

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Kotabox Packaging Sdn. Bhd. (512289-M)	Reference #	GFSSBH 004-484a
Contact Person	Loi Teck Yew (Manager)	Audit Date	05/04/2023
Office Address	Lot 2, Jalan 3, KKIP Timur Industrial Zone 13 (IZ13), Kota Kinabalu, Sabah, Malaysia.	Date close out	08/06/2023
Mill Address	Lot 2, Jalan 3, KKIP Timur Industrial Zone 13 (IZ13), Kota Kinabalu, Sabah, Malaysia.	Telephone	+6018 962 6899 +6017 833 4583
Email	admin@kotabox.com	Fax	+6088 492 777
		Approved By	Dr. Kevin Grace

Statements			
Audit Statement #	NC: Non-compliance – Criterion 5.3 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details	
Company Type	Sawmill
Scope of Assessment	Sabah TLAS P5-6: JP(K)KK001/2021(B04)
Product Group	Waste wood
Source of Material	Sabah, Malaysia.
Species	Not applicable
Lead Assessor	Brandon James
Assessor(s)	Varenius Untomon
FDS Staff	Abu Bakar (PPD KK)

Terms of Assessment
The scope of the evaluation is to verify compliance of Kotabox Packaging 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:

Kotabox Packaging Sdn. Bhd. (Kotabox Packaging) is registered in Kota Kinabalu, Malaysia, with registration # 512289-M. Kotabox Packaging is a wholesale and trading company for corrugated boxes, mainly for Sabah market, Sarawak, and Brunei. As of the assessment, Waste wood received was produced as firewood for their own boiler and wood pallets for internal use.

Associated Organizations & Subcontractors:

Kotabox Packaging does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From August 2022 to March 2023, Kotabox Packaging purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Apeca Sdn. Bhd.	JP(N)KG019/00(X04)R	Waste wood	Nabawan	GFS 118 WTP (22/05/2023)	Low

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

Summary Results:

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

June 2023: (Major gap = 1, Minor gap = 1, Observation = 1)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2023	Major	5.3.1 5.3.5	Outstanding	April 2023: No evidence that workers were registered and contributed under SOCSO as required. June 2023: No evidence that workers were registered and contributed under SOCSO as required.
002/2023	Minor	5.3.2 5.3.7 5.3.8	New	April 2023: No evidence that training on safety & fire was conducted for their workers.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2023	5.1.2 5.2.3	April 2023: The material arrival book was not maintained by Kotabox Packaging.

Highlights of Close-Out Visit (if applicable)	Date: 08 June 2023
The Major Gap 001/2023 shall be addressed within 2 months by June 2023. Kotabox Packaging submitted monthly SOCSO documents; however, there is no evidence workers were registered and contributed under SOCSO as required. Thus, the Major gap remains outstanding.	

Recommendations
<p>Kotabox Packaging Sdn. Bhd. has not demonstrated compliance with the Sabah Principles 5-6 for Chain of Custody as non-compliance was identified under Criterion 5.3 and is NOT recommended to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>The Major Gap shall be addressed within two months by June 2023.</p> <p>Gap 001/2023 (Major) – Checklist 5.3.1, 5.3.5: Kotabox Packaging shall ensure workers are registered under SOCSO and pay monthly SESCO contribution as required.</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 002/2023 (Minor) – Checklist 5.3.2, 5.3.7, 5.3.8: Kotabox Packaging shall conduct safety & fire training to their workers.</p> <p>Observation 001-2023 – Checklist 5.1.2, 5.2.3: Kotabox Packaging shall maintain arrival book in its office.</p> <p>The next surveillance visit is scheduled for April 2024.</p>

End of Summary Report