

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Superwood Industries Sdn. Bhd. (154860-X)	Reference #	GFSSBH 004-419
Contact Person	Joy Leong	Audit Date	28/10/2022
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 048 WTP		
Issuance Date	31 October 2022	Expiration Date	30 October 2023

Assessment Details

Company Type	Sawmill, Exporter, Importer
Scope of Assessment	TLAS P5-6: JP(K)KK001/12(B05)
Product Group	Moulded Timber / Wooden Door
Source of Material	Sabah, Malaysia.
Species	<i>Acacia mangium</i> , <i>Shorea</i> spp. (Red and Yellow Seraya) and <i>Parashorea</i> spp. (White Seraya)
Lead Assessor	(Acting) Sandra George
Assessor(s)	Ivy Justin, Varenus Untomon
FDS Staff	Abu Bakar (SFD)

Terms of Assessment

The scope of the evaluation is to verify compliance of the Superwood 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 GFS.

Background Information:

Superwood Industries Sdn. Bhd. (Superwood Industries) is registered in Kuala Lumpur, Malaysia, with registration # 154860-X. The company produces and exports wooden door to Australia and Poland.

The previous assessment was conducted in November 2021 that resulted in 3 gap(s) and 1 observation(s) (Report #: GFSSBH 004-274).

Associated Organizations & Subcontractors:

Superwood Industries does not engage any other subcontractor to provide or manufacture products.

Description of the Supply Chain:

From September 2021 to September 2022, Superwood Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
Sogoraya Sdn. Bhd.	JP(K)(KK)001/18(M01)	Sawn timber	Kota Kinabalu	GFS 104 WTP (29/05/2023)	Low
Kilang Papan KK Assan Sdn. Bhd.	JP(D)KM030/00(X04)R	Sawn timber	Kota Marudu	GFS 062 WTP (12/12/2022)	Low
Seratim Sdn. Bhd.	FDS(KK)(E)064/2019	Sawn timber	Kota Kinabalu	GFS 022 WTP (19/06/2023)	Low
Kilang Kayu Lohan Sdn. Bhd.	JP(K)RN005/00(X04)R	Sawn timber	Ranau	GFS 032 WTP (26/12/2022)	Low
Lusera Sdn. Bhd.	JP(K) KK001/09(X39)	Sawn timber	Kota Kinabalu	GFS 114 WTP (09/01/2023)	Low
Veracity Corporation Sdn. Bhd.	JP(N)KG001/00(X02)R	Plywood	Keningau	GFS 053 WTP (18/09/2023)	Low

Note: *GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & products.

Summary Results:

(Major gap = 0, Minor gap = 4, Observation = 1)

GAPs: Year 2022					
GAP #	Type	Checklist	Status	Description	
001/2021	Minor	5.2.3	Closed	<p>November 2021: No evidence that plywood arrival was recorded in the arrival book. The company did not reference Sabah TLAS status for their suppliers in the sawn timber arrival book.</p> <p>October 2022: The company has maintained the records of plywood received and identified Sabah TLAS status for all materials in the arrival book.</p>	
002/2021	Minor	5.3.4	Closed	<p>November 2021: No evidence that JKPP 8 was submitted to DOSH for 2020.</p> <p>October 2022: The company submitted the JKPP 8 to DOSH for 2021.</p>	
003/2021	Minor	6.1.2 6.1.3	Closed	<p>November 2021: EIS 1/2000, SFD export approval, receipt of royalty payment and removal pass for the sampled export sales were not available during the assessment. Based on the company, the documents were still with the subcontractor that handled the documentation.</p> <p>October 2022: The company has maintained the documents for all export sales.</p>	
001/2022	Minor	5.1.2	New	<p>October 2022: Slight discrepancy in recording the volume of log supply between removal pass, Delivery Order (D/O) and arrival book from September to November 2021, March to June 2022 and August to September 2022.</p>	
002/2022	Minor	5.2.1	New	<p>October 2022: Materials received from Lusera Sdn. Bhd. are not accompanied by Removal Pass as per the CF 8/2022 Circular, dated 15/08/2022.</p>	
003/2022	Minor	5.2.5 5.2.7	New	<p>October 2022: The batch number and Sabah TLAS status identified on WIP and finished goods were not in accordance with the COC procedure.</p>	

004/2022	Minor	5.3.1	New	October 2022: Several workers were not registered with COI and one (1) worker has expired COI.
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*Major = Non-Compliance

Observations: Year 2022

Obs #	Checklist	Description
001-2021 Addressed	5.3.8	November 2021: No fire training was conducted for 2021. The last training was conducted in November 2020. October 2022: The company has conducted safety and fire training in 2022.
001-2022	5.3.8	October 2022: One (1) fire extinguisher was obstructed at the moulding section.

Highlights of Close-Out Visit (if applicable)

Date: -

Not applicable

Recommendations

Superwood Industries Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.

Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:

Gap 001/2022 (Minor) – Checklist 5.1.2: The company shall ensure the volume of logs received in the Removal Pass and Delivery Order (D/O) is correctly recorded in the log arrival book.

Gap 002/2022 (Minor) – Checklist 5.2.1: The company shall ensure the materials received are accompanied by a Removal Pass as per the CF 8/2022 Circular.

Gap 003/2022 (Minor) – Checklist 5.2.5, 5.2.7: The company shall follow its CoC procedure in identifying the batch # & Sabah TLAS status.

Gap 004/2022 (Minor) – Checklist 5.3.1: The company shall register workers under COI.

Observation 001-2022 – Checklist 5.3.8: The company shall ensure the fire extinguishers are free from obstruction.

The next surveillance visit is scheduled for October 2023.

End of Summary Report