GLOBAL FORESTRY SERVICES

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LEGAL VERIFICATION SERVICES

Sarawak Audit Checklist / Report
STLVS Principles 5 & 6

Company		**Reference #**	
Contact Person		**Audit Date Report Date**	
Office Address		**Telephone Fax**	
Mill Address		**Telephone Fax**	
Email		**Approved By**	

Statements Of Compliance			
GFS Audit Statement #			
Issuance Date		Expiration Date	

Assessment Details	
Company Type	
Scope of Assessment	
Product Group	
Source of Material	
Species	
Close Out Date	
GFS Lead Assessor	
GFS Assessor(s)	
Others	

Terms of Assessment

The scope of the evaluation is to verify compliance of the Company and subcontractors to the criteria within the Sarawak Timber Legality Verification System (STLVS) 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. Any non-compliance must be formally addressed in accordance to the STLVS auditing manual and prior to issuance of a GFS Audit Statement.

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 site verification under the scope of assessment. GFS 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.

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Background Information:

Associated Organizations & Subcontractors:

Description of the Supply Chain:

Itinerary of Assessment			
Date	**Activity**	**GFS Auditors**	**Mandays**
		Total	

Summary results:
(Major Gap = 0 / Minor Gap = 0 / Observations = 0)

GAPs: Assessment Date			
GAP #	**Type**	**Checklist**	**Description**

Note: Major Gap = Non-Compliance / Minor Gap = Minor Gap raised can be upgraded to a Major Gap if not adequately addressed by the date of the next surveillance visit.

Status of Outstanding GAPs				
GAP #	**Type**	**Checklist**	**Status**	**Description**

Observations		
Obs #	**Checklist**	**Description**

Note: Observation raised can be upgraded to a Minor Gap if not adequately addressed by the date of the next surveillance visit.

Highlights of Close out visit (if applicable)	Dates	

Recommendations

End of Summary Report

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LEGAL VERIFICATION SERVICES

Sarawak Chain of Custody Standard
Principles 5-6

Principle 5. Mill Operations	
Criteria 5.1: Issuance / renewal of mill license and terms and conditions of operations	☒ **Compliance** ☐ **Non-Compliance**
5.1.1 All processing facilities shall hold valid mill licenses issued by STIDC or FDS as appropriate.	
Findings:	**GAP #:**
5.1.2 The Company shall comply with mill license Terms and conditions including maintenance of log arrival records (Removal Passes & Log Specification Form (LSF) (for mills processing logs) and submission of Monthly Industrial Production Returns.	
Findings:	**GAP #**

Criterion 5.2. Material input and output	☒ **Compliance** ☐ **Non-Compliance**
5.2.1 The Company shall ensure that all logs received at or transported out from the mill are accompanied with a valid Removal Pass (Transit) and Log Specification Form (as required) that physically corresponds to the material being transported based on log number, species, quantity, volume and dimensions.	
FINDINGS:	**GAP #:**
5.2.2 The Company shall ensure that the logs are inspected by HTSB to confirm material is acceptable under the STLVS upon arrival of each consignment.	
FINDINGS:	**GAP #:**
5.2.3 The Company shall ensure that log arrival has been recorded that includes reference to STLVS Verified status (date of entry, species / species code, volume and log numbers) as per the Log Specification Form.	
FINDINGS:	**GAP #:**
5.2.4 STLVS Verified logs and other STLVS raw material must be clearly identified and segregated from other material.	
FINDINGS:	**GAP #:**

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5.2.5 Manufacturing companies shall have a documented system to ensure STLVS Verified raw materials are correctly issued into a defined production unit (batch) to produce STLVS Verified products.	
FINDINGS:	**GAP #:**

5.2.6 Production units defined as STLVS Verified Legal must be segregated from other production.	
FINDINGS:	**GAP #:**

5.2.7 All work in progress to finished goods should be identified to the production unit and the STLVS Verified status as applicable.	
FINDINGS	**GAP #:**
5.2.8 Data on volume input into the production unit and associated output volume of final products under each unit, shall be documented.	
FINDINGS:	**GAP #:**

5.2.9 The Company shall submit Monthly Industrial Production Returns to STIDC and Monthly Mill Returns to FDS as appropriate.	
FINDINGS:	**GAP #:**

Criterion 5.3. Worker safety and health	☒ **Compliance** ☐ **Non-Compliance**
5.3.1 The Company shall ensure non-resident workers are legally employed with valid work permits from Sarawak Immigration Department as applicable	
FINDINGS:	**GAP #:**

5.3.2 The Company shall ensure all workers are adequately trained according to their job function, safety and protective equipment. Training records of staff shall be maintained where available.

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FINDINGS:	GAP #:

5.3.3 The Company shall be registered with DOSH and undertake remedial measures as directed following their inspection as appropriate.	
FINDINGS:	**GAP #:**

5.3.4 The Company shall report to DOSH on accidents related to employment as well as to SOCSO and Department of Labour for claims where appropriate.	
FINDINGS:	**GAP #:**

5.3.5 The Company shall pay insurance premium / contribution for all workers and SOCSO payments for Malaysian employees.	
FINDINGS:	**GAP #:**

5.3.6 The Company shall ensure adequate precaution for worker's safety in the event of fire or other accidents.	
FINDINGS:	**GAP #:**

Principle 6. Trade and Customs

Criterion 6.1. Registration of Companies	☒ **Compliance** ☐ **Non-Compliance**
6.1.1 A Company who intends to be involved in manufacturing, selling, distributing and marketing of timber & timber products is required to be registered with Sarawak Timber Industry Development Corporation (STIDC) with a valid Certificate of Registration.	
FINDINGS:	**GAP #:**

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Criterion 6.2. Local Trade	☒ **Compliance** ☐ **Non-Compliance**
6.2.1 The company shall have a system to purchase *STLVS Verified* material from local companies that have a valid STLVS Compliance Certificate or evaluated as low risk based on the Risk Assessment.	
FINDINGS:	**GAP #:**

6.2.2 All STLVS Verified material purchased must be clearly identified and or segregated from other material.	
FINDINGS:	**GAP #:**

6.2.3 Sales of *STLVS Verified* material and products are clearly identified on Sales Invoices and Packing Lists (Log Lists) based on the STLVS Compliance Certificate number	
FINDINGS:	**GAP #:**

Criterion 6.3. Import Regulations	☒ **Compliance** ☐ **Non-Compliance**
6.3.1 The Company shall register with STIDC as importer of timber and/or timber products.	
FINDINGS:	**GAP #:**

6.3.2 The Company shall obtain an import permit from STIDC for every shipment of timber and/or timber products in compliance to the terms and conditions.	
FINDINGS:	**GAP #:**

6.3.3 The Company shall conduct a Risk Assessment to ensure that each supplier and material to be imported can be approved through documenting low risk based on: country level risk; species risk & operational risks (**Appendix 1**).	
FINDINGS:	**GAP #:**

6.3.4 Purchase of raw material and products that are not verified as low risk must not be used in the production of sale of STLVS Verified Legal products.

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FINDINGS:	GAP #:

6.3.5 The Company shall maintain all associated documents for importing timber and/or timber products that includes: Import approval from STIDC; Customs Declaration Form 1; Certificate Country of origin; Phytosanitary Certificate; Purchase Contract / Invoice; Bill of Lading; CITES Certificate (if applicable); Letter of Approval from Ministry.	
FINDINGS:	**GAP #:**

6.3.6 The Company shall ensure that all imported timber is inspected by STIDC and other relevant agencies as appropriate.	
FINDINGS:	**GAP #:**

6.3.7 The Company shall maintain records of all imported material received.	
FINDINGS:	**GAP #:**

Criterion 6.4. Transportation of imported timber and timber products	☒ **Compliance** ☐ **Non-Compliance**
6.4.1 The Company shall ensure that customs clearance is fulfilled at legal landing points and that the imported material receives a STIDC hammer mark for logs.	
FINDINGS:	**GAP #:**

6.4.2 The Company shall maintain copies of the Removal Pass issued by STIDC for each import consignment.	
FINDINGS:	**GAP #:**

6.4.3 STIDC Inspection of Imported material at the mill matches the material imported based on import

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documentation.	
FINDINGS:	**GAP #:**

Criterion 6.5 Export regulations	☒ **Compliance** ☐ **Non-Compliance**
6.5.1 The Company shall register as an exporter with STIDC	
FINDINGS:	**GAP #:**

6.5.2 The Company shall ensure that each consignment for export of logs has been inspected and issued an Export Clearance Certificate (ExCC) by HTSB and export permit from STIDC.	
FINDINGS:	**GAP #:**

6.5.3 The Company shall ensure that each consignment for timber products is covered by an export permit issued by STIDC.	
FINDINGS:	**GAP #:**

6.5.4 The Company shall maintain copies of required documents associated with the export of each consignment (as applicable): • Customs Export Declaration Form 2 (CDF 2) • Customs Export Declaration Form 3 (CDF 3) (Sabah / Peninsular Malaysia) • Royalty payment receipt (logs) • Invoice & Packing List • Removal Pass Transit – (logs) • Export Clearance Certificate (ExCC) – (logs) • Phytosanitary Certificate; • CITES or Restricted Species Permits	
FINDINGS:	**GAP #:**

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APPENDICES

Gaps:

GAP#	Checklist	Description
Photo Evidence		

GAP#	Checklist	Description
Photo Evidence		

Gap Close-out:

GAP#	Checklist	Description	Description of Close-out
Photo Evidence			
Photo Before:		**Photo Close-out**	

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