**Organization** | Ta Ann Plywood Sdn. Bhd. (208737-T)  
**Contact Person** | Su Song Chuong (COC MR), Mr. Tang King Kai, Mr. Ngang Tuong Thai Ms. Sharon Then & Mr. Jospeh Ngang  
**Office Address** | Ta Ann Building No. 6, Jalan Rawang, P.O. Box 1489, 96008 Sibu, Sarawak, Malaysia.  
**Sawmill Address** | Lot 1511, Block 10 Engkilo, Land District, Sg. Bidut, 96000 Sibu, Sarawak.  
**Telephone** | +6084 348 744  
**Fax** | +6084 335 500  
**Email** | ngang@taann.com.my, tapfact@taann.com.my, lingtt@yahoo.com, tingkh@taann.com.my  

**Reference #** | G147-019  
**Proposal #** | MYP14-582 WTP  
**Surveillance #** | 02  
**Assessment Date** | 17 Sept 2014  
**Date of Report** | 25 Sept 2014  
**Date of close out** | -  
**Lead Assessor** | Jessie Ooi  
**Assessor** | -  
**Approved By** | Dr. Kevin Grace

**Statement of Participation**

GFS WTP # | GFS 040 WTP  
Issuance Date | 20 September 2013  
Expiration Date | 19 September 2018

**Scope of Assessment**

Company Type | Plywood mill  
Product Group | Plywood, veneer, Laminated Veneer Lumber, Second Processing Plywood (e.g. coated concrete plywood, film face plywood)  
Source of Material | **Verified Legal (VL)** - Forest licenses number: T/0560, T/3491, T/3135 and Plantation licenses number: LPF 0010 and LPF 0040, all subsidiaries of Ta Ann Holdings Berhad, Sarawak.  
Species | Meranti (Shorea spp), Acacia (Acacia mangium), Kapur (Dryobanalop spp), Keruing (Dipterocarp spp) and other species.

**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. GFS 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:
Ta Ann Plywood Sdn. Bhd. (Ta Ann Plywood) is a registered company in Sarawak, Malaysia with registration #: 208737-T. Ta Ann Plywood is a PEFC COC certified company, with certificate number: CEF0606 for their plywood products. Ta Ann Plywood has received a Statement of Participation in Sept 2013 for the GFS WTP based on compliance with GFS chain of custody standard WTP-005. Ta Ann Plywood was recognized to be able to trade Verified Legal (VL) timber products that the company produced and traded. This exercise involves surveillance of their office and factory based in Sibu, Sarawak.

Associated Organizations & Subcontractors:
Ta Ann Plywood is one of the subsidiaries under Ta Ann Holdings Berhad located in Sibu, Sarawak. Ta Ann Plywood does not subcontract other mills or companies to manufacture products.

Description of the Supply Chain:
Ta Ann Plywood purchases raw material (logs) from the logs suppliers as below:

<table>
<thead>
<tr>
<th>Supplier</th>
<th>GFS LVS #</th>
<th>Timber Status</th>
<th>Validity / Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanjong Manis Holdings Sdn. Bhd. (T/3491)</td>
<td>GFS 019 LVS</td>
<td>VL</td>
<td>Valid / Sept 2015</td>
</tr>
<tr>
<td>Ta Ann Plywood (LPF0010)</td>
<td>GFS 020 LVS</td>
<td>VL</td>
<td>Valid / Sept 2015</td>
</tr>
<tr>
<td>Ta Ann Plywood (LPF0040)</td>
<td>GFS 018 LVS</td>
<td>VL</td>
<td>Valid / Sept 2015</td>
</tr>
</tbody>
</table>

Common species used meranti, acacia, kapur, kereung and other species. Sales markets include Japan, Taiwan, India, Hong Kong, Korea, Singapore and Australia.

Highlights of Assessment

1.0 Legal Requirements
Ta Ann Plywood maintains active licenses and permits for all their wood processing and export activities. Ta Ann Plywood has an active license for employing foreign workers and keeps records of SOSCO payment made for local staffs. There was no evidence of non-compliance to legal requirements.

2.0 Documented Policy & Procedures
Ta Ann Plywood policies have reference to purchasing legal & certified timber products and increasing purchases of raw material from renewal resources except high conservation value forest; to be in compliance to legal requirements under PEFC ST 2002:2010 and continuous training about environmental awareness; no employees in Ta Ann Plywood to work in hazardous or unsanitary conditions and initiate & maintain complete prevention; and safety training program and to be in compliance to international law, regulation and policies in regards to forest operation, operation of areas that legally right to use, prohibiting illegal logging in Ta Ann forest and use of illegal raw materials in their mills, recognizing customary & workers rights and no forest conversion from HVCF areas identified and/or use of raw materials from HCVF areas.

Ta Ann Plywood has COC Standard Operating Procedure was updated in March 2014 for purchasing, production and sales of Verified Legal products classify raw materials and products as Verified Legal (VL).
3.0 Organisation & Training
Ta Ann Plywood has an organization chart for PEFC COC in place dated 01 April 2013. Ta Ann Plywood organization chart refers Mr. Ngang Tuong Thai as the COC management representative of Ta Ann Plywood. Ta Ann Plywood maintains the COC training records for PEFC. The most recent training was held on 03rd May 2012. Ta Ann Plywood Quality System officer (Tang King Kai) has conducted WTP COC training with 16 Ta Ann Plywood key staff dated 24th January 2014 and two quality system officers dated 17th February 2014.

4.0 Purchasing, Importing & Receiving
Ta Ann Plywood has COC procedure for Purchasing and Receiving VL raw material. The COC Core and Standard Operating Procedure (revised in January 2014) for purchasing logs describes the system of verifying the credibility of the supplier certificate / statement of participation through certification body / third party verification scheme website or use of risk assessment checklist to verify the log suppliers logs origin.

The monthly log summary records for August 2014 did not differentiate, logs purchased from other suppliers not listed under Ta Ann Plywood Approved Verified Legal logs suppliers and their own VL supplies. GAP 009/2014 (Minor) On the 23rd September 2014, Ta Ann Plywood has revised the monthly receiving summary for the month of August that identified logs from Tanjong Manis Resources and STIDC are not Verified Legal. GAP 009/2014 (Closed)

5.0 Process Controls
Ta Ann Plywood revised procedure clearly defines the use of a production unit (a monthly work order # for VL production to record log #, quantity & volume of input and associated output.

Ta Ann Plywood has a revised SOP/WTP-COC-002: GFS Wood Tracking Program – Identification and Traceability of Legal Origin Raw Material / Products - Date: 10th March 2014. This procedure includes an outline, identification at delivery level, supplier level, VL raw materials and VL finished products, traceability of VL finished products, sales of VL products, and records retention. A unique work order (WO#) is used for traceability purpose in the mill that is defined by month and year, e.g.: VL 01/14. Non – VL veneers are not marked with a production unit.

Ta Ann Plywood has demonstrated implementation of the COC system with VL raw materials for batch # VL 04/2014. During the assessment, the documents provided as follows for the bundle of VL plywood sampled referenced the production unit and timber status.

Ta Ann Plywood production forms used for April VL timber products production consistently refers (manually written / stamped) to the production unit (WO#: VL 04/14) to provide traceability between production and sales.

There is consistent identification of work order # (VL 04/14) for semi-finished products, stock (WIP) and finished goods plywood products at Ta Ann Plywood processing section. The work order # is identified on the WIP stock & finished goods using paint or chalk at all processing sections in Ta Ann Plywood mill.

Observed the Stock in Tally Sheet for VL finished goods maintained does not reference to the batch #; Ta Ann Plywood uses the sizes and date as reference to the batch #. GAP 010/2014 (Minor)
6.0 Sales, Exports & Customs
Ta Ann Plywood has a COC Standard Operating Procedure for Delivery and Shipping of Verified Legal Product (SOP/WTP-COC/003) dated 13th March 2014. This procedure includes shipment information, loading procedure, shipment documents and records.

The sales invoices between April and August 2014 do not refer to the timber status, Verified Legal (referred as GFS in invoice) and the batch # (e.g.: VL 08/14). GAP 011/2014 (Minor)

Ta Ann Plywood uses the Product Declaration Form for shipment of Verified Legal wood products sold between April and August 2014.

7.0 Records & Data
Ta Ann Plywood COC Standard Operating Procedures stated all key records relevant to verified legal timber products to be kept for at least 5 years. The records shall be kept in electronic format or printed copy.

<table>
<thead>
<tr>
<th>GAP #</th>
<th>Type</th>
<th>Checklist</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>009/2014</td>
<td>Minor</td>
<td>4.5.3, 7.1.1</td>
<td>The monthly log summary records for August 2014 did not differentiate, logs purchased from other suppliers not listed under Ta Ann Plywood Approved Verified Legal logs suppliers and their own VL supplies.</td>
</tr>
<tr>
<td>010/2014</td>
<td>Minor</td>
<td>5.4.3</td>
<td>The Stock in Tally Sheet for VL finished goods maintained does not reference to the batch #; Ta Ann Plywood uses the sizes and date as reference to the monthly batch #.</td>
</tr>
<tr>
<td>011/2014</td>
<td>Minor</td>
<td>6.2.1</td>
<td>The sales invoices between April and August 2014 do not refer to the timber status, Verified Legal (referred as GFS in invoice) and the batch # (e.g.: VL 08/14)</td>
</tr>
</tbody>
</table>

Status of Outstanding GAPs:

<table>
<thead>
<tr>
<th>GAP #</th>
<th>Type</th>
<th>Checklist #</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>009/2014</td>
<td>Minor</td>
<td>4.5.3, 7.1.1</td>
<td>Closed</td>
<td>On the 23rd September 2014, Ta Ann Plywood has revised the monthly receiving summary for the month of August that identified logs from Tanjong Manis Resources and STIDC are not Verified Legal.</td>
</tr>
</tbody>
</table>
Highlights of Close out visit (if applicable) | Date :
--- | ---
Not Applicable | |

**Recommendations**

Ta Ann Plywood Sdn. Bhd. has demonstrated compliance to the Wood Tracking Program requirements (WTP-005 v08 Jan 2014) and is recommended to maintain the Statement of Participation.

The next surveillance visit will be scheduled in **March 2015**.

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**End of Summary Report**