

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Innora Sdn. Bhd. 199001004976 (196543-X)	Reference #	GFSSBH 004-623a
Contact Person	Lim Yong Kuan (Officer in Charge)	Audit Date	05/03/2024
Office Address	KM 11, Jalan Sinora, Batu Sapi, W.D.T 79, 90009 Sandakan, Sabah, Malaysia.	Date close out	03/05/2024
Mill Address	KM 11, Jalan Sinora, Batu Sapi, W.D.T 79, 90009 Sandakan, Sabah, Malaysia.	Telephone	+6011 3397 9520
Email	dyanaarapah98@gmail.com DFO Sdk:Rosli.Siki@sabah.gov.my PPW Sdk:Janus.ebin@sabah.gov.my	Fax	+6089 631 295
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 175 WTP		
Issuance Date	06 May 2024	Expiration Date	10 March 2025

Assessment Details

Company Type	Sawmill/Moulding and Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(S)SS003/06(X04), FDS(SS)(E)002/2021(M), FDS(SS)(S)004/2021(M)
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Duabanga moluccana</i> (Magas), <i>Annonaceae spp.</i> (Karai), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), Parartocarpus or Artocarpus (Terap), <i>Dialium indum</i> (KerANJI), <i>Alstonia spp.</i> (Pulai), <i>Neolamarckia cadamba</i> (Laran), Myristicaceae (Darah-darah), Gluta Semecarpus/ Melanochyla & Swintonia (Rengas), <i>Eugenia spp.</i> (Obah), <i>Scaphium spp.</i> (Kembang semangkuk), Annonaceae (Pisang-pisang), Sapotaceae (Nyatoh), <i>Hopea sangal</i> (Gagil), <i>Pentace spp.</i> (Takalis), <i>Octomeles sumatrana</i> (Binuang), <i>Dyera spp.</i> (Jelutong), Assam, <i>Sindora beccariana</i> (Sepetir), <i>Dipterocarpus spp.</i> (Keruing), <i>Drybalanops spp.</i> (Kapur), <i>Azadirachta excels</i> (Bawang-bawang), Prerospermum (Bayor), <i>Calophyllum obliquinervium</i> (Bintangor), Other Timber (OT)
Lead Assessor	Glory Linggou, Aleeza Ho (Acting)
Assessor(s)	Vanessa Abin
FDS Staff	Ramlan Atak (PPD Sandakan), Sahari Sakah (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 with Companies Commission of Malaysia (SSM) in Kuala Lumpur, Malaysia, with registration #: 199001004976 (196543-X). Innora produces and sells sawn timber for the local market.

The previous assessment was conducted in March 2023 that resulted in 5 gap(s) and 0 observation(s) (Report #: GFSSBH 004-478).

Associated Organizations & Subcontractors:

Innora does not engage any other subcontractor to produce or manufacture products.

Innora verbally engages Jimmy Chin as a subcontractor to provide manpower.

Innora is associated with companies under subsidiaries of Priceworth International Berhad and has a group structure:

- Innora Sdn. Bhd.
- Sinora Sdn. Bhd.
- Priceworth Industries Sdn. Bhd.
- Cergas Kenari Sdn. Bhd.
- Beta Bumi Sdn. Bhd.
- Maxland Marine Sdn. Bhd.
- Maju Sinar Network Sdn. Bhd.
- Harvest Element Sdn. Bhd.
- GSR Pte. Ltd.
- Maxland Energy Sdn. Bhd.
- Maxland Bina Sdn. Bhd.

Description of the Supply Chain:

From February 2023 to February 2024, Innora purchased raw materials from Sinora, which Sinora supplied from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (Beta Bumi Sdn. Bhd.)	SFMLA 09/07	Logs	Tongod	GFS 038 LVS (17/09/2024)	Low
Rakyat Berjaya Sdn. Bhd. (Kinetic Journey Sdn. Bhd.)	SFMLA 09/97	Logs	Tongod	GFS 130 LVS (03/09/2024)	Low
Chong Nyet Thiam @ John Chong (Win Win Contractor)	JPHTN/FRM 700-2/4/1845/19)	Logs	Kinabatangan	Non-Compliance	High
Sinora Sdn. Bhd.	JP(S)SS001/00(X06)R	Log core	Sandakan	GFS 212 WTP (06/08/2024)	Low

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

Summary Results:

(Major gap = 1, minor gap = 3, Observation = 1)

May 2024: (Major gap = 0, minor gap = 3, Observation = 1)

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2022	minor	5.2.4	Closed	<p>March 2022: Innora has not updated the CoC procedures regarding current personnel and operations to support Sabah TLAS compliance.</p> <p>March 2023: Innora has yet to update the COC procedure regarding the current personnel.</p> <p>March 2024: Innora has updated the information regarding the current personnel and operations in its CoC procedure.</p>	
002/2022	minor	5.3.8	Closed	<p>March 2022:</p>	

				<p>No evidence or records of training on safety, health or fire from 2021 to February 2022.</p> <p>March 2023: Innora conducted and maintained records on work safety training for workers. However, fire training was not conducted.</p> <p>March 2024: Innora has conducted fire training for workers.</p>
004/2022	minor	5.3.4	Closed	<p>March 2022: No evidence of JKPP 8 submission to DOSH.</p> <p>March 2023: The JKPP 8 for 2022 was submitted to DOSH. However, JKPP 6 was not submitted to DOSH for major accidents as required.</p> <p>March 2024: Innora has submitted JKPP 8 for 2023 as required.</p>
001/2023	minor	5.2.2	Outstanding	<p>March 2022: 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>March 2023: 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> <p>March 2024: The removal passes were not stamped with "Sabah TLAS CC" stamp for the supplier that are compliant under Sabah TLAS P1-4.</p>
002/2023	Raised to Major	5.3.1 5.3.5	Closed	<p>March 2022: The company was unable to provide evidence of work permits and SOCSO contribution for the workers under their subcontractor, Jimmy Chin.</p> <p>March 2023: 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> <p>March 2024: No evidence of the work permits, SOCSO registration and contribution for the workers under subcontractor, Jimmy Chin.</p> <p>May 2024: Innora no longer uses subcontractor Jimmy Chin to provide manpower; workers are provided by Priceworth Industries.</p>
001/2024	minor	5.2.1	New	<p>March 2024: The log core received from Sinora was not accompanied with a valid removal pass.</p>
002/2024	minor	5.2.3	New	<p>March 2024: Sabah TLAS status for log core was not identified in the material arrival book.</p>

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2024	5.1.2	March 2024: Inconsistent in recording of log input and sawn timber carry forward stock in Appendix 1 online and manual submission.

Highlights of Close-Out Visit (if applicable)	Date: 03 May 2024
The Major Gap 002/2023 is now closed following the submission of document related to the subcontractor.	

Recommendations
<p>Innora Sdn. Bhd. has demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was addressed under Criterion 5.3 and is recommended to receive a GFS Statement of Compliance or 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 001/2023 (minor) Outstanding – Checklist 5.2.2: SFD shall correctly stamp “Sabah TLAS CC” on the removal pass for suppliers that are compliant under Sabah TLAS P1-4.</p> <p>Gap 001/2024 (minor) – Checklist 5.2.1: The supplier (Sinora) shall ensure materials are accompanied by a valid removal pass.</p> <p>Gap 002/2024 (minor) – Checklist 5.2.3: Innora shall identify Sabah TLAS status for log core in the material arrival book.</p> <p>Observation 001-2024 – Checklist 5.1.2: Innora shall correctly record the log input and sawn timber carry forward stock in Appendix 1 online and manual submission.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

End of Summary Report