

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: WVT Timber Industries Sdn. Bhd. 201701011368 (1225533-T) Landlord: Makeson Sdn. Bhd. 198301004190 (99395-V)	Reference #	GFSSBH 004-703
Contact Person	Ms. Adrianie Kanda (Administration)	Audit Date	07/05/2024
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
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 210 WTP		
Issuance Date	13 May 2024	Expiration Date	12 May 2025

Assessment Details

Company Type	Exporter, Mill contractor
Scope of Assessment	Sabah TLAS P5-6: FDS(KK)(S)074/2019(MT), KON(KKK)09/2019(KK), FDS(KK)(E)106/2019
Product Group	Sawn timber
Source of Material	Sabah, Malaysia.
Species	Hevea brasiliensis (Rubberwood)
Lead Assessor	Anne Gimbir
Assessor(s)	Glory Linggou, Tommy Olui
SFD Staff	Jepri Ibrahim (PPD KK), Abu Bakar (PPD KK)

Terms of Assessment

The scope of the evaluation is to verify compliance with 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 is 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 knowledge of GFS.

Background Information:

WVT Timber Industries Sdn. Bhd. (WVT Timber Industries) is, on and from the 05/04/2017, incorporated under the Companies Act 2016 in Kota Kinabalu, Malaysia, with the registration #: 201701011368 (1225533-T). Makeson leased lands to WVT Timber Industries and have a valid tenancy agreement.

WVT Timber Industries purchases rubberwood logs from smallholder plantations to produce sawn timber and exports them to China.

Associated Organizations & Subcontractors:

WVT Timber Industries does not engage subcontractor to produce, manufacture products or provide manpower.

Description of the Supply Chain:

From March 2023 to March 2024, WVT Timber Industries purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Bensin Bin Basamda	JPHTN/KB700-2/5/52(4)	Rubberwood	Kota Belud	-	Low
Longit Kudabak	JPHTN/KB700-2/5/43	Rubberwood	Kota Belud	-	Low
Juslee Mapat	JPHTN/KB700-2/14/Jilid12/136	Rubberwood	Kuala Penyu	-	Low
Tadius Bin Lasat	JPHTN/TNM700-2/5/1/JILID21(24)	Rubberwood	Tenom	-	Low
Rauline Bin Basandah	JPHTN/KB700-2/5/47(4)	Rubberwood	Kota Belud	-	Low
Vincena Binti Lingungud	JPHTN/KGU700-2/5/2/JLD38/80	Rubberwood	Keningau	-	Low
Tan Yuk Bee	JPHTN/KGU700-2/5/2/JLD.38/82	Rubberwood	Keningau	-	Low
Rima Bin Jonpu	JPHTN/KGU700-2/5/2/JLD.38/66	Rubberwood	Keningau	-	Low
Giung Binti Tinggang	JPHTN/KGU700-2/5/2/JLD.38/74	Rubberwood	Keningau	-	Low
Nogiri Gautar	JPHTN/KM700-2/5/JLD.18/(86)	Rubberwood	Kota Marudu	-	Low
Lambang Bin Ginau	JPHTN/KB700-2/5/45(9)	Rubberwood	Kota Belud	-	Low
Alaysius@Alexus B. Paulus	JPHTN/KGU700-2/5/2/JLD38/58	Rubberwood	Keningau	-	Low
Chin Vui Hung	JPHTN/TNM700-2/5/1/JLD.20(67)	Rubberwood	Tenom	-	Low
Tony Mahau	JPHTN/KDT800-4/2/3/JLD.13/72	Rubberwood	Kudat	-	Low
Hellah Empun@Saimon	JPHTN/KM700-2/5/JLD.18/(32)	Rubberwood	Kota Marudu	-	Low
Matius Bin Apung	JPHTN/TNM700-2/5/1/JILID.20(61)	Rubberwood	Tenom	-	Low
Mohamad Hasnun Bin Sudin	JPHTN/KGU700-2/5/2/JLD.38/50	Rubberwood	Keningau	-	Low
Manuel Tumpilas	JPHTN/KM700-2/5/JLD.18/(16)	Rubberwood	Kota Marudu	-	Low
Christopher Bin Atak	JPHTN/BFT700-2/14/JLD.13/19	Rubberwood	Beaufort	-	Low
Bansing Bin Duasa	JPHTN/KB700-2/5/57(3)	Rubberwood	Kota Belud	-	Low
Ansin Bin Odilak	JPHTN/KDT800-4/2/4/JLD3(26)	Rubberwood	Kudat	-	Low
Raimon	JPHTN/PTS700-2/5/1/JLD.17(285)	Rubberwood	Pitas	-	Low
Sintak Bin Lima	JPHTN/KB700-2/5/55/04(73)	Rubberwood	Kota Belud	-	Low
Anam B. Itei	JPHTN/TNM700-2/5/1/JLD19(115)	Rubberwood	Tenom	-	Low
Jasmon Bin Sungin	JPHTN/KDT800-4/2/3/JLD13/65	Rubberwood	Kudat	-	Low
Janim Raiman	JPHTN/SO700-2/5/1/JLD.14(115)	Rubberwood	Sook	-	Low

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

Summary Results:

(Major gap = 0, Minor gap = 5, Observation = 0)

GAPs: Year 2024				
GAP #	Type	Checklist	Status	Description
001/2024	minor	5.1.2	New	May 2024: The mill contractor license was expired.
002/2024	minor	5.1.5 5.2.10 6.4.2	New	May 2024: The current COC procedure is not adequate to identify and trace materials and products based on Sabah TLAS status (Sabah TLAS / Sabah TLAS EUDR / Non-TLAS) from purchasing through production, sales, and export. The retention times for records are not defined in the current COC procedure.
003/2024	minor	5.2.1	New	May 2024: WVT Timber Industries does not issue a Purchase Order / Sales Contract as per CoC procedure.
004/2024	minor	5.2.11	New	May 2024: WVT Timber Industries did not record sawn timber mixed from different Sabah TLAS batches.
005/2024	minor	5.3.1 5.3.2	New	May 2024: WVT Timber Industries has no employment agreement and contracting labour for workers and exceeded the quota to hire foreign workers.

*Major = Non-Compliance

Observations: Year 2024		
Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>WVT Timber 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.</p> <p>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:</p> <p>Gap 001/2024 (minor) – Checklist 5.1.2: WVT Timber Industries shall expedite the renewal process.</p> <p>Gap 002/2024 (minor) – Checklist 5.1.5, 5.2.10, 6.4.2: WVT Timber Industries shall revise the COC procedure to include purchasing, identification and traceability of materials through a production batch unit to finished products based on Sabah TLAS status (Sabah TLAS/Sabah, TLAS EUDR/Non-Sabah TLAS).</p> <p>Gap 003/2024 (minor) – Checklist 5.2.1: WVT Timber Industries shall issue a Purchase Order / Sales Contract as per COC procedure.</p> <p>Gap 004/2024 (minor) – Checklist 5.2.11: WVT Timber Industries shall record mixing of sawn timber from different Sabah TLAS batches.</p> <p>Gap 005/2024 (minor) – Checklist 5.3.1, 5.3.2: WVT Timber Industries shall have employment agreement for workers and ensure JTK quota is not exceeded.</p> <p>The next surveillance visit is scheduled for May 2025.</p>

End of Summary Report