

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Samah Mensarih Sdn. Bhd. 202101026655 (1426955-D)	Reference #	GFSSBH 004-905
Contact Person	Mr. Suaibul Bin Ismail	Audit Date	17/12/2025
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	NC: Non-Compliance – Criteria 5.1 & 5.2		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(K)RN001/2023(B01), KON(KRN)001/2020(X49)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Dryobalanops aromatica</i> (Kapur), <i>Shorea parvifolia</i> (Red Seraya), <i>Shorea albida</i> (White Seraya / Urat Mata), <i>Shorea macrophylla</i> (Yellow Seraya / Selangan Kaca), <i>Tristaniaopsis oblongifolia</i> (Pelawan-Pelawan), <i>Lithocarpus bancanus</i> (Mempering), <i>Cinnamomum iners</i> (Medang), <i>Castanopsis argentea</i> (Berangan), <i>Hopea nervosa</i> (Magas), <i>Barringtonia racemosa</i> (Putat Paya), <i>Dillenia suffruticosa</i> (Simpoh), <i>Pterospermum javanicum</i> (Karai), <i>Syzygium lineatum</i> (Darah-Darah/Penarahan), <i>Syzygium oblatum</i> (Obah), <i>Magnolia champaca</i> (Chempaka), <i>Alstonia angustiloba</i> (Pulai), <i>Pterospermum diversifolium</i> (Bayor), <i>Crypteronia paniculata</i> (Serungan), <i>Dipterocarpus grandiflorus</i> (Keruing), <i>Dialium indum</i> (Keranji), <i>Scorodocarpus borneensis</i> (Bawang Hutan), <i>Azadirachta excelsa</i> (Bawang-Bawang), and <i>Gluta renghas</i> (Rengas).
Lead Assessor	Ennald Chin
Assessor(s)	Sheanna Kehong
SFD Staff	Alexander Geivasius (ADFO Ranau), Denver J. Joingin (PPD Ranau)

Terms of Assessment

The scope of the evaluation is to verify compliance with Samah Mensarih 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:

Samah Mensarih Sdn. Bhd. (Samah Mensarih) is, on and from 13/08/2021, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 202101026655 (1426955-D). Samah Mensarih extracted logs from Form 2B license and Form 1 under the same individual (owner) of Sama Mensarih. Samah Mensarih produces sawn timber and sells them to the local market.

Associated Organizations & Subcontractors:

Samah Mensarih Sdn. Bhd. does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From April 2024 to December 2025, Samah Mensarih extracted raw materials from the Form 2B and Form 1 areas as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Samah Mensarih Sdn. Bhd.	JPHTN/FRM 700-2/4/2Jilid 7/11	Round logs	Ranau	-	High
Injuru Bin Yasoi	2B540075	Round logs	Ranau	-	High

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

Summary Results:

(Major gap = 2, Minor gap = 4, Observation = 6)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.2	New	December 2025: The heavy machinery documents were not available and sawmill and Contractor licenses were not paid.
002/2025	minor	5.1.3, 5.2.8, 6.1.3	New	December 2025: Appendix 1 manual from Apr 2024 to Nov 2025 was not recorded, was not maintained and was not submitted to the SFD. Appendix 1 online submission from Sep to Nov 2025 was not submitted to SFD and arrival book was not maintained.
003/2025	Major	5.1.4, 5.1.5, 5.1.6, 5.2.6, 5.2.7, 5.2.11, 5.2.12	New	December 2025: Lack of CoC procedure manual or management system reflecting organization structure and company's activities to manufacture and trade products based on the Sabah TLAS status and requirements.
004/2025	Major	5.2.2, 5.2.3, 5.2.4, 5.2.5	New	December 2025: Removal Pass and TDP were not issued for logs extracted from Samah Mensarih Form IIB and Form 1 permit areas with no documented records of receiving and traceability to the removal pass as required.
005/2025	minor	5.3.1, 5.3.2	New	December 2025: Employment agreement and COI for part time workers were not available.
006/2025	minor	6.4.1	New	December 2025: Monthly summary record for logs received, Finished Goods and sales was not established.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.3.3, 5.3.4	December 2025: No evidence of a system for communication or compliance with safety, health and labour requirements.
002-2025	5.3.5	December 2025: No EPF and SOCSO registration and monthly contribution for part time workers.
003-2025	5.3.6	December 2025: No work and fire training conducted for workers.
004-2025	5.3.7	December 2025: No evidence of PPE distribution and use by workers.
005-2025	5.3.8	December 2025: DOSH inspection book was not available.
006-2025	6.4.2	December 2025: Samah Mensarih does not have a defined period for retention times for key records.

Highlights of Close-Out Visit (if applicable)	Date: -
Major Gaps 003 & 004 shall be addressed by February 2026.	

Recommendations
<p>Samah Mensarih Sdn. Bhd. has not demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was identified under Criteria 5.1 and 5.2 and is NOT recommended to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>The Major Gaps shall be addressed within two months by February 2026.</p> <p>Gap 003/2025 (Major) – Checklist 5.1.4, 5.1.5, 5.1.6, 5.2.6, 5.2.7, 5.2.11, 5.2.12: Samah Mensarih shall have a CoC procedure and management system that clearly defines the organization structure and company's activities to manufacture and trade products based on the Sabah TLAS status and requirements.</p> <p>Gap 004/2025 (Major) – Checklist 5.2.2, 5.2.3, 5.2.4, 5.2.5: Samah Mensarih and SFD must follow the special license conditions regarding the issuance of Removal Pass and the TDP to transfer logs from the forest to the mill and enable traceability of material.</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 001/2025 (minor) – Checklist 5.1.2: Samah Mensarih shall ensure that the heavy machinery documents are available and sawmill & Mill Contractor license renewal are paid.</p> <p>Gap 002/2025 (minor) – Checklist 5.1.3, 5.2.8, 6.1.3: Samah Mensarih shall ensure Appendix 1 manual from Apr 2024 to Nov 2025 is recorded, maintained and submitted to the SFD. Appendix 1 online submission from Sep to Nov 2025 should be submitted to SFD and arrival book must be maintained.</p> <p>Gap 005/2025 (minor) – Checklist 5.3.1, 5.3.2: All workers regardless the status of employment should have an employment agreement as stipulated in Sabah Labor Ordinance. Workers should have COI under SFD as stipulated under the sawmill license conditions.</p> <p>Gap 006/2025 (minor) – Checklist 6.4.1: Samah Mensarih shall ensure that monthly records of logs received, Finished Goods, and sales are established.</p> <p>Observation 001-2025 – Checklist 5.3.3, 5.3.4: Samah Mensarih shall have a system for communication and compliance with safety, health and labour requirements.</p> <p>Observation 002-2025 – Checklist 5.3.5: Samah Mensarih shall ensure all workers are registered and contributions to EPF and SOCSO in accordance with statutory requirements. The company shall seek guidance from the respective government agencies.</p> <p>Observation 003-2025 – Checklist 5.3.6: Work safety and fire training should be conducted annually for workers.</p> <p>Observation 004-2025 – Checklist 5.3.7: Samah Mensarih shall establish PPE distribution record and enforce the use of PPE by workers.</p>

Observation 005-2025 – Checklist 5.3.8: Samah Mensarih shall maintain DOSH inspection record book.
Observation 006-2025 – Checklist 6.4.2: Samah Mensarih shall define retention times for key records for at least 5 years.
The next surveillance visit is scheduled for December 2026.

End of Summary Report