

Sabah TLAS Audit Report Principles 5 & 6

Organisation	CBS Products (S) Sdn. Bhd. (798928-U)	Reference #	G162-487
Contact Person	Nurhayati Anuar (Administrative)	Audit Date	23/10/2018
Office Address	Timber Shed No. 91/92, MMB Timber Complex, Mile 3 ½, Jalan Tg. Batu Laut, 91000 Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Timber Shed No. 91/92, MMB Timber Complex, Mile 3 ½, Jalan Tg. Batu Laut, 91000 Tawau, Sabah, Malaysia.	Telephone	+6016 830 5179
Email	cbs_sabah@cipta.com.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NA – Non Conformance - criteria 5.2.		
Issuance Date	-	Expiration Date	-

Assessment Details

Company Type	Briquette Mill
Scope of Assessment	CBS Products (S) Sdn. Bhd.
Product Group	Briquette charcoal
Source of Material	Sabah, Malaysia.
Species	Not applicable (waste wood/sawdust)
Lead Assessor	Mohd Akram Mansur
Assessor(s)	Dayang Hanisah Maidin
FDS Staff	RH. Rosdin Abd Rahman (KPPM Tanjung Batu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the CBS Products (S) 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:

CBS Products (S) Sdn. Bhd. (**CBS Products**) is registered in Miri, Malaysia with registration # 798928-U. The company produces and trades briquette charcoal to Japan only. The previous assessment was conducted in October 2017 that resulted in 1 gap and 1 observation (report #: G162-356).

Associated Organizations & Subcontractors:

CBS Products does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

CBS Products purchases wood waste (saw dust) only from sawmills. CBS does not purchase logs or sawn timber.

Below are the raw materials purchases from the suppliers from November 2017 to September 2018:

Supplier	License	Raw Material	Location	FDS certificate # (Expiry)	GFS Audit Statement # (Expiry)
Caslink Sdn. Bhd.	JP(T)TW004/05(X04)	Wood waste	Tawau	FDS(SCS)070/2018 (03/07/2019)	GFS 117 WTP (03/07/2019)
Rakyat Berjaya Sdb. Bhd./Oscalaju Sdn. Bhd.	JP(T)KA001/17 (B01)	Wood waste	Kalabakan	Non Compliance	Non Compliance
Unikarya Trading Sdn. Bhd.	JP(T)TW003/15(X04)	Wood waste	Tawau	FDS(SCS)068/2018 (30/06/2019)	GFS 190 WTP 30/06/2019)
Mastergroup Enterprise Sdn. Bhd. (Fung Guan Sdn. Bhd.)	JP(T)TW001/00(X37)R	Wood waste	Tawau	FDS(SCS)024/2018 (31/10/2018)	GFS 153 WTP 31/10/2018)
Hap Seng Property Investment Sdn. Bhd. (Chuan Huan Trading)	JP(T)TW002/05(B01)	Wood waste	Tawau	FDS(SCS)067/2016 (30/06/2019)	GFS 216 WTP (30/06/2019)
Maju Mapan Trading Sdn. Bhd.	JP(T) TW 005/10 (X04)	Wood waste	Tawau	Non Compliance	Non Compliance
Hevajaya Sdn. Bhd.	JP(T) TW 004/08 (X04)	Wood waste	Tawau	Non Compliance	Non Compliance
Selera Indah Sdn. Bhd.	JP(T) TW 001/00 (X50)R	Wood waste	Tawau	FDS(SCS)086/2018 (31/05/2019)	GFS 096 WTP (31/05/2019)
Sandiwara Indah Sdn. Bhd.	JP(T) TW 008/08 (X04)	Wood waste	Tawau	FDS(SCS)019/2018 (28/02/2019)	GFS 064 WTP (28/02/2019)

Summary Results:

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

GAPs:				
GAP #	Type	Checklist	Description	
008/2018	Major	5.2.1	It was observed that from November 2017 to July 2018, the licensee received waste wood from Oscalaju Sdn. Bhd. for 58 trips, which is located under Kalabakan district jurisdiction (transferred from different district). No issuance of removal pass observed for the material.	
009/2018	Minor	5.3.3, 5.3.6	CBS Products has yet to conduct a Noise Test as directed by DOSH.	

*Major = Non-Compliance

Status of Outstanding GAPs:				
GAP #	Type	Checklist	Status	Description
007/2016	Minor Outstanding	5.2.4 5.2.5 5.2.7	Closed	7th November 2017: CBS Products has yet to implement a formal procedure to assign batch # or production unit to its operation. All raw materials are

			<p>considered waste (saw dust) locally sourced from Sabah.</p> <p>CBS Products submitted an exemption application letter to FDS headquarters from having CoC procedure for their secondary timber production (briquette and charcoal) (Ref. #: CBDPSB/SFDTWU/COC0811-17 dated 8th November 2017).</p> <p>23rd October 2018: FDS advised the licensee to establish a CoC for their production. (Ref. #: JPHTN/ SFM (FLEGT) 800-1/7/8/2/2 dated 15th December 2017)</p> <p>CBS Products established a CoC procedure to trace raw materials to its origin as required by Sabah TLAS Standard. WIP and Finished products sampled during the assessment were traceable to its origin (delivery note/invoice).</p>
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Observations:

OBS #	Checklist #	Description
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Highlights of Close-Out Visit (if applicable)

Date -

Gap 008/2018 (Major) under criteria 5.2 shall be addressed within two months by **December 2018**.

Recommendations

CBS Products (S) Sdn. Bhd. Has not demonstrated compliance to the Sabah Standard Principles 5-6 for Chain of Custody and is not recommended to receive a GFS Audit Statement and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) by FDS.

The Major Gap shall be addressed within two months by **December 2018**.

Gap 008/2018 (Major) – Checklist 5.2.1: Waste wood received from other district requires a removal pass as stipulated in the FD Circular (FD.20/2015) section D.

Gaps/observations identified in this assessment should be addressed before the next surveillance visit. Action required to close the gaps/observations include:

Gap 009/2018 (Minor) – Checklist 5.3.3, 5.3.6: To conduct a noise-monitoring test as directed by DOSH during the inspection.

The next surveillance visit is scheduled in September 2019.

End of Summary Report