

Sabah TLAS Audit Report Principles 5 & 6

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| Organisation | Borneo Greenwood Sdn. Bhd. (884460-H) | Reference # | GFSSBH 004-466 |
| Contact Person | Rosemary Chong | Audit Date | 23/02/2023 |
| Office Address | Room 403, 4 th Floor, Central Building, 88000 Kota Kinabalu, Sabah, Malaysia. | Date close out | - |
| Mill Address | - | Telephone | +6088 538 380 |
| Email | borneogreenwood@gmail.com | Fax | +6088 249 381 |
| | | Approved By | Dr. Kevin Grace |

| Statements | | | |
|-------------------|------------------|-----------------|------------------|
| Audit Statement # | GFS 211 WTP | | |
| Issuance Date | 27 February 2023 | Expiration Date | 26 February 2024 |

| Assessment Details | |
|---------------------|---|
| Company Type | Exporter |
| Scope of Assessment | Sabah TLAS P5-6: FDS(KK)(E)007/2019 |
| Product Group | Sawn timber |
| Source of Material | Sabah, Malaysia. |
| Species | <i>Pinus</i> (Pine), <i>Dialium indum</i> (KerANJI), <i>Vatica</i> (Resak), <i>Koompassia malaccensis</i> (Kempas), <i>Shorea inappendiculata</i> (Selangan Batu), <i>Dryobalanops sp.</i> (Kapur), <i>Shorea sp.</i> (Red Seraya, Yellow Seraya) |
| Lead Assessor | Anne Gimbir |
| Assessor(s) | Brandon James |
| FDS Staff | Jasni Rapiee (PPD KK) |

| Terms of Assessment |
|---|
| The scope of the evaluation is to verify compliance of Borneo Greenwood 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 |
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| 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:

Borneo Greenwood Sdn. Bhd. (Borneo Greenwood) is registered in Kota Kinabalu, with registration # 884460-H. Borneo Greenwood purchases raw materials from local suppliers (Sabah) and exports to Thailand and Singapore.

The previous assessment was conducted in January 2022 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-317).

Associated Organizations & Subcontractors:

Borneo Greenwood does not engage any subcontractor to produce or manufacture products.

Description of the Supply Chain:

From January 2022 to January 2023, Borneo Greenwood purchased materials from the suppliers as below:

| Supplier | License | Raw Material | Location | GFS WTP # STCC # | Overall Risk* |
|--|---------|--------------|---------------|-----------------------------|---------------|
| JV Teguh Sdn. Bhd. | - | Sawn timber | Kota Kinabalu | GFS 195 WTP (15/01/2024) | Low |
| New Win Enterprise | - | Sawn timber | Keningau | - | High |
| Biomass Majujaya Sdn. Bhd. | - | Sawn timber | Keningau | GFS 241 WTP (07/08/2023) | Low |
| Bumi Timber Sdn. Bhd. (DM Cergas Sdn. Bhd.) | - | Sawn timber | Keningau | GFS 244 WTP (15/05/2023) | Low |

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

Summary Results:

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

| GAPs: Year 2023 | | | | |
|-----------------|------|-----------|--------|-------------|
| GAP # | Type | Checklist | Status | Description |
| - | - | - | - | - |

*Major = Non-Compliance

| Observations: Year 2023 | | |
|-------------------------|-----------|-------------|
| Obs # | Checklist | Description |
| - | - | - |

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

| Recommendations |
|---|
| <p>Borneo Greenwood 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>The next surveillance visit is scheduled for February 2024.</p> |

End of Summary Report