

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sun Up Wood Products Sdn. Bhd. 200501016965 (694008-P)	Reference #	GFSSBH 004-796
Contact Person	Ms. Hasnawati Suardi (Administrative)	Audit Date	06/03/2025
Office Address	TB 4208, Lot 30, TKT 3, Block C, Bandaran Baru, 91031 Tawau, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 132 WTP		
Issuance Date	10 March 2025	Expiration Date	09 March 2026

Assessment Details

Company Type	Sawmill, Moulding, Importer, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW005/08(X04), FDS(TW)(I)016/2019(M), FDS(TW)(S)005/2021(M), FDS(TW)(E)003/2021(M)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Tectona grandis (Teak)
Lead Assessor	Anne G. Grace
Assessor(s)	Sheanna Kehong, Merlyne Gerard, Author Itin
SFD Staff	Abd. Suhaimi Bin Abd. Manap (PPD TWU)

Terms of Assessment

The scope of the evaluation is to verify compliance with Sun Up Wood Products 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:

Sun Up Wood Products Sdn. Bhd. (Sun Up Wood Products) is, on and from 07/06/2005, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 200501016965 (694008-P). Sun Up Wood Products purchases plantation logs and produces sawn timber and exports round logs China and sawn timber to Peninsular Malaysia.

Associated Organizations & Subcontractors:

Sun Up Wood Products does not engage other companies as their subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From December 2023 to January 2025, Sun Up Wood Products purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Hutan Simpan Lungmanis	Not stated	Teak Plantation	Sandakan	-	High

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

Summary Results:

(Major gap = 0, Minor gap = 1, Observation = 2)

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.3.1, 5.3.2, 5.3.5	New	March 2025: No employment agreement for Directors and inconsistency in EPF/SOCSO registration and contributions.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
001-2025	5.1.3	March 2025: Appendix 1 Manual for 12/2023 was not amended and submitted to SFD.
002-2025 Addressed	5.1.6, 6.4.2	05 March 2025: Permits/licenses and retention time was not defined in the CoC. 07 March 2025: Sun Up Wood Products has defined license permit and retention records in the CoC procedure.
003-2025	5.3.6, 5.3.8	March 2025: Fire extinguishers were obstructed by sawn timber. Issues raised by DOSH have not yet been addressed.

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

Recommendations
<p>Sun Up Wood Products 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 001/2025 (minor) – Checklist 5.3.1, 5.3.2, 5.3.5: Sun Up Wood Products shall provide employment</p>

agreement and include the SOCSO/EPF contributions and ensure all workers contribute under SOCSO as stipulated in the Sabah Labor Ordinance.

Observation 001-2025 – Checklist 5.1.3: Sun Up Wood Products should record the correct volume CF sawn timber for 12/2023 and submit the amendment to the SFD.

Observation 003-2025 - Checklist 5.3.6, 5.3.8: Sun Up Wood Products should ensure fire extinguishers were not obstructed and to address issues raised by DOSH.

The next surveillance visit is scheduled for March 2026.

End of Summary Report