

Sabah TLAS Audit Report Principles 5 & 6

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| Organisation | Ikutmaju Sdn. Bhd. (146136-A) | Reference # | GFSSBH 004-554 |
| Contact Person | Lu Chee Ming (Deputy General Manager) | Audit Date | 21/09/2023 |
| Office Address | TB90-2, Block S, Kubota Sentral, Jalan Chong Thien Vun, 91000 Tawau, Sabah, Malaysia. | Date close out | - |
| Mill Address | KM 37, Kg. Simpang Tiga, Jalan Tanah Merah, Merotai Besar, Tawau, Sabah, Malaysia. | Telephone | +6089 772 316 +6089 772 372 |
| Email | ikutmaju@ikenet.com.sg jimmy@ikenet.com.sg DFO TWU: Nooridayu.MohdAyub@sabah.gov.my | Fax | +6089 762 100 +6089 772 885 |
| | | Approved By | Dr. Kevin Grace |

| Statements | | | |
|--------------------------|-------------------|------------------------|-------------------|
| Audit Statement # | GFS 121 WTP | | |
| Issuance Date | 25 September 2023 | Expiration Date | 24 September 2024 |

| Assessment Details | |
|----------------------------|---|
| Company Type | Sawmill, Veneer, Plywood, Laminated Board, Blockboard, Fancy Blockboard, Moulding, Wood Preservation Plant, Kiln Dry Plant, Exporter, Importer |
| Scope of Assessment | Sabah TLAS P5-6: JP(T)TW001/00(X45)R, JP(T)TW063/00(X22)R & JP(T)TW025/00(X07)R, FDS(TW)(E)087/2019(M), FDS(TW)(I)025/2019(M), FDS(TW)(S)058/2019 (M) |
| Product Group | Sawn timber, Plywood, Veneer, Laminated Board, Blockboard, Fancy Blockboard |
| Source of Material | Sabah - Malaysia, China, Japan, USA |
| Species | Malaysia: <i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Nauclea</i> spp./ <i>Neonauclea</i> spp. (Bangkal), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspatulata</i> (Talisai), Myristicaceae (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratogeomys arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristanopsis merguensis</i> (Pelawan-pelawan), <i>Gluta Semecarpus/Melanochyla</i> & <i>Swintonia</i> (Rengas), <i>Annonaceae</i> (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok – Sendok), <i>Camposperma auriculatum</i> (Terentang), Assam, Perapat Hutan, <i>Albizia falcataria</i> (Batai), <i>Duabanga moluccana</i> (Binuang), <i>Acacia</i> spp., Other Timber (OT) China, USA, Japan: <i>Tilia</i> spp. (Basswood) |
| Lead Assessor | Sandra George |
| Assessor(s) | Tommy Olui |
| FDS Staff | Ag Matnoor Ag Jamil (PPD Tawau) |

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

Ikut maju Sdn. Bhd. (Ikut maju) is registered in Kuala Lumpur, Malaysia, with registration # 146136-A. Ikut maju produces and exports plywood and veneer to Japan.

The previous assessment was conducted in September 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-408).

Associated Organizations & Subcontractors:

Ikut maju does not engage other companies as their subcontractors to provide services or manufacture products.

Description of the Supply Chain:

From August 2022 to August 2023, Ikut maju purchased raw materials from the suppliers as below:

| Supplier | License | Raw Material | Location | GFS WTP # STCC # | Overall Risk * |
|---|---------------------|--------------|-----------|--------------------------|----------------|
| Top Quantum Sdn. Bhd. | SFMLA 01/2009 | Round logs | Serudong | GFS 071 LVS (18/06/2024) | Low |
| Sapulut Forest Development Sdn. Bhd. | SFMLA 04/97 | Round logs | Tibow | GFS 025 LVS (09/07/2024) | Low |
| Pesona Majukaya Sdn. Bhd. | SFMLA 01/2018 | Round logs | Serudong | GFS 163 LVS (02/07/2024) | Low |
| Bountiful Returns Sdn. Bhd. (Sukses Jadi Sdn. Bhd.) | JP(T)KA001/14 (X14) | Veneer | Tawau | GFS 115 WTP (04/12/2023) | Low |
| Rakyat Berjaya Sdn. Bhd. (FMU 24) | SFMLA 09/97 | Round logs | Kalabakan | Non-Compliance | High |
| Junaidi Bin Awang & 45 Peserta | 2B308352 | Round logs | Tongod | - | High |
| Dunhua Shenghe Wood Industry Co. | Not available | Veneer | China | - | High |
| Ikeuchi Veneer Co., Ltd | Not available | Veneer | Japan | - | Low |
| Apex America LLC | Not available | Veneer | USA | - | Low |

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

Summary Results:

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

GAPs: Year 2023

| GAP # | Type | Checklist | Status | Description |
|----------|-------|-----------|--------|---|
| 001/2022 | minor | 5.3.5 | Closed | September 2022: The company has yet to pay SOCSO for July 2022. September 2023: Ikut maju paid the monthly SOCSO contribution as required. |

*Major = Non-Compliance

| Observations: Year 2023 | | |
|-------------------------|-----------|--|
| Obs # | Checklist | Description |
| 001-2022 Addressed | 5.3.8 | September 2022: Fire extinguishers are expired at the warehouse. September 2023: All fire extinguishers were observed as valid. |

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

| Recommendations |
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| <p>Ikutmaju 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.</p> <p>The next surveillance visit is scheduled for September 2024.</p> |

End of Summary Report