

Sabah TLAS Audit Report Principles 5 & 6

Organisation	SJ Borneo Sdn. Bhd. 201101004992 (933133-V)	Reference #	GFSSBH 004-747
Contact Person	Mr. Su San Shien (Manager)	Audit Date	07/11/2024
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 158 WTP		
Issuance Date	11 November 2024	Expiration Date	10 November 2025

Assessment Details

Company Type	Moulding, Furniture
Scope of Assessment	Sabah TLAS P5-6: JP(T)TW001/15(X26), FDS(TW)(S)008/2024(M)
Product Group	Sawn timber, moulded timber, door, door frame, finger-joint
Source of Material	Sabah, Malaysia.
Species	<i>Shorea spp.</i> (Red seraya and Yellow seraya), <i>Dialium indum</i> (KerANJI), <i>Tectona grandis</i> (Teak), Other Timber (OT)
Lead Assessor	Glory Linggou
Assessor(s)	Sheanna Kehong, Evelyn Chong
SFD Staff	Abd Suhaimi Abd Manap (PPD TWU)

Terms of Assessment

The scope of the evaluation is to verify compliance with SJ Borneo 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:

SJ Borneo Sdn. Bhd. (SJ Borneo) is, on and from 21/02/2011, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 201101004992 (933133-V). SJ Borneo produces moulded timber, doors, door frames and finger-joint for the local market. SJ Borneo exports its products to Taiwan and Hong Kong through its agent, Arus Borneo Sdn. Bhd.

Associated Organizations & Subcontractors:

SJ Borneo does not engage any subcontractor to produce moulding. SJ Borneo has a Memorandum of Understanding between Arus Borneo Sdn. Bhd. as its agent handling export consignments.

Description of the Supply Chain:

From July 2023 to October 2024, SJ Borneo purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Mastergroup Enterprise Sdn. Bhd. (Fung Guan Enterprise Sdn. Bhd.)	JP(T)TW001/00(X37)R	Sawn timber	Tawau	GFS 153 WTP (03/12/2024)	Low
Fu Yee Corporation Sdn. Bhd.	JP(T)KA001/00(X52)R	Sawn timber	Kalabakan	GFS 079 WTP (08/10/2024)*	High*
Chuan Huan Trading Sdn. Bhd.	JP(T)TW002/05(B01)	Sawn timber	Tawau	GFS 216 WTP (27/08/2024)*	High*
Sherwood Timber Processing Sdn. Bhd.	JP(T)TW004/00(X02)R	Sawn timber	Tawau	GFS 042 WTP (22/09/2025)	Low
Sun Up Wood Products Sdn. Bhd.	JP(T)TW005/08(X04)	Sawn timber	Tawau	GFS 132 WTP (14/01/2025)	Low

*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products. Materials purchased prior to expiration of the GFS WTP Statement of Compliance is considered Sabah TLAS.

Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4	New	November 2024: The current system for purchasing is not according to the CoC procedure.
002/2024	minor	5.3.2	New	November 2024: The JTK license has expired.
003/2024	minor	5.3.6, 5.3.7	New	November 2024: No work safety training was not conducted for workers and PPE distribution is not recorded.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.3	November 2024: Monthly reporting of carry forward stock for Appendix 7 differed between manual & online submissions.

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

Recommendations

SJ Borneo 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 001/2024 (minor) – Checklist 5.2.1, 6.1.1, 6.1.2, 6.1.3, 6.1.4: SJ Borneo shall ensure the current system for purchasing and receiving is according to the COC procedure.

Gap 002/2024 (minor) – Checklist 5.3.2: SJ Borneo shall renew the JTK license.

Gap 003/2024 (minor) – Checklist 5.3.6, 5.3.7: SJ Borneo shall conduct work safety training for workers and record the PPE distribution.

Observation 001-2024 – Checklist 5.1.3: SJ Borneo shall correctly record the carry forward stock in Appendix 7 online and manual submissions.

The next surveillance visit is scheduled for November 2025.

End of Summary Report