

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Borneo Benar Sdn. Bhd. 199901013624 (488524-D) Landlord: Makeson Sdn. Bhd. 198301004190 (99395-V)	Reference #	GFSSBH 004-705
Contact Person	Mr. Lau Swee Cheong (Manager)	Audit Date	08/05/2024
Office Address	KM 25, Off Jalan Tuaran, Makeson Timber Complex, 88452 Telipok, Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	KM 25, Off Jalan Tuaran, Makeson Timber Complex, 88452 Telipok, Kota Kinabalu, Sabah, Malaysia.	Telephone	+6088 498 841
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 197 WTP		
Issuance Date	13 May 2024	Expiration Date	12 May 2025

Assessment Details

Company Type	Moulding, Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(S)009/2022(MT), FDS(KK)(E)040/2019
Product Group	Moulding (S4S, E4E, decking, tongue & groove, panelling), plywood (old stock)
Source of Material	Sabah, Malaysia.
Species	Drybalanops spp. (Kapur), Dipterocarpus spp. (Keruing), Shorea spp. (Selangan batu), Belian
Lead Assessor	Anne Gimbir
Assessor(s)	Glory Linggou, Tommy Olui
SFD Staff	Jepri Brahim (PPD KK)

Terms of Assessment

The scope of the evaluation is to verify compliance with Borneo Benar 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 is 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 knowledge of GFS.

Background Information:

Borneo Benar Sdn. Bhd. (Borneo Benar) is, on and from the 14/07/1999, incorporated under the Companies Act 2016 in Kota Kinabalu, Malaysia, with the registration #: 199901013624 (488524-D). Borneo Benar produces moulding and exports them to Maldives.

Borneo Benar has a tenancy agreement with Borneo Build & Supply and was given consent by Makeson to rent land & building to Borneo Build & Supply.

Associated Organizations & Subcontractors:

Borneo Benar does not engage subcontractor to produce, manufacture products or provide manpower. Borneo Benar and Borneo Build & Supply share the same processing facilities.

Description of the Supply Chain:

From March 2023 to March 2024, Borneo Benar purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Lusera Sdn. Bhd.	JP(K)KK001/09(X39)	Sawn timber	Kota Kinabalu	GFS 114 WTP (19/11/2024)	Low
Borneo Build & Supply Sdn. Bhd.	JP(K)KK 001/14 (B05)	Sawn timber	Kota Kinabalu	GFS 047 WTP (23/04/2024)	Low

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

Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.4 5.2.5	New	May 2024: Sabah TLAS status was not identified in the arrival book. Removal pass for export materials was not stamped as "Used".
002/2024	minor	5.3.2	New	May 2024: Total foreign workers employed exceeded the JTK license quota.
003/2024	minor	6.1.5	New	May 2024 Sabah TLAS Compliance Certificate number was not identified on the sales invoice and packing list

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.2	May 2024: No evidence of SFD approval for the timber supplier license renewal.

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

Recommendations
<p>Borneo Benar 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>Gap 001/2024 (minor) – Checklist 5.2.4, 5.2.5: Borneo Benar shall identify the Sabah TLAS status in the arrival book. SFD shall ensure removal pass for export materials is stamped as "Used".</p>

Gap 002/2024 (minor) – Checklist 5.3.2: Borneo Benar shall ensure that the total foreign workers employed is within the approved quota.

Gap 003/2024 (minor) – Checklist 6.1.5: Borneo Benar shall ensure that the sales invoice and packing list from Borneo Build & Supply stated the Sabah TLAS Compliance Certificate number since Borneo Build & Supply selling Sabah TLAS products.

Observation 001-2024 – Checklist 5.1.2: Borneo Benar shall follow up with the SFD and SFD shall expedite the renewal of timber supplier license.

The next surveillance visit is scheduled for May 2025.

End of Summary Report