan Haji Karim, 91000 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	KM52, Sungai Udin, Off Jalan Kalabakan, Merotai, P.O. Box 62105, 91000 Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6089 757 911
<b>Email</b>	rpsabah@yahoo.com DFO Tawau: Nooridayu.MohdAyub@sabah.gov.my PPW Tawau: MohdArapa.Lamuda@sabah.gov.my	<b>Fax</b>	+6089 761 022
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 057 WTP		
<b>Issuance Date</b>	18 March 2024	<b>Expiration Date</b>	17 March 2025

### Assessment Details

<b>Company Type</b>	Plywood, veneer mill, kiln dry plant, exporter, importer
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW 001/02(X08), JP(T)TW 001/06(X22), FDS(TW)(E)042/2019(M), FDS(TW)(S)035/2019(M), FDS(TW)(J)036/2019(M)
<b>Product Group</b>	Plywood
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Sapotaceae</i> spp. (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Terminalia subspathulata</i> (Talisai), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratogeomys arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Hopea sangal</i> (Gagil), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Macaranga</i> spp. (Sedaman), Prerosperrum (Bayor), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (KerANJI), <i>Paraserianthes falcataria</i> (Batai), Gluta/Semecarpus/Melanochyla & Swintonia (Rengas), Annonaceae (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Castanopsis motleyana</i> (Berangan), <i>Camptosperma auriculatum</i> (Terentang), <i>Anisoptera</i> spp. (Pengiran), <i>Magnolia candollii</i> (Chempaka), Assam, <i>Albizia falcataria</i> (Batai), Other timber (OT)
<b>Lead Assessor</b>	Glory Linggou, Aleeza Ho (Acting Lead)
<b>Assessor(s)</b>	Brandon James
<b>FDS Staff</b>	Awang Matnoor Ag. Jamil (SFD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Rajang Plywood (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:

Rajang Plywood (Sabah) Sdn. Bhd. [Rajang Plywood (Sabah)] is registered in Kuching, Malaysia, with registration #: 199901012866 (487766-H).

Rajang Plywood (Sabah) has stopped production in December 2022 and sells old stock of plywood for the local market and exports to Mexico, Iraq and Peninsular Malaysia. Rajang Plywood (Sabah) is associated with a biomass power plant, Ekson Biomass Energy Sdn. Bhd., which located alongside the mill. Waste wood from the plywood mill is utilized as a firewood to generate electricity supply within the mill.

Rajang Plywood (Sabah) has a rental agreement between SL Wood Products from 01/01/2023 to 31/12/2027 for SL Wood Products to manufacture plywood, veneer and production.

The previous assessment was conducted in November 2022 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH 004-425).

### Associated Organizations & Subcontractors:

Rajang Plywood (Sabah) engaged Arus Borneo as its agent to handle export documents.

### Description of the Supply Chain:

From September 2022 to February 2024, Rajang Plywood (Sabah) did not purchase raw materials (old stock) from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
-	-	-	-	-	-

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

### Summary Results:

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

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2022	minor	5.2.4	Closed	<p><b>November 2022:</b> The current COC manual inadequately defines the identification of Sabah TLAS status and batch number for local veneer received that is not stamped by SFD. The COC does not reference a Purchase Order to define Sabah TLAS for raw materials (or products) purchased from Sabah TLAS suppliers.</p> <p><b>March 2024:</b> Rajang Plywood (Sabah) has revised the COC procedure to define Sabah TLAS status and batch number for veneer received. The COC has referenced a Purchase Order to define Sabah TLAS for raw materials (or products) purchased from Sabah TLAS suppliers.</p>	
002/2022	minor	6.1.2	Outstanding	<p><b>November 2022:</b> The company did not indicate the TLAS status in the sales invoice for TLAS products as per the CoC procedure.</p> <p><b>March 2024:</b> Rajang Plywood (Sabah) did not indicate the Sabah TLAS status &amp; certificate # in the sales invoice as per</p>	

				the CoC procedure.
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\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.1	March 2024: Jetty license is pending renewal.

<b>Highlights of Close-Out Visit (if applicable)</b>	<b>Date: -</b>
Not applicable	

Recommendations
<p><b>Rajang Plywood (Sabah) Sdn. Bhd.</b> 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>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:</p> <p><b>Gap 002/2022 (minor) Outstanding – Checklist 6.1.2:</b> Rajang Plywood (Sabah) shall indicate Sabah TLAS status and Sabah TLAS CC in sales invoice and packing list, in accordance with the COC procedure.</p> <p><b>Observation 001-2024 – Checklist 5.1.1:</b> Rajang Plywood (Sabah) shall renew the jetty license 3 months before the expiry date.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

**End of Summary Report**