

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Dyna Wawasan Sdn. Bhd. (1294828-D) Licensee: Rimbunan Gagah Sdn. Bhd. (710693-M)	Reference #	GFSSBH 004-565a
Contact Person	Tan Eng Meng (Manager)	Audit Date	18/10/2023
Office Address	Lot 12, Yee Shing Commercial Centre, Jalan Masak, D.O. Box 1037, 89008 Keningau, Sabah, Malaysia.	Date close out	05/12/2023
Mill Address	CL085319820, Mile 74 Jalan Telupid, Sabah, Malaysia.	Telephone	+6019 882 5868
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NC: Non-Compliance – Criterion 5.3 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(S)TD004/19(B01), FDS(TD)(S)015/2023(M), (KON)(STD)009/2023(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Planchonia valida</i> (Putat), <i>Dialium indum</i> (KerANJI), <i>Scaphium spp.</i> (Kembang semangkok), <i>Heritiera spp.</i> (Mengkulang), Other Timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Aleeza Ho
FDS Staff	Mohd Faizal Basirin (ADFO Telupid), David Kawayan (PPD Telupid), Gubil Kabolin (PPD Telupid)

Terms of Assessment

The scope of the evaluation is to verify compliance of Rimbunan Gagah Sdn. Bhd. (Dyna Wawasan 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:

Dyna Wawasan Sdn. Bhd. (Dyna Wawasan) is registered in Kuala Lumpur, Malaysia, with registration # 1294828-D. Dyna Wawasan produces and trades sawn timber for the local market only.

Dyna Wawasan has a tenancy agreement with Rimbulan Gagah Sdn. Bhd. (Rimbulan Gagah) to lease the mill for sawn timber production.

The previous assessment was conducted in October 2022 that resulted in 4 gap(s) and 1 observation(s) (Report #: GFSSBH 004-410a).

Associated Organizations & Subcontractors:

Dyna Wawasan does not engage any other contractor to produce or manufacture products.

Description of the Supply Chain:

From September 2022 to October 2023, Dyna Wawasan purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round log	Tongod	GFS 130 LVS (03/09/2024)	Low

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

Summary Results:

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

December 2023: (Major gap = 1, Minor gap = 1, Observation = 0)

GAPs: Year 2023					
GAP #	Type	Checklist	Status	Description	
003/2021	minor	5.3.2 5.3.7 5.3.8	Closed	<p>October 2021: Several mill workers were observed not wearing adequate PPE during working. No evidence of safety and fire training conducted by the company since it has started operations.</p> <p>October 2022: Dyna Wawasan did not maintain records of PPE distribution. No evidence of safety training conducted by the company since it has started operations in May 2021. Inadequate number of fire extinguisher in the mill.</p> <p>October 2023: Dyna Wawasan has conducted safety and fire training for workers. Adequate fire extinguishers were observed within the mill.</p>	
004/2021	Major	5.2.4	Closed	<p>December 2021: Lack of description on planning and production control in the current Chain of Custody production manual.</p> <p>October 2022: Dyna Wawasan did not maintain a copy of the COC manual and revision of COC has yet to be completed.</p> <p>December 2022: No evidence of the revision of the COC manual.</p> <p>October 2023: Dyna Wawasan has revised the COC manual to include the description of planning and production control.</p>	
001/2022	Major	5.3.1 5.3.5	Outstanding	<p>October 2022: There is no evidence that the company has applied</p>	

				<p>for a JTK License to employ foreign workers. The company does not register the local workers with COI. Foreign workers were not registered with SOCSO and COI and have expired work permits.</p> <p>December 2022: Dyna Wawasan could not provide documents for JTK license, foreign workers registration under COI & SOCSO.</p> <p>October 2023: There is no evidence that Dyna Wawasan has a JTK license to hire foreign workers, a valid work permit for foreign workers and SOCSO registration & contributions.</p> <p>December 2023: No action taken by Dyna Wawasan to register JTK license, work permit and SOCSO registration & contributions for foreign workers.</p>
001/2023	minor	5.2.5 5.2.7	New	<p>October 2023: WIP and finished goods are not identified with a batch # and Sabah TLAS status as per the COC procedure.</p>

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.3	<p>December 2022: Incorrect identification of Sabah TLAS status for material received from Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.) in November 2022.</p> <p>October 2023: Dyna Wawasan has correctly identified the Sabah TLAS status for materials received from Sabah TLAS compliant supplier.</p>

Highlights of Close-Out Visit (if applicable)	Date: 05 December 2023
<p>Major Gap 001/2022 shall be addressed within 2 months by December 2023. No action taken by Dyna Wawasan to register JTK license, work permit and SOCSO registration & contributions for foreign workers.; thus, the Major gap remains outstanding.</p>	

Recommendations
<p>Rimbunan Gagah Sdn. Bhd. (Dyna Wawasan Sdn. Bhd.) has not demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was identified under Criterion 5.3 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 Gap shall be addressed within two months by December 2023.</p> <p>Gap 001/2022 (Major) Outstanding – Checklist 5.3.1, 5.3.5: Dyna Wawasan shall have a JTK license to hire foreign workers and foreign workers shall have a valid work permit, register & contribute under SOCSO.</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 001/2023 (minor) – Checklist 5.2.3: Dyna Wawasan shall identify batch # and Sabah TLAS status for WIP and finished goods as per the COC procedure.</p> <p>The next surveillance visit is scheduled for October 2024.</p>

End of Summary Report