

## Chain of Custody Checklist & Assessment Report

<b>Organization</b>	P.T.K. Wood Company Limited (0105538097071)	<b>Reference #</b>	GFS 009-006
<b>Contact Person</b>	Ms. Apinya Phongwatantam	<b>Proposal # Assessment #</b>	GFS P23-224 05
<b>Office Address</b>	29/4 Moo 6, Thetsaban 3 Road, Bangtoey, Samkhok, Pathumthani 12160, Thailand.	<b>Assessment Date</b>	27/02/2023
<b>Mill Address</b>	29/4 Moo 6, Thetsaban 3 Road, Bangtoey, Samkhok, Pathumthani 12160, Thailand.	<b>Date of Report Date of close out</b>	28/02/2023 -
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### Statement of Compliance

GFS WTP #	GFS 186 WTP (EUDR Compliant)
Issuance Date	01 April 2019
Expiration Date	31 March 2024

### Scope of Assessment

Company Type	Manufacturing
Scope of Assessment	P.T.K. Wood Company Limited
Product Group	Plywood & Veneer
Source of Material	Canada, China, Thailand and Vietnam.
Species	Veneer Core: Poplar ( <i>Populus spp.</i> ) & Acacia mangium Face: Red oak ( <i>Quercus rubra</i> ), Birch ( <i>Betula spp.</i> ), Maple ( <i>Aces spp.</i> ).

### Limitations of Assessment

The information presented in this report is based on documents provided by the client and objective evidence observed and recorded as findings during the site assessment. GFS 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 of knowledge of GFS.

### Background Information:

P.T.K. Wood Co. Ltd. (P.T.K. Wood) is Thailand's leading supplier of fancy plywood, commercial plywood and teak sawn timbers. P.T.K Wood has over 40 years of experience in the timber industry to guarantee high customer satisfaction throughout the country and the global market. Sales markets include to Hong Kong, The USA & Others.

The previous assessment was conducted in March 2022 that resulted in 1 gap(s) and 2 observation(s) (Report # GFS 009-005).

### Associated Organizations & Subcontractors:

P.T.K. Wood has signed agreements with suppliers from Vietnam and agreement with a subcontractor for future production in Thailand.

### Description of the Supply Chain:

P.T.K. Wood purchases baseboard plywood made from *Acacia mangium* from smallholder farmers in Vietnam and face / back veneers of birch, maple and oak from Canada that is used to manufacture finished plywood.

## Highlights of Assessment

### 1.0 Legal Requirements

P.T.K. Wood was registered on 16<sup>th</sup> August 1995 with registration # 0105538097071. The company maintains permits for all their wood processing and export activities.

There was no evidence of non-compliance to legal requirements for safety & health as well as Labour regulations.

### 2.0 Documented Policy & Procedures

P.T.K. Wood Policy Statement is within the Chain of Custody Manual dated on January 2019 (Revision 2).

P.T.K. Wood has a set of procedure on Chain of Custody system that in line with legal requirements under the GFS WTP. The CoC Procedural Manual covers all key aspects of the company operations, including Administration, Purchasing, Warehouse, Supplier Risk Assessment, Production, Subcontracting of VL core veneer (baseboard) and Sales. P.T.K. Wood has not subcontracted any VL production activities to local producers.

### 3.0 Organisation & Training

P.T.K. Wood has an organization chart documented in the CoC Procedural Manual. Ms. Apinya Phongwatantam is appointed as the CoC Management Representative (MR).

Training on health safety and fire was conducted and recorded.

#### April 2022: Gap 001/2022 (Minor) – Checklist 3.2.1

No evidence of training on the Chain of Custody system for 2021.

#### Feb 2023: Gap 001/2022 (Minor) - Closed

Training was conducted in January 2023 on the Chain of Custody system that includes FSC.

### 4.0 Purchasing, Importing & Receiving

P.T.K. Wood conducted the Risk Assessment several suppliers based on the GFS Risk Assessment and Risk Matrix. P.T.K. Wood purchases platforms from subcontractors using planted *Acacia* raw material from smallholder farmers. All materials are traceable to individual farmers with land titles, cutting permits and transport documents. The subcontractor processes each production unit in accordance with the material purchased from each farmer.

PTK Wood also purchases FSC CW veneer from the USA and Canada for use as face and back on the platforms from Vietnam. The platforms manufactured from planted *Acacia* along with FSC CW veneers are classified as Deforestation Free meeting requirements of the new EU Deforestation Regulations (EUDR).

P.T.K. Wood identifies raw material received and stored based on species and VL status on stock cards for raw material. The stock card references the raw material Lot # that is indirectly linked to the Purchase Contract or Supplier Invoice defined in the CoC Procedural Manual.

P.T.K. Wood purchased FSC products manufactured in Russia through a non-FSC certified company as required under the FSC system to carry the FSC certification.

#### April 2022: Observation 001-2022 – Checklist 4.1.3

FSC products purchased from Russia through a non-FSC 3<sup>rd</sup> party supplier is not considered certified; thus, not Low Risk.

#### Feb 2023: Observation 001-2022 – Addressed

FSC products purchased from Russia on 25 October 2021 was documented as FSC 100% (FSC - C157878 / NC-COC 053579); thus, can be classified as Low Risk.

#### April 2022: Observation 002-2022 – Checklist 4.4.2

The FSC supplier invoice PTK 0122062021 did not reference FSC status as required under FSC ST 40-004 for trading FSC products with respect to PTK purchase contract PC-PTK-DTM-2101.

#### Feb 2023: Observation 002-2022 – Addressed

All material purchased is now correctly classified as VL under the subcontract agreement and as Low Risk through the Risk Assessment.

### 5.0 Process Controls for Manufacturing

P.T.K. Wood production planning is based on weekly production and shipment batches as per COC procedural Manual. The company has a clear segregation system of production between VL and non-VL production. VL Production Orders are clearly defined and coded as VL.

P.T.K. Wood has computerized records of raw material (veneer core / baseboard and veneer (face / back) allocated to each Production Order # according to weekly production planning and export shipment.

#### 6.0 Sales, Exports & Customs

P.T.K. Wood has procedures for sale of VL products under Section 5 of the CoC Procedural Manual (Sales & Delivery) that is traceable to Production Order. The company registers online for E-commerce system to obtain export permits for each shipment of plywood. There is no annual export license required in Thailand for plywood.

#### 7.0 Summary Records & Data

P.T.K. wood maintains summary / monthly records of purchasing raw material, allocation of material to production, production and warehousing of finished goods and sales. Records are maintained for 5 years.

### Summary results:

(Major Gap = 0 / Minor Gap = 0 / Observation = 0)

GAPs				
GAP #	Type	Checklist	Status	Description
001/2022	Minor	3.2.1	Closed	<b>April 2022:</b> No evidence of training on the Chain of Custody system for 2021. <b>Feb 2023:</b> Training was conducted in January 2023 on the Chain of Custody system that include FSC.

*\*Note: Major Gap = Non-Compliance / Minor Gap = Minor Gap raised can be upgraded to a Major Gap if not adequately addressed by the date of the next surveillance visit.*

Observations		
Obs #	Checklist	Description
001-2022 Addressed	4.1.3	<b>April 2022:</b> FSC products purchased from Russia through a non-FSC 3 <sup>rd</sup> party supplier is not considered certified thus not Low Risk. <b>Feb 2023:</b> FSC products purchased from Russia on 25 October 2021 was documented as FSC 100% (FSC - C157878 / NC-COC 053579); thus, can be classified as Low Risk.
002-2022 Addressed	4.4.2	<b>April 2022:</b> The FSC Supplier invoice PTK 0122062021 did not reference FSC status as required under FSC ST 40-004 for trading FSC products with respect to P.T.K. Wood purchase contract PC-PTK-DTM-2101. <b>Feb 2023:</b> All material purchased is now correctly classified as VL under the subcontract agreement and as Low Risk through the Risk Assessment.

*\*Note: Observation raised can be upgraded to a Minor Gap if not adequately addressed by the date of the next surveillance visit.*

Highlights of Close out visit (if applicable)	Date:
Not applicable	

**Recommendations**

P.T.K. Wood Company Limited has demonstrated compliance with the Wood Tracking Program requirements (GFS-WI-006-WTP.3) and is recommended to receive a Statement of Compliance.

The next surveillance visit is scheduled for February 2024.

**End of Summary Report**