

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Innora Sdn. Bhd. (196543-X)	<b>Reference #</b>	GFSSBH 004-478
<b>Contact Person</b>	Lim Yong Kuan (Officer in Charge)	<b>Audit Date</b>	21/03/2023
<b>Office Address</b>	KM 11, Jalan Sinora, Batu Sapi, W.D.T 79, 90009 Sandakan, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	KM 11, Jalan Sinora, Batu Sapi, W.D.T 79, 90009 Sandakan, Sabah, Malaysia.	<b>Telephone</b>	+6089 665 832
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 175 WTP		
Issuance Date	27 March 2023	Expiration Date	26 March 2024

Assessment Details	
Company Type	Sawmill / Moulding and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS003/06(X04)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya), <i>Duabanga moluccana</i> (Magas), <i>Annonaceae spp.</i> (Karai), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Eusideroxylon zwageri</i> (Belian), Parartocarpus or Artocarpus (Terap), <i>Dialium indum</i> (KerANJI), <i>Albizia spp.</i> (Albizia), <i>Alstonia spp.</i> (Pulai), <i>Neolamarckia cadamba</i> (Laran)
Lead Assessor	Glory Linggou
Assessor(s)	Asraf Mahmud
FDS Staff	Ramlan Atak (PPD Sandakan)

Terms of Assessment
The scope of the evaluation is to verify compliance of Innora 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:

Innora Sdn. Bhd. (Innora) is registered in Kuala Lumpur, Malaysia, with registration # 196543-X. Innora produces and sells sawn timber for the local market.

The previous assessment was conducted in March 2022 that resulted in 4 gap(s) and 4 observation(s) (Report #: GFSSBH 004-323).

**Associated Organizations & Subcontractors:**

Innora is associated with the companies as follows:

- Priceworth International Berhad
- Sinora Sdn. Bhd. (019049-H)
- Maxland Sdn. Bhd. (094655-M)
- Maju Sinar Network Sdn. Bhd.
- Maxland (SI) Ltd.
- Ivory Bay Sdn. Bhd. (214795-T)
- Rimbunan Gagah Sdn. Bhd. (710693-M)
- Ligreen Ltd. (PNG)
- PWP (SI) Ltd.
- Cergas Kenari Sdn. Bhd.
- Teras Selasih Sdn. Bhd.
- Cabaran Cerdas Sdn. Bhd.

Innora does not engage other companies as their subcontractor to provide or manufacture products.

Innora engages Jimmy Chin as a subcontractor to provide manpower under a contract agreement.

**Description of the Supply Chain:**

From February 2022 to February 2023, Innora purchased raw materials from Sinora, which Sinora supplied from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Maxland Sdn. Bhd. (A,B,C)	SFMLA 01/2007	Logs	Tongod	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (Beta Bumi Sdn. Bhd.)	SFMLA 09/07 SDK 08/21	Logs	Tongod	GFS 038 LVS (02/10/2023)	Low
KTS Plantation Sdn. Bhd.	JP(SLK)125/93(CO)	Logs	Sandakan	GFS 012 LVS (29/05/2023)	Low
Timberwell Berhad	SFMLA 06/97	Logs	Kota Marudu	Non-Compliance	High
Paulin Bin Udin & 3 Peserta	2B308337	Logs	Not stated	-	High
Jaffry Bin Akuda & 15 Peserta	JPHTN/FRM 700-2/4/1/781/21	Logs	Kudat	-	High
Mohd Din@ Lubin Solinggong	JPHTN/FRM:700-2/4/1/797	Logs	Ranau	-	High
Francis Bin Madangan & 40 Peserta (Sahabat Jayasama Sdn. Bhd.)	JP(STG)006/2021(F1)	Logs	Tongod	Non-Compliance	High
Easter Pausin & 6 Peserta	JPHTN/FRM 700-2/4/1/1842/3)	Logs	Not stated	-	High
Kombirid Bte Detingi & 7 Peserta	JPHTN/FRM 700 – 2/4/1/831/3)	Logs	Ranau	-	High
Sunggang Binti Apong & 50 Peserta (Privilege Capital Sdn. Bhd.)	JPHTN / FRM 700-2/4/1/840/16	Logs	Kudat	Non-Compliance	High
Wong Keng Fui	JPHTN/FRM 700-2/4/1/838/5)	Logs	Not stated	-	High
Simah Binti Talib & 13 Peserta (Syarikat Tuaran Enterprise)	JPHTN/FRM: 700-2/44/1/838/5	Logs	Kinabatangan	GFS 169 LVS (11/09/2023)	Low
Sabah Softwoods Berhad	CL No. 105467687	Plantation Logs	Tawau	SCS-FM/COC-0010P (30/11/2027)	Low
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97 (TWU 08/08)	Logs	Tibow	GFS 025 WTP (10/07/2023)	Low
Oriental Bliss	SFMLA 09/97 (TWU 02/21)	Logs	Tawau	-	High
Masiding Bin Ikim	JPHTN / FRM 700-2/4/2/851/83	Logs	Kudat	-	High
Rakyat Berjaya Sdn. Bhd. (Waygood Enterprise Sdn. Bhd.)	JP(DPS)007/2021(F1)	Logs	Pitas	Non-Compliance	High
Siti Mainunah Bte Marail & 10	JPHTN/FRM700-	Logs	Kudat	-	High

Peserta	2/4/1/80416				
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Note: \*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & products.

### Summary Results:

(Major gap = 0, Minor gap = 5, Observation = 0)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.4	Outstanding	<p><b>March 2022:</b> Innora has not updated the CoC procedures regarding current personnel and operations to support Sabah TLAS compliance.</p> <p><b>March 2023:</b> Innora has yet to update the COC procedure regarding the current personnel.</p>
002/2022	Minor	5.3.8	Outstanding	<p><b>March 2022:</b> No evidence or records of training on safety, health or fire from 2021 to February 2022.</p> <p><b>March 2023:</b> Innora conducted and maintained records on work safety training for workers. However, fire training was not conducted.</p>
003/2022	Minor	5.3.3	Closed	<p><b>March 2022:</b> The company is in the process of renewing the DOSH registration but unable to provide the evidence of the renewal.</p> <p><b>March 2023:</b> Innora renewed the DOSH registration.</p>
004/2022	Minor	5.3.4	Outstanding	<p><b>March 2022:</b> No evidence of JKPP 8 submission to DOSH.</p> <p><b>March 2023:</b> The JKPP 8 for 2022 was submitted to DOSH. However, JKPP 6 was not submitted to DOSH for major accidents as required.</p>
001/2023	Obs 002-2022	5.2.2	Raised to Minor	<p><b>March 2022:</b> Removal passes from several suppliers were not stamped that have been assessed and issued a GFS Statement of Compliance registered on the GFS Database. SFD has yet to register the SFD TLAS-CC on the SFD Certrax database.</p> <p><b>March 2023:</b> SFD did not stamp the removal passes as "Sabah TLAS" for suppliers that have been assessed under the Sabah TLAS assessment. SFD has yet to update the SFD Certrax database.</p>
002/2023	Obs 003-2022	5.3.1 5.3.5	Raised to Minor	<p><b>March 2022:</b> The company was unable to provide evidence of work permits and SOCSO contribution for the workers under their subcontractor, Jimmy Chin.</p> <p><b>March 2023:</b> No evidence of work permits, SOCSO registration and contribution for the workers under their subcontractor, Jimmy Chin, and for one (1) worker under Innora, Lim Yong Kuan.</p>

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	5.1.2	<p><b>March 2022:</b> Log cores received from Sinora are documented in a monthly material report but not recorded in a material arrival book. Incorrect calculation of the carry forward stock and 187.49 m<sup>3</sup> log received in March 2021 was not recorded in Appendix 1.</p> <p><b>March 2023:</b> Log supply and log cores was correctly recorded in Appendix 1 along with calculation of carry forward log stock.</p>
004-2022 Addressed	5.3.8	<p><b>March 2022:</b> No fire extinguisher was available at the sawmill area.</p> <p><b>March 2023:</b> Fire extinguishers were available at the sawmill area.</p>

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

Recommendations
<p><b>Innora Sdn. Bhd.</b> has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody as no non-compliance was identified 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><b>Gap 001/2022 (Minor) Outstanding – Checklist 5.2.4:</b> Innora shall update the current CoC procedures with respect to the current personnel and operations.</p> <p><b>Gap 002/2022 (Minor) Outstanding – Checklist 5.3.8:</b> Innora shall conduct fire training and maintain training records.</p> <p><b>Gap 004/2022 (Minor) Outstanding – Checklist 5.3.4:</b> Innora shall report accidents and submit JKKP 6 to DOSH.</p> <p><b>Gap 001/2023 (Raised to Minor) – Checklist 5.2.2:</b> SFD shall stamp the removal pass for suppliers that have been awarded Sabah TLAS-CC. SFD shall update the SFD Certrax database.</p> <p><b>Gap 002/2023 (Raised to Minor) – Checklist 5.3.1 &amp; 5.3.5:</b> Innora &amp; the contractor shall register workers under SOCSO and foreign workers shall have a valid work permit.</p> <p>The next surveillance visit is scheduled for March 2024.</p>

## End of Summary Report