

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Arus Borneo Sdn. Bhd. (631181-D)	Reference #	GFSSBH 004-475
Contact Person	Alexander Estos (Director)	Audit Date	15/03/2023
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	GFS 269 WTP		
Issuance Date	20 March 2023	Expiration Date	19 March 2024

Assessment Details	
Company Type	Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(TW)(E)081/2019
Product Group	Sawn timber and Finger Joint
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi, Selangan batu), <i>Eusideroxylon zwageri</i> (Belian) and OT (Other Timber)
Lead Assessor	Priera Bagang
Assessor(s)	Glory Linggou, Sandra George, Brandon James
FDS Staff	-

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

Arus Borneo Sdn. Bhd. (Arus Borneo) is registered in Kota Kinabalu, Sabah, Malaysia, with registration # 631181-D. Arus Borneo provides services to handle export documents for Maju Mapan Sdn. Bhd. and SJ Borneo Sdn Bhd (under a verbal agreement), in which materials from Maju Mapan and SJ Borneo were directly shipped to Hong Kong, China and South Korea.

The previous assessment was conducted in March 2022 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-325).

Associated Organizations & Subcontractors:

Arus Borneo does not engage with other companies to handle documentation for export activities.

Description of the Supply Chain:

Arus Borneo did not purchase materials between February 2022 to February 2023; however, Arus Borneo declared export consignments for the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Maju Mapan Trading Sdn. Bhd.	JP(T)TW005/10(X04)	Sawn timber	Tawau	GFS 130 WTP (28/08/2023)	Low
SJ Borneo Sdn. Bhd.	JP(T)TW001/15(X26)	Sawn timber Finger joint	Tawau	GFS 158 WTP (04/09/2023)	Low

Summary Results:

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

GAPs: Year 2023

GAP #	Type	Checklist	Status	Description
001/2022	Minor	5.2.4	Closed	<p>March 2022: No evidence of a documented Chain of Custody (COC) system for compliance with Sabah TLAS requirements and trading of timber products.</p> <p>March 2023: Arus Borneo has developed a formal COC system for compliance with Sabah TLAS requirements and trading of timber products.</p>

*Major = Non-Compliance

Observations: Year 2023

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Arus Borneo 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.

The next surveillance visit is scheduled for March 2024.

End of Summary Report