

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: Integrated Wood Processing Sdn. Bhd. (1290124-T) Licensee: Kalabakan Plywood Sdn. Bhd. (154450-P)	Reference #	GFSSBH 004-517
Contact Person	Renee Ong (Head of Trade) Anisa Shuhaila (Certification Officer)	Audit Date	22/06/2023
Office Address	Building No. 6600, Sg. Imam, KM 11, Jalan Pasir Putih, 91000 Tawau, Sabah, Malaysia.	Date close out	-
Mill Address	Building No. 6600, Sg. Imam, KM 11, Jalan Pasir Putih, 91000 Tawau, Sabah, Malaysia.	Telephone	+6010 973 4133 +6018 205 3806
Email	marketing1@iwpsb.com.my	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 238 WTP		
Issuance Date	26 June 2023	Expiration Date	25 June 2024

Assessment Details

Company Type	Sawmill, Veneer, Plywood, Blockboard, Moulding, Kiln Dry Plant, Exporter
Scope of Assessment	Sabah TLAS P5-6: JP(T) TW 003/00 (X13)R
Product Group	Sawn timber, Plywood, Veneer
Source of Material	Sabah, Malaysia.
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Oba suluk, Red seraya, Yellow seraya, Melapi), <i>Sapotaceae</i> (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Lauraceae</i> (Medang), <i>Planchonia valida</i> (Putat), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Hopea sangal</i> (Gagil), <i>Macaranga</i> spp. (Sedaman), <i>Paraserianthes falcataria</i> (Batai), <i>Gluta/Semecarpus/Melanochyla</i> & <i>Swintonia</i> (Rengas), <i>Annonaceae</i> (Pisang-pisang), <i>Anisoptera</i> spp. (Pengiran), <i>Eucalyptus pellita</i> , <i>Magnolia candollii</i> (Chempaka), <i>Acacia</i> spp. (Acacia)
Lead Assessor	Sandra George
Assessor(s)	Asraf Mahmud
FDS Staff	Mohd Azhar Ismail (PPD Tawau)

Terms of Assessment

The scope of the evaluation is to verify compliance of Integrated Wood Processing 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:

Kalabakan Plywood Sdn. Bhd. (Kalabakan Plywood) is registered in Kota Kinabalu, Malaysia, with registration # 154450-P. Kalabakan Plywood, a landlord, is a registered owner of the land situated at CL105464766, Pasir Putih, Sungai Imam, Tawau, Sabah. The landlord is responsible for paying licensing regarding the sawmill. The landlord has a tenancy agreement with Integrated Wood Processing, a tenant, from 01/01/2019 to 31/12/2023.

Integrated Wood Processing Sdn. Bhd. (Integrated Wood Processing) is registered in Kuala Lumpur with registration # 1290124-T. Integrated Wood Processing produces sawn timber and plywood for the local market and exports to Japan, Hong Kong, and South Korea. Integrated Wood Processing is an FSC-certified, FSC #: FSC-C183704 (CU-COC-890215), with an expiry date of 02/11/2027 and a PEFC-certified, PEFC #: CU-PEFC-887532 (BMT-PEFC-1682), expiry date of 25/05/2027.

The previous assessment was conducted in June 2022 that resulted in 0 gap(s) and 0 observation(s) (Report #: GFSSBH 004-367).

Associated Organizations & Subcontractors:

Integrated Wood Processing does not engage other companies as their subcontractors to provide or manufacture products.

Description of the Supply Chain:

From June 2022 to May 2023, Integrated Wood Processing purchased raw materials from the suppliers as below:

Suppliers	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk*
JD Salarong Sdn. Bhd. (SC Capital Management Sdn. Bhd.)	JP(NNN)005/2020(F1)	Round logs	Nabawan	Non-Compliance	High
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round logs	Tibow	GFS 025 LVS (10/07/2023)	Low
Rakyat Berjaya Sdn. Bhd. (Usahawan Borneo Greenwood)	SFMLA 09/97	Round logs	Kalabakan	Non-Compliance	High
Gold Rank Sdn. Bhd.	JP(T)TW001/10(X04)	Sawn timber	Tawau	GFS 010 WTP (03/07/2023)	Low
Sabah Softwoods Berhad	JP(T)TW001/11(B01)	Plantation logs	Kalabakan	GFS 149 LVS (18/12/2023)	Low
Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.)	JP(TKA)122/96(CO)	Round logs	Kalabakan	Non-Compliance	High
Rakyat Berjaya Sdn. Bhd. (FMU 25)	SFMLA 09/97	Round logs	Kalabakan	Non-Compliance	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round logs	Serudong	GFS 071 LVS (19/06/2023)**	Low
First Greenworld Sdn. Bhd.	SFMLA 02/2009	Round logs	Serudong	GFS 074 LVS (19/06/2023)**	Low
Acacia Forest Industries Sdn. Bhd.	Gazette No. 684/83	Plantation logs	Pitas	GFS 093 LVS (10/10/2022)**	Low
Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)	JP(TKA)122/96(CO)	Round logs	Kalabakan	Non-Compliance	High

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

**Raw materials received before the expiry date are low risks.

Summary Results:

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

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
-	-	-	-	-

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>Integrated Wood Processing 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.</p> <p>The next surveillance visit is scheduled for June 2024.</p>

End of Summary Report