

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Excella Wood Industries Sdn. Bhd. (70953-P)	Reference #	GFSSBH 004-025
Contact Person	Wong Cheng How (Purchasing Officer)	Assessment Date	04/04/2019
Office Address	3rd Floor, Lot 16-18, Block K, Jalan Juara Satu, Sadong Jaya, Karamunsing, P.O Box 11609, 88817 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	-	Telephone	+6088 240 111
Email	wongch1987@gmail.com	Fax	+6088 240 112
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 201 WTP		
Issuance Date	01 May 2019	Expiration Date	30 April 2020

Assessment Details

Company Type	Trading & Export Company
Scope of Assessment	FDS(SO)(E)088/2017(M), FDS(SO)(S)087/2017(M)
Product Group	Veneer
Source of Material	Sabah, Malaysia.
Species	Mixed species
Lead Assessor	Cynthia D. John
Assessor(s)	Franklin Emang
FDS Staff	Valentine Sebastian (ADFO Kota Kinabalu), RH Muznah Sabardin (EIS Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Excella Wood Industries 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.

Background Information:

Excella Wood Industries Sdn. Bhd. (Excella Wood Industries) is registered with Companies Commission of Malaysia (SSM) on 6th May 1987 in Kuala Lumpur, Malaysia. The company trades veneer mainly to Korea, Philippines and partly to Japan.

The previous assessment was conducted in April 2018 that resulted in 0 gap(s) and 0 observation(s) (report #: G162-419).

Associated Organizations & Subcontractors:

Excella Wood Industries is associated with DM Cergas Sdn. Bhd. (DM Cergas) located in Keningau, Sabah. The mill license for Excella Wood Industries and DM Cergas are leased to Goodterm Industries Sdn. Bhd. (Goodterm Industries) to produce veneer. Goodterm Industries purchased their raw material locally. The finished goods (veneer) are solely sold to Excella Wood Industries for export.

Description of the Supply Chain:

In 2018, Excella Wood Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
DM Cergas Sdn. Bhd. (Goodterm Industries)	JP(N)SO001/16(X17)	Veneer	Sook	FDS(SCS)044/2018 (31/01/2019)*	GFS 054 WTP (31/01/2019)*

Note: *Scheduled in April 2019.

Summary Results:

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

GAPs: 2019				
GAP #	Type	Checklist	Status	Description
004/2019	Minor	5.2.2	New	April 2019: Removal Passes (from the supplier to loading port) were observed not stamped as "Used Removal Pass" for March to December 2018.

*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>Excella Wood Industries Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>Gap identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap include:</p> <p>GAP 004/2019 (Minor) – Checklist 5.2.2: To cancel the removal passes from the supplier to the loading port as "Used Removal Pass".</p> <p>The next surveillance visit is scheduled in February 2020.</p>

End of Summary Report