

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sinora Sdn. Bhd. (019049-H)	Reference #	GFSSBH 004-531
Contact Person	Rasih Bin Tiblani (HR)	Audit Date	01/08/2023
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 212 WTP		
Issuance Date	07 August 2023	Expiration Date	06 August 2024

Assessment Details	
Company Type	Sawmill, Plywood Mill, Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS001/00(X06)R
Product Group	Veneer and Plywood
Source of Material	Sabah, Malaysia.
Species	<i>Shorea</i> spp. (Red Seraya, Yellow Seraya), <i>Scaphium</i> spp. (Kembang Semangkuk), <i>Sapotaceae</i> spp. (Nyatoh), <i>Sindora beccariana</i> (Sepetir), <i>Drybalanops</i> spp. (Kapur), <i>Dyera</i> spp. (Jelutong), <i>Duabanga moluccana</i> (Magas), <i>Parartocarpus</i> or <i>Artocarpus</i> spp. (Terap), <i>Dipterocarpus</i> spp. (Keruing), <i>Parashorea</i> spp. (White Seraya), <i>Octomeles sumatrana</i> (Binuang), <i>Nauclea</i> spp. / <i>Neonauclea</i> spp. (Bangkal), <i>Hopea sangal</i> (Gagil), <i>Beccariana</i> spp. (Sepetir), <i>Prerospermum</i> spp. (Bayor), <i>Dialium indum</i> (KerANJI), <i>Alstonia</i> spp. (Pulai), <i>Neolamarckia cadamba</i> (Laran), <i>Sapotaceae</i> spp. (Nyatoh), <i>Pentace</i> spp. (Takalis), <i>Planchonia valida</i> (Putat), <i>Shorea pauciflora</i> (Oba Suluk), <i>Annonaceae</i> spp. (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Albizia</i> spp., <i>Myristicaceae</i> spp. (Darah-darah), <i>Combretocarpus</i> spp. (Perapat Hutan), and Other timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Brandon James
FDS Staff	Ruslan Ismail (ADFO Sandakan), Ramlan Atak (PPD Sandakan), Sahari Sakah (PPD Sandakan)

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

Sinora Sdn. Bhd. (Sinora) is registered in Kuala Lumpur, Malaysia, with registration # 019049-H. Sinora produces and exports plywood mainly to Japan, India and Taiwan.

The previous assessment was conducted in October 2022 that resulted in 4 gap(s) and 1 observation(s) (Report #: GFSSBH 004-384a).

Associated Organizations & Subcontractors:

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

Sinora is associated with companies under subsidiaries of Priceworth International Berhad:

- Innora 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.
- Kekal Eramaju Sdn. Bhd.

Description of the Supply Chain:

From July 2022 to July 2023, Sinora 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
Sabah Softwoods Berhad	CL No. 105467687	Plantation logs	Tawau	GFS 149 LVS (18/12/2023)	Low
Timberwell Berhad	SFMLA 06/97	Round logs	Kota Marudu	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Beta Bumi Sdn. Bhd.)	SFMLA 09/97	Round logs	Tongod	GFS 038 LVS (02/10/2023)	Low
Sinora Sdn. Bhd. (Stumping A)	JP(S)TG 002/06 (X21)	Veneer	Tongod	GFS 252 WTP (06/11/2023)	Low
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(CO)	Round logs	Beluran	GFS 012 LVS (14/05/2024)	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 = 1)

GAPs: Year 2023					
GAP #	Type	Checklist	Status	Description	
001/2022	minor	5.2.3	Closed	<p>August 2022: Inconsistent and incorrect identification of Sabah TLAS status in the log arrival book. No recording of veneer arrival in the arrival book.</p> <p>August 2023: Sinora recorded veneer and correctly identified Sabah TLAS status in the arrival book.</p>	
002/2022	minor	5.2.4	Closed	<p>August 2022: The company has not updated the CoC procedure regarding current personnel and identification of Sabah TLAS status from purchasing receiving and allocation to batch production unit such as a Lot #.</p> <p>August 2023: Sinora revised the COC procedure to include the</p>	

				updated personnel and identification of Sabah TLAS status and batch number from purchasing through finished goods.
003/2022	minor	5.3.4	Closed	August 2022: No evidence that JKPP 8 was submitted to DOSH for 2021. August 2023: Sinora has submitted the latest JKPP 8 to DOSH as required.
004/2022	minor	5.2.5 5.2.7	Closed	October 2022: The identification of batch numbers on WIP and Finished Goods differ in the format defined in the CoC manual. August 2023: Sinora identified batch number on WIP and finished goods as per the COC procedures.

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
003-2021 Addressed	5.3.2 5.3.7	August 2021: No record of training on safety and fire prevention since the company restarted operations in 2021. August 2022: The safety training record is incomplete. August 2023: Sinora recorded and maintained safety and fire training report as required.
001-2023	5.1.2 5.2.6	August 2023: Appendix 1 & 3 manual was not submitted to SFD.

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Sinora 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.

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:

Observation 001-2023 – Checklist 5.1.2, 5.2.6: Sinora shall submit Appendix 1 & 3 manual versions as required.

The next surveillance visit is scheduled for August 2024.

End of Summary Report