

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sharikat Sri-Arjuna Sdn. Bhd. 197101001020 (11398-P)	Reference #	GFSSBH 004-768
Contact Person	Mr. Tiong Chee Khong (Manager)	Audit Date	19/12/2024
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 267 WTP		
Issuance Date	23 December 2024	Expiration Date	22 December 2025

Assessment Details

Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(K)SG021/01(B01), KON(KSG)010/02(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia
Species	Lithocarpus spp. (Mempening), Medang, Darah-darah, pauciflora (Oba), Other Timber (OT)
Lead Assessor	Anne G. Grace
Assessor(s)	Awena Jaibin
SFD Staff	Albinus Thomas (ADFO Sipitang), Ag. Manggong (PPD Sipitang), Yusrijam B. Md yusof (PPD Sipitang), Keneddy Didacus (PPD Sipitang), M. Safeikh (PPD Sipitang), Noor Aqmal Bin Ag. Anak (PPD Sipitang)

Terms of Assessment

The scope of the evaluation is to verify compliance with Sharikat Sri-Arjuna 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 is 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 knowledge of GFS.

Background Information:

Sharikat Sri-Arjuna Sdn. Bhd. (Sharikat Sri-Arjuna) is, on and from 13/11/1971, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Malaysia, with registration #: 197101001020 (11398-P). Sharikat Sri-Arjuna produced sawn timber and sells them to the local market only.

Associated Organizations & Subcontractors:

Sharikat Sri-Arjuna does not engage subcontractor to produce and manufacture products. However, Tiong & Chun Enterprise provides manpower to Sharikat Sri-Arjuna.

Description of the Supply Chain:

From November 2023 to November 2024, Sharikat Sri-Arjuna purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Lembaga Kemajuan Tanah Negeri Sabah (Iburu Sdn. Bhd.)	JPHTN/FRM700-2/4/1/299@JLD2/8	Round logs	Sipitang	Non-Compliance	High

*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products.

Summary Results:

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

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3	New	December 2024: The current purchasing system is not according to the COC procedure.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3, 5.2.8	December 2024: Appendix manual for 2022 was not submitted to the SFD.

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

Recommendations
<p>Sharikat Sri-Arjuna Sdn. Bhd. 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>Gap 001/2024 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3: Sharikat Sri-Arjuna should use a Purchase Order for the current purchasing system based on the CoC procedure.</p> <p>Observation 001-2024 – Checklist 5.3.6: Sharikat Sri Arjuna should submit manual Appendix 1 for 2022 to the SFD.</p> <p>The next surveillance visit is scheduled for December 2025.</p>

End of Summary Report