

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sabah Softwoods Berhad 197301003426 (16887-D)	Reference #	GFSSBH 004-745
Contact Person	Mr. Razali Ibrahim (Assistant Manager)	Audit Date	05/11/2024
Office Address	P.O. Box 60966, 91019 Tawau, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 160 WTP		
Issuance Date	11 November 2024	Expiration Date	10 November 2025

Assessment Details

Company Type	Sawmill, Chip mill & Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW003/00(X18)R, JP(T)TW002/11(B01),FDS(TW)(S)077/2019(M), FDS(TW)(E)041/2019(M)
Product Group	Wood Chips
Source of Material	Sabah, Malaysia.
Species	Plantation logs: Eucalyptus pellita
Lead Assessor	Anis Andrew
Assessor(s)	Priera Bagang, Awena Jaibin, Teddy Quintin
SFD Staff	-

Terms of Assessment

The scope of the evaluation is to verify compliance with Sabah Softwoods 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 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:

Sabah Softwoods Berhad is, on and from 24/12/1973, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Malaysia, with registration #: 197301003426 (16887-D). Sabah Softwoods Berhad has 2 mills, a sawmill (production ceased since 2014) and chip mill. Currently, only the chip mill is in operation.

Sabah Softwoods Berhad has an FSC license #: FSC-C104743 (SGSHK-COC-008500), with the expiry date of 01/03/2026. Sabah Softwoods Berhad sales woodchips locally and exports woodchip to Indonesia and Japan, and plantation logs were exported to Sarawak.

Associated Organizations & Subcontractors:

Sabah Softwoods Berhad does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From September 2023 to October 2024, Sabah Softwoods Berhad purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Sabah Softwoods Berhad	CL105467687	Plantation Log	Kalabakan	GFS 149 LVS (12/11/2024)	Low

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

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	6.3.3	November 2024: Discrepancy in volume between the Removal Pass and the SFD Export License approval.

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

Recommendations
<p>Sabah Softwoods 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>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>Observation 001-2024 – Checklist 6.3.3: SFD shall ensure the export volume export is accurate in the Removal Pass and the SFD Export Approval License.</p> <p>The next surveillance visit is scheduled for November 2025.</p>

End of Summary Report