

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Jalur Positif Sdn. Bhd. (1099380-P)	Reference #	G162-468a
Contact Person	Mr. Wong Chee Mun (Mill Manager) Mr. Albert Thomas (Liaison Officer)	Audit Date	04/09/2018
Office Address	2-2, Lot 33, Block E, Lintas Square, Jalan Lintas, 88300, Kota Kinabalu, Sabah, Malaysia.	Date close out	25/02/2019
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 219 WTP		
Issuance Date	01 March 2019	Expiration Date	30 September 2019

Assessment Details	
Company Type	Sawmill
Scope of Assessment	Jalur Positif Sdn. Bhd.
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Shorea inappendiculata</i> (Selangan batu), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Sapotaceae spp.</i> (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Alstonia spp.</i> (Pulai), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Hopea sangal</i> (Gagil), <i>Dyera spp.</i> (Jelutong), <i>Castanopsis motleyana</i> (Berangan), <i>Schapium spp.</i> (Kembang semangkuk), Lauraceae (Medang), <i>Eugenia spp.</i> (Obah), <i>Dialium indum</i> (KerANJI), <i>Koompasia mallacensis</i> (Impas)
Lead Assessor	Franklin Emang
Assessor(s)	Cynthia D. John and Michelle Boyou
FDS Staff	Hj Muhd Razali bin Mohammad (SFMO PPD Keningau), RHK Peter Abdullah (PPM Dalit), RH Donny Jairis (KPPM Dalit)

Terms of Assessment
The scope of the evaluation is to verify compliance of the Jalur Positif 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:

Jalur Positif Sdn. Bhd. (Jalur Positif) is registered with Companies Commission of Malaysia (SSM) on 27th June 2014 in Kuala Lumpur, with the registration number 1099380-P. From January 2018 to August 2018, the company produces and trades sawn timber for local market only.

Associated Organizations & Subcontractors:

Jalur Positif does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

In 2018, Jalur Positif purchased raw materials from the supplier as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	Statement # (Expiry Date)
SLDB (Wonder Flow Sdn. Bhd.)	JP(NKG)006/2016(F1)	Round logs	Keningau	Not available	Not available

Summary Results:

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

February 2019 (Major gap = 0, Minor gap = 1, Observation = 0)

GAPs:

GAP #	Type	Checklist	Description
001/2018	Minor	5.2.5 5.2.7	Jalur Positif should not identify production as VL when there is no Sabah TLAS raw material identified or allocated to the production batch unit in accordance to procedures.

*Major = Non-Compliance

Status of Outstanding GAPs:

GAP #	Type	Checklist	Status	Description
002/2018	Major	5.3.1	Closed	<p>September 2018: Jalur Positif does not have license to hire foreign workers. Foreign workers that work in the mill were hired under contract, but no evidence of a valid contract agreement. No evidence that foreign workers were covered with insurance as required.</p> <p>February 2019: Jalur Positif has a license to hire foreign workers. All foreign workers hired are insured under Lonpac Insurance Berhad (Ref. #: JPHTN/SFM (FLEGT) 800-1/7/8/4/61 dated 13th February 2019).</p>

Observations:

OBS #	Checklist #	Description

Highlights of Close-Out Visit (if applicable)	Date : 25 February 2019
GAP 002/2018 (Major) is now closed based on the verification done by the FLEGT Unit of SFM Division (Ref. #: JPHTN/SFM (FLEGT) 800-1/7/8/4/61 dated 13 th February 2019).	

Recommendations
<p>Jalur Positif Sdn. Bhd. has demonstrated compliance to the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) by FDS.</p> <p>Minor Gaps/observations identified in this assessment should be addressed before the next surveillance visit. Action required to close or address the gap and observations include:</p> <p>Gap 001/2018 (Minor) – Checklist 5.2.5, 5.2.7: Jalur Positif must identify production batches in accordance to procedures and Sabah TLAS status based on material received and allocated to production.</p> <p>The next surveillance visit is scheduled in August 2019.</p>

End of Summary Report