

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

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|-----------------------|---|--------------------------|--|
| Licensee | Licensee: Benta Wawasan Sdn. Bhd. 199601005068 (377414-H) Contractor: Samel Plantation Sdn. Bhd. 200401032033 (670541-X) | Reference # | GFSSBH 003-246a |
| Contact Person | Mohammad Helmi Ismail (Chief Operating Officer Adaza Plantation Management) | Date of Report | 15/03/2024 |
| Office Address | Benta Wawasan: TB9131 & 9132, Perdana Square, Mile 3 ½, Jalan Apas, 91000 Tawau, Sabah, Malaysia. Samel Plantation Sdn. Bhd: Lot 925, Blok B, Wisma Yayasan Melaka, Jalan Hang Tuah, 75300 Melaka. Adaza Plantation Management Sdn. Bhd. No.417, Lorong 12, Taman Ria Heights Fasa 1B, Jalan Utara Baru, 91000 Tawau, Sabah, Malaysia. | Date of close out | 17/05/2024 |
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| | | Approved By | Dr. Kevin Grace |

Statements

| | | | |
|-----------------|--|-----------------|----------------|
| Audit Statement | NC: Non-compliance - Criteria 1.2, 2.1, 2.2, 2.3 & 3.1 (Outstanding) | | |
| Issuance Date | Not applicable | Expiration Date | Not applicable |

Assessment Details

| | |
|---------------------|--|
| Assessment Dates | 11 – 15 March 2024 |
| Scope of Assessment | Sabah TLAS P1-4: Tree Plantation and Forestry Management Agreement No. JP(TKA)122/96(CO) |
| Species | Agro-Forestry Plantation: Oil Palm (<i>Elaeis guineensis</i>) Recovered logs: Belian (<i>Eusideroxylon zwageri</i>), <i>Shorea</i> spp. (Merbau, selangan batu) |
| Lead Assessor | Priera Bagang, Vanessa Abin (Acting lead) |
| Assessor(s) | Tommy Olui |
| SFD Staff | Mohd Azmi (DFO Kalabakan), Ag. Ku Mohd Ridzuan (ADFO Kalabakan), Judon Lamiting (KPPM Brumas), Feledie Jalane (PPM Brumas) |

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 for 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 Tree Plantation and Forestry Management Agreement dated 24/04/1996 and a Tree Plantation and Forestry Management (Supplemental) agreement, JP (TKA) 122/96(CO) dated 15/02/1999 was made between Benta Wawasan Sdn. Bhd. (Benta Wawasan) and the State of Sabah to manage a forests area of approximately 106,310 hectares situated at Gunung Rara and Kalabakan Forest Reserve.
- Benta Wawasan is a wholly owned subsidiary of Innoprise Corporation Sdn. Bhd. (Innoprise Corporation). Innoprise Corporation is a wholly owned subsidiary of Yayasan Sabah.
- In 2004, a Memorandum of Understanding (MOU) was signed between Benta Wawasan and Yayasan Melaka. Through this MOU, both Benta Wawasan and Yayasan Melaka agreed to jointly develop an area within the Yayasan Sabah Group Management Unit into a large-scale oil palm plantation, hereinafter referred to as Samel Plantation Sdn. Bhd. (Samel Plantation).
- The Sabah Forestry Department (SFD) approved the area for conversion into an oil palm plantation in 2005.
- Benta Wawasan joint ventured with Samel Plantation that is responsible for developing 5,343.81 ha of the area (Samel I and Samel II) under the Agro-forestry project.
- On 12/12/2019, the forest operations were temporarily handed over to Benta Wawasan Sdn. Bhd. until the final decision from Samel Plantation's Board of Directors.
- On 01/07/2021, Adaza Plantation Management Sdn. Bhd. (Adaza Plantation Management) was appointed through a separate contractual agreement as a contractor to conduct oil palm plantation development for Samel Plantation.
- Adaza Plantation Management has engaged contractors inside the licensed area.

| Contractor | Job scope | Validity | Contract Ref. #: |
|------------------------------------|--|-------------------------|------------------|
| Bursa Enterprise | FFB transportation from 'bin' station to Seraya Palm Oil Mill, Benta Wawasan Sdn. Bhd. | 01/01/2023 - 31/12/2023 | APMSB/2023-001 |
| | FFB transportation from block area to 'bin' station | 01/01/2023 - 31/12/2023 | APMSB/2023-002 |
| Syarikat Pengangkutan Indah Permai | FFB transportation from block area to 'bin' station | 01/01/2023 - 31/12/2023 | APMSB/2023-003 |
| | Backhoe rental and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-004 |
| Syarikat Tunas Intan | Excavator rental and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-005 |
| Adawiya Collection | Backhoe rental and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-006 |
| | FFB harvesting and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-009 |
| Sumber Kaya Development | FFB harvesting and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-007 |
| Khazanah Enterprise | FFB harvesting and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-008 |
| Emas Intan | FFB harvesting and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-010 |
| Woodgreen Enterprise | Excavator rental and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-011 |
| | FFB harvesting and field work at Samel Plantation estate | 01/01/2023 - 31/12/2023 | APMSB/2023-012 |

- The previous assessment was conducted in March 2023 that resulted in 5 gap(s) and 3 observation(s) (Report #: GFSSBH003-184).

Current Operations:

- There is no Natural Forest Management (NFM) inside the licensed area as the entire area is planted in oil palm.
- Benta Wawasan (Samel Plantation) has applied for a Form IIB permit to recover Belian logs located inside the licensed area. Initially, on 30/08/2022, Benta Wawasan has appointed Premium Select Resources as a subcontractor for recovering and collecting hardwood logs (e.g. belian, merbau, etc.) inside Samel II Division. The contract has been extended until 24/04/2024 [Ref.#: BWSB (PSM): 600-5/4 24/06 dated 25/01/2024].
- The application for a Form IIB permit was in phases.
- Summary of recovering Belian/Merbau logs.

| Phase | Total logs | Total (m3) | FIIB Receipt | SFD Approval | Approved date |
|--------------|--------------|---------------|------------------------------------|--|--------------------------|
| Phase 1 | 437 | 208.60 | 2B930043, 2B930044, 2B930050 | JPHTN/FRM 700-2/1/15/JILID.2/17 JPHTN/FRM 700-2/1/15/31/Klt.2/6 | 02/02/2023 13/02/2023 |
| Phase 2 | 550 | 268.88 | 2B930136 | JPHTN/FRM 700-2/1/15/31/Klt.2/8 | 25/07/2023 |
| Phase 2 | 150 | 101.69 | 2B930141 | JPHTN/FRM 700-2/1/15/78/2 | 21/08/2023 |
| Phase 3 | 324 | 187.43 | 2B930154 | JPHTN/FRM 700-2/1/15/31/Klt.2/15 | 04/10/2023 |
| Phase 4 | 240 | 129.62 | 2B930175 | JPHTN/FRM 700-2/1/15/31/Klt.2/12 | 28/02/2024 |
| Total | 1,701 | 896.22 | | | |

Note: The Form IIB is valid for one month after the approval date.

- Oil Palm Plantation: No new planting from 2023 to February 2024.
- Status of oil palm planted areas:

Samel I

| Block # | Total area, ha | Protection area, ha | Net plantable area, ha | Total planted |
|--------------------|-----------------|---------------------|------------------------|---------------|
| 1 | 21.28 | 0 | 21.28 | 1,788 |
| 2 | 24.72 | 0 | 24.72 | 1,542 |
| 3 | 92.10 | 8.62 | 83.48 | 2,492 |
| 4 | 74.19 | 0 | 74.19 | 2,532 |
| 5 | 96.58 | 7.81 | 88.77 | 3,442 |
| 6 | 56.62 | 0 | 56.62 | 44 |
| 7 | 57.72 | 16.62 | 41.10 | 394 |
| 8 | 58.89 | 21.45 | 37.44 | 1,578 |
| 9 | 70.32 | 1.27 | 69.05 | 1,618 |
| 10 | 70.83 | 0 | 70.83 | 736 |
| 11 | 80.58 | 9.19 | 71.39 | 2,185 |
| 12 | 43.12 | 4.70 | 38.42 | 2,090 |
| 13 | 63.19 | 6.95 | 56.24 | 2,924 |
| 14 | 82.02 | 28.10 | 53.92 | 950 |
| 15 | 76.79 | 20.04 | 56.75 | 1,206 |
| 16 | 48.29 | 2.66 | 45.63 | 132 |
| 17 | 74.63 | 9.51 | 65.12 | 547 |
| Sub Total | 1,091.87 | 136.92 | 954.95 | 26,200 |
| Preserve 1 | 235.36 | 235.36 | 0 | 0 |
| Preserve 2 | 23.93 | 23.93 | 0 | 0 |
| Preserve 3 | 89.26 | 89.26 | 0 | 0 |
| Sub Total | 348.55 | 348.55 | 0 | 0 |
| Grand total | 1,440.42 | 485.47 | 954.95 | 26,200 |

Samel II

| Block # | Total area, ha | Protection area, ha | Net plantable area, ha | Total planted |
|---------|----------------|---------------------|------------------------|---------------|
| 1 | 65.72 | 1.81 | 63.91 | 2,230 |
| 2 | 84.13 | 14.42 | 69.71 | 2,731 |
| 3 | 53.71 | 6.94 | 46.77 | 2,464 |
| 4 | 76.19 | 34.06 | 42.13 | 2,653 |
| 5 | 60.07 | 0 | 60.07 | 2,293 |
| 6 | 51.44 | 0 | 51.44 | 1,678 |
| 7a | 46.56 | 0 | 46.56 | 4,104 |
| 7b | 17.97 | 0 | 17.97 | 488 |
| 8 | 62.61 | 0 | 62.61 | 3,432 |
| 9a | 30.61 | 0 | 30.61 | 2,285 |
| 9b | 66.55 | 0 | 66.55 | 3,424 |
| 10a | 61.57 | 0 | 61.57 | 4,926 |
| 10b | 6.84 | 6.84 | 0 | 0 |
| 11a | 42.39 | 0 | 42.39 | 3,481 |
| 11b | 3.38 | 0 | 3.38 | 31 |
| 11c | 3.77 | 0 | 3.77 | 36 |
| 12 | 57.96 | 0 | 57.96 | 3,805 |
| 13 | 46.70 | 0 | 46.70 | 1,786 |
| 14 | 63.75 | 0 | 63.75 | 6,893 |
| 15 | 45.15 | 0 | 45.15 | 4,046 |
| 16 | 46.74 | 0 | 46.74 | 5,622 |
| 17 | 61.58 | 0 | 61.58 | 6,789 |
| 18 | 75.86 | 18.22 | 57.64 | 3,608 |
| 19 | 70.02 | 13.22 | 56.80 | 3,931 |
| 20 | 54.56 | 0 | 54.56 | 467 |

| | | | | |
|--------------------|-----------------|---------------|-----------------|----------------|
| 21 | 59.80 | 0 | 59.80 | *Not available |
| 22 | 39.98 | 0 | 39.98 | 2,594 |
| 23 | 54.81 | 0 | 54.81 | 4,391 |
| 24 | 51.70 | 0 | 51.70 | 3,657 |
| 25 | 52.48 | 0.90 | 51.58 | 5,157 |
| 26 | 71.02 | 0 | 71.02 | 6,225 |
| 27 | 87.41 | 0 | 87.41 | 4,763 |
| 28 | 51.28 | 0 | 51.28 | 2,047 |
| 29 | 35.27 | 0 | 35.27 | 3,362 |
| 30 | 77.23 | 0.48 | 76.75 | 2,467 |
| 31 | 87.88 | 8.75 | 79.13 | 5,765 |
| 32 | 59.05 | 0 | 59.05 | 2,751 |
| 33 | 91.10 | 0 | 91.10 | 3,898 |
| 34 | 58.51 | 0 | 58.51 | 3,767 |
| 35 | 64.21 | 0 | 64.21 | 4,544 |
| 36 | 56.31 | 0 | 56.31 | 2,991 |
| 37 | 69.86 | 0 | 69.86 | *Not available |
| 38 | 68.26 | 0 | 68.26 | *Not available |
| 39 | 75.76 | 19.58 | 56.18 | *Not available |
| 40 | 57.90 | 0 | 57.9 | *Not available |
| 41 | 37.28 | 0 | 37.28 | *Not available |
| 42 | 54.66 | 0 | 54.66 | *Not available |
| 43 | 90.66 | 15.84 | 74.82 | 3,575 |
| 44 | 61.92 | 3.46 | 58.46 | *Not available |
| 45 | 52.58 | 0 | 52.58 | *Not available |
| 46 | 46.76 | 0 | 46.76 | *Not available |
| 47 | 86.73 | 11.59 | 75.14 | *Not available |
| 48 | 90.22 | 0 | 90.22 | 5,576 |
| 49 | 59.06 | 0 | 59.06 | 2,703 |
| 50 | 101.07 | 10.27 | 90.80 | *Not available |
| 51 | 62.48 | 7.09 | 55.39 | *Not available |
| 52 | 22.84 | 0 | 22.84 | *Not available |
| 53 | 77.33 | 6.08 | 71.25 | *Not available |
| 54 | 92.46 | 34.81 | 57.65 | *Not available |
| 55 | 64.99 | 3.54 | 61.45 | *Not available |
| 56 | 76.33 | 0 | 76.33 | *Not available |
| 57 | 71.15 | 0 | 71.15 | 3,351 |
| 58 | 51.52 | 0 | 51.52 | *Not available |
| Sub total | 3,725.69 | 217.90 | 3,507.79 | 146,787 |
| Preserve 1 | 16.33 | 16.33 | 0 | 0 |
| Preserve 2 | 73.45 | 73.45 | 0 | 0 |
| Preserve 3 | 13.33 | 13.33 | 0 | 0 |
| Preserve 4 | 76.93 | 76.93 | 0 | 0 |
| Preserve 5 | 59.10 | 59.10 | 0 | 0 |
| Preserve 6 | 4.85 | 4.85 | 0 | 0 |
| Preserve 7 | 5.62 | 5.62 | 0 | 0 |
| Preserve 8 | 6.26 | 6.26 | 0 | 0 |
| Sub total | 255.87 | 255.87 | 0 | 0 |
| Grand total | 3,978.05 | 473.77 | 3,507.79 | 146,787 |

*Information is not available from the previous contractor, Vitraland Sdn. Bhd.

- Land use classification:

| Land classification | Development Plan Area (ha) | Current Status February 2024 (ha) |
|--|----------------------------|-----------------------------------|
| Total Area (Same I & Same II) | 5,000 | 5,418.47 |
| Oil Palm Plantation Area (Planted area) | Not stated | 4,462.74 |
| Oil Palm Plantation Area (Unplanted) | Not stated | 959.24 |
| Conservation, Steep Slopes, Riparian Reserve | Not stated | 959.24 |

Environmental Context:

- The project site ranges from 100 to 500 metres a.s.m.l. The company has 255 ha demarcated for conservation.
- The main river running through the project site is Sg. Brantian, which is approximately 48 km in length and flowing from Benta Wawasan project site, passes through Samel Plantation and discharges at Cowie Bay.
- According to the plantation workers, there are several mammals that had been found inside the project area, such as bearded pig, sambar deer, mousedeer and elephant.
- Sixty-eight species of birds and two species of reptiles were recorded inside the project area.
- Environmental Impact Assessment (EIA) was conducted by Envsolve Sdn. Bhd. titled "Environmental Impact Assessment For The Proposed Oil Palm Plantation (OPP) Development at Benta Wawasan 1 by Samel Plantation Sdn. Bhd." and approved by Environment Protection Department (EPD) (Ref.#: JPAS/PP/21/600-1/01/1/285, dated 10/02/2012).

Social Context:

- No communities are settling inside or adjacent to the project area. The nearest villages to the project area are Kg. Pekan Kalabakan-Mangga, Kg. Rancangan Kalabakan, Kg. Tuda, Kg. Murutulu Kalabakan, Kg. Brantian and located in the vicinity of Kalabakan.

| Scope of Assessment |
|--|
| <ul style="list-style-type: none"> • The scope of the evaluation is to verify compliance of Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) with the Tree Plantation and Forestry Management Agreement No. JP(TKA)122/96(CO) for FMU 24 (partly) & 25 (partly). • The assessment is in accordance on the terms of the agreement for the "Sabah Legality Standard Principles 1 - 4 dated November 2020 (SFD-TLAS-002). • Site evaluation to verify and report the level of compliance by Benta Wawasan 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 demonstrate adequate compliance to a criterion. |

Itinerary & Mandays: FMU 24 (partly) & 25 (partly) / Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) / Close Out: Silam Forest Product Sdn. Bhd. (Arus Sawit Sdn. Bhd.) / Kalabakan District / 11 – 15 March 2024 (Total Mandays = 18)

| Date | Activity | GFS Staff | Mandays |
|----------------------------|---|---|-----------|
| 11 March 2024 Monday | Travel to Tawau and overnight. | Priera Bagang, Vanessa Abin, Tommy Olui | 3 |
| 12 March 2024 Tuesday | Opening meeting at PPD Kalabakan. Field assessment to Samel I Division and document review. | Priera Bagang, Vanessa Abin, Tommy Olui | 3 |
| 13 March 2024 Wednesday | Field assessment to Samel II Division & Form IIB areas, and document review. | Priera Bagang, Vanessa Abin, Tommy Olui | 3 |
| 14 March 2024 Thursday | Document review and closing meeting at PPD Tawau. Close-out: Silam Forest Product Sdn. Bhd. (Arus Sawit Sdn. Bhd.). | Priera Bagang, Vanessa Abin, Tommy Olui | 3 |
| 15 March 2024 Friday | Finalizing report and travel to homebase. | Priera Bagang, Vanessa Abin, Tommy Olui | 3 |
| 16-17 March 2023 | Reporting GFSSBH 003-246 Reporting GFSSBH 003-237a | Dr. Kevin Grace, Priera Bagang | 3 |
| Total | | | 18 |

Highlights of Assessment

(Major Gaps = 3; Minor Gaps = 6; Observations = 0)

May 2024: (Major Gaps = 3; Minor Gaps = 6; Observations = 0)

Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) has not complied with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance were identified under Criteria 1.2, 2.1, 2.2, 2.3 & 3.1 during the assessment on 11 – 15 March 2024.

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

Principle 1.

The Tree Plantation and Forestry Management Agreement was awarded on 24/04/1996 and another supplementary agreement was made on 15/02/1999 between Benta Wawasan and the State of Sabah to manage an area of approximately 306,310 hectares situated in Gunung Rara and Kalabakan Class II FR.

Benta Wawasan joint ventured with Samel Plantation that is responsible for developing approximately 5,000 ha of the area (Samel I and Samel II) under the agro-forestry project. On 01/07/2021, Adaza Plantation Management Sdn. Bhd. was appointed through a separate contractual agreement as a contractor to conduct oil palm plantation development for Samel Plantation.

March 2023: Observation 001-2023 – Checklist 1.2.3

Lack of housekeeping maintenance and an expired fire extinguisher was observed at the camp site.

March 2024: Gap 001/2024 (Raised to Major)

Lack of action by Adaza Plantation Management to rectify the ECR issues for 2023.

May 2024: Gap 001/2024 (Raised to Major) – Outstanding

No evidence that Adaza Plantation Management take action to rectify the ECR issues for 2023.

March 2023: Gap 001/2023 (minor) – Checklist 1.3.3, 1.6.1

There is no evidence of revision to the Development Plan / PDP regarding enrichment planting inside the protected areas and total surveyed licensed area that differs from the approved coupe permits.

March 2024: Gap 001/2023 (minor) – Outstanding

The Development Plan / PDP was not revised regarding enrichment planting inside the protected areas and total surveyed licensed area that differs from the approved coupe permits.

March 2023: Gap 002/2023 (minor) – Checklist 1.4.1

The approved AWP for 2023 did not include recovery of Belian logs.

March 2024: Gap 002/2023 (minor) – Outstanding

The revised AWP 2024 did not include the plans for recovery of hardwood logs.

March 2024: Gap 002/2024 (minor) – Checklist 1.7.3

Lack of signboard maintenance at riparian reserve and buffer zone by Adaza Plantation Management.

Principle 2.

Samel Plantation concentrated on oil palm maintenance, FFB harvesting, and enrichment planting. The Compliance Report for AWP 2023 was submitted to SFD as required.

March 2023: Gap 002/2023 (minor) – Checklist 2.1.8

The approved AWP for 2023 did not include recovery of Belian logs.

March 2024: Gap 002/2023 (minor) – Outstanding

The revised AWP 2024 did not include the plans for recovery of hardwood logs.

March 2023: Observation 001-2023 – Checklist 2.1.11

Lack of housekeeping maintenance and an expired fire extinguisher was observed at the camp site.

March 2024: Gap 001/2024 (Raised to Major)

Lack of action by Adaza Plantation Management to rectify the ECR issues for 2023.

May 2024: Gap 001/2024 (Raised to Major) – Outstanding

No evidence that Adaza Plantation Management took action to rectify the ECR issues for 2023.

March 2023: Observation 002-2023 – Checklist 2.2.7

The removal pass was not stamped as “Sabah TLAS Compliant” for the Form IIB logs.

Highlights of Assessment

March 2024: Observation 002-2023 (Addressed)

The removal passes for Form IIB logs have been stamped with "Sabah TLAS CC."

March 2024: Gap 002/2024 (minor) – Checklist 2.1.13

Lack of signboard maintenance at riparian reserve and buffer zone by Adaza Plantation Management.

March 2024: Gap 003/2024 (minor) – Checklist 2.1.18

No evidence that Adaza Plantation Management conducted and recorded security patrolling from April 2023 to February 2024.

March 2023: Gap 004/2023 (minor) – Checklist 2.2.2

The Occupational Permit (OP) is pending renewal.

March 2024: Gap 004/2023 (Raised to Major)

No evidence of OP and FD renewal by Adaza Plantation Management.

May 2024: Gap 004/2023 (Raised to Major) – Outstanding

No evidence of OP and FD renewal by Adaza Plantation Management.

February 2022: Gap 003/2022 (minor) – Checklist 2.3.1, 2.3.5

Samel Plantation does not maintain records of subcontractors' compliance with SOCSO, COI and work visas for workers working on the plantation.

March 2023: Gap 003/2022 (minor) – Outstanding

Inconsistent in maintaining COI records for workers.

March 2024: Gap 003/2022 (minor) – Raised to Major

Samel Plantation does not maintain records of subcontractors' compliance with SOCSO, COI, passport or work visas for workers on the plantation.

March 2024: Gap 003/2022 (Raised to Major) - Outstanding

Samel Plantation does not maintain records of subcontractors' compliance with SOCSO, COI, passport or work visas for workers on the plantation.

March 2023: Gap 003/2023 (minor) – Checklist 2.3.7

Forest Fire Management Plan (FFMP) has yet to be developed by Samel Plantation.

March 2024: Gap 003/2023 (minor) – Outstanding

Samel Plantation did not develop the Forest Fire Management Plan (FFMP).

Principle 3.

Adaza Plantation Management has not complied with the payment of statutory charges to SFD.

March 2023: Gap 004/2023 (minor) – Checklist 3.1.1

The Occupational Permit (OP) is pending renewal.

March 2024: Gap 004/2023 (Raised to Major)

No evidence of OP and FD renewal by Adaza Plantation Management.

May 2024: Gap 004/2023 (Raised to Major) – Outstanding

No evidence of OP and FD renewal by Adaza Plantation Management.

March 2023: Observation 003-2023 – Checklist 3.1.2

Samel Plantation did not keep documents of FFB Royalty payment for December 2022 and January 2023.

March 2024: Gap 004/2024 (Raised to minor)

Inconsistent in maintaining the FFB royalty payments.

Principle 4.

Not applicable - There are no communities settling inside to the project area. The nearest villages to the project area are Kg. Pekan Kalabakan-Mangga, Kg. Rancangan Kalabakan, Kg. Tuda, Kg. Murutulu Kalabakan, and Kg. Brantian, located in the vicinity of Kalabakan. There is no evidence that these villages are directly affected by the plantation operations.

Summary Results:**(Major gap = 3, Minor gap = 6, Observation = 0)****May 2024: (Major gap = 3, Minor gap = 6, Observation = 0)**

Gap raised against indicators & criteria during the March 2024 assessment.

| GAP | Type | Checklist | Status | Description |
|------------|------------------------|------------------|---------------|---|
| 003/2022 | Raised to Major | 2.3.1 2.3.5 | Outstanding | <p>February 2022: Samel Plantation does not maintain records of subcontractors' compliance with SOCSO, COI and work visas for workers working on the plantation.</p> <p>March 2023: Inconsistent in maintaining COI records for workers.</p> <p>March 2024: Samel Plantation does not maintain records of subcontractors' compliance with SOCSO, COI, passport or work visas for workers on the plantation.</p> <p>May 2024: No evidence of SOCSO, COI, passport or work visas for workers.</p> |
| 001/2023 | minor | 1.3.3 1.6.1 | Outstanding | <p>March 2023: There is no evidence of revision to the Development Plan / PDP regarding enrichment planting inside the protected areas and total surveyed licensed area that differs from the approved coupe permits.</p> <p>March 2024: The Development Plan / PDP was not revised regarding enrichment planting inside the protected areas and total surveyed licensed area that differs from the approved coupe permits.</p> |
| 002/2023 | minor | 1.4.1 2.1.8 | Outstanding | <p>March 2023: The approved AWP for 2023 did not include recovery of Belian logs.</p> <p>March 2024: The revised AWP 2024 did not include the plans for recovery of hardwood logs.</p> |
| 003/2023 | minor | 2.3.7 | Outstanding | <p>March 2023: Forest Fire Management Plan (FFMP) has yet to be developed by Samel Plantation.</p> <p>March 2024: Samel Plantation did not develop the Forest Fire Management Plan (FFMP).</p> |
| 004/2023 | Raised to Major | 2.2.2 3.1.1 | Outstanding | <p>March 2023: The Occupational Permit (OP) is pending renewal.</p> <p>March 2024: No evidence of OP and FD renewal by Adaza Plantation Management.</p> <p>May 2024: No evidence of OP and FD renewal by Adaza Plantation Management.</p> |
| 001/2024 | Raised to Major | 1.2.3 2.1.11 | Outstanding | <p>March 2023: Lack of housekeeping maintenance and an expired fire extinguisher was observed at the camp site.</p> <p>March 2024:</p> |

| GAP | Type | Checklist | Status | Description |
|----------|--------------|-----------------|-----------------|--|
| | | | | Lack of action by Adaza Plantation Management to rectify the ECR issues for 2023. May 2024: No evidence that Adaza Plantation Management took action to rectify the ECR issues for 2023. |
| 002/2024 | minor | 1.7.3 2.1.13 | New | March 2023: Lack of signboard maintenance at riparian reserve and buffer zone by Adaza Plantation Management. |
| 003/2024 | minor | 2.1.18 | New | March 2023: No evidence that Adaza Plantation Management conducted and recorded security patrolling and recording from April 2023 to February 2024. |
| 004/2024 | Obs 003-2023 | 3.1.2 | Raised to minor | March 2023: Samel Plantation did not keep documents of FFB Royalty payment for December 2022 and January 2023. March 2024: Inconsistent in maintaining the FFB royalty payments |

Observation raised against indicators & criteria during the March 2024 assessment.

| Obs # | Checklist | Description |
|-----------------------|-----------|---|
| 002-2023 Addressed | 2.2.7 | March 2023: The removal pass was not stamped as "Sabah TLAS Compliant" for the Form IIB logs. March 2024: The removal passes for Form IIB logs have been stamped with "Sabah TLAS CC." |

| Highlights of Close Out Visit (if applicable) | Dates | 17 May 2024 |
|---|-------|-------------|
| The major gaps 003/2022 , 004/2023 and 001/2024 was not addressed by May 2024. Samel Plantation could not provide documents such as the COI and SOCSO contributions for workers. There is no evidence of Azada Plantation Management's OP renewal. They did not register heavy machinery and have not rectified the ECR issues raised in 2023. | | |

| Recommendations |
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| <p>Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) has not complied with the Sabah Legality Standard (SFD-TLAS-002) as non-compliance were identified under Criteria 1.2, 2.1, 2.2, 2.3 & 3.1 and is NOT eligible to receive a GFS Statement of Compliance or Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>The major gap(s) shall be addressed within two months by May 2024.</p> <p>Gap 003/2022 (Raised to Major) Outstanding – Checklist 2.3.1, 2.3.5: Samel Plantation shall require their subcontractor to register all workers under SOCSO and have valid COI, passport & work permits.</p> <p>Gap 001/2024 (Raised to Major) Outstanding – Checklist 1.2.3, 2.1.11: Adaza Plantation Management shall rectify issues raised inside the ECR report.</p> <p>Gap 004/2023 (Raised to Major) Outstanding – Checklist 2.2.2, 3.1.1: Adaza Plantation Management shall renew all OP and FD annually.</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 001/2023 (minor) Outstanding - Checklist 1.3.3, 1.6.1: Samel Plantation shall revise the management plan to include planned activities annually and revise the land use table.</p> <p>Gap 002/2023 (minor) Outstanding - Checklist 1.4.1, 2.1.8: Samel Plantation shall include any additional planned activities in the AWP annually (e.g., logs recovery, etc.)</p> |

Gap 003/2023 (minor) Outstanding - Checklist 2.3.7: Samel Plantation shall develop and submit the Forest Fire Management Plan (FFMP) to SFD.

Gap 002/2024 (minor) – Checklist 1.7.3, 2.1.13: Adaza Plantation Management shall display signboards at the riparian and buffer zone area.

Gap 003/2024 (minor) – Checklist 2.1.18: Adaza Plantation Management shall conduct record the forest security patrolling.

Gap 004/2024 (Raised to minor) – Checklist 3.1.2: Adaza Plantation Management shall maintain the FFB royalty payment as appropriate.

The next annual surveillance audit will be scheduled for March 2025.

End of Summary Report