

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: WVT Timber Industries Sdn. Bhd. (1225533-T) Mill: Makeson Sdn. Bhd. (99395-V)	Reference #	GFSSBH 004-021
Contact Person	Adrianie Kanda (Administration)	Assessment Date	28/03/2019
Office Address	Lot 14, Jalan 3 KKIP Timur, Industrial Zone 13, KKIP, 88450 Kota Kinabalu, Sabah, Malaysia.	Date close out	-
Mill Address	Lot 14, Jalan 3 KKIP Timur, Industrial Zone 13, KKIP, 88450 Kota Kinabalu, Sabah, Malaysia.	Telephone	+6088 489 299
Email	wvtooffice@gmail.com	Fax	NA
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	NA: Non Conformance - Checklist 5.3 and 6.1		
Issuance Date	NA	Expiration Date	NA

Assessment Details

Company Type	Exporter, Sawmill, Wood preservation plant and KD plant
Scope of Assessment	Sabah TLAS P5 – P6: JP(K)KK 028/00 (X22)R, JP(K)KK 010/01 (X07), JP(K)KK 001/14 (B05), FDS(KK)(E)029/2017
Product Group	KD Sawn timber
Source of Material	Sabah, Malaysia.
Species	<i>Hevea brasiliensis</i> (Rubber wood)
Lead Assessor	Priera Bagang
Assessor(s)	Not available
FDS Staff	RH Jamain Othman (KPPM Kota Kinabalu)

Terms of Assessment

The scope of the evaluation is to verify compliance of the WVT Timber 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:

Makeson Sdn. Bhd. (Makeson) mill license and mill contractor license are leased to Borneo Build & Supply Sdn. Bhd. (715981-W) (Borneo Build & Supply), Borneo Benar Sdn. Bhd. (488524-D) (Borneo Benar) and WVT Timber Industries Sdn. Bhd. (1225533-T) (WVT) to produce mouldings and sawn timber respectively.

WVT had formally registered to the Company Commission of Malaysia (SSM) in Kuala Lumpur on 05/04/2017 with a registration number 1225533-T. The company produced rubber wood sawn timbers and exported mainly to China.

The previous assessment was conducted in March 2018 that resulted in 6 gap(s) and 0 observation(s) (report #: G162-405)

Associated Organizations & Subcontractors:

WVT does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

In 2018, WVT purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Validity)	GFS Audit Statement # (Validity)
Blasius Tikuk Tubai	FIIA: JPHTN/KKH 700-3/3/5/Jld.21(27)	Plantation logs	Sook	-	-
Lee Yun Bin Penggoh	FIIA: JPHTN/KKH 700-3/3/3/Jld.21(4)	Plantation logs	Sook	-	-
Martin @ Kati bin Padat	FIIA: JPHTN/KGU 700-2/5/2/Jld.22/70	Plantation logs	Keningau	-	-
Regina binti Akim	FIIA: JPHTN/KGU 700-2/5/2/Jld.22/37	Plantation logs	Keningau	-	-
Francis bin Kahing	FIIA: JPHTN/KGU 700-2/5/2/Jld.22/78	Plantation logs	Keningau	-	-
Gausi Martin Bin Suan	FIIA: JPHTN/KKH 700-2/5/2/Jld.22/66	Plantation logs	Keningau	-	-
Ambuh @ Mohd Tahir	FIIA: JPHTN/KKH 700-3/3/3/Jld.8(15)	Plantation logs	Sook	-	-
Anip bin Ismail	FIIA: JPHTN/KGU 700-2/5/2/Jld.21/22	Plantation logs	Keningau	-	-
Saihi bin Galihong	FIIA: JPHTN/KGU 700-2/5/2/Jld.21/47	Plantation logs	Keningau	-	-
Joseph Balingi	FIIA: JPHTN/KKH 700-3/3/3/Jld.17(57)	Plantation logs	Tamparuli	-	-
Gaimo James Lunpakis	FIIA: JPHTN/KKH 700-3/3/3/Jld.17(46)	Plantation logs	Kota Kinabalu	-	-
Mohd. Effenai bin Abdullah	FIIA: JPHTN/KKH 700-3/3/3/Jld.18(68)	Plantation logs	Sook	-	-
Maidis bin Lodumin	FIIA: JPHTN/KGU 700-2/5/2/Jld.22(63)	Plantation logs	Keningau	-	-
Doyoh bin Ganduai	FIIA: JPHTN/KGU 700-2/5/2/Jld.20/53	Plantation logs	Keningau	-	-
Wong Ket Chong	FIIA: JPHTN/KKH 700-3/3/3/Jld.13(58)	Plantation logs	Tenom	-	-
Rahinin Dulasim	FIIA: JPHTN/KGU 700-2/5/2/Jld.19/48	Plantation logs	Keningau	-	-
Lasiol bin Jingun	FIIA: JPHTN/KKH 700-3/3/3/Jld.15(66)	Plantation logs	Sook	-	-
Dumin Balingi	FIIA: JPHTN/KKH 700-3/3/2/Jld.7/2	Plantation logs	Tamparuli	-	-
Bius Bin Bandu	FIIA: JPHTN/KGU 700-2/5/2/Jld.18/6	Plantation logs	Keningau	-	-
Rasli bin Rusimin	FIIA: JPHTN/KGU 700-2/5/2/Jld.17/41	Plantation logs	Keningau	-	-
Vincent Garinang	FIIA: JPHTN/KKH 700-3/3/3/Jld.13(21)	Plantation logs	Tenom	-	-
Hustina @	FIIA: JPHTN/KGU 700-	Plantation	Keningau	-	-

Easter	2/5/2/Jld.17/31	logs			
Lo Too Long	FIIA: JPHTN/KKH 700-3/3/3/Jld.5(13)	Plantation logs	Tenom	-	-
Chong Sing Kung	FIIA: JPHTN/KKH 700-3/3/3/Jld.25(48)	Plantation logs	Tenom	-	-
Jamal	FIIA: JPHTN/KGU 700-2/5/2/Jld.27/14	Plantation logs	Keningau	-	-

Summary Results:

(Major gap = 2, Minor gap = 0, Observation = 0)

GAPs:					
GAP #	Type	Checklist	Status	Description	
001/2018	Minor	5.2.4	Closed	<p>March 2018: WVT possessed a CoC draft procedure for wood products traceability that based on Monthly arrival of raw material (i.e. Batch# 04/18). Procedure for purchasing does not describe evaluation of raw material as eligible for use as Sabah TLAS based on the Risk Assessment Matrix.</p> <p>March 2019: The company had revised their CoC procedure to include the Risk Assessment for the outsourced supplier.</p>	
002/2018	Minor	5.2.5 5.2.7	Closed	<p>March 2018: WIP materials (loose bundle) and finished goods (sawn timber) in the mill were not identified by the batch # or production unit hence it is not traceable to its production unit and origin. The company has yet to implement the CoC procedure in their production</p> <p>March 2019: The company implemented the CoC procedure in their mill production. The WIPs and Finished goods were identified to the batch production unit (i.e. 03/2019).</p>	
003/2018	Minor	5.3.1	Closed	<p>March 2018: Foreign workers were not covered by insurance as required</p> <p>March 2019: Foreign workers working in the mill are covered with foreign workers compensation insurance.</p>	
004/2018	Minor	5.3.2 5.3.7	Closed	<p>March 2018: The mill production started in August 2017. However, the company has not conducted any safety and health training to their workers.</p> <p>March 2019: The company conducted training on safety and health to the mill workers. Records are maintained and kept in the office.</p>	
005/2018	Minor	5.3.3 5.3.6	Raised to Major	<p>March 2018: WVT has not registered with DOSH for the use of wood processing machines (bandsaw) under Act 139 (Factories and Machinery Act) – for the use of machinery; Section 36.</p>	

				March 2019: No action was taken by WVT to register their mill with DOSH.
006/2018	Minor	5.3.8	Closed	March 2018: No fire prevention training was provided to their workers. March 2019: Fire prevention training to workers has been conducted to mill's workers. Records are maintained and kept in the office.
007/2019	Major	6.1.1	New	WVT has not registered with FDS as a "Mill Contractor" and "Supplier". Based on the Forest Circular CF21/2017, mill's tenant shall register with FDS as a "Mill Contractor" and "Supplier".

*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)	Date
The Gaps Major shall be addressed within 2 months by May 2019.	-

Recommendations
<p>WVT Timber Industries Sdn. Bhd. has not demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is not recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>The Gaps Major shall be addressed within 2 months by May 2019.</p> <p>GAP 005/2018 (Raised to Major) – Checklists 5.3.3, 5.3.6: The company must register their wood processing machinery with DOSH under Act 139 (Factories and Machinery Act) – for the use of machinery; Section 36.</p> <p>GAP 007/2019 (Major) – Checklist 6.1.1: To register as a "Mill Contractor" and "Supplier" to FDS as required in the Forest Circular CF21/2017.</p> <p>The next surveillance visit is scheduled in January 2020.</p>

End of Summary Report