

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Makeson Sdn. Bhd. 198301004190 (99395-V)	Reference #	GFSSBH 004-702
Contact Person	Mr. Alvin Tham (Manager)	Audit Date	06/05/2024
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 072 WTP		
Issuance Date	13 May 2024	Expiration Date	12 May 2025

Assessment Details

Company Type	Moulding, Kiln Dry Plant and Wood Preservation Plant
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK028/00(X22)R, JP(K)KK010/01(X07), JP(K)KK001/14(B05), KON(KKK)015/97(KK)
Product Group	Sawn timber and mouldings (S4S, E4E, tongue & groove, panelling)
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), Sapotaceae (Nyatoh), Surian, Laran, Sarsi, Kempas, <i>Shorea pauciflora</i> (Oba suluk), <i>Syzygium spp.</i> (Jambu-jambu), <i>Hevea brasiliensis</i> (Rubberwood), Other Timber (OT), <i>Intsia palembanica</i> (Merbau)
Lead Assessor	Anne Gimbir
Assessor(s)	Glory Linggou, Tommy Olui
SFD Staff	Jepri Brahim (PPD KK)

Terms of Assessment

The scope of the evaluation is to verify compliance with Makeson 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:

Makeson Sdn. Bhd. (Makeson) is, on and from the 29/03/1983, incorporated under the Companies Act 2016 in Kuala Lumpur, Malaysia, with the registration #: 198301004190 (99395-V). Makeson leased lands to WVT Timber Industries and Borneo Benar and they have a valid tenancy agreement.

Associated Organizations & Subcontractors:

Makeson does not engage subcontractor to produce, manufacture products or provide manpower. Makeson only provides moulding and kiln dry services to its clients using their own workers.

Description of the Supply Chain:

From March 2023 to March 2024, Makeson did not purchase raw materials; however, Makeson provides moulding and kiln dry services for the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bumi Timber Sdn. Bhd. (DM Cergas Sdn. Bhd.)	JP(N)SO001/16(X17)	Sawn timber	Sook	GFS 244 WTP (21/04/2025)	Low
Syarikat Jayaramai Sdn. Bhd. (ML Sabah Trading)	JP(N)SO055/00(B01)R	Sawn timber	Sook	GFS 056 WTP (17/12/2024)	Low
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn timber	Ranau	GFS 032 WTP (10/12/2024)	Low
Usaha Sensasi Sdn. Bhd. (Piramid Bumimas Sdn. Bhd.)	JP(K)RN002/12(B01)	Sawn timber	Ranau	GFS 068 WTP (10/12/2024)	Low
Mau Seng Timber Sdn. Bhd.	JP (K) KK 001/17(X42)	Sawn timber	Kota Kinabalu	GFS 028 WTP (28/05/2024)	Low
Tropical Wood Plantation Sdn. Bhd.	JP(D)PS001/19(B01)	Sawn timber	Kota Marudu	GFS 135 WTP (05/11/2024)	Low
Sapulut Forest Development Sdn. Bhd.	JP(T)TI001/00(B01)	Sawn timber	Tibow	-	High
Mastergroup Enterprise Sdn. Bhd. (Fung Guan Enterprise Sdn. Bhd.)	JP(T)TW001/00(X37)R	Sawn timber	Tawau	GFS 153 WTP (03/12/2024)	Low
Megah Jadi Sdn. Bhd.	JP(T)TW 004/00(X02)R	Sawn timber	Tawau	GFS 209 WTP (21/05/2024)	Low
Biomass Majujaya Sdn. Bhd.	JP(N)KG003/18(X62)	Sawn timber	Keningau	GFS 241 WTP (30/07/2024)	Low
Hoong Yap Manufacturer Sdn. Bhd.	JP(N)KG001/11(X23)	Sawn timber	Keningau	GFS 111 WTP (09/07/2024)	Low
Lamitech International Sdn. Bhd.	JP(K)KK001/19(X68)	Sawn timber	Kota Kinabalu	GFS 236 WTP (18/06/2024)	Low
NWP Industries Sdn. Bhd.	JP(K)KK006/00(M01)R	Sawn timber	Kota Kinabalu	GFS 092 WTP (28/05/2024)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (28/05/2024)	Low
Tawau Kilning & Moulding Sdn. Bhd.	JP(T) TW 001/14 (X04)	Sawn timber	Tawau	GFS 036 WTP (21/05/2024)	Low
Aturmaju (Sabah) Holding Sdn. Bhd.	JP(T)KA001/00(X33)R	Sawn timber	Kalabakan	Non-Compliance	High
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawn timber	Sook	GFS 107 WTP (21/04/2025)	Low

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

Summary Results:

(Major gap = 0, Minor gap = 1, Observation = 3)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.11 5.2.12 6.1.4	New	May 2024: No identification of Sabah TLAS status for Kilang Kayu Lohan on WIP and finished goods at the mill. Makeson could not provide the production records for Sabah TLAS materials.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.2.3, 5.2.4, 5.2.5	May 2024: Incorrect identification of Sabah TLAS status in the removal pass for Kilang Kayu Lohan.
002-2024	5.3.2	May 2024: Pending the COI renewal.
003-2024	5.3.3	May 2024: Makeson has no system for communication & dispute resolution for workers.

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

Recommendations
<p>Makeson 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 – Checklist 5.2.11, 5.2.12, 6.1.4: Makeson shall physically include the WIP & FG status e.g., card on materials with status and should maintain the production records for Sabah TLAS materials.</p> <p>Observation 001-2024 – Checklist 5.2.3, 5.2.4, 5.2.5: SFD shall stamp the Sabah TLAS Status and validate the expiry date based on the correct data that can be obtained from SFD HQ or GFS website.</p> <p>Observation 002-2024 – Checklist 5.3.2: Makeson should register new workers under COI. The COI renewal should be 3 months before the expiry date.</p> <p>Observation 003-2024 – Checklist 5.3.3: Makeson should establish system for communication & dispute resolution for workers.</p> <p>The next surveillance visit is scheduled for May 2025.</p>

End of Summary Report