

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	OAC Trading Sdn. Bhd. (745180-V)	<b>Reference #</b>	GFSSBH 004-356
<b>Contact Person</b>	Ong Chuan Vui (OAC Trading Director) Robert Wong (RM Services)	<b>Assessment Date</b> <b>Date close out</b>	13/06/2022 -
<b>Office Address</b>	<b>OAC Trading:</b> Lot 3-1, 1 <sup>st</sup> Floor, Block G, Lorong Lintas, Lintas Square, Off Jalan Lintas, 88300 Kota Kinabalu, Sabah, Malaysia. <b>RM Services:</b> Room 404, 4th Floor, Central Building, Jalan Segunting, 88000 Kota Kinabalu, Sabah, Malaysia.	<b>Telephone</b>	+6088 234 568
<b>Mill Address</b>	Warehouse: 88, Jalan Kitobu Keronggu, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Fax</b>	+6088 245 369
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Statements			
Audit Statement #	GFS 200 WTP		
Issuance Date	20 June 2022	Expiration Date	19 June 2023

Assessment Details	
Company Type	Trading and Exporter
Scope of Assessment	TLAS P5-6: FDS(KK)(E)030/2019
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Hevea Brasiliensis</i> (Rubberwood), mixed species
Lead Assessor	Glory B. Y. Linggou
Assessor(s)	Sandra George
SFD Staff	Jasni Raffie (KPPM Kota Kinabalu)

Terms of Assessment
The scope of the evaluation is to verify compliance of the OAC Trading 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:**

OAC Trading Sdn. Bhd. (OAC Trading) is registered with Companies Commission of Malaysia (SSM) on 22/08/2006 in Sabah, with the registration number 745180-V. The company trades sawn timber for export mainly to China.

The previous assessment was conducted in June 2021 that resulted in 4 gap(s) and 0 observation(s) (Report #: GFSSBH 004-203).

**Associated Organizations & Subcontractors:**

OAC Trading engaged RM Services located in Kota Kinabalu to handle exports documentation. The company does not use other companies as its subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From June 2021 to May 2022, OAC Trading purchased sawn timber from suppliers below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Apeca Sdn. Bhd. (R & N Timber Industries Sdn. Bhd.)	JP(N)KG019/00(X04)R	Rubber wood Sawn timber	Keningau	GFS 118 WTP (22/05/2023)	Low
MKK Enterprise	FDS(KK)(I)040/2019	Sawn timber	Kota Kinabalu	GFS 279 WTP (13/02/2023)	Low

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

**Summary Results:**

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

GAPs: 2022				
GAP #	Type	Checklist	Status	Description
001/2021	Minor	5.2.4	Closed	<b>June 2021:</b> The current COC manual lacks to define the purchasing of Sabah TLAS material based on Risk Assessment. <b>June 2022:</b> The company has revised the COC manual to include the procedure for purchasing Sabah TLAS material.
002/2021	Minor	5.2.7	Closed	<b>June 2021:</b> Finished products were not evaluated in relation to VL / Sabah TLAS status through Risk Assessment. <b>June 2022:</b> Finished products were evaluated through documents provided by the supplier.
003/2021	Minor	6.1.1	Closed	<b>June 2021:</b> Trading license was not available as the person in charge is not available during the assessment. <b>June 2022:</b> Trading license is maintained and valid.
004/2021	Minor	6.1.2	Closed	<b>June 2021:</b> Based on the export agent, the Removal Pass for the sampled export document is not available as it was still at the Forestry office in Sepanggar Port. <b>June 2022:</b> The company has maintained the removal pass to Sabah Port.
001/2022	Minor	5.3.2 5.3.7	New	<b>June 2022:</b> No training on safety and fire was conducted by the company.

\*Major = Non-Compliance

Observations: 2022		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p><b>OAC Trading 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>Gap 001/2022 (Minor) – Checklist 5.3.2, 5.3.7:</b> Conduct safety and fire training annually.</p> <p>The next surveillance visit is scheduled for June 2023.</p>

## End of Summary Report