

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Matowin Sdn. Bhd. (246193-T)	Reference #	GFSSBH 004-533a
Contact Person	Kiing Teck Ngie (Director)	Audit Date	03/08/2023
Office Address	2 nd Floor, Lot No. 6, Block 16, Mile 4, Bandar Indah, 90000 Sandakan, Sabah, Malaysia.	Date close out	06/10/2023
Mill Address	Warehouse (Kawati Sdn. Bhd.): Batu 10 1/2, Off Jalan Seguntor, Sandakan, Sabah, Malaysia.	Telephone	+6089 615 254
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NC: Non-Compliance – Criteria 5.2 and 5.3 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Company Type	Exporter *
Scope of Assessment	Sabah TLAS P5-6: FDS(SS)(E)057/2019
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Dryobalanops aromatica</i> (Kapur), <i>Shorea spp.</i> (Red Seraya, Yellow Seraya, Melapi, Selangan Batu), Other Timber (OT)
Lead Assessor	Sandra George
Assessor(s)	Brandon James
FDS Staff	Ruslan Ismail (ADFO Sandakan), Hassin Bin Pupong (PPM Seguntor)

*Ref.#: JPHTN/SFM800-1/7/2/0(JILID.6)98 dated 20/09/2023 – Matowin requested cancellation for the Sabah TLAS P5-6 audit assessment and SFD approved the Sabah TLAS P5-6 cancellation.

Terms of Assessment

The scope of the evaluation is to verify compliance of Matowin 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:

Matowin Sdn. Bhd. (Matowin) is registered in Kuala Lumpur, Malaysia, with registration # 246193-T. Matowin purchases sawn timber for the local market and exports to Hong Kong, Peninsular Malaysia and Thailand.

Matowin (the lessee) has a tenancy agreement dated 01/12/2007 with Kawati Sdn. Bhd. (the lessor), to lease the warehouse owned by Kawati Sdn. Bhd. at CL075495715, Seguntor, Sandakan, Sabah, Malaysia.

The previous assessment was conducted in October 2022 that resulted in 2 gap(s) and 2 observation(s) (Report #: GFSSBH 004-386a).

Associated Organizations & Subcontractors:

Matowin does not engage any other subcontractor to produce or manufacture products.

Description of the Supply Chain:

From August 2022 to July 2023, Matowin purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Unikarya Trading Sdn. Bhd.	JP(T)TW003/15(X04)	Sawn timber	Tawau	GFS 190 WTP (12/02/2024)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (28/05/2024)	Low
Syarikat A. Wood (Fais Trading)	JP(K)RN001/2020(X49)	Sawn timber	Ranau	Non-Compliance	High

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

Summary Results:

(Major gap = 2, Minor gap = 0, Observation = 0)

October 2023 (Major gap = 2, Minor gap = 0, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
003/2021	Major	5.3.2 5.3.7 5.3.8	Outstanding	<p>August 2021: No record of training on safety and fire by the company from 2020 to 2021.</p> <p>August 2022: The company has not conducted safety and fire training.</p> <p>August 2023: No evidence that Matowin conducted safety and fire training since 2020.</p> <p>October 2023: Matowin has yet to conduct safety and fire training for warehouse workers.</p>
001/2022	Major	5.2.7	Outstanding	<p>August 2022: Batch # and Sabah TLAS status were not identified on finished products as per the COC procedure.</p> <p>October 2022: The company did not take action to identify batch # and Sabah TLAS status on finished products as per the COC procedure.</p> <p>August 2023: Matowin has yet to identify finished products with batch # and Sabah TLAS status in accordance with the COC procedures.</p> <p>October 2023:</p>

				No action by Matowin to identify finished products with batch # and Sabah TLAS status in accordance with the COC procedures.
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*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.2.4	August 2022: The company did not maintain a copy of the COC manual. August 2023: Matowin maintains the COC manual documentation in its office.
002-2022 Addressed	6.1.2	August 2022: Copies of Removal passes for two sampled export consignments were not available during the assessment. August 2023: Matowin maintains all copies of removal passes for export consignments.

Highlights of Close-Out Visit (if applicable)	Date: 06 October 2023
Major Gaps 003/2021 and 001/2022 shall be addressed within 2 months by October 2023. Matowin has yet to conduct safety and fire training for warehouse workers and finished products has yet to be identified with batch # and Sabah TLAS status as per the COC procedures; thus, the Major Gaps 003/2021 and 001/2022 remains outstanding.	

Recommendations
<p>Matowin Sdn. Bhd. has not demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was identified under Criteria 5.2 & 5.3 and is NOT recommended to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>The Major Gap shall be addressed within two months by October 2023.</p> <p>Gap 001/2022 (Major) Outstanding – Checklist 5.2.7: Matowin shall identify finished products with batch # and Sabah TLAS status in accordance with the COC procedures.</p> <p>Gap 003/2021 (Major) – Checklist 5.3.2, 5.3.7, 5.3.8: Matowin shall conduct safety and fire training annually for warehouse workers.</p> <p>Ref.#: JPHTN/SFM800-1/7/2/0(JILID.6)98 dated 20/09/2023 – Matowin requested cancellation for the Sabah TLAS P5-6 audit assessment and SFD approved the Sabah TLAS P5-6 cancellation. Thus, no Sabah TLAS P5-6 audit in 2024.</p>

End of Summary Report