

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Priceworth Industries Sdn. Bhd. 199001007515 (199085-X)	Reference #	GFSSBH 004-624a
Contact Person	Ya'kub Bin Piut (Officer in Charge)	Audit Date	06/03/2024
Office Address	P.O. Box 2848, 90732 Sandakan, Sabah, Malaysia.	Date close out	03/05/2024
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 083 WTP		
Issuance Date	06 May 2024	Expiration Date	10 March 2025

Assessment Details

Company Type	Sawmill / Plywood / Veneer / Blockboard / Fancy Plywood / Moulding / Finger Joint, Kiln Dry Plant, Wood Preservation Plant and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS001/00(X29)R, JP(S)SS035/00(X22)R, JP(S)SS016/00(X07)R, FDS(SS)(E)036/2019(M) , FDS(SS)(S)007/2019(M)
Product Group	Bare core board
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Red seraya), Other timber (OT)
Lead Assessor	Glory Linggou, Aleeza Ho (Acting Lead)
Assessor(s)	Vanessa Abin
FDS Staff	Ramlan Atak (PPD Sandakan)

Terms of Assessment

The scope of the evaluation is to verify compliance of Priceworth Industries 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:

Priceworth Industries Sdn. Bhd. (Priceworth Industries) is registered in Sabah, Malaysia, with registration # 199001007515 (199085-X). Priceworth Industries purchases sawn timber for bare core board production and exports them to Taiwan.

The previous assessment was conducted in March 2023 that resulted in 5 gap(s) and 1 observation(s) (Report #: GFSSBH 004-479).

Associated Organizations & Subcontractors:

Priceworth Industries does not engage other companies as their subcontractors to provide or manufacture products.

Priceworth Industries is associated with companies under Priceworth International Berhad. Priceworth International Berhad has a group corporate structure that includes:

- Innora Sdn. Bhd.
- Sinora Sdn. Bhd.
- Priceworth Industries Sdn. Bhd.
- Cergas Kenari Sdn. Bhd.
- Beta Bumi Sdn. Bhd.
- Maxland Marine Sdn. Bhd.
- Maju Sinar Network Sdn. Bhd.
- Harvest Element Sdn. Bhd.
- GSR Pte. Ltd.
- Maxland Energy Sdn. Bhd.
- Maxland Bina Sdn. Bhd.

Description of the Supply Chain:

From February 2023 to February 2024, Priceworth Industries purchased raw materials from the supplier as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Innora Sdn. Bhd.	JP(S)SS003/06(X04)	Sawn timber	Sandakan	GFS 175 WTP (26/03/2024)	Low

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

Summary Results:

(Major gap = 2, minor gap = 3, Observation = 0)

May 2024: (Major gap = 0, minor gap = 3, Observation = 0)

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2022	minor	5.2.4	Closed	<p>March 2022: The 2018 Chain of Custody system is not known by the staff, nor does it adequately define traceability and Sabah TLAS status of raw material and finished products in respect to potential operations based on the company facilities.</p> <p>March 2023: Priceworth Industries has yet to update the COC procedure to adequately define traceability and Sabah TLAS status of raw material and finished products.</p> <p>March 2024: Priceworth Industries has updated and maintained the CoC procedures.</p>	
002/2022	Raised to Major	5.3.2 5.3.7 5.3.8	Closed	<p>March 2022: No safety and fire training conducted for factory workers by the company.</p>	

				<p>March 2023: Priceworth Industries has yet to conduct safety and fire training annually.</p> <p>March 2024: No evidence that Priceworth Industries has conducted safety and fire training. No records of PPE distribution for workers.</p> <p>May 2024: Priceworth Industries has conducted work safety and fire training for its mill workers. Record of PPE distribution to workers is available at the mill.</p>
003/2022	Raised to Major	5.3.4	Closed	<p>March 2022: No evidence of JKKP 8 submission to DOSH.</p> <p>March 2023: Priceworth Industries did not submit the JKKP 8 to DOSH.</p> <p>March 2024: No evidence that Priceworth Industries has submitted the JKKP 8 to DOSH.</p> <p>May 2024: Priceworth Industries has submitted the JKKP 8 for the year 2023 to DOSH.</p>
001/2023	minor	5.2.5 5.2.7	Closed	<p>March 2022: The current daily production system does not provide identification or traceability of raw material input to finished products within a defined production batch unit.</p> <p>March 2023: The daily production system has not been identified as part of a monthly production batch unit for raw material input and finished goods produced.</p> <p>March 2024: The production system has been identified as part of a monthly production batch unit for the raw material input and finished goods produced.</p>
002/2023	minor	5.3.3 5.3.6	Outstanding	<p>March 2022: The company has yet to rectify the issues raised by DOSH in 2021.</p> <p>March 2023: Priceworth Industries has not taken mitigation measures to rectify the issues raised by DOSH.</p> <p>March 2024: No evidence that Priceworth Industries has taken mitigation measures to rectify the issues raised by DOSH.</p>
001/2024	Obs 001-2022	5.1.2	Raised to minor	<p>March 2022: The company did not calculate the carry forward stock in Appendix 3 for January 2021.</p> <p>March 2023: Priceworth Industries did not record the carry forward stock for manual submission of Appendix 3 in 2022 - Feb 2023.</p> <p>March 2024: Priceworth Industries did not record the carry forward stock for online submission of Appendix 3.</p>
002/2024	minor	5.2.3	New	<p>March 2024: Sabah TLAS status was not identified in the sawn timber arrival book.</p>

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
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Highlights of Close-Out Visit (if applicable)	Date: 03 May 2024
Major Gaps 002/2022 and 003/2022 are now closed following the submission of safety and DOSH document to GFS team.	

Recommendations
<p>Priceworth Industries Sdn. Bhd. has demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was addressed under Criterion 5.3 and is recommended to receive a GFS Statement of Compliance or 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 002/2023 (minor) Outstanding - Checklist 5.3.3, 5.3.6: Priceworth Industries shall rectify the issues raised by DOSH.</p> <p>Gap 001/2024 (Raised to minor) – Checklist 5.1.2: Priceworth Industries shall record the monthly carry forward stock for online submission of Appendix 3.</p> <p>Gap 002/2024 (minor) – Checklist 5.2.3: Priceworth Industries shall identify Sabah TLAS status in the sawn timber arrival book.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

End of Summary Report