

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Pemborong PKS (Sole Proprietorship)	<b>Reference #</b>	GFSSBH 004-783
<b>Contact Person</b>	Risal Bin Drugi (Manager)	<b>Audit Date</b>	18/02/2025
<b>Office Address</b>	Kg. Merabung, Jalan Tungku, 91100 Lahad Datu, Sabah, Malaysia.	<b>Date close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 156 WTP		
Issuance Date	24 February 2025	Expiration Date	23 February 2026

### Assessment Details

Company Type	Sawmill, moulding
Scope of Assessment	Sabah TLAS P5-6: JP(T)LD003/08(M01), KON(TLD)022/11(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia
Species	Azadirachta excelsa (Sentang), Eusideroxylon zwageri (Belian), Tectona grandis (Teak)
Lead Assessor	Sheanna Kehong
Assessor(s)	Anne G. Grace
SFD Staff	Geungnong Ah Jing (PPD LD), Handry (PPD LD), Jaini Bin Impin (PPD LD)

### Terms of Assessment

The scope of the evaluation is to verify compliance with Pemborong PKS 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:**

Pemborong PKS is a sole proprietor; thus, does not require to register under the Companies Commission of Malaysia (SSM). Pemborong PKS produces and trades sawn timber for the local hardware store only.

**Associated Organizations & Subcontractors:**

Pemborong PKS does not engage other companies as their subcontractors to provide or manufacture products.

**Description of the Supply Chain:**

From August 2023 to February 2025, Pemborong PKS purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Tiong Kheng Holding	2B930193	Round logs	Lahad Datu	-	High
Kingwood Timber (Boustead Rimba Nilai Sdn. Bhd.)	JPHTN/FRM 700-3/3/0JLD.5/15	Plantation logs	Kinabatangan	-	High
Adhwa Enterprise	JPHTN/LD 700-2/4/JLD 39/24	Plantation logs	Lahad Datu	-	High

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

**Summary Results:**

(Major gap = 0, Minor gap = 4, Observation = 1)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.1.3, 5.2.8	New	<b>February 2025:</b> Appendix 7 from 2022 to Jan 2025 was not recorded in manual form, Removal Pass for 10/2023 was not recorded in the arrival book and has not been submitted to the SFD.
002/2025	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3	New	<b>February 2025:</b> The current purchasing was not in line with the CoC procedure.
003/2025	minor	5.3.1, 5.3.2	New	<b>February 2025:</b> No establishment of employment agreement for workers.
004/2025	minor	5.3.5	New	<b>February 2025:</b> No EPF/SOCSO registration for workers.

\*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.3.6	<b>February 2025:</b> Incomplete training date and participants.

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

### Recommendations

**Pemborong PKS** 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.

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 001/2025 (minor) – Checklist 5.1.3, 5.2.8:** Pemborong PKS should record manual Appendix 7 from 2022 to Jan 2025, record all Removal Pass in the arrival book and manual submission and submit manual Appendix 7 to the SFD via email.

**Gap 002/2025 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3:** Pemborong PKS should use a Purchase order for purchasing of logs as per the CoC procedure.

**Gap 003/2025 (minor) – Checklist 5.3.1, 5.3.2:** Workers should have employment agreements.

**Gap 004/2025 (minor) – Checklist 5.3.5:** Pemborong PKS should seek guidance from KWSP/SOCISO regarding workers registration and contribution.

**Observation 001-2025 – Checklist 5.3.6:** Training records should include date of training and participants.

The next surveillance visit is scheduled for February 2026.

### End of Summary Report