

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Acedeck Sdn. Bhd. (1007043-T)	<b>Reference #</b>	G162-363
<b>Contact Person</b>	Soon Vui Lun (Director)	<b>Audit Date</b>	23/11/2017
<b>Office Address</b>	Lot B1015, 10 <sup>th</sup> Floor, Wisma Merdeka Ph2, Jalan Tun Razak, 88000 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	-	<b>Telephone</b>	+6088 238 444
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 194 WTP		
<b>Issuance Date</b>	01 December 2017	<b>Expiration Date</b>	30 November 2018

### Assessment Details

<b>Company Type</b>	Trading office
<b>Scope of Assessment</b>	Acedeck Sdn. Bhd.
<b>Product Group</b>	Sawn timber and moulding
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Shorea inappendiculata</i> (Selangan batu), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan)
<b>Lead Assessor</b>	Lai Jia Woei
<b>Assessor(s)</b>	Michelle Boyou
<b>FDS Staff</b>	-

### Terms of Assessment

The scope of the evaluation is to verify compliance of the Acedeck 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:**

Acedeck Sdn. Bhd. (**Acedeck**) is registered in Kota Kinabalu with registration # 1007043-T. The company produces and trades sawn timber mainly for Australia and South Africa market.

Acedeck purchased sawn timber from local suppliers (Sabah) to be exported to Australia market. Besides, sawn timber purchased sourced from West Malaysia is to be **directly ship (did not enter Sabah)** to clients hence these are not within the audit scope.

**Associated Organizations & Subcontractors:**

Acedeck engages Rimba Kekal Sdn. Bhd. (located in Tawau) and Makeson Sdn. Bhd. (located in Kota Kinabalu) as subcontractors to provide kiln dry or moulding services respectively.

**Description of the Supply Chain:**

From November 2016 to October 2017, Acedeck raw materials from suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Seratim Sdn. Bhd.	JP(PT)021/00R	Sawn timber	Kota Kinabalu	FDS(SCS)051/2017 (30/06/2018)	GFS 022 WTP (30/06/2018)
Glowson Sdn. Bhd.	JP(N)SO001/15(B01)	Sawn timber	Sook	FDS(SCS)043/2017 (31/05/2018)	GFS 178 WTP (31/05/2018)
Dreamtim Sdn. Bhd.	JP(PT)006/15	Sawn timber, moulding	Tawau	FDS(SCS)122/2016 (31/12/2017)	GFS 045 WTP (31/12/2017)

**Summary Results:**

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

GAPs: Year 2017			
GAP #	Type	Checklist	Description
001/2017	Minor	5.2.4 5.2.7	Chain of Custody (CoC) procedure and system does not clearly enable traceability between purchase contract (order) to finished goods produced by subcontractors or sales contracts.

\*Major = Non-Compliance

Status of Outstanding GAPs:				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

Observations: Year 2017		
OBS #	Checklist #	Description

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

Recommendations
<p>Acedeck Sdn. Bhd. has demonstrated compliance to the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) by FDS.</p> <p><b>Gap 001/2017 (Minor) – Checklist 5.2.4,5.2.7:</b> Chain of Custody (CoC) procedure and system needs to be revised to clearly define and enable traceability between purchase contract (order) to finished goods produced by subcontractors or sales contracts.</p> <p>The next surveillance visit is scheduled in November 2018.</p>

**End of Summary Report**