

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Syarikat A. Wood (Sole Proprietorship)	Reference #	GFSSBH 004-765
Contact Person	Mr. Lim Kui Hing	Audit Date	16/12/2024
Office Address	Peti Surat 789, Kampung Lohan Skim 2, 89308 Ranau, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 309 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)RN001/2020(X49), KON(KRN)006/2020(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya, Melapi, Selangan batu), Neolamarckia cadamba (Laran), Pentace spp. (Takalis), Other timber (OT)
Lead Assessor	Anne G. Grace
Assessor(s)	Awena Jaibin
SFD Staff	Suib Basri (DFO Ranau), Denver J.J (PPD Ranau), Mohd Yusri (PPD Ranau)

Terms of Assessment

The scope of the evaluation is to verify compliance with Syarikat A. Wood 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:

Syarikat A. Wood is a sole proprietorship; therefore, is not required to register under Companies Act 2016. Syarikat A. Wood is only providing sawmilling services. The company took over the management from Fais Trading since December 2023 and is in the process of restructuring the system.

Associated Organizations & Subcontractors:

Syarikat A. Wood does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From November 2023 to November 2024, Syarikat A. Wood did not purchase logs and is only providing sawmilling services to the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Jobina Binti Badau@Jamin & 2 Peserta	JPHTN/FRM 700-2/4/2/2/24	Round logs	Ranau	-	High
Pemegang Amanah Tanah Rizab Tapak Kediaman Anak Negeri Kampung Puda Penulangun	JPHTN/FRM 700-2/4/1/161/JILID.3/30	Round logs	Ranau	-	High
Topsure Development Sdn. Bhd. (Mark AK Construction Sdn. Bhd.)	JPHTN(FIIB)DKM-2023/01	Round logs	Kota Marudu	Non-Compliance	High
Kunfok Bin Majail	JPHTN/FRM700-2/4/2/2/18	Round logs	Tambunan	-	High

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

Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 5)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.2	New	December 2024: Expired Sawmill & Mill contractor licenses.
002/2024	minor	5.2.6, 5.2.7, 5.2.11, 5.2.12, 6.1.4	New	December 2024: Lack of identification of batch number and Sabah TLAS status from receiving to WIP & Finished Goods as per the CoC procedure.
003/2024	minor	5.3.5	New	December 2024: No EPF contribution since 2023.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3, 5.2.8	December 2024: Error in recording the C/F log volume for manual Appendix 1.
002-2024	5.1.6, 6.4.2	December 2024: The CoC procedure for administration lacks reference to legal permits and retention time of records.
003-2024	5.2.3, 5.2.4, 5.2.5	16 December 2024: Syarikat A Wood did not conduct risk assessment and not recorded in the arrival book. 17 December 2024: Syarikat A. Wood conducted the risk assessment; however, only one supplier was conducted for a risk assessment.
004-2024	5.3.1, 5.3.2	December 2024: No employment agreement for workers.
005-2024	6.4.1	December 2024: Monthly summary record for logs received and Finished Goods was not available.

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

Recommendations
<p>Syarikat A. Wood 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 5.1.2: Syarikat A. Wood should renew the sawmill and Mill Contractor licenses 3 months before the expiry date.</p> <p>Gap 002/2024 (minor) – Checklist 5.2.6, 5.2.7, 5.2.11, 5.2.12, 6.1.4: Syarikat A. Wood shall identify batch number and Sabah TLAS status for all materials from receiving to WIP and FG as per the CoC procedure.</p> <p>Gap 003/2024 (minor) – Checklist 5.3.5: Syarikat A. Wood should seek guidance from the EPF regarding registration and contribution for workers based on the company's operation.</p> <p>Observation 001-2024 – Checklist 5.1.3, 5.2.8: Syarikat A. Wood should record the correct C/F for August and November 2024 for Appendix 1 manual and submit the rectification to the SFD.</p> <p>Observation 002-2024 – Checklist 5.1.6, 6.4.2: The CoC procedure should include legal permits and retention time of records up to 5 years.</p> <p>Observation 003-2024 – Checklist 5.2.3, 5.2.4, 5.2.5: Syarikat A. Wood should conduct risk assessments for all suppliers.</p> <p>Observation 004-2024 – Checklist 5.3.1, 5.3.2: It is recommended that Syarikat A. Wood provides employment agreement for workers.</p> <p>Observation 005-2024 – Checklist 6.4.1: Syarikat A Wood should maintain the monthly summary of logs received and finished goods.</p> <p>The next surveillance visit is scheduled for December 2025.</p>

End of Summary Report