

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Sabah Forest Industries Sdn. Bhd. (84330-K)	<b>Reference #</b>	GFSSBH 004-164
<b>Contact Person</b>	Nancy Chia	<b>Assessment Date</b>	01/09/2020
<b>Office Address</b>	No.10, Jalan Jeti, Kompleks SFI, WDT No.31, 89859 Sipitang, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	No.10, Jalan Jeti, Kompleks SFI, WDT No.31, 89859 Sipitang, Sabah, Malaysia.	<b>Telephone</b>	+6087 802 778
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 124 WTP		
<b>Issuance Date</b>	02 September 2020	<b>Expiration Date</b>	01 September 2021

### Assessment Details

<b>Company Type</b>	Chipmill, Pulp and Paper Mill
<b>Scope of Assessment</b>	Sabah TLAS P5&6: Desk Assessment
<b>Product Group</b>	Woodchips, paper, sawn timber, veneer & plywood
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	Not available
<b>GFS Assessor(s)</b>	Franklin Emang & Anne Gimbir
<b>Management Representative</b>	Vianah Boman (Technical Services), Mr. Arif (Admin Department), Norhasyimah (Human Resource)
<b>Company Managing Director</b>	-

### Terms of Assessment

The scope of the evaluation is to verify compliance of the **Sabah Forest 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 Self Declaration for Desktop Assessment

Sabah TLAS Principles 5-6 assessment is being conducted through desktop evaluate based on Self-Declaration by the client against the Criteria & Indicators in response to current travel restrictions by government directive under the Movement Control Order (MCO) to mitigate the spread of the COVID-19 virus. The information presented in this report is based on documentation and other information presented by the client management representative and approved by the managing director. Reporting of information presented by the client is taken as accurate and complete to the best of knowledge of GFS. The company will be liable for any false or misleading information submitted in this report that may result in penalties issued by the Forestry Department of Sabah.

**Background Information:**

Sabah Forest Industries Sdn. Bhd. (Sabah Forest Industries) has not operated the chip mill and pulp & paper mill since August 2017 to date. Sabah Forest Industries has a letter of restraining order from the High Court of Kota Kinabalu from other parties to act against Sabah Forest Industries and acknowledged by DFO Sipitang (Ref. #: SFI/HR&A/GC/17-56 dated 20<sup>th</sup> November 2017).

The previous assessment was conducted in August 2019 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-086).

**Associated Organizations & Subcontractors:**

Sabah Forest Industries does not engage other subcontractor to manufacture pulp and paper and operate wood chipping as of August 2020.

**Description of the Supply Chain:**

Sabah Forest industries does not operate chip mill and pulp & paper mill since August 2019 to date. Hence, no raw materials were received.

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
-	-	-	-	-	-

**Summary Results:**

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

GAPs:				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

\*Major = Non-Compliance

Obs #	Checklist	Description
001-2020	6.1.1	<b>September 2020:</b> The company shall make Renewal fees payment for the export license.

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

Recommendations
<p><b>Sabah Forest Industries Sdn. Bhd.</b> has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STCC from FDS.</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 001-2020 – Checklist 6.1.1:</b> The company needs to pay the renewal fee to obtain a copy of the valid export license.</p> <p>The next surveillance visit is scheduled in July 2021.</p>

**End of Summary Report**