

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Samawang Sawmill Sdn. Bhd. (81340-P)	<b>Reference #</b>	GFSSBH 004-524
<b>Contact Person</b>	Jenny Leung (Management Representative)	<b>Audit Date</b>	13/07/2023
<b>Office Address</b>	PPM 367, Elopura, 90000 Sandakan, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Batu 10.5, Jalan Labuk, Seguntor, Sandakan, Sabah, Malaysia.	<b>Telephone</b>	+6089 531 787 +6089 531 788
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 060 WTP		
Issuance Date	17 July 2023	Expiration Date	16 July 2024

Assessment Details	
Company Type	Sawmill / Plywood / Veneer / Blockboard / Moulding / Furniture / Kiln Dry Plant and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS001/00(X24)R
Product Group	Veneer and Plywood
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Parashorea</i> spp. (White Seraya), <i>Shorea</i> spp. (Red Seraya, Yellow Seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), Sapotaceae (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), Myristicaceae (Darah-darah), <i>Cratogeomys arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Pterocymbium javanicum</i> (Telet), <i>Parartocarpus</i> or <i>Artocarpus</i> (Terap), <i>Prerosperrum</i> (Bayor), <i>Dyera</i> spp. (Jelutong), Annonaceae (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Durio</i> spp. (Durian), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Nauclea</i> spp. / <i>Neonauclea</i> spp. (Bangkal), <i>Dillenia</i> spp. (Simpur), <i>Meliosma sumatrana</i> (Gapas-gapas), <i>Tamarindus</i> spp. (Assam), <i>Campnosperma auriculatum</i> (Terentang), <i>Combretocarpus</i> spp. (Perapat hutan), <i>Macaranga</i> spp. (Sedaman), <i>Endospermum diadenum</i> (Sendok - Sendok), <i>Gluta/Semecarpus/Melanochyla</i> & <i>Swintonia</i> (Rengas), Annonaceae spp. (Karai), <i>Anisoptera</i> spp. (Pengiran)
Lead Assessor	Sandra George
Assessor(s)	Asraf Mahmud
FDS Staff	Ruslan Ismail (ADFO Sandakan), Hassin Pupong (PPD Sandakan)

Terms of Assessment
The scope of the evaluation is to verify compliance of Samawang Sawmill 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:**

Samawang Sawmill Sdn. Bhd. (Samawang Sawmill) is registered in Kuala Lumpur, Malaysia, with registration # 81340-P. Samawang Sawmill has no production since October 2022 and only sells plywood stocks to the local market.

The previous assessment was conducted in July 2022 that resulted in 0 gap(s) and 1 observation(s) (Report #: GFSSBH 004-379a).

**Associated Organizations & Subcontractors:**

Samawang Sawmill does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From July 2022 to June 2023, Samawang Sawmill purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round logs	Tongod	GFS 130 LVS (25/09/2023)	Low
TSH Resources Berhad	SFMLA 07/97	Round logs	Beluran	Non-Compliance	High

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

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.3	<b>July 2022:</b> Inconsistent identification of logs from Timberwell Berhad as Sabah TLAS in the log arrival book. <b>July 2023:</b> The company correctly identified the Sabah TLAS status for logs arrival.
001-2023	5.1.1	<b>July 2023:</b> Sawmill license renewal was submitted to SFD and is pending approval.

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

Recommendations
<p><b>Samawang Sawmill 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>Observation 001-2023 – Checklist 5.1.1:</b> The SFD to expedite the license approval for the sawmill to proceed with payment.</p> <p>The next surveillance visit is scheduled for July 2024.</p>

**End of Summary Report**