

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Yung Chen Wood Industry Sdn. Bhd. (247082-M)	Reference #	GFSSBH 004-042
Contact Person	Chan Yuk Woh (Manager)	Assessment Date	09/05/2019
Office Address	Off Mile 12, Seguntor Area Jalan Labuk PPM 116, Elopura, 90000 Sandakan, Sabah, Malaysia.	Date close out	-
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 058 WTP		
Issuance Date	01 June 2019	Expiration Date	31 May 2020

Assessment Details

Company Type	Sawmill / Plywood / Blockboard
Scope of Assessment	Yung Chen Wood Industry Sdn. Bhd.
Product Group	Sawn timber (<i>natural spp.</i>), laminated bare-core board (laminated board), kiln dried plantation sawn timber, lumber core, short core and veneer
Source of Material	Sabah, Malaysia
Species	<u>Natural Forest Logs:</u> <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Sapotaceae spp.</i> (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Eugenia spp.</i> (Obah), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), <i>Dialium indum</i> (KerANJI), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Combretocarpus spp.</i> (Perapat hutan), Myristicaceae (Darah-darah), Hoepa sangal (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Alstonia spp.</i> (Pulai), <i>Koompassia excelsa</i> (Mengaris) <u>Plantation Logs:</u> <i>Albizia spp.</i> (Batai)
Lead Assessor	Lai Jia Woei
Assessor(s)	Cynthia D. John
FDS Staff	Ruslan Hj. Ismail (ADFO Sandakan), RH Zaini Jainab (KPPM Seguntor), RH Sahari Sakah (PPM Seguntor)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Yung Chen Wood Industry 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:

Yung Chen Wood Industry Sdn. Bhd. (Yung Chen Wood Industry) is registered in Kuala Lumpur, Malaysia with registration # 247082-M. Veneer and plywood production stopped years ago. Currently, the company produces and trades laminated bare-core board (laminated board) and short core to Taiwan and for local sales. Yung Chen Wood Industries also provides kiln dry service to their clients.

The previous assessment was conducted in January 2018 that resulted in 1 gap(s) and 0 observation(s) (report #: G162-379).

Associated Organizations & Subcontractors:

Yung Chen Wood Industry does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From December 2017 to March 2019, Yung Chen Wood Industry purchased / received raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Timberwell Berhad	SFMLA 06/97: KDT 05/18, KDT 06/18, KDT 04/18, KDT 07/17	Round logs	Kota Marudu	FDS(SLS)019/2018 (30/04/2019)**	GFS 002 LVS (30/04/2019)**
Farmingco Sdn. Bhd. (Usaha Sri Teguh Sdn. Bhd.)	FIIB: JPHTN/FRM 700-2/4/1/117/Jld 3/31	Round logs	Pitas	Non-compliance	Non-compliance
KTS Plantation Sdn. Bhd.	JP (SLK) 125/93 (CO): SDK 02/18	Round logs	Segaliud	FDS(SLS)001/2018 (31/01/2019)*	GFS 012 LVS (31/03/2020)
Sabah Softwoods Berhad	FDS(TW)(E)212/2018(M)	Plantation logs (<i>Albizia spp.</i>)	Kalabakan	FDS(SLS)052/2018 (30/09/2019)	GFS 149 LVS (30/09/2019)

Note: *FDS to update their website.

**Surveillance visit conducted in April 2019.

Summary Results:

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

GAPs:					
GAP #	Type	Checklist	Status	Description	
003/2018	Minor	5.2.4	Closed	<p>January 2018: Yung Chen has started implementation of its COC system however, it has yet to be documented into a CoC manual or procedure.</p> <p>May 2019: Yun Chen Wood Industry prepared a COC procedure that includes Risk Assessment, Receiving, Production (short core, bare core and sawn timber), Sales and Storage. The company determines the mill production unit based on barge arrival. Batch number i.e. 19S1; 19 indicates year; S1 indicates sequential barge arrival in a year).</p>	
004/2019	Minor	5.2.2	New	<p>Sabah Softwoods Berhad was assessed in compliance with Sabah TLAS Principles 1-4 in September 2018. However, the Removal Passes received from Sabah Softwoods Berhad from October 2018 onwards were not endorsed with "Sabah TLAS Compliant" stamp.</p>	

*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>Yung Chen Wood Industry 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 includes:</p> <p>Gap 004/2019 (minor) - Checklist 5.2.2: Removal Passes from the licensed area that has been verified under Sabah TLAS Principle 1-4 standards need to be stamped with "Sabah TLAS Compliant" by FDS.</p> <p>The next surveillance visit is scheduled in March 2020.</p>

End of Summary Report