

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Akil Jutamas Sdn. Bhd. (795494-U)	<b>Reference #</b>	GFSSBH 004-591
<b>Contact Person</b>	Tan Kiew Min (Mill Manager)	<b>Audit Date</b>	14/12/2023
<b>Office Address</b>	Batu 2, Jalan Sipitang – Beaufort, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Akil Jutamas, P.O. Box 604, 89808 Beaufort, Sabah, Malaysia.	<b>Telephone</b>	+6013 801 7399
<b>Email</b>	akiljutamas@gmail.com DFO Beaufort.Christopher.Matunjau@sabah.gov.my	<b>Fax</b>	+6087 223 811
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 125 WTP		
<b>Issuance Date</b>	18 December 2023	<b>Expiration Date</b>	17 December 2024

### Assessment Details

<b>Company Type</b>	Sawmill, Moulding, Kiln Dry Plant, Wood Preservation Plant, Importer, Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(K)BT001/19(X04), JP(K)BT005/09(X22), JP(K)BT001/16(X07), FDS(BT)(E)052/2019(M), FDS(BT)(I)005/2020(M), FDS(BT)(S)043/2019(M)
<b>Product Group</b>	Sawn timber, Moulding
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Hevea brasiliensis</i> (Rubberwood), <i>Shorea spp.</i> (Yellow Seraya, Red Seraya, Melapi, Selangan batu), <i>Parashorea spp.</i> (White Seraya), <i>Dialium indum</i> (KerANJI), Lithocarpus & Quercus (Mempening), Lauraceae (Medang), Other Timber (OT)
<b>Lead Assessor</b>	Sandra George
<b>Assessor(s)</b>	Aleeza Ho, Vanessa Abin
<b>FDS Staff</b>	Noorazah Mohamad (PPD Beaufort), Rahman Lamat (PPD Beaufort), Mohd Aziz bin Kahin (PPD Beaufort)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Akil Jutamas 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:**

Akil Jutamas Sdn. Bhd. (Akil Jutamas) is registered in Sabah, Malaysia, with the registration # 795494-U. Akil Jutamas produces sawn timber and moulding for local market and export to Taiwan and provides sawmilling and kiln dry services.

The previous assessment was conducted in January 2023 that resulted in 2 gap(s) and 2 observation(s) (Report #: GFSSBH 004-445).

**Associated Organizations & Subcontractors:**

Akil Jutamas does not engage any company as their subcontractors to provide sawmilling services or manpower and manufacturing products.

**Description of the Supply Chain:**

From December 2022 to November 2023, Akil Jutamas purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
** Lamitech International Sdn. Bhd.	JP(K)KK001/19(X68)	Sawn timber	Kota Kinabalu	GFS 236 WTP (18/06/2024)	Low
Chung Nyin On	JPHTN/TNM700-2/5/1/JLD.19(103)	Plantation log	Tenom	-	Low
KK Transport	JPHTN/FRM700-2/4/2/JLD.7/5	Plantation log	Sipitang	-	Low
Tony Ambikin	JPHTN/TNM700-2/5/1/JLD20(59)	Plantation log	Tenom	-	Low
Prosper Lane Sdn. Bhd.	JPHTN(FIIB)KBT-2023/01	Round log	Beaufort	-	High

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

\*\*Kiln Dry services.

**Summary Results:**

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	minor	5.1.2	Closed	<p><b>January 2022:</b> Lack of recording of carry forward stock in Appendix 1 to justify greater log input volume than log received volume.</p> <p><b>January 2023:</b> Carry forward stock was not correctly calculated, records of log input and output differed between manual and online submission and calculation of monthly recovery is not consistent with industry averages.</p> <p><b>December 2023:</b> Akil Jutamas has correctly calculated the log carry forward stock and the calculation of monthly recovery is consistent with the industry average. The log input and output between manual and online submissions are consistent.</p>
005/2022	minor	5.3.2 5.3.7	Closed	<p><b>January 2022:</b> No evidence of safety and fire training from 2020 to 2021.</p> <p><b>January 2023:</b> The training was limited to fire safety and did not include work safety for material handling and mill production.</p> <p><b>December 2023:</b> Akil Jutamas has conducted fire and work safety training for mill workers.</p>

001/2023	minor	5.1.1	New	<b>December 2023:</b> The kiln dry plant license renewal is pending approval from the SFD for the mill to proceed with payment.
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\*Major = Non-Compliance

<b>Observations: Year 2023</b>		
<b>Obs #</b>	<b>Checklist</b>	<b>Description</b>
001-2023 Addressed	5.2.2	<b>January 2023:</b> The removal pass from the assessed compliant supplier under Sabah TLAS P1-4 was not stamped as "Sabah TLAS CC" by SFD. <b>December 2023:</b> Akil Jutamas did not purchase logs from the TLAS-compliant supplier.
002-2023 Addressed	5.2.3	<b>January 2023:</b> Sabah TLAS status for Christina Liew Mei Fah & 3 Peserta was identified as non-TLAS for material received in September 2022, which was documented compliant (GFSSBH 003-125) in April 2022. <b>December 2023:</b> Akil Jutamas has correctly identified Sabah TLAS status for its suppliers in Log Arrival Book.
003-2023	5.3.1	<b>December 2023:</b> There is no evidence that new workers registered under COI as required.

<b>Highlights of Close-Out Visit (if applicable)</b>	<b>Date: -</b>
Not applicable	

<b>Recommendations</b>
<p><b>Akil Jutamas Sdn. Bhd.</b> 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.</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 001/2023 (minor) – Checklist 5.1.1:</b> The SFD shall expedite the license approval for the kiln dry plant to proceed with payment. Akil Jutamas should submit the license renewal 3 months before the expiry date.</p> <p><b>Observation 003-2023 – Checklist 5.3.1:</b> Akil Jutamas shall register all workers under COI as required.</p> <p>The next surveillance visit is scheduled for December 2024.</p>

**End of Summary Report**