

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Kasah Enterprise Sdn. Bhd. 198201002230 (81975-W)	<b>Reference #</b>	GFSSBH 004-606
<b>Contact Person</b>	Marhuma Binti Jamali (Account clerk)	<b>Audit Date</b>	23/01/2024
<b>Office Address</b>	TB 10393 New Hua Dat Light Industri, Jalan Apas, 91000 Tawai, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 155 WTP		
<b>Issuance Date</b>	29 January 2024	<b>Expiration Date</b>	28 January 2025

### Assessment Details

<b>Company Type</b>	Sawmill, Moulding, Kiln Dry & Furniture
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)TW001/2021(X49), JP(T)TW002/15(X22), KON(TTW)007/2000(KK)
<b>Product Group</b>	Furniture
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Eucalyptus pellita</i> (Eucalyptus)
<b>Lead Assessor</b>	Glory Linggou, Vanessa Abin (Acting)
<b>Assessor(s)</b>	Tommy Olui
<b>FDS Staff</b>	Ag Matnor (PPD Tawau), Kurni U. (PPD Tawau)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Kasah Enterprise 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:**

Kasah Enterprise Sdn. Bhd. (Kasah Enterprise) is registered with the Company Commission of Malaysia (SSM) in Kuala Lumpur, Malaysia, with registration number 198201002230 (81975-W). Kasah Enterprise has a contractual agreement with the Government for the supply of furniture. All furniture produced by Kasah Enterprise is supplied to pre-schools, primary schools, and high schools across Sabah and the Federal Territory of Labuan for a period of 2 years, with validity from 27/02/2023 to 26/02/2025. The furniture production is based on orders from the Government.

Currently, Kasah Enterprise purchases plantation logs locally for the furniture production. As of December 2023, Kasah Enterprise only supplied furniture across Sabah.

The previous assessment was conducted in February 2023 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH 004-459).

**Associated Organizations & Subcontractors:**

Kasah Enterprise does not engage any other subcontractor to produce or manufacture products.

**Description of the Supply Chain:**

From December 2022 to December 2023, Kasah Enterprise purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sabah Softwoods Berhad	CL No. 105467687	Plantation log	Brumas	GFS 149 LVS (12/11/2024) SCS-FM/COC- 00101P (30/11/2027)	Low

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

**Summary Results:**

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

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
002/2022	minor	5.2.4	Closed	<p><b>February 2022:</b> The current COC procedure lacks a system for identifying Sabah TLAS from purchasing through sales.</p> <p><b>February 2023:</b> The CoC manual does not define Sabah TLAS status for purchasing raw material and local sales.</p> <p><b>January 2024:</b> Kasah Enterprise has revised CoC manual to correctly define Sabah TLAS status for purchasing raw material and local sales.</p>	
001/2023	Raised to minor	5.2.2	Closed	<p><b>February 2022:</b> Removal passes were not stamped as "FDS TLAS CC" for logs sourced from Sabah Softwoods Berhad.</p> <p><b>February 2023:</b> SFD did not stamp the removal passes for logs sourced from Sabah Softwoods Berhad as "Sabah TLAS Compliant."</p> <p><b>January 2024:</b> Removal passes for logs sources from Sabah Softwoods Berhad are stamped as "Sabah TLAS Compliant" by the SFD as required.</p>	

\*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.2	<b>January 2024:</b> Incorrect recording of log supply volume (Appendix 1 manual submission) in July and August 2023.

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

Recommendations
<p><b>Kasah Enterprise 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 001-2024 – Checklist 5.1.2:</b> Kasah Enterprise shall accurately record Appendix 1 log supply volume for manual submission as required.</p> <p>The next surveillance visit is scheduled for January 2025.</p>

**End of Summary Report**