

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Innovatory Furniture Sdn. Bhd.(674600-D)	Reference #	GFSSBH 004-499
Contact Person	Justin Yap (General Manager)	Audit Date	10/05/2023
Office Address	P.O. Box A-495, 89357 Inanam, Kota Kinabalu, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 084 WTP		
Issuance Date	15 May 2023	Expiration Date	14 May 2024

Assessment Details

Company Type	Moulding, Kiln Dry Plant, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK001/08(X26), JP(K)KK005/17(X22)
Product Group	Moulding (S4S, E2E), Finger joint
Source of Material	Sabah, Malaysia.
Species	<i>Acacia mangium</i> (Acacia)
Lead Assessor	Sandra George
Assessor(s)	Priera Bagang, Asraf Mahmud
FDS Staff	-

Terms of Assessment

The scope of the evaluation is to verify compliance of Innovatory Furniture 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:

Innovatory Furniture Sdn. Bhd. (Innovatory Furniture) is registered in Kota Kinabalu, Malaysia, with registration # 674600-D. Innovatory Furniture produces moulding/finger joint for local market and exports mainly to Japan.

The previous assessment was conducted in May 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-350a).

Associated Organizations & Subcontractors:

Innovatory Furniture engages R.M Services Sdn. Bhd. as its agent to handle documentation for export activities.

Description of the Supply Chain:

From April 2022 to April 2023, Innovatory Furniture purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Tropical Wood Plantation Sdn. Bhd.	JP(D)PS001/19(B01)	Acacia Sawn Timber	Pitas	GFS 135 WTP (27/11/2023)	Low
Serba Potensi Sdn. Bhd.	JP(K)KK001/17 (X04)	Acacia Sawn Timber	Kota Kinabalu	GFS 232 WTP (10/07/2023)	Low

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

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Major	5.3.1	Closed	<p>May 2022: No evidence of SOCSO registration for workers sampled and a lack of a valid work pass for one of the foreign workers.</p> <p>July 2022: No evidence of action for renewal of work permits for foreign workers sampled.</p> <p>May 2023: Innovatory Furniture has renewed work permits for foreign workers.</p>
001/2023	Minor	5.3.2 5.3.7 5.3.8	New	<p>May 2023: No evidence of safety and fire safety training conducted for mill workers.</p>

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2021 Addressed	5.2.4	<p>May 2022: The company has yet to revise the CoC procedure.</p> <p>May 2023: Innovatory Furniture revised the COC procedure, for purchasing Verified Legal (Sabah TLAS) materials and identifying material categories from production through sales.</p>

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

Recommendations

Innovatory Furniture Sdn. Bhd. has now demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody as non-compliance was addressed in criterion 5.3 and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

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:

Gap 001/2023 (Minor) – Checklist 5.3.2, 5.3.7, 5.3.8: Innovatory Furniture shall conduct safety and fire training for mill workers annually.

The next surveillance visit is scheduled for May 2024.

End of Summary Report