

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Tenant: Pyramid Bumimas Sdn. Bhd. (927981-D) Licensee: Usaha Sensasi Sdn. Bhd. (520969-A)	<b>Reference #</b>	GFSSBH 004-586
<b>Contact Person</b>	Rozlyn Luntin (Pyramid Bumimas)	<b>Audit Date</b>	05/12/2023
<b>Office Address</b>	Batu 4.5, Kampung Lohan, Ranau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Batu 4.5, Kampung Lohan, Ranau, Sabah, Malaysia.	<b>Telephone</b>	+6017 836 5173
<b>Email</b>	orotaryn69@gmail.com DFO Ranau: Suib.Basri@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 068 WTP		
Issuance Date	11 December 2023	Expiration Date	10 December 2024

Assessment Details	
Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(K)RN002/12(B01), KON(KRN)011/12(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Sapotaceae spp.</i> (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Eugenia spp.</i> (Obah), Lauraceae (Medang), <i>Pentace spp.</i> (Takalis), <i>Macaranga spp.</i> (Sedaman), Prerospermum (Bayor), Annonaceae (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Nauclea spp./Neonauclea spp.</i> (Bangkal), <i>Azadirachta excels</i> (Bawang-bawang)
Lead Assessor	Sandra George
Assessor(s)	Glory Linggou, Tommy Olui
FDS Staff	Suib Basri (DFO Ranau), Denver J. Joingin (PPD Ranau), Mohd Yusrie A. Miji (PPD Ranau), Ainna Paulus (PPD Ranau)

Terms of Assessment
The scope of the evaluation is to verify compliance of Usaha Sensasi Sdn. Bhd. (Pyramid Bumimas 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:**

Usaha Sensasi Sdn. Bhd. (Usaha Sensasi) is registered in Kuala Lumpur, Malaysia, with registration # 520969-A. Piramid Bumimas is registered in Shah Alam, Malaysia, with registration # 927981-D.

Piramid Bumimas has a tenancy agreement with Usaha Sensasi to operate the sawmill from 01/03/2022 to 28/02/2025. Piramid Bumimas produces and trades sawn timber for the local market.

The previous assessment was conducted in December 2022 that resulted in 1 gap(s) and 2 observation(s) (Report #: GFSSBH 004-440).

**Associated Organizations & Subcontractors:**

Piramid Bumimas does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From November 2022 to November 2023, Piramid Bumimas 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 log	Tongod	GFS 130 LVS (03/09/2024)	Low
Azam Surianiaga Sdn. Bhd.	SFMLA 02/2018	Round log	Kota Marudu	GFS 171 LVS (12/03/2024)	Low

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

**Summary Results:**

(Major gap = 0, Minor gap = 1, Observation = 2)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
003/2021	minor	5.2.5	Closed	<p><b>December 2021:</b> WIP material was not identified to the batch number and TLAS status as per COC manual.</p> <p><b>December 2022:</b> Batch numbers were identified on WIP as per COC procedure; however, inconsistency in correctly identifying Sabah TLAS status.</p> <p><b>December 2023:</b> The Sabah TLAS status on WIP was correctly identified.</p>
001/2023	minor	5.1.1	New	<p><b>December 2023:</b> The sawmill license is pending approval and no evidence that Piramid Bumimas is registered as a mill contractor to operate a sawmill and produce sawn timber.</p>

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.2	<p><b>December 2022:</b> The removal pass from the assessed compliant supplier under Sabah TLAS P1-4 was not stamped as "Sabah TLAS CC" by SFD.</p> <p><b>December 2023:</b> All removal passes for logs received from Sabah TLAS P1-4 compliant suppliers were stamped as "Sabah TLAS CC" by the SFD.</p>
002-2022 Addressed	5.2.3	<p><b>December 2022:</b> Sabah TLAS status for Kinetic Journey was identified as non-TLAS for material received in November 2022 which was documented compliant</p>

Observations: Year 2023		
Obs #	Checklist	Description
		(GFSSBH 003-152) in September 2022. <b>December 2023:</b> Logs received from Rakyat Berjaya (Kinetic Journey) were correctly identified as Sabah TLAS in the log arrival book.
001-2023	5.1.2	<b>December 2023:</b> Usaha Sensasi did not record the sawn timber carry forward stock in Appendix 1 online submission for August 2023.
002-2023	5.3.2 5.3.7	<b>December 2023:</b> No evidence that works safety training was conducted for workers.

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

Recommendations
<p><b>Usaha Sensasi Sdn. Bhd. (Piramid Bumimas 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 001/2023 (minor) – Checklist 5.1.1:</b> The SFD shall expedite the licensee’s sawmill license approval for the mill to proceed with payment and the tenant shall register as a mill contractor as stipulated in the SFD mill contractor conditions.</p> <p><b>Observation 001-2023 – Checklist 5.1.2:</b> Usaha Sensasi shall record the monthly sawn timber carry forward stock in Appendix 1 online submission.</p> <p><b>Observation 002-2023 – Checklist 5.3.2, 5.3.7:</b> Usaha Sensasi shall conduct work safety training annually for workers.</p> <p>The next surveillance visit is scheduled for December 2024.</p>

**End of Summary Report**