

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Borneo Build & Supply Sdn. Bhd. (715981-W) Licensee: Makeson Sdn. Bhd. (99395-V)	Reference #	GFSSBH 004-341
Contact Person	Lau Swee Cheong (Manager)	Assessment Date	28/04/2022
Office Address	KM 25, Off Jalan Tuaran, Makeson Timber Complex, 88452 Telipok, Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Same as Office Address	Telephone	+6088 492 822 +6088 492 811
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 047 WTP		
Issuance Date	02 May 2022	Expiration Date	01 May 2023

Assessment Details

Company Type	Moulding mill and trading
Scope of Assessment	Sabah TLAS P5-6
Product Group	Sawn timber & Moulding (S4S, E4E, reeded decking, tongue & groove, panelling)
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), Sapotaceae (Nyatoh), <i>Eugenia spp.</i> (Obah), Lauraceace (Medang), Lithocarpus & Quercus (Mempening), <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), <i>Magnolia candollii</i> (Chempaka)
Lead Assessor	Glory B. Y. Linggou
Assessor(s)	Sandra George, Prieria Bagang
SFD Staff	Jasnie Raffie (KPPM Kota Kinabalu), Abu Bakar (PPM Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the **Borneo Build & Supply 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:

Borneo Build & Supply Sdn. Bhd. (Borneo Build & Supply) is registered in Kota Kinabalu, Sabah, with registration # 715981-W. The company has not produced finished product between January 2020 to March 2022. The company only doing the sawn timber trading (back-to-back sales) with its sister company, Borneo Benar Sdn. Bhd.

Makeson’s mill license is leased to Borneo Build & Supply Sdn. Bhd. (715981-W) (Borneo Build & Supply), Borneo Benar Sdn. Bhd. (488524-D) (Borneo Benar) to produce mouldings and WVT Timber Industries Sdn. Bhd. (1225533-T) (WVT Timber Industries) to produce sawn timber.

The previous assessment was conducted in May 2021 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH 004-187).

Associated Organizations & Subcontractors:

Borneo Build & Supply is associated with Borneo Benar Sdn. Bhd. and Mostim Sdn. Bhd.

Description of the Supply Chain:

From May 2021 to March 2022, Borneo Build & Supply purchased material from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
-	-	-	-	-	-

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: 2022				
GAP #	Type	Checklist	Status	Description
001/2021	Minor	5.2.4	Closed	<p>May 2021: The current COC manual does not clearly define the use of a production batch unit & identification of Sabah TLAS versus other material through production process to finished products. The CoC manual does not reference identification of Sabah TLAS status on the final product and in the sales invoice. Definition of non-conforming product should reflect incorrect identification and labeling of Sabah TLAS material or products and actions to correct the issue.</p> <p>April 2022: The company has revised the COC manual to include the allocation of a batch production unit and the identification of Sabah TLAS. The company also revised the definition of non-conforming product.</p>
002/2021	Minor	5.3.2 5.3.7 5.3.8	Closed	<p>May 2021: No evidence of safety and fire prevention training from 2020 until April 2021.</p> <p>April 2022: Training on safety and fire was conducted for 2021 and 2022.</p>

*Major = Non-Compliance

Observations: 2022		
Obs #	Checklist	Description
-	-	-

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

Recommendations

Borneo Build & Supply 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.

The next surveillance visit is scheduled for April 2023.

End of Summary Report