

Sabah TLAS Audit Report Principles 5 & 6

Organisation	JQ Timber Sdn. Bhd. 200201027576 (595239-T)	Reference #	GFSSBH 004-609
Contact Person	Tsen Kim Ho (Manager)	Audit Date	29/01/2024
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 199 WTP		
Issuance Date	05 February 2024	Expiration Date	04 February 2025

Assessment Details	
Company Type	Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(E)096/2019
Product Group	Sawn timber
Source of Material	Sabah - Malaysia
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Shorea</i> spp. (Red seraya, Yellow seraya), <i>Dialium indum</i> (KerANJI), OT (Other timber)
Lead Assessor	Brandon James
Assessor(s)	Vanessa Abin
FDS Staff	-

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

JQ Timber Sdn. Bhd. (JQ Timber) is registered in Kuala Lumpur, Malaysia with registration number 200201027576 (595239-T). JQ Timber purchases raw materials from Sabah and exports them directly from the supplier to Japan and China.

JQ Timber has export and timber supplier licenses under MTIB in Peninsular Malaysia to purchase and export sawn timbers from Peninsular Malaysia and Indonesia, which are directly shipped from the supplier in Peninsular Malaysia and Indonesia to its buyer in Japan without entering Sabah; therefore, these activities fall outside of the Sabah TLAS P5&6 scope.

The previous assessment was conducted in February 2023 that resulted in 0 gap(s) and 1 observation(s) (Report #: GFSSBH 004-464).

Associated Organizations & Subcontractors:

JQ Timber engages Arus Borneo Sdn. Bhd. as its agent to handle documentation for export activities in Tawau.

Description of the Supply Chain:

From December 2022 to December 2023, JQ Timber purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Tawau Kilning & Moulding Sdn. Bhd.	JP(T)TW001/14(X04)	Sawn timber	Tawau	GFS 036 WTP (21/05/2024)	Low
Caslink Sdn. Bhd.	JP(T)TW001/17(X49)	Sawn timber	Tawau	GFS 117 WTP (03/12/2024)	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 = 1)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2023 Addressed	5.2.2	February 2023: Three removal passes were not stamped as "Used." January 2024: All removal passes were stamped as "Used."
001-2024	5.3.1 5.3.5	January 2024: One contract worker was not covered under SOCSO.

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

Recommendations

JQ Timber 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.

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:

Observation 001-2024 – Checklist 5.3.1, 5.3.5: JQ Timber shall register workers under SOCSO as listed under Perkeso Social Security Scheme.

The next surveillance visit is scheduled for January 2025.

End of Summary Report