

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Bumi Timber Sdn. Bhd. 201901022277 (1331606-P) Landlord: DM Cergas Sdn. Bhd. 200601028381 (748137-X)	Reference #	GFSSBH 004-639
Contact Person	Mr. Sim Ket Hiung (GM/Marketing Manager)	Audit Date	17/04/2024
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 244 WTP		
Issuance Date	22 April 2024	Expiration Date	21 April 2025

Assessment Details

Company Type	Sawmill, veneer and moulding
Scope of Assessment	Sabah TLAS P5-6: JP(N)SO001/16(X17), KON(NSO)004/16(KK), KON(NSO)007/2021(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Selangan batu), <i>Eusideroxylon zwageri</i> (Belian), OT (Other timber)
Lead Assessor	Glory Linggou
Assessor(s)	Aleeza Ho, Anne Gimbir
FDS Staff	Magandi Junaid (PPW Keningau), Iting Ning (ADFO Sook), Leslie Justin (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:

DM Cergas Sdn. Bhd. was incorporated in Malaysia, with registration #: 200601028381 (748137-X). Bumi Timber Sdn. Bhd. (Bumi Timber) was incorporated in Kuala Lumpur, Malaysia, with registration #: 201901022277 (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 commencing from 01/08/2022 to 31/07/2026.

The previous assessment was conducted in April 2023 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-486).

Associated Organizations & Subcontractors:

Mr. Labora Bin Nasa, as a sub-contractor provides workers for the sawmill.

Description of the Supply Chain:

From March 2023 to March 2024, 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 (06/08/2024)	Low
Rakyat Berjaya Sdn. Bhd. (Hormat Jadi)	SFMLA 09/97	Round Logs	Serudong	-	High
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round Logs	Tibow	GFS 025 LVS (09/07/2024)	Low
Junaidi Bin Awang & 45 Peserta	JPHTN/FRM 700-2/4/1/507(1)/14	Round Logs	Tongod	-	High
Epin bin Gapai & 37 Peserta	JPHTN/FRM 700-2/4/1/808/JILID.2/15	Round Logs	Keningau	-	High
Nereus Bin Linus & 30 Peserta	JPHTN/FRM 700-2/4/1/826/JILID.2/2	Round Logs	Tambunan	-	High
Asok Bin Sarah @ Pusarah	JP(NKG)002/2023(F1)	Round Logs	Keningau	GFS 201 LVS (10/12/2024)	Low
M&M Plantation Sdn. Bhd.	JP(NNN)004/2023(F1)	Round Logs	Nabawan	-	High
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round Logs	Serudong	GFS 163 LVS (02/07/2024)	Low

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

Summary Results:

(Major gap = 0, minor gap = 5, Observation = 0)

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2023	minor	5.3.3 5.3.6	Outstanding	May 2022: The company has yet to rectify the issues raised by DOSH in 2021. April 2023: Bumi Timber has yet to rectify two (2) issues raised by DOSH in 2021. April 2024: Bumi Timber has yet to rectify two (2) issues raised in 2021 by DOSH.	
001/2024	minor	5.1.1	New	April 2024: The sawmill license for DM Cergas is pending approval.	
002/2024	minor	5.1.2 5.2.6	New	April 2024: DM Cergas has not submitted Appendix 3 and 7 manuals to SFD as required.	

003/2024	minor	5.2.2	New	April 2024: Inconsistent stamping of the Sabah TLAS CC on the removal pass.
004/2024	minor	5.3.1	New	April 2024: No sub-contractor agreement between Bumi Timber and the sub-contractor.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>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.</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>Gap 001/2023 (minor) Outstanding - Checklist 5.3.3, 5.3.6: Bumi Timber shall address the issues raised in 2021 by DOSH.</p> <p>Gap 001/2024 (minor) – Checklist 5.1.1: DM Cergas shall renew the license 3 months before the expiry date and the SFD should expedite the process.</p> <p>Gap 002/2024 (minor) – Checklist 5.1.2, 5.2.6: DM Cergas shall submit Appendix 3 and 7 manual submissions to the SFD.</p> <p>Gap 003/2024 (minor) – Checklist 5.2.2: The SFD shall make sure the removal pass from the Sabah TLAS P1-4 compliant is stamped consistently with the Sabah TLAS CC stamp.</p> <p>Gap 004/2024 (minor) – Checklist 5.3.1: Bumi Timber shall have an agreement with the sub-contractor.</p> <p>The next surveillance visit is scheduled for April 2025.</p>

End of Summary Report