

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Focus Lumber Berhad (188710-V)	Reference #	GFSSBH 004-496
Contact Person	Ling Hao Wen (Director) Cindy Yapp Wan Fong (Account Clerk)	Audit Date	05/05/2023
Office Address	12A, Jalan Teluk Likas, P. O. Box 576, 88856 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Mile 3, Jalan Masak, Kampung Ulu Patikang, Locked Bag 13 SM-88, 89009 Keningau, Sabah, Malaysia.	Telephone	+6087 335 457
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 122 WTP		
Issuance Date	08 May 2023	Expiration Date	07 May 2024

Assessment Details

Company Type	Plywood mill / Kiln Dry Plant / Exporter / Importer
Scope of Assessment	Sabah TLAS P5-6: JP(N)KG002/00(X01) R & JP(N)KG003/06(X22)
Product Group	Veneer, Plywood, Joint Board, Laminated Veneer Lumber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), <i>Sapotaceae</i> (Nyatoh), <i>Eugenia spp.</i> (Obah), <i>Lauraceae</i> (Medang), <i>Planchonia valida</i> (Putat), <i>Hopea sangal</i> (Gagil), <i>Koompassia excelsa</i> (Mengaris), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Cotylelobium spp.</i> (Resak batu), <i>Dialium indum</i> (KerANJI), <i>Castanopsis motleyana</i> (Berangan)
Lead Assessor	(Acting Lead) Varenus Untomon
Assessor(s)	Sandra George, Brandon James
FDS Staff	Robert Mijol (SFM-FLEGT SFD), Charlene Billy (SFM-FLEGT SFD), Narbert Nasly (DFO Keningau), Clarice V. Alliun (ADFO Keningau), Mohd Faizal Basirin (PPD Keningau), David Tolimong (PPD Keningau)

Terms of Assessment

The scope of the evaluation is to verify compliance of Focus Lumber Berhad 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:

Focus Lumber Berhad (Focus Lumber Berhad) is registered in Kuala Lumpur, Malaysia, with registration # 188710-V. Focus Lumber Berhad produces plywood for the local market and exports mainly to the USA, South Korea, Taiwan, Canada and Hong Kong.

The previous assessment was conducted in May 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-345).

Associated Organizations & Subcontractors:

Focus Lumber Berhad does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From April 2022 to April 2023, Focus Lumber Berhad purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bornion Timber Sdn. Bhd.	SFMLA 03/1997	Round logs	Sook	GFS 054 LVS (07/08/2023)	Low
Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)	SFMLA 09/97	Round logs	Kalabakan	-	High
Andaun B. Tangkap & 11 Peserta (CH Mars Solutions Sdn. Bhd.)	JP(NTM)003/2020(F1)	Round logs	Tenom	GFS 161 LVS (11/09/2023)	Low
MUIS (Eastern One Focus Sdn. Bhd.)	JP(NTM)003/2018(F1)	Round logs	Tenom	GFS 164 LVS (26/12/2022)	Low
Antir Binti Ansangor & 239 Peserta (Borneo Green Agricultural Sdn. Bhd.)	JP(NNN)004/2021(F1)	Round logs	Nabawan	GFS 167 LVS (26/12/2022)	Low
TSH Resources Berhad	SFMLA 07/97	Round logs	Beluran	Non-Compliance	High
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round logs	Serudong	GFS 163 LVS (25/12/2023)	Low
Azam Surianiaga Sdn. Bhd.	SFMLA 02/2018	Round logs	Kota Marudu	GFS 171 LVS (12/03/2024)	Low
Loris Philip & 3 Peserta	JPHTN/FRM 700-2/4/1/841/3	Round logs	Ranau	-	High
Jirin Bin Imin & 6 Peserta	2B540072	Round logs	Ranau	-	High
JD Salarong Sdn. Bhd. (SC Capital Management Sdn. Bhd.)	JP(NNN)005/2020(F1)	Round logs	Nabawan	Non-Compliance	High
Christina Liew Mie Fah & 3 Peserta (Tiong & Chun Enterprise)	JPHTN/FRM 700-2/4/1/824/3	Round logs	Sipitang	GFS 176 LVS (17/04/2023)	Low

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

*Raw materials received before the expiry date are low risk.

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.5 5.2.7	Closed	May 2022: The company did not adequately implement the CoC procedures for planning & production control. May 2023: Focus Lumber Berhad has adequately implemented the COC procedures for WIP and finished goods.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2021 Addressed	5.2.2	May 2021: Incorrect stamping of "Sabah TLAS CC" on the Removal Passes received from the supplier, First Greenworld Sdn. Bhd.

Observations: Year 2023		
Obs #	Checklist	Description
		<p>May 2022: The forest ranger/forester did not stamp removal passes from the 3 suppliers that were accepted under the Sabah TLAS with “Sabah TLAS Compliant” stamp.</p> <p>May 2023: The removal passes from licensees compliant under Sabah TLAS were stamped as “Sabah TLAS CC.”</p>

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

Recommendations
<p>Focus Lumber Berhad 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>The next surveillance visit is scheduled for May 2024.</p>

End of Summary Report