

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Arus Borneo Sdn. Bhd. 200301028761 (631181-D)	Reference #	GFSSBH 004-823
Contact Person	Alexander Estos (Director)	Audit Date	30/04/2025
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 269 WTP		
Issuance Date	05 May 2025	Expiration Date	04 May 2026

Assessment Details

Company Type	Exporter
Scope of Assessment	Sabah TLAS P5-6: FDS(TW)(E)081/2019, SFD(BEP)016/2024
Product Group	Sawn timber and Finger Joint
Source of Material	Sabah, Malaysia.
Species	Drybalanops spp. (Kapur), Dipterocarpus spp. (Keruing), Parashorea spp. (White seraya), Shorea spp. (Red seraya, Yellow seraya, Melapi, Selangan batu), Eusideroxylon zwageri (Belian), Meranti and OT (Other Timber)
Lead Assessor	Auther Isaac
Assessor(s)	Sheanna Kehong
SFD Staff	-

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 is 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 knowledge of GFS.

Background Information:

Arus Borneo Sdn. Bhd. (Arus Borneo) is, on and from 11/10/2003, incorporated under Companies Act 2016, and is registered in Tawau, Sabah, Malaysia, with registration #: 200301028761 (631181-D). Arus Borneo provides services in export document handling for companies in Tawau that were assessed under Sabah TLAS P5-6.

Arus Borneo is an exporter without a mill or warehouse and has no licenses for wood processing facilities. Arus Borneo only provides services in handling export documentation.

Associated Organizations & Subcontractors:

Arus Borneo does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From March 2024 to March 2025, Arus Borneo purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
-	-	-	-	-	-

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

Summary Results:

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

GAPs: Year 2025				
GAP #	Type	Checklist	Status	Description
001/2025	minor	5.3.1, 5.3.2	New	April 2025: No employment agreement was established for workers.

*Major = Non-Compliance

Observations: Year 2025		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>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.</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 001/2025 (minor) – Checklist 5.3.1, 5.3.2: Arus Borneo shall establish employment agreements for workers as per Sabah Labor Ordinance.</p> <p>The next surveillance visit is scheduled for April 2026.</p>

End of Summary Report