

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Sangkil Makmur Sdn. Bhd. (195179-X)	Reference #	GFSSBH 004-579
Contact Person	Rasmaiwati Binti Rabani (Management Representative)	Audit Date	22/11/2023
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 152 WTP		
Issuance Date	27 November 2023	Expiration Date	26 November 2024

Assessment Details

Company Type	Sawmill, Moulding, Blockboard and Kiln Dry Plant
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/14(X20), JP(T)TW001/08(X22), KON(TTW)006/08(KK)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya) and <i>Shorea spp.</i> (Red seraya, Yellow seraya, Mixed Seraya), Other Timber (OT).
Lead Assessor	Brandon James
Assessor(s)	Glory Linggou, Tommy Olui, Vanessa Abin
FDS Staff	Ahmad Sappan (PPD Tawau)

Terms of Assessment

The scope of the evaluation is to verify compliance of Sangkil Makmur 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:

Sangkil Makmur Sdn. Bhd. (Sangkil Makmur) is registered in Kuala Lumpur, Malaysia, with registration # 195179-X. Sangkil Makmur only provides kiln dry service for its clients, and does not operate the manufacturing facilities.

Sangkil Makmur has leased the sawmill to Lotus Region Sdn. Bhd. and Eastern Tropical Sdn. Bhd. with agreements valid through 28/02/2025 and 31/08/2026, respectively.

The previous assessment was conducted in November 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-432).

Associated Organizations & Subcontractors:

Sangkil Makmur does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From October 2022 to October 2023, Sangkil Makmur received raw materials from the supplier for kiln dried services as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Gold Rank Sdn. Bhd.	JP(T)TW001/10(X04)	Sawn timber	Tawau	GFS 010 WTP (25/06/2024)	Low
Irama Ramai Sdn. Bhd.	JP(N)KG001/12(X04)	Sawn timber	Keningau	GFS 110 WTP (17/09/2024)	Low
Bersatu Andal Sdn. Bhd.	JP(T)TW004/06(X04)	Sawn timber	Tawau	GFS 129 WTP (27/08/2024)	Low
Hap Seng Property Investment Sdn. Bhd. (Chuan Huan Trading Sdn. Bhd.)	JP(T)TW002/05(B01)	Sawn timber	Tawau	GFS 216 WTP (27/08/2024)	Low
Evasetia Sdn. Bhd.	JP(T)TW001/18(E08)	Sawn timber	Tawau	GFS 154 WTP (29/10/2024)	Low
Unikarya Trading Sdn. Bhd.	JP(T)TW003/15(X04)	Sawn timber	Tawau	GFS 190 WTP (12/02/2024)	Low
Sandiwara Indah Sdn. Bhd.	JP(T)TW008/08(X04)	Sawn timber	Tawau	GFS 064 WTP (20/08/2024)	Low
Power Hardware Company	R32968/08	Sawn timber	Tawau	-	High

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

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
002/2021	minor	5.3.2 5.3.7	Closed	December 2021: No safety and health training conducted by the company from 2020 to date. November 2022: The training was limited to fire safety and did not include work safety for material handling. November 2023: Sangkil Makmur has included work safety training as a part of its annual training.
001/2023	Obs 001-2021	5.1.1	Raised to minor	December 2021: Licenses for Sawmill/Moulding/Blockboard and Kiln Dry Plant have expired. The company has sent a renewal application to SFD and is pending payment. November 2022:

				Sangkil Makmur submitted a license renewal that is pending approval from SFD. November 2023: There is no evidence that Sangkil Makmur paid the mill license renewal.
002/2023	minor	5.3.8	New	November 2023: Three (3) sampled fire extinguishers observed valid but without adequate pressure.

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Sangkil Makmur 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.

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 5.1.1: Sangkil Makmur shall follow up with SFD and pay the mill license renewal fee as required.

Gap 002/2023 (minor) – Checklist 5.3.8: Sangkil Makmur shall ensure all fire extinguishers are valid and with adequate pressure.

The next surveillance visit is scheduled for November 2024.

End of Summary Report