

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Bersatu Andal Sdn. Bhd. (513314-M)	<b>Reference #</b>	GFSSBH 004-392
<b>Contact Person</b>	Samsiwati Patirol (Clerk)	<b>Assessment Date</b>	29/08/2022
<b>Office Address</b>	P.O. Box No. 62423, 91034 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Shed No. 51B, 45 & 46 H.S. Timber Complex, Batu 3 ½, Jalan Tanjung Batu Laut, Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6016 826 6345
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 129 WTP		
Issuance Date	05 September 2022	Expiration Date	04 September 2023

Assessment Details	
Company Type	Sawmill and Moulding Plant
Scope of Assessment	TLAS P5-6: JP(T)TW003/15(X04)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), Lauraceae (Medang), <i>Hopea sangal</i> (Gagil), <i>Eusideroxylon zwageri</i> (Belian), <i>Tektona grandis</i> (Teak), <i>Dialium indum</i> (KerANJI), <i>Annonaceae</i> (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Tamarindus indica</i> (Assam)
Lead Assessor	Sandra George
Assessor(s)	Glory Linggou
SFD Staff	Mangumba Patirol (PPD Tawau)

Terms of Assessment
The scope of the evaluation is to verify compliance of the Bersatu Andal 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:

Bersatu Andal Sdn. Bhd. (Bersatu Andal) is registered in Kuala Lumpur, Malaysia, with registration # 513314-M. Currently, the company only provides sawmilling services to clients.

The previous assessment was conducted in September 2021 that resulted in 4 gap(s) and 1 observation(s) (Report #: GFSSBH 004-236).

### Associated Organizations & Subcontractors:

Bersatu Andal does not engage other companies as their subcontractors to provide or manufacture products.

### Description of the Supply Chain:

From July 2021 to July 2022, Bersatu Andal received raw materials from the supplier as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (10/07/2023)	Low
Unikarya Trading Sdn. Bhd.	JP(T) TW003/15 (X04)	Round logs	Tawau	GFS 190 WTP (20/02/2023)	Low

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

### Summary Results:

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

GAPs: 2022				
GAP #	Type	Checklist	Status	Description
001/2021	Minor	5.1.2	Closed	<p><b>September 2021:</b> Incorrect recording of log supply in Appendix 1 and sawn timber supply in Appendix 7 resulting in discrepancies for the total volume received in the arrival book and Appendices against the removal pass.</p> <p><b>August 2022:</b> The company has correctly recorded the log supply in Appendix 1 and sawn timber supply in Appendix 7.</p>
002/2021	Minor	5.2.3	Outstanding	<p><b>September 2021:</b> Incorrect identification of Sabah TLAS status on the log arrival book for Caslink Sdn. Bhd. (expired on: 30/06/2020). Sabah TLAS status was not identified in the sawn timber arrival book.</p> <p><b>August 2022:</b> Incorrect identification of Sabah TLAS status in the log arrival book supplied by Unikarya Trading Sdn. Bhd.</p>
003/2021	Minor	5.2.4	Closed	<p><b>September 2021:</b> Inadequate identification of Sabah TLAS status from purchasing through sales in the current COC system.</p> <p><b>August 2022:</b> Bersatu Andal revised the COC procedure to include the identification of Sabah TLAS status and batch production unit from raw material through production of finished goods.</p>
004/2021	Minor	5.2.5 5.2.7	Closed	<p><b>September 2021:</b> The allocation of batch number (based on arrival) was incorrect as per the COC procedures.</p> <p><b>August 2022:</b> The company identified material and finished products with a batch number and Sabah TLAS status as per COC procedures.</p>
001/2022	Minor	5.2.2	New	<p><b>August 2022:</b> The removal passes from Sabah TLAS Compliant licensees were not stamped as "Sabah TLAS Compliant."</p>

\*Major = Non-Compliance

Observations: 2022		
Obs #	Checklist	Description
001-2021 Outstanding	5.3.2 5.3.7	<b>September 2021:</b> No recent safety training was conducted for 2021. <b>August 2022:</b> The company has yet to conduct safety training.
002-2022	5.2.4	The company did not clearly identify the management representative to control the CoC system and train staff.

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

Recommendations
<p><b>Bersatu Andal 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 002/2021 (Minor) Outstanding – Checklist 5.2.3:</b> Identify Sabah TLAS status in the log arrival book correctly.</p> <p><b>Gap 001/2022 (Minor) – Checklist 5.2.2:</b> SFD shall ensure removal passes from licensees verified compliant under Sabah TLAS P1-4 are stamped as “Sabah TLAS Compliant.”</p> <p><b>Observation 001-2021 (Outstanding) – Checklist 5.3.2, 5.3.7:</b> Conduct safety training annually and maintain safety training record.</p> <p><b>Observation 001-2022 – Checklist 5.2.4:</b> The company shall revise its CoC procedure to include the Management representative to control the CoC system and staff training.</p> <p>The next surveillance visit is scheduled for August 2023.</p>

**End of Summary Report**