

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Aturmaju (Sabah) Holding Sdn. Bhd. (183346-D)	<b>Reference #</b>	GFSSBH 004-505a
<b>Contact Person</b>	Tee Kah Leong (Sawmill Manager) Hasni Bte Pukung (Admin Clerk)	<b>Audit Date</b>	18/05/2023
<b>Office Address</b>	TB8285 Lot 20C, Perdana Square Commercial Centre, Jln Apas, Batu 3½, 91000, Tawau, Sabah, Malaysia.	<b>Date close out</b>	21/07/2023
<b>Mill Address</b>	NT 103041970, 100 KM Sungai Kalabakan, Kalabakan, Sabah	<b>Telephone</b>	+6013 888 9178 +6013 577 4087
<b>Email</b>	aturmaju_arb@yahoo.com	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	NC: Non-Compliance – Criterion 5.3 (Outstanding)		
<b>Issuance Date</b>	Not applicable	<b>Expiration Date</b>	Not applicable

### Assessment Details

<b>Company Type</b>	Sawmill, moulding and exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)KA001/00(X33)R
<b>Product Group</b>	Sawn timber and veneer
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Neolamarckia cadamba</i> (Laran) <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), <i>Lithocarpus &amp; Quercus</i> (Mempening), <i>Dialium indum</i> (KerANJI), <i>Koompassia excelsa</i> (Mengaris), OT (Other timber)
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Glory Linggou, Sandra George
<b>FDS Staff</b>	Ag. Ku Mohd Ridzwan Pg. Abd Razak (ADFO Kalabakan), Hassan Marhaban (PPD Kalabakan)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Aturmaju (Sabah) Holding 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:**

Aturmaju (Sabah) Holding Sdn. Bhd. [Aturmaju (Sabah) Holding] is registered in Kota Kinabalu, Malaysia, with registration # 183346-D. Aturmaju (Sabah) Holding produces sawn timber and veneer and exports to South Korea and Taiwan.

**Associated Organizations & Subcontractors:**

Aturmaju (Sabah) Holding engages Arus Borneo Sdn. Bhd. as its agent to handle documentation for exports.

**Description of the Supply Chain:**

From April 2022 to April 2023, Aturmaju (Sabah) Holding purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (FMU 25)	SFMLA09/97 TWU03/2021	Round logs	Serudong	Non-compliance	High

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

**Summary Results:**

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

July 2023: (Major gap = 1, Minor gap = 2, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2023	minor	5.1.2	New	<b>May 2023:</b> Log transferred to the sawmill was not recorded in Appendix 3 and the calculation of carry forward stock was incorrect.
002/2023	<b>Major</b>	5.3.1 5.3.5	Outstanding	<b>May 2023:</b> No evidence that Aturmaju (Sabah) Holding registered workers and contributed monthly under SOCSO as required. <b>July 2023:</b> No action was taken by Aturmaju (Sabah) Holding to register workers and contribute monthly under SOCSO.
003/2023	minor	5.3.2, 5.3.7 5.3.8	New	<b>May 2023:</b> No evidence of safety and fire training conducted for workers.

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

<b>Highlights of Close-Out Visit (if applicable)</b>	<b>Date: 21 July 2023</b>
Major Gap <b>002/2023</b> shall be addressed within 2 months by July 2023. No action was taken by Aturmaju (Sabah) Holding to register workers and contribute monthly under SOCSO; thus, the Major Gap remains outstanding.	

<b>Recommendations</b>
<p><b>Aturmaju (Sabah) Holding Sdn. Bhd.</b> has not demonstrated compliance with the Sabah Standard Principles 5-6 Chain of Custody as non-compliance was identified under Criterion 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>Major Gaps shall be addressed within two months by <b>July 2023</b>.  <b>Gap 002/2023 (Major) Outstanding – Checklist 5.3.1, 5.3.5:</b> Aturmaju (Sabah) Holding shall register all workers and contribute under SOCSO as required.</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:  <b>Gap 001/2023 (minor) – Checklist 5.1.2:</b> Aturmaju (Sabah) Holding shall record all log transfers to the sawmill in Appendix 3 and correctly calculate the carry forward stock.  <b>Gap 003/2023 (minor) – Checklist 5.3.2, 5.3.7, 5.3.8:</b> Aturmaju (Sabah) Holding shall conduct safety and fire training for workers annually.</p> <p>The next surveillance visit is scheduled for May 2024.</p>

**End of Summary Report**