

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Kotabox Packaging Sdn. Bhd. 200001009683 (512289-M)	Reference #	GFSSBH 004-632
Contact Person	Mr. Loi Teck Yew (Manager)	Audit Date	27/03/2024
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NC: Non-Compliance – Criterion 5.3		
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), KON(KKK)004/2022(KK)
Product Group	Waste wood
Source of Material	Sabah, Malaysia.
Species	Other Timber (OT)
Lead Assessor	Aleeza Ho (Acting Lead)
Assessor(s)	Vanessa Abin, Anne Gimbir
FDS Staff	Charlene Billy (SFD HQ), Robert Mijol (SFD HQ)

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 #: 200001009683 (512289-M). Kotabox Packaging is a wholesale and trading company for corrugated boxes, mainly for Sabah, Sarawak, and Brunei market, which is not under Sabah TLAS P5-6 scope. Waste wood received was produced as firewood for their own boiler and wood pallets for internal use only.

The previous assessment was conducted in April 2023 that resulted in 2 gap(s) and 1 observation(s) (Report #: GFSSBH 004-484a).

Associated Organizations & Subcontractors:

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

Description of the Supply Chain:

From February 2023 to February 2024, 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 (07/05/2024)	Low
Dm Cergas Sdn. Bhd. (Timber Bumi Sdn. Bhd.)	JP(N)SO001/16(X17)	Waste wood	Nabawan	GFS 244 WTP (11/04/2024)	Low

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

Summary Results:

(Major gap = 1, Minor gap = 0, Observation = 2)

GAPs: Year 2024					
GAP #	Type	Checklist	Status	Description	
001/2023	Major	5.3.1	Outstanding	<p>April 2023: No evidence that workers were registered and contributed under SOCSO as required.</p> <p>June 2023: No evidence that workers were registered and contributed under SOCSO as required.</p> <p>March 2024: Kotabox Packaging has yet to ensure all workers associated with the company are renewed under COI with a valid work permit as required.</p>	
002/2023	minor	5.3.2 5.3.7 5.3.8	Closed	<p>April 2023: No evidence that training on safety & fire was conducted for their workers.</p> <p>March 2024: Kotabox Packaging conducted work safety briefing every 3 months and fire training for workers.</p>	

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
001-2023 Addressed	5.1.2 5.2.3	<p>April 2023: The material arrival book was not maintained by Kotabox Packaging.</p> <p>March 2024: The material arrival book is not required since Kotabox Packaging uses the waste wood for boiler and wood pellets for their own use.</p>
001-2024	5.1.2 5.2.6	<p>March 2024: Kotabox Packaging did not submit Appendix 1 manual to SFD as required.</p>

Observations: Year 2024		
Obs #	Checklist	Description
002-2024	5.2.2	March 2024: Removal passes were not consistently stamped as "Used" by SFD.

Highlights of Close-Out Visit (if applicable)	Date: -
The Major Gap 001/2023 shall be addressed within 2 months by May 2024.	

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 May 2024.</p> <p>Gap 001/2023 (Major) – Checklist 5.3.1: Kotabox Packaging shall ensure workers have a valid work permit & renew the COI.</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>Observation 001-2024 – Checklist 5.1.2, 5.2.6: Kotabox Packaging shall submit Appendix 1 manual version submission to the SFD.</p> <p>Observation 002-2024 – Checklist 5.2.2: SFD shall stamp the removal pass based on the SFD requirement to include date, SFD personnel & signature.</p> <p>The next surveillance visit is scheduled for March 2025.</p>

End of Summary Report