

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Lagenda Aktif Sdn. Bhd. 201101000136 (928270-K)	Reference #	GFSSBH 003-394a
Contact Person	Fredderic Lalin Ikang (Estate Manager)	Date of Report	27/03/2026
Office Address	Lot 11-2, 2nd Floor, Block G, Lintas Square, Jalan Lintas, 88300 Kota Kinabalu, Sabah, Malaysia.	Date of close out	29/05/2026
Email	flikang@gmail.com DFO Sook: Narbert.Nasly@sabah.gov.my PPW KGU: Jaime.Gampawi@sabah.gov.my	Telephone	+6014 959 9506 +6014 672 8557
		Fax	+6088 230 177
		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	NC: Non-Compliance – Criteria 2.4 & 3.1 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Assessment Dates	23-27 March 2026
Scope of Assessment	Sabah TLAS P1-4: SFMLA 02/2012
Species	ITP: <i>Hevea brasiliensis</i> (Rubber tree) NFM: <i>Hopea</i> sp. (Gagil), <i>Octomeles sumatrana</i> (Binuang) Botanical: <i>Durio</i> sp. (Indigenous Durian)
Lead Assessor	Teddy Quintin, (Acting Lead Auditor) Soliano Andrew
Assessor(s)	Eljipy Sualim, Stacy Robert (UMS Internship)
SFD Staff	Jaime Gampawi (PPW Keningau), Narbert Nasly (DFO Sook), Victor Gadius (ADFO Sook), Sunanto Saibu (ADFO Sook), Richard Goumin (PPD Sook), Cornelius S.Mahinggil (PPD Sook), M. A. Tajuddin M (PPD Sook), Julius Goidini (PPD Sook)

OBJECTIVES:

- The objective of this checklist is to verify compliance to the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 for Sabah dated November 2020 (**SFD-TLAS-002**).
- Compliance is defined when all applicable criteria are observed to be compliant. A minor Gap to any indicator does not constitute non-compliance to a criterion. A Major Gap to any applicable indicator does reflect non-compliance to a criterion. Compliance with a criterion where multiple minor gaps are identified in indicators under the criterion may reflect non-compliance to the criterion.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the agreement.

Summary Information

Overview of Licensee:

The Sabah State Government has awarded an area of 10,008 ha located in Ulu Sg. Milian Forest Reserve to Lagenda Aktif Sdn. Bhd. (Lagenda Aktif) under SFMLA 02/12 that was signed on 24/05/2012. The tenure is for 50 years and shall expire on 31/12/2062. The award is for Lagenda Aktif to carry out forestry operation which includes ITP, Integrated Mosaic Planting, residual timber harvesting, silviculture treatment. Enrichment planting as well as other forest management activities to meet its sustainable forest management objectives.

Lagenda Aktif is, on and from 01/01/2011, incorporated under Companies Act 2016, and is registered in Kota Kinabalu, Sabah, Malaysia, with registration #: 201101000136 (928270-K).

ITP is established in the degraded areas with rubber (*hevea brasilienses*) both for its latex and timber. Besides, it is also to maximize the productivity of the degraded areas by producing saw logs from rubber trees compensate for the lower production of natural forests.

Residual timber extraction is carried out to utilize timber resources available within the project area for economic income through sell of the timber extracted from the project area.

The mosaic tree planting is implemented to ensure sustainable production of timber through planting of fast growing indigenous tree species for production of high volume of quality wood within short period of time.

Lagenda Aktif has an approved 2nd FMP (01/01/2022-31/12/2031) and 2nd PDP (01/01/2022-31/12/2031) which were approved by the SFD.

The area is divided into 2 coupes inside the Ulu Sungai Milian Forest Reserve – Class II:

Coupe Permit #	Area	Expiry Date	Remarks
KGU 29/12	8,872.14	16/07/2042	ITP-Rubberwood
KGU 11/14	914.85	03/07/2044	Mosaic/NFM

Based on the 2nd FMP, Amendment Slip 01/2024 (1) dated 03/12/2024, contractors were assigned on certain tasks. However, as of the Mar 2026 assessment, Lagenda Aktif only hires nearby villagers.

The previous assessment was conducted in March 2025 that resulted in 3 gap(s) and 3 observation(s) (Report #: GFSSBH 003-336a).

Land use classification:

Land classification	2 nd FMP Area (ha)	Current Status (ha)
Total Licensed Area	10,008.00	10,008.00
Production Area	5,603.85	5,603.85
NFM	695.67	Total planted: 122.50 ha Species planted: Binuang, Gagil
ITP – Rubber Plantation	3,688.92	Total planted: 3,721.07 ha
ITP - Botanical Area	955.13	Total planted: 796.40 ha
R&D	191.92	191.92
Infrastructure	72.21	72.21
Conservation	3,543.35	3,543.35
Community forestry	860.80	860.80

Current Operations:

Based on the AWP 2026, Lagenda Aktif has planned activities.

Activities	Remarks
ITP	Rubber Plantation: 142.85 ha (brought forward from previous AWP 2023 & 2024) Rubber Plantation: Compartments 26, 27, 18 = 67.85 ha
Botanical Planting	Compartments 5, 22, 23, 24, 26, 27 = 260.55 ha
NFM	Maintenance: Compartment 13 = 21.84 ha
Rubber Tapping & maintenance	Rubber production: On-going from 2021-2025 = 1,897.24 ha Compartments 11, 23, 25, 26, 27 = 553.05 ha Maintenance = existing planting area

List **current compartments** under planting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location
5	ITP	Sabah TLAS	677.24	NW: 5°8'0" N, 116°25'10" E NE: 5°8'0" N, 116°26'0" E SW: 5°7'30" N 116°25'10" E SE: 5°7'30" N, 116°26'0" E

List **AWP planned** planting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location
18	ITP	Sabah TLAS	415.05	NW: 5°12'20" N, 116°28'0" E NE: 5°12'20" N, 116°29'0" E SW: 5°10'30" N 116°28'0" E SE: 5°10'30" N, 116°29'0" E
22	ITP	Sabah TLAS	217.05	NW: 5°10'0" N, 116°29'30" E NE: 5°10'0" N, 116°30'0" E SW: 5°9'30" N 116°29'50" E SE: 5°9'30" N, 116°30'0" E
23	ITP	Sabah TLAS	281.45	NW: 5°10'30" N, 116°30'0" E NE: 5°10'10" N, 116°30'40" E SW: 5°9'30" N 116°30'10" E SE: 5°9'30" N, 116°30'50" E
24	ITP	Sabah TLAS	364.02	NW: 5°10'20" N, 116°30'0" E NE: 5°10'20" N, 116°31'20" E SW: 5°10'0" N 116°31'00" E SE: 5°10'0" N, 116°31'20" E
25	ITP	Sabah TLAS	475.82	NW: 5°09'40" N, 116°30'0" E NE: 5°09'40" N, 116°32'0" E SW: 5°8'30" N 116°30'0" E SE: 5°8'30" N, 116°32'0" E
26	ITP	Sabah TLAS	599.60	NW: 5°10'20" N, 116°31'10" E NE: 5°10'20" N, 116°32'30" E SW: 5°9'50" N 116°31'10" E SE: 5°9'50" N, 116°32'30" E
27	ITP	Sabah TLAS	467.81	NW: 5°9'50" N, 116°31'10" E NE: 5°9'50" N, 116°32'20" E SW: 5°8'30" N 116°31'0" E SE: 5°8'30" N, 116°32'0" E

Environmental Context:

Existing EIA report & key elements for protection / mitigation:

EIA	Ref. #	Consultant
Proposed Forestry Operation in Sustainable Forest Management License Agreement (SFMLA) 02/2012 of Ulu Sg. Milian Forest Reserve in Sook, Keningau, Sabah.	JPAS/PP/03/600-1/01/3/50(20)	Ekohandal Sdn. Bhd.

Forest type and short history of management:

The forest types in the SFMLA area are classified based on altitudinal zonation and soil condition. Altitudinal zonation and soil condition were used in the classification to differentiate general floristic distribution, whereby the importance of certain tree species groups varies with increasing elevation. Based on this classification, the SFMLA area was classified into 3 different forest types. The major forest type is Upland Dipterocarp Forest, whereas the other two of them are minor and cover only a small portion of SFMLA area. They are Lowland Mixed Dipterocarp and Forest and Lowland Mixed Dipterocarp and kerangas forest.

Principal commercial species currently existing:

Hevea brasiliensis (Rubber tree), *Hopea* sp. (Gagil), *Octomeles sumatrana* (Binuang), *Durio* sp. (Indigenous Durian).

Specific biological values (e.g., rare or endangered species):

Based on the report from the Wildlife Department in 1998, there are a total of 34 mammals species of which Sambar deer (*Cervus unicolor*), Bearded wild boar (*Sus barbatus*), Barking deer (*Muntiacus muntjaks*) and Mouse deer (*Tragulus spp.*) are the most common mammals found in the SFMLA area.

Environmental services (e.g., critical watersheds, wildlife habitat, peat swamp, etc.):

The report also stated that Ulu Sg. Milian FR in general, of which the SFMLA area is part of, provides a good habitat for avifauna especially Bucerotidea family bird with loud distinctive call, that is, Hornbill. According to the report, the most common hornbill sighted in the Ulu Sg. Milian FR was Rhinoceros hornbill (*Buceros rhinoceros*). Based on the checklist given in the Sabah Wildlife report (1998), there are 146 species of birds, 6 species of amphibian and reptiles recorded in the Ulu Sg. Milian Forest Reserve. The SFMLA area forms part of the watershed of the Milian River, which is the tributary of Kinabatangan River at the east and watershed of Sg. Sook, which is one of the tributaries of the Pagalan River at the west. There are at least 4 main rivers of tributaries that are found in SFMLA area. The first one is Sg. Benau, which flows along the boundaries of Compartments 3-6 and 10-11 before it drains into the Sook River. The other 3 rivers are the tributaries of Sg. Labau, which headwaters area in Compartments 19-27. Sg. Labau drains into the Millian River.

Social Context:

Social assessment **SBS / SIA / EIA** summary:

The SBS was carried out by Lagenda Aktif in full consultation and cooperation with Sook and Nabawan District Council in Sep 2021, briefly through online (Telephone conversation) and in writing to comply with SOP that was set up in curbing the spread of Covid-19. The survey revealed that more than 80% of the local communities are directly dependent on the forests and lands in the SFMLA area for their livelihood. Therefore, it is imperative that socio-economic developments are to be accorded as top priority. However, the critical issues (forest encroachment, landless, NCR claims, disputed, conflicts, etc.) as described would have been addressed urgently.

Based on the EIA, there are 4 villages found within 2 KM from the boundary of the project area. All these villages under the administration of Sook District Office except Kg. Saup Baru, which is under Nabawan District Office.

#	Village	Direct distance (km) & location
1	Kg. Mototou	0.4 KM: Northwest of the project area
2	Kg. Kawakaan – Most populated village	1.1 KM: Northwest of the project area
3	Kg. Saup Baru	0.1 KM: Southern part of the project area
4	Kg. Pulutan	2.2 KM: Southern part of the project area

Identified communities that are dependent on the FMU:

Lagenda Aktif identified 860.80 ha of encroached area planted in agricultural crops that has now been classified as a Community Forestry area and was excluded from the forestry operation.

Land claims, disputes & communication system:

None claimed by the local communities in the 4 villages. Lagenda Aktif takes measures by strengthening Lagenda Aktif and community cohesion, increasing efforts to protect any encroachment especially by

outsiders, strengthening community participation in social/community forestry development and increasing forest monitoring and control.

The change in the social, economic, infrastructure and knowledge of the local communities will improve local community life standards; thus, will eliminate their dependability on poaching activities.

Community Forestry Projects:

Based on the 2nd FMP, the agro-forestry program will be conducted in an area that was zoned as Community Forestry Compartment (Figure 9). No new planting activities will be conducted in these areas.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Lagenda Aktif Sdn. Bhd. with the Sabah Forest Management License Agreement (SFMLA 02/2012) FMU11 (partly).
- The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 1 January 2024 (SFD-TLAS-006).
- Site evaluation to verify and report the level of compliance by Lagenda Aktif Sdn. Bhd. and contractors to the standard in respect to each of the criteria within this report.
- Compliance is defined when the auditee demonstrates that the indicators consist of none or only minor gaps against any applicable criteria of the standard. Non-compliance to the Sabah Legality Standard occurs when the auditee does not comply adequately with a criterion.

Itinerary & Mandays: 23-27 March 2026 / FMU 11 (Partly): Lagenda Aktif Sdn. Bhd. / Sook District

Date	Activity	GFS Staff	Mandays
23 March 2026 Monday	Replacement for Hari Raya Aidilfitri – Public Holiday	-	0
24 March 2026 Tuesday	Travel to Keningau and overnight. Opening meeting at PPD Sook. Social assessment and interview with representative from Kg. Saup Baru. Document review. Overnight in Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Stacy Robert	4
25 March 2026 Wednesday	Field assessment to Lagenda Aktif operation areas; Compartment 5 ITP – Botanical planting, Compartment 18, 23 (2025 planting area), licensed boundary, protected area (riparian reserve and steep area). Field visit to workers quarters, workshop, diesel depot, schedule store, fertilizer store, chemical store, genset room. Document review and overnight in Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Stacy Robert	4
26 March 2026 Thursday	Document review and compiling report. Overnight at Keningau.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Stacy Robert	4
27 March 2026 Friday	Closing meeting at PPD Keningau. Travel to home base.	Teddy Quintin, Eljipy Sualim, Soliano Andrew, Stacy Robert	4
28-29 March 2026	Reporting/Administration: GFSSBH003-394	Dr. Kevin Grace Teddy Quintin	2
Total			18

Highlights of Assessment

(Major Gaps = 2; Minor Gaps = 0; Observations = 3)

May 2026: (Major Gaps = 2; Minor Gaps = 0; Observations = 3)

Lagenda Aktif Sdn. Bhd. has not complied with the Sabah TLAS requirements (FDS TLAS-006), as non-compliance was identified under Criteria 2.4 and 3.1 during the assessment on 23-27 March 2026.

Summary of status of operations by **Principle**:

Principle 1. Right to Harvest

Lagenda Aktif demonstrated compliance with the SFD regulations. The SFMLA 02/2012 was granted and

Highlights of Assessment

valid for 50 years until 31/12/2062. The 2nd Forest Management Plan (01/01/2022 – 31/12/2031) was approved by the SFD on 21/03/2022 [Ref. #: JPHTN/SFM 800-1/1/34(JILID.3)/41].

March 2025: Observation 001-2025 – Checklist 1.5.1

The AWP 2025 is pending approval from the SFD.

March 2026: Observation 001-2025 (Addressed)

The AWP 2025 was approved by the CCF in Mar 2025.

March 2026: Observation 001-2026 – Checklist 1.5.1

The AWP 2026 was submitted; however, has not been approved by the SFD.

March 2026: Observation 002-2026 – Checklist 1.3.2.13

The 2nd FFMP was submitted; however, has not been approved by the SFD.

Principle 2. Forest Operations

Lagenda Aktif has not complied with the forest operations. In line with Clause 57 of the License Agreement, timber harvesting shall not begin until a Compliance Certificate has been issued.

March 2025: Gap 001/2025 (minor) – Checklist 2.4.5

No evidence of work safety training conducted for workers.

March 2026: Gap 001/2025 (minor) - Closed

Training for work safety was conducted to workers.

March 2025: Gap 002/2025 (Major) – Checklist 2.4.8

No evidence of EPF contributions for eligible permanent workers.

May 2025: Gap 002/2025 (Major) - Outstanding

No action was taken to contribute EPF for eligible permanent workers.

March 2026: Gap 002/2025 (Major) - Outstanding

Inconsistent in contributing EPF monthly contribution for all workers.

May 2026: Gap 002/2025 (Major) - Outstanding

Lagenda Aktif has submitted a formal request letter to EPF office seeking approval to settle its outstanding EPF contributions for the years 2024-2025 through a 12-month instalment payment. However, EPF has yet to provide feedback regarding the request. No evidence of EPF contributions for eligible permanent workers.

March 2026: Observation 002-2026 – Checklist 2.4.8

The JKPP 8 for 2025 was not submitted to DOSH.

Principle 3. Statutory Charges

Lagenda Aktif demonstrated compliance with the statutory charges. Fresh Fruit Bunch (FFB) royalty is paid and maintained.

March 2025: Observation 002-2025 – Checklist 3.1.1

OP for workers quarters expired.

March 2026: Observation 002-2025 (Addressed)

Workers' quarters OP has been renewed and valid.

March 2025: Gap 003/2025 (Major) – Checklist 3.1.2

No evidence of cup lump royalty payment from Jan 2024 to Feb 2025.

May 2025: Gap 003/2025 (Major) - Outstanding

No evidence of cup lump royalty payment from Apr, May, Jul & Dec 2024, Jan & Feb 2025.

March 2026: Gap 003/2025 (Major) – Outstanding

Lack of payment for Royalty cup lump arrears from Jul 2025 to date.

May 2026: Gap 003/2025 (Major) – Outstanding

Lack of payment for Royalty cup lump arrears from Oct 2025 to Jan 2026.

Principle 4. Other User Rights

Based on the EIA, there are 4 villages found within 2 KM from the boundary of the project area. All these

Highlights of Assessment

villages under the administration of Sook District Office except Kg. Saup Baru, which is under Nabawan District Office.

#	Village	Direct distance (km) & location
1	Kg. Mototou	0.4 KM: Northwest of the project area
2	Kg. Kawakaan – Most populated village	1.1 KM: Northwest of the project area
3	Kg. Saup Baru	0.1 KM: Southern part of the project area
4	Kg. Pulutan	2.2 KM: Southern part of the project area

Summary Results:

(Major gap = 2, Minor gap = 0, Observation = 3)

May 2026: (Major gap = 2, Minor gap = 0, Observation = 3)

Gap raised against indicators & criteria during the March 2026 assessment.

GAP	Type	Checklist	Status	Description
001/2025	minor	2.4.5	Closed	March 2025: No evidence of work safety training conducted for workers. March 2026: Training for work safety was conducted to workers.
002/2025	Major	2.4.8	Outstanding	March 2025: No evidence of EPF contributions for eligible permanent workers. May 2025: No action was taken to contribute EPF for eligible permanent workers. March 2026: Inconsistent in contributing EPF monthly contribution for all workers. May 2026: Lagenda Aktif has submitted a formal request letter to EPF office seeking approval to settle its outstanding EPF contributions for the years 2024-2025 through a 12-month instalment payment. However, EPF has yet to provide feedback regarding the request. No evidence of EPF contributions for eligible permanent workers.
003/2025	Major	3.1.2	Outstanding	March 2025: No evidence of cup lump royalty payment from Jan 2024 to Feb 2025. May 2025: No evidence of cup lump royalty payment from Apr, May, Jul & Dec 2024, Jan & Feb 2025. March 2026: Lack of payment for Royalty cup lump arrears from Jul 2025 to date. May 2026: Lack of payment for Royalty cup lump arrears from Oct 2025 to Jan 2026.

Observation raised against indicators & criteria during the March 2026 assessment.

Obs #	Checklist	Description
001-2025 Addressed	1.5.1	March 2025: The AWP 2025 is pending approval from the SFD. March 2026: The AWP 2025 was approved by the CCF in Mar 2025.
002-2025	3.1.1	March 2025:

Obs #	Checklist	Description
Addressed		OP for workers quarters expired. March 2026: Workers' quarters OP has been renewed and valid.
001-2026	1.5.1	March 2026: The AWP 2026 was submitted; however, has not been approved by the SFD.
002-2026	1.3.2.13	March 2026: The 2 nd FFMP was submitted; however, has not been approved by the SFD.
003-2026	2.4.8	March 2026: The JKPP 8 for 2025 was not submitted to DOSH.

Highlights of Close Out Visit (if applicable)	Dates	29 May 2026
The Major gap 002/2025 & 003/2025 is still outstanding. Lagenda Aktif submitted a letter to the EPF regarding the monthly contribution through instalment. However, EPF has yet to provide feedback. Lagenda Aktif has yet to pay the cup lump royalty payment from Oct 2025 to Jan 2026.		

Recommendations
Lagenda Aktif Sdn. Bhd. has not demonstrated compliance with the Sabah TLAS requirements (FDS TLAS-006) as non-compliance was identified under Criteria 2.4 & 3.1 and it is NOT eligible to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD. The Major Gaps shall be addressed within two months by May 2026. Gap 002/2025 (Major) Outstanding – Checklist 2.4.8: Lagenda Aktif shall ensure all workers are contributed under EPF and SOCSO based on the statutory requirements. Gap 003/2025 (Major) Outstanding – Checklist 3.1.2: Lagenda Aktif shall expedite arrears of cup lump royalty to the 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: Observation 001-2026 - Checklist 1.5.1: Lagenda Aktif should follow-up the status of the AWP 2026 and SFD shall expedite the approval process. Observation 002-2026 – Checklist 1.3.2.13: SFD should expedite the FFMP approval process. Observation 003-2026 – Checklist 2.4.8: The JKPP 8 should be submitted to DOSH annually by 31st of January. The next annual surveillance audit will be scheduled for March 2027.

End of Summary Report