

Sabah TLAS Audit Report Principles 5 & 6

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|-----------------------|--|-----------------------|-----------------------------------|
| Organisation | Tenant: SL Wood Products Sdn. Bhd. 202201018675 (1464372-X) Landlord: Rajang Plywood (Sabah) Sdn. Bhd. 199901012866 (487766-H) | Reference # | GFSSBH 004-794 |
| Contact Person | Ms. Lee Mei Ling (Manager) | Audit Date | 04/03/2025 |
| Office Address | 1 st Floor of Lot 4A, TB16004, Pusat Komersil Unijaya, KM 5 Jalan Sungai Tajong, 91000 Tawau, Sabah, Malaysia. | Date close out | - |
| Mill Address | KM 52, Sungai Udin, Off Jalan Kalabakan, Merotai, 91000 Tawau, Sabah, Malaysia. | Telephone | +6011 5879 8675 +6016 711 5696 |
| Email | slwoodproduct@yahoo.com meilingpopeye@yahoo.com DFO Tawau: Nooridayu.MohdAyub@sabah.gov.my PPW Tawau: MohdArapa.Lamuda@sabah.gov.my | Fax | - |
| | | Approved By | Dr. Kevin Grace |

Statements

| | | | |
|-------------------------|---------------|-----------------|---------------|
| Statement of Compliance | GFS 297 WTP | | |
| Issuance Date | 10 March 2025 | Expiration Date | 09 March 2026 |

Assessment Details

| | |
|---------------------|---|
| Company Type | Mill contractor, Exporter |
| Scope of Assessment | Sabah TLAS P5-6: FDS(TW)(E)002/2023(MT), FDS(TW)(S)002/2023(MT), KON(TTW)001/2023(KK) |
| Product Group | Plywood, veneer |
| Source of Material | Sabah, Malaysia. |
| Species | Macaranga spp. (Sedaman), Parashorea spp. (White seraya) and Shorea spp. (Red seraya, Yellow seraya, Melapi), Other timber (OT) |
| Lead Assessor | Anne G. Grace |
| Assessor(s) | Sheanna Kehong, Merlyne Gerard, Auther Itin |
| SFD Staff | Ag. Matnoor Ag. Jamal (PPD TWU) |

Terms of Assessment

The scope of the evaluation is to verify compliance with SL Wood Products 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:

SL Wood Products Sdn. Bhd. (SL Wood Products) is, on and from 26/05/2022, incorporated under Companies Act 2016, and is registered in Sibul, Malaysia, with registration #: 202201018675 (1464372-X). SL Wood Products produces plywood and veneer and sold it to the local market and exports them to Peninsular Malaysia, Hong Kong and Singapore.

Associated Organizations & Subcontractors:

SL Wood Products does not engage subcontractor to produce, manufacture products or provide manpower. Arus Borneo as its agent is handling export consignments.

Description of the Supply Chain:

From February 2024 to February 2025, SL Wood Products purchased raw materials from the suppliers as below:

| Supplier | License | Raw Material | Location | GFS WTP # STCC # | Overall Risk * |
|--|---------------------------------|--------------|----------|--------------------------|----------------|
| Sapulut Forest Development Sdn. Bhd. | SFMLA 04/97 | Round logs | Tibow | GFS 025 LVS (09/07/2025) | Low |
| Top Quantum Sdn. Bhd. | SFMLA 01/2009 | Round logs | Serudong | GFS 071 LVS (18/06/2025) | Low |
| Pesona Majukaya Sdn. Bhd. | SFMLA 01/2018 | Round logs | Serudong | GFS 163 LVS (18/06/2025) | Low |
| Benta Wawasan (Hidup Majukaya Sdn. Bhd.) | JP(TKA) 122/96(CON) TWU 01/2024 | Round logs | Tawau | - | High |
| Hormat Jadi Sdn. Bhd. | SFMLA 09/1997 – TWU 05/2025 | Round logs | Tawau | - | High |
| First Greenworld Sdn Bhd. | SFMLA 02/2009 | Round logs | Tawau | GFS 074 LVS (18/06/2025) | Low |
| Kalabakan Borneo Resources Sdn. Bhd. | SFMLA 04/2018 – TWU 04/22 | Round logs | Serudong | - | High |
| Bornion Timber Sdn. Bhd. | SFMLA 03/97 – KGU 06/22 | Round logs | Keningau | GFS 054 LVS (27/10/2025) | Low |

*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 2025 | | | | |
|-----------------|------|-----------|--------|-------------|
| GAP # | Type | Checklist | Status | Description |
| - | - | - | - | - |

*Major = Non-Compliance

| Observations: Year 2025 | | |
|-------------------------|-----------|--|
| Obs # | Checklist | Description |
| 001-2025 | 5.3.7 | March 2025: Workers were wearing slippers during work. |

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

Recommendations

SL Wood Products 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 001-2025 – Checklist 5.3.7: Workers should wear covered shoes and SL Wood Plywood should enforce the use of the PPE.

The next surveillance visit is scheduled for March 2026.

End of Summary Report