

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Mill: Hap Seng Property Investment Sdn. Bhd. (183641-A) Tenant: Bersatu Andal Sdn. Bhd. (513314-M)	Reference #	GFSSBH 004-539
Contact Person	Samsiwati Patirol (Clerk)	Audit Date	22/08/2023
Office Address	P.O. Box No. 62423, 91034 Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Shed No. 51B, 45 & 46 Hap Seng Timber Complex, Batu 3 ½, Jalan Tanjung Batu Laut, Tawau, Sabah, Malaysia.	Telephone	+6016 826 6345
Email	bersatu5568@gmail.com	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 129 WTP		
Issuance Date	28 August 2023	Expiration Date	27 August 2024

Assessment Details

Company Type	Sawmill, Moulding, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW004/06(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), Other timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Glory Linggou, Aleeza Ho
FDS Staff	Abd Suhaimi Bin Abd Manap (PPD Tawau)

Terms of Assessment

The scope of the evaluation is to verify compliance of 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:

Hap Seng Property Investment Sdn. Bhd. (Hap Seng Property Investment) is registered in Kuala Lumpur, Malaysia, with registration # 183641-A. Hap Seng Property Investment rented their premises, Shed No. 45, 46 and 51B, dated 24/02/2021 until 30/11/2023 to Bersatu Andal Sdn. Bhd. (Bersatu Andal) for processing and storing sawn timber.

Bersatu Andal is registered in Kuala Lumpur, Malaysia, with registration # 513314-M. Bersatu Andal only provides sawmilling services to its client, Unikarya Trading Sdn. Bhd. Bersatu Andal has an export license; however, the company has not exported sawn timber.

The previous assessment was conducted in August 2022 that resulted in 2 gap(s) and 2 observation(s) (Report #: GFSSBH 004-392).

Associated Organizations & Subcontractors:

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

Description of the Supply Chain:

Bersatu Andal did not purchase raw materials. Unikarya Trading purchased raw materials and sent them to Bersatu Andal for sawmilling. From August 2022 to July 2023, Unikarya Trading Sdn. Bhd. purchased raw materials from the suppliers 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 (09/07/2024)	Low
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)	JP(TKA)122/96(CO)	Round logs	Kalabakan	Non-Compliance	High
First Greenworld Sdn. Bhd.	SFMLA 02/2009	Round logs	Serudong	GFS 074 LVS (18/06/2024)	Low
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (18/06/2024)	Low
Rakyat Berjaya Sdn. Bhd. (FMU 25)	SFMLA 09/97	Round logs	Serudong	Non-Compliance	High
Kevin Dee Sui King & 6 Peserta	2B308183	Round logs	Sandakan	-	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) material & products.

Summary Results:

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

GAPs: Year 2023					
GAP #	Type	Checklist	Status	Description	
002/2021	minor	5.2.3	Closed	<p>September 2021: 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>August 2022: Incorrect identification of Sabah TLAS status in the log arrival book supplied by Unikarya Trading Sdn. Bhd.</p> <p>August 2023: Bersatu Andal has correctly identified the Sabah TLAS status in the log arrival book.</p>	
001/2022	minor	5.2.2	Closed	<p>August 2022: The removal passes from Sabah TLAS Compliant licensees were not stamped as "Sabah TLAS Compliant."</p>	

				August 2023: Removal Passes from suppliers compliant with Sabah TLAS were stamped as "Sabah TLAS Compliant."
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*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2021 Addressed	5.3.2 5.3.7	September 2021: No recent safety training was conducted for 2021. August 2022: The company has yet to conduct safety training. August 2023: Bersatu Andal conducted safety training in 2023.
002-2022 Addressed	5.2.4	August 2022: The company did not clearly identify the management representative to control the CoC system and train staff. August 2023: Bersatu Andal revised the COC procedure to include the management representative for COC system control and training.
001-2023	5.1.2	August 2023: Incorrect recording of volume supply in Appendix 1 (manual).
002-2023	5.3.8	August 2023: Several fire extinguishers were observed without pressure.

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

Recommendations
<p>Bersatu Andal 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>Observation 001-2023 – Checklist 5.1.2: Bersatu Andal shall ensure log supply volume is correctly recorded in Appendix 1 (manual).</p> <p>Observation 002-2023 – Checklist 5.3.8: Bersatu Andal shall ensure that all fire extinguishers have pressure.</p> <p>The next surveillance visit is scheduled for August 2024.</p>

End of Summary Report