

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Apeca Sdn. Bhd. (142086-P) R & N Timber Industries Sdn. Bhd. (1121125-X)	<b>Reference #</b>	GFSSBH 004-192
<b>Contact Person</b>	Lee Siew Yin (Document Controller)	<b>Assessment Date</b>	25/05/2021
<b>Office Address</b>	P.O. Box 2199, 89008 Keningau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Kg. Suan, Mile 5, Nabawan Road, Locked Bag 13, SM-163, Keningau, Sabah, Malaysia.	<b>Telephone</b>	+6019 8020 199 +6087 332 773
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 118 WTP		
<b>Issuance Date</b>	31 May 2021	<b>Expiration Date</b>	30 May 2022

### Assessment Details

<b>Company Type</b>	Sawmill, KD, wood preservation, export, and trading
<b>Scope of Assessment</b>	Sabah TLAS P5&6
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<p><b>Natural Logs:</b> <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), <i>Sapotaceae</i> spp. (Nyatoh), <i>Alstonia</i> spp. (Pulai), <i>Lithocarpus</i> &amp; <i>Quercus</i> (Mempening), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Hopea sangal</i> (Gagil), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (KerANJI), <i>Annonaceae</i> (Pisang-pisang), <i>Mangifera</i> spp. (Assam), <i>Annonaceae</i> spp. (Karai), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Eugenia</i> spp. (Obah), <i>Lauraceae</i> (Medang), <i>Cotylelobium</i> spp. (Resak batu), <i>Shorea pauciflora</i> (Oba suluk), <i>Dacryodes</i> spp. &amp; other <i>Burseraceae</i> spp. (Kedondong), <i>Pterospermum</i> spp. (Bayor), <i>Cratogeomys arborescens</i> (Serungan), <i>Castanopsis motleyana</i> (Berangan), <i>Sindora beccariana</i> (Sepetir), <i>Terminalia subspathulata</i> (Talisai), <i>Planchonia valida</i> (Putat), <i>Pentace</i> spp. (Takalis), <i>Koompassia excelsa</i> (Mengaris), <i>Magnolia candollii</i> (Chempaka)</p> <p><b>Plantation Logs:</b> Rubberwood (<i>Hevea brasiliensis</i>) and mixed plantation logs: (Durian (<i>Durion</i> spp.), Petai (<i>Parkia</i> spp.), Akasia (<i>Acacia</i> sp.), Terap (Parartocarpus or Artocarpus))</p>
<b>Lead Assessor</b>	Priera Bagang
<b>Assessor(s)</b>	Glory B. Y. Linggou
<b>SFD Staff</b>	Ismailey Ismail (PPW Keningau), Nabert Nasly (DFO Keningau), Clarice V. Allion (ADFO Keningau), Julius Janusip (PPW Keningau), Peter Abdullah (PPM Ansip/Dalit), Wihimos B. Muis (KPPM Ansip/Dalit)

### Terms of Assessment

The scope of the evaluation is to verify compliance of the Apeca Sdn. Bhd. (R & N Timber Industries 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:

Apeca Sdn. Bhd. (Apeca) is registered in Kota Kinabalu, Malaysia with registration # 142086-P. R & N Timber Industries Sdn. Bhd. is registered in Kota Kinabalu, Sabah with registration # 1121125 – X. R & N Timber Industries Sdn. Bhd. (R & N Timber Industries) bought Apeca since 19/10/2017. R&N Timber Industries started operations on 02/05/2018 by operating the mill under Apeca in respect to the mill licenses and mill contractor license. The company produces sawn timber for local and exports mainly to China.

### Associated Organizations & Subcontractors:

R & N Timber Industries does not engage other companies as their subcontractors to provide or manufacture products.

### Description of the Supply Chain:

From 2020 to April 2021, R & N Timber Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk
Bornion Timber Sdn. Bhd.	SFMLA 03/97	Round Logs	Sook	PEFC: FMC-NF 00009	Low
Sabah Forest Industries Sdn. Bhd.	JP(KSG)107/96(CON)	Round Logs	Sipitang	-	High
Collector As Trustee	JP(NNN)006/2019	Round Logs	Nabawan	-	High
Qistin Hamzah	JPHTN/FRM 700-3/3/3/JLD.7/13	Plantation logs	Tenom	-	Low
Fredi B. Gorou	JPHTN/KGU 700-2/5/2/JLD.30/50	Plantation logs	Keningau	-	Low
Veritinus B.	JPHTN/FRM 700-3/3/3/JLD.7/28	Plantation logs	Tenom	-	Low
Liew Yun Kong	JPHTN/KGU 700-2/5/2/JLD.30/48	Plantation logs	Keningau	-	Low
Porinjen	JPHTN/FRM 700-3/3/3/JLD.6/43	Plantation logs	Keningau	-	Low
Umas@Saila	JPHTN/FRM 700-3/3/3/JLD.7/33	Plantation logs	Tenom	-	Low
Yulijus B. Sapah	JPHTN/FRM 700-3/3/3/jld.7/23	Plantation logs	Tenom	-	Low
Ahang@llan	JPHTN/KGU 700-2/5/2/JLD.31/38	Plantation logs	Keningau	-	Low
Yangun Bin Digang	JPHTN/FRM 700-3/3/3/JLD.7/57	Plantation logs	Keningau	-	Low
Angau Bin Kohi	JPHTN/FRM 700-3/3/3/JLD.7/31	Plantation logs	Keningau	-	Low
Vun Fong Mui	JPHTN/FRM 700-2/5/2/JLD.31/42	Plantation logs	Keningau	-	Low
Handery B. Libong	JPHTN/FRM 700-3/3/3/JLD.8/20	Plantation logs	Tenom	-	Low
PGB Sdn Bhd	JPHTN/FRM 700-3/3/3/JLD.8/25	Plantation logs	Tenom	-	Low
Alun@Antalun Bin Ampasok	JPHTN/FRM 700-3/3/3/JLD.8/13	Plantation logs	Keningau	-	Low
Yuan B. Kalur	JPHTN/FRM 700-3/3/3/JLD.8/23	Plantation logs	Tenom	-	Low
Johnny Sumi	JPHTN/FRM 700-2/3/2/JLD.3/68	Plantation logs	Keningau	-	Low

Arom B. Asok	JPHTN/FRM 700-3/3/3/JLD.7/59	Plantation logs	Keningau	-	Low
Marcus B. Joanes	JPHTN/FRM 700-3/3/3/JLD.8/3	Plantation logs	Tambunan	-	Low
Mohhd Shazirin	JPHTN/FRM 700-3/3/3/JLD.8/30	Plantation logs	Tenom	-	Low
Tham Tet Sin	JPHTN/FRM 700-2/3/3/JLD.31/78	Plantation logs	Keningau	-	Low
Lauhim Bt Sulambot	JPHTN/FRM 700-3/3/3/JLD.8/17	Plantation logs	Tambunan	-	Low
Saimon Peter	JPHTN/FRM 700-2/3/2/JLD.32/26	Plantation logs	Keningau	-	Low
Ungkur B. Anabur	JPHTN/FRM 700-2/5/1/JLD.16(105)	Plantation logs	Tenom	-	Low
Pon Me Ann	JPHTN/FRM 700-2/5/1/JLD.14/67	Plantation logs	Sook	-	Low
Dominic Joimes Karinting	JPHTN/FRM 700-2/5/2/JLD.32/28	Plantation logs	Keningau	-	Low
Pemborong Gemilang Bersatu Sdn Bhd	JPHTN/FRM 700-2/5/1/JLD.1(176)	Plantation logs	Tenom	-	Low
Ungkur B Anabur	JPHTN/FRM 700-2/5/1/JLD.16(105)	Plantation logs	Keningau	-	Low
Muhimin Rotop	JPHTN/FRM 700-2/5/2/JLD.32/34	Plantation logs	Keningau	-	Low
Meter@Samali B. Balikun	JPHTN/FRM 700-2/5/2/JLD.32/54	Plantation logs	Keningau	-	Low
Jaimi Saman	JPHTN/FRM 700-2/5/2/JLD.32/44	Plantation logs	Keningau	-	Low
Jahemin Rasman	JPHTN/FRM 700-2/5/2/JLD.32/56	Plantation logs	Keningau	-	Low
Chong Kee Fong	JPHTN/FRM 700-2/5/1/JLD.17(14)	Plantation logs	Tenom	-	Low
Yong Khen Foh	JPHTN/FRM 700-2/5/2/JLD.32/64	Plantation logs	Keningau	-	Low
Kasupin B. Abari	JPHTN/FRM 700-2/5/1/JLD.17(16)	Plantation logs	Tenom	-	Low
Jilan Bin Buntong	JPHTN/FRM 700-2/5/2/JLD.33/20	Plantation logs	Keningau	-	Low
Jahamin B Rusman	JPHTN/FRM 700-2/5/2/JLD.33/18	Plantation logs	Keningau	-	Low
Sikal Bin Kimbarat	JPHTN/FRM 700-2/5/2/JLD.33/22	Plantation logs	Keningau	-	Low
Chong Kee Tung	JPHTN/FRM 700-2/5/1/JLD.17(14)	Plantation logs	Tenom	-	Low
Martin B. Antugog	JPHTN/FRM 700-2/5/1/JLD.17(21)	Plantation logs	Tenom	-	Low
Parasin B. Juhian	JPHTN/FRM 700-2/5/2/JLD.33/2	Plantation logs	Keningau	-	Low
Gerald Joseph	JPHTN/FRM 700-2/5/1/JLD.8/06	Plantation logs	Tambunan	-	Low
Jaidi B. Anjong	JPHTN/FRM 700-2/5/2/JLD.33/26	Plantation logs	Keningau	-	Low
Pn. Bia@Nasiah Bt. Jaini & 4 Peserta	JPHTN/FRM 700-2/5/1/JLD.17(26)	Plantation logs	Tenom	-	Low
Jaudis B. Juarid	JPHTN/FRM 700-2/5/2/JLD.33(41)	Plantation logs	Keningau	-	Low
Benjnag Bt Sipang	JPHTN/FRM 700-2/5/1/JLD.15/8	Plantation logs	Sook	-	Low
Benjang Bt Sipang	JPHTN/FRM 700-2/5/1/JLD.15/8	Plantation logs	Sook	-	Low
Nik Nazarinasha	JPHTN/FRM 700-2/5/2/JLD.33/85	Plantation logs	Keningau	-	Low
Salamah@Heldah	JPHTN/FRM 700-2/5/2/JLD.33/61	Plantation logs	Keningau	-	Low

Jubi Bin Satin	JPHTN/FRM 700-2/5/2/JLD.33/65	Plantation logs	Keningau	-	Low
Dennis Bin Andual	JPHTN/FRM 700-2/5/1/JLD.17(62)	Plantation logs	Tenom	-	Low
Pikiu B. Anduroh	JPHTN/FRM 700-2/5/1/JLD.17(55)	Plantation logs	Tenom	-	Low
Edwin Jipanis	JPHTN/FRM 700-2/5/1/JLD.15/28	Plantation logs	Sook	-	Low
Bangkaron Bt Imam	JPHTN/FRM 700-2/5/2/JLD.34/11	Plantation logs	Keningau	-	Low
Pan Yen Ling @ Kanang	JPHTN/FRM 700-2/5/1/JLD.17(86)	Plantation logs	Tenom	-	Low
Yai Bin Amat	JPHTN/FRM 700-2/5/1/JLD.17(93)	Plantation logs	Tenom	-	Low
NG Tet Hau	JPHTN/FRM 700-3/3/3/JLD.6/3)	Plantation logs	Keningau	-	Low

### Summary Results:

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

GAPs: 2021					
GAP #	Type	Checklist	Status	Description	
-	-	-	-	-	

\*Major = Non-Compliance

Observations: 2021		
Obs #	Checklist	Description
001-2021	5.2.4	Planning & Production Control does not clearly differentiate the identification of Sabah TLAS production versus other production based on the Risk Assessment and CoC Codes.

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

Recommendations
<p><b>Apeca Sdn. Bhd. (R &amp; N Timber Industries Sdn. Bhd.)</b> 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><b>Observation 001-2021 – Checklist 5.2.4:</b> The company shall clearly define the risk assessment and system to differentiate Sabah TLAS / Low Risk material from other material under Planning &amp; Production Control.</p> <p>The next surveillance visit is scheduled for May 2022.</p>

**End of Summary Report**