

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Apeca Sdn. Bhd. (142086-P) R & N Timber (1121125-X)	<b>Reference #</b>	GFSSBH 004-077
<b>Contact Person</b>	Lee Siew Yin (Document Controller)	<b>Assessment Date</b>	24/07/2019
<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
<b>Email</b>	pgksb15@yahoo.com	<b>Fax</b>	+6087 332 773
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	NA: Non-Conformance – Checklist 6.1.1		
<b>Issuance Date</b>	NA	<b>Expiration Date</b>	NA

### Assessment Details

<b>Company Type</b>	Sawmill
<b>Scope of Assessment</b>	JP(N)KG.019/00 (X04) R, JP(N)KG001/18(X22), JP(N)KG001/18(X07), FDS(KK)(E)084/2019
<b>Product Group</b>	Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	Natural Logs: <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium spp.</i> (Kembang semangkuk), <i>Sapotaceae spp.</i> (Nyatoh), <i>Alstonia spp.</i> (Pulai), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Hopea sangal</i> (Gagil), <i>Dyera spp.</i> (Jelutong), <i>Dialium indum</i> (KerANJI), Annonaceae (Pisang-pisang), <i>Mangifera spp.</i> (Assam), <i>Annonaceae spp.</i> (Karai), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Eugenia spp.</i> (Obah), Lauraceae (Medang), <i>Cotylelobium spp.</i> (Resak batu), <i>Shorea pauciflora</i> (Oba suluk), <i>Dacryodes spp.</i> & other <i>Burseraceae spp.</i> (Kedondong), <i>Pterospermum spp.</i> (Bayor), <i>Cratoxylum 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 spp.</i> (Takalis), <i>Koompassia excelsa</i> (Mengaris), <i>Magnolia candollii</i> (Chempaka) <b>Plantation Logs:</b> Rubberwood ( <i>Hevea brasiliensis</i> ) and mixed plantation logs: (Durian ( <i>Durion spp.</i> ), Petai ( <i>Parkia spp.</i> ), Akasia ( <i>Acacia sp.</i> ), Terap (Parartocarpus or Artocarpus))
<b>Lead Assessor</b>	Franklin Emang
<b>Assessor(s)</b>	Cynthia D. John
<b>FDS Staff</b>	PH Georgey Marcus (PPM Ansip)

### 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. 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. The company produces sawn timber and exports to China.

R & N Timber Industries Sdn. Bhd. (R & N Timber Industries) bought Apeca since 19<sup>th</sup> October 2017. R & N Timber Industries commenced their operation on 2<sup>nd</sup> May 2018 by operating the mill under Apeca in respect to the mill licenses and mill contractor license as well.

The previous assessment was conducted in July 2018 that resulted in 2 gap(s) and 1 observation(s) (report #: G162-452).

**Associated Organizations & Subcontractors:**

Apeca Sdn. Bhd. (R&N Timber Industries) does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From July 2018 to June 2019, Apeca (R&N Timber Industries) purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Siti Nauyah @ Gunai	JPHTN/FRM 700-2/5/0 (c) JLD3/33	Mixed plantation logs	Keningau	-	-
Chong Sing Kuing	JPHTN/KKH 700-3/3/3 JLD 25 (48)	Mixed plantation logs	Keningau	-	-
Jamal bin Kusin	JPHTN/KKH 700-2/5/2 JLD 27/14	Mixed plantation logs	Keningau	-	-
Ignatius V. Murukau	JPHTN/KKH 700-3/3/3 JLD 2/24	Mixed plantation logs	Keningau	-	-
Mansalim bin Kuah	JPHTN/KKH 700-3/3/3 JLD 3/22	Mixed plantation logs	Keningau	-	-
Kelinus Kimin @ Alil	JPHTN/KKH 700-2/5/2 JLD 28/34	Mixed plantation logs	Keningau	-	-
Matuyah b. Kaidah	JPHTN/KKH 700-2/5/2 JLD 28/27	Mixed plantation logs	Keningau	-	-
Martin bin Buntol	JPHTN/KKH 700-3/3/3 JLD 3/45	Mixed plantation logs	Keningau	-	-
Asui bin Antari	JPHTN/KGU 700-2/4/55 JLD 1/6	Round logs	Keningau	-	-
Gantuan @ James Igau & 1 Peserta	JPHTN/FRM 700-2/4/8/JLD 1/4	Round logs	Keningau	-	-
Bornion Timber Sdn Bhd.	SFMLA 03/97	Round logs	Sook	FDS(SLS)04 4/2018 (31/08/2019)	GFS 054 LVS (31/08/2019)
Veracity Corporation	JP(NNN) 0004/2018 (F1)	Round logs (Rejected)	Keningau	FDS(SLS)00 2/2019 (31/03/2020)	GFS 053 WTP (31/03/2020)
Sababrilliant S/B	JPHTN/KKH 700-3/3/3 JLD 14 (27); JPHTN/KKH 700-3/3/3 JLD 17 (18)	Rubberwood	Tenom	-	-
Martin @ Kati bin P.	JPHTN/KGU 700-2/5/2 JLD 22(70)	Rubberwood	Keningau	-	-
Nazri bin Wasimin	JPHTN/KGU 700-	Rubberwood	Keningau	-	-

	2/5/2 JLD 22/28				
Nichlas B. Ranggam	JPHTN/KKH 700-3/3/3 JLD 21 (2)	Rubberwood	Sook	-	-
Martin Kati bin Padot	JPHTN/KKH 700-2/5/2 JLD 23/56	Rubberwood	Sook	-	-
Harisin bin Suberik	JPHTN/KKH 700-2/5/2 JLD 25/51	Rubberwood	Keningau	-	-
Mantanie Gilob	JPHTN/KKH 700-2/5/1 (C) JLD 3/4	Rubberwood	Keningau	-	-
Benjamin Martin Majukui	JPHTN/KKH 700-2/5/1/0 (C) JLD 3/44	Rubberwood	Keningau	-	-
Johnny C Abbie	JPHTN/KKH 700-2/5/1/0 (C) JLD 3/27	Rubberwood	Keningau	-	-
Jamal bin Kusin	JPHTN/KKH 700-2/5/1/0 (C) JLD 27/14	Rubberwood	Keningau	-	-
Sanem bin Dalipat	JPHTN/KKH 700-2/5/1/0 (C) JLD 3/39	Rubberwood	Keningau	-	-
Rajimin bin Yaakob	JPHTN/KKH 700-2/5/1/0 (C) JLD 3/34	Rubberwood	Keningau	-	-
Prinie Primus	JPHTN/KGU 700-2/5/1/0 (C) JLD 3/44	Rubberwood	Keningau	-	-
Siti Taisah binti Amat	JPHTN/KKH 700-2/5/2 JLD 27/44	Rubberwood	Keningau	-	-
Kelinus Kamin bin Ali	JPHTN/KGU 700-2/5/2 JLD 28/34	Rubberwood	Keningau	-	-
Matuyah b. Kaidah	JPHTN/KKH 700-2/5/2 JLD 28/27	Rubberwood	Keningau	-	-
Doipin Lantau	JPHTN/FRM 700-3/3/3 JLD 2/46	Rubberwood	Sook	-	-
Pemborong Gemilang Bersatu	JPHTN/TNM 700-2/5/18(5)	Rubberwood	Tenom	-	-
Maini Legihad	JPHTN/KGU 700-2/5/2 JLD 28/4	Rubberwood	Keningau	-	-
Hilina @ Helena	JPHTN/KGU 700-3/3/3 JLD 3/55	Rubberwood	Keningau	-	-
Wasinin bin Muin	JPHTN/KKH 700-2/5/2 JLD 26/8	Rubberwood	Keningau	-	-
Agidius Ajus & 4 Peserta	JPHTN/KGU 700-2/5/2/0 JLD 0/54	Rubberwood	Tambunan	-	-
Jusna binti Esin	JPHTN/KGU 700-2/5/2 JLD 22/54	Rubberwood	Keningau	-	-

### Summary Results:

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

GAPs:					
GAP #	Type	Checklist	Status	Description	
006/2018	Minor	5.3.2	Closed	<p><b>July 2018:</b> Inconsistency use of PPE by workers; no evidence of training conducted on the use of PPE.</p> <p><b>July 2019:</b></p>	

				During the mill visit, workers were observed equipped with PPE such as helmet and facemask. Training on PPE usage was conducted and record of training was maintained.
007/2018	Minor	5.3.4	Closed	<p><b>July 2018:</b> JKPP 8 Form was not submitted for 2017 as required.</p> <p><b>July 2019:</b> JKKP 8 Form for 2018 has been submitted to DOSH.</p>
008/2019	<b>Major</b>	6.1.1	New	Apeca (R&N Timber Industries) does not have a timber supplier certificate from FDS (FDS Circular # CF:21/2017 was referred).

\*Major = Non-Compliance

Obs #	Checklist	Description
001-2018 Addressed	5.2.3	<p><b>July 2018:</b> Apeca has not conducted a Risk Assessment for rubber-wood using the Risk Matrix to evaluate eligibility of material for Sabah TLAS.</p> <p><b>July 2019:</b> Apeca conducted Risk Assessment for its rubberwood suppliers.</p>

Highlights of Close-Out Visit (if applicable)	Date
<b>Major Gap (008/2019)</b> shall be addressed within two months by <b>September 2019</b> .	

Recommendations
<p>Apeca Sdn. Bhd. (R&amp;N Timber Industries Sdn. Bhd.) has not demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody as non-compliance was identified in Checklist 6.1.1 and is NOT recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>The Major Gap shall be addressed within two months by <b>September 2019</b>.  <b>Gap 008/2019 (Major) – Checklist 6.1.1:</b> To apply for supplier certificate from FDS.</p> <p>The next surveillance visit is scheduled in May 2020.</p>

**End of Summary Report**