

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sabajuta Industries Sdn. Bhd.(251660-U)	Reference #	GFSSBH 004-523
Contact Person	Liew Thien Chu (Director) Mulyanto (Document Controller)	Audit Date	12/07/2023
Office Address	WDT 786, 90009 Sandakan, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 049 WTP		
Issuance Date	17 July 2023	Expiration Date	16 July 2024

Assessment Details	
Company Type	Sawmill / Plywood / Blockboard / Fancy and Decorative Plywood / Carbon wood / Woodchips and Moulding products mill, Exporter, Importer
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS 001/03(X38)
Product Group	Sawn timber, Plywood
Source of Material	Sabah and Sarawak - Malaysia
Species	Sabah: <i>Parashorea</i> spp. (White Seraya), <i>Shorea</i> spp. (Red Seraya, Yellow Seraya Melapi), <i>Heritiera Simplicifolia</i> spp. (Kembang), <i>Sapotaceae</i> spp. (Nyatoh), <i>Neolamarckia Cadamba</i> spp. (Laran), <i>Octomeles Sumatrana</i> spp. (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Bombacaceae</i> spp. (Pengiran) <i>Scaphium</i> spp. (Kembang Semangkuk), <i>Annonaceae</i> spp. (Karai), <i>Sindora Beccariana</i> spp. (Sepetir), <i>Lauraceae</i> spp. (Medang), <i>Dyera</i> spp. (Jelutong), <i>Anisoptera</i> spp. (Pengiran), <i>Dipterocarpus</i> spp. (Keruing), <i>Drybalanops</i> spp. (Kapur), <i>Pentace</i> spp. (Takalis), <i>Annonaceae</i> spp. (Pisang-pisang). Sarawak: Mixed Light Hardwood (MLH)
Lead Assessor	Sandra George
Assessor(s)	Asraf Mahmud
FDS Staff	Ruslan Ismail (ADFO Sandakan), Zulkefly Matusin (KPPM Sandakan Selatan), Sahari Sakah (PPM Sandakan)

Terms of Assessment
The scope of the evaluation is to verify compliance of Sabajuta 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. 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:

Sabajuta Industries Sdn. Bhd. (Sabajuta Industries) is registered in Kuala Lumpur, Malaysia, with registration # 251660-U. Sabajuta Industries produces plywood for export to South Korea, Taiwan, and the USA.

The previous assessment was conducted in July 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-378).

Associated Organizations & Subcontractors:

Sabajuta Industries engages Agensi Pekerjaan Sri Kembangan Sdn. Bhd. as their subcontractor to handle foreign workers' documentation.

Description of the Supply Chain:

From July 2022 to June 2023, Sabajuta Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
TSH Resources Berhad	SFMLA 07/97	Round logs	Beluran	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Round logs	Tongod	GFS 130 LVS (25/09/2023)	Low
Timberwell Berhad	SFMLA 06/97	Round logs	Kota Marudu	Non-Compliance	High
Francis Bin Madangan & 40 Peserta (Sahabat Jayasama Sdn. Bhd.)	JP(STG)006/2021(F1)	Round logs	Tongod	Non-Compliance	High
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(CO)	Round logs	Sandakan	GFS 012 LVS (14/05/2024)	Low
Junaidi Bin Awang & 45 Peserta	2B308350	Round logs	Tongod	-	High
Country-Forest Industries Sdn. Bhd.	Not stated	Plywood Veneer	Sarawak	-	High

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

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.3 5.2.7	Closed	July 2022: Incorrect identification of Sabah TLAS status for Timberwell Berhad. July 2023: Sabajuta Industries has correctly identified Sabah TLAS status for suppliers compliant under Sabah TLAS P1-4.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.4	July 2022: The procedure does not indicate the new Management Representative for the COC system. July 2023: Sabajuta Industries has revised the COC procedure and indicated the new Management Representative.

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

Recommendations
<p>Sabajuta Industries 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>The next surveillance visit is scheduled for July 2024.</p>

End of Summary Report