

Sabah TLAS + Audit Report

Sabah Legality Standard Principles 1 – 4 & 7

Licensee	Licensee: Benta Wawasan Sdn. Bhd. 199601005068 (377414-H) Contractor: Samel Plantation Sdn. Bhd. 200401032033 (670541-X)	Reference #	GFSSBH 003-414
Contact Person	Mohammad Helmi Ismail (Chief Operating Officer Adaza Plantation Management)	Date of Report Date of close out	24/07/2026 -
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 056 LVS		
Issuance Date	27 July 2026	Expiration Date	26 July 2027

Assessment Details

Assessment Dates	20-24 July 2026
Scope of Assessment	Sabah TLAS+ P1-4: Tree Plantation and Forestry Management Agreement No. JP(TKA)122/96(CO) FMU 24 (partly) & 25 (partly).
Species	<i>Elaeis guineensis</i> (Oil Palm)
Lead Assessor	Sheanna Kehong, (Acting Lead Auditor) Ennald Chin
Assessor(s)	UMS Internship: Rachal Jim
SFD Staff	ADFO Kalabakan: Ag. Ku Mohd Ridzwan, PPD Kalabakan: Asman Jamil, Robin Charles, Suhezron Salim

Objectives

- The objective of this checklist is to verify compliance with the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 including Principle 7 for Deforestation Free (DF) where applicable and Optional Principle 8 for CS3D dated 1 July 2026.
- 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 reflects non-compliance to the criterion which shall be addressed within 2 months.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the license agreement.

Scope of Assessment

- 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) & FMU 25 (partly).
- The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 & 7 dated 1 July 2026.
- Principle 7 Deforestation Free: ☒ Applicable ☐ Not Applicable
- Principle 8: CS3D: ☐ Included ☒ Not Included
- Site evaluation to verify and report the level of compliance by Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) and contractors to the standard in respect to each of the criteria within this report.

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.

Summary Information

Overview of Licensee:

In 2004, a Memorandum of Understanding was signed between Yayasan Sabah and Yayasan Melaka, both Yayasan Sabah and Yayasan Melaka agreed to jointly develop two parcels of land into an oil palm plantation (JV Agreement). The subject land containing an area of 5,402 Ha is two parcels of land, BW4/00(BII) and BW10/00. The coupe permits for the subject land are tenable until 21/11/2006 for BW4/00(BII) and 12/02/2004 for BW10/00.

While the total surface area of the subject land is 5,407 Ha, only 5,000 Ha can be planted with oil palm. The rest is deemed as area above 25⁰, buffer belt of 20 meters along both sides of the rivers, etc. In consideration of various factors, the development of the 5,000 Ha will be staggered over a 3-year period.

Phase	Hectare	Year Planting
1	500	2005
2	2,000	2006
3	2,500	2007
Total	5,000	

An Agreement for Oil Palm Plantation Development dated 12/03/2006 was further entered between Benta Wawasan and Samel Plantation Sdn. Bhd. (Samel Plantation) (hereinafter referred to as “the Development Agreement”), whereby Benta Wawasan has allowed Samel Plantation to occupy and develop the JV Land known as BW 4/00 (B II) and BW 10/00 at Kalabakan & Gunung Rara Forest Reserves, Tawau, Sabah into an oil palm plantation presently identified as Samel I and Samel II (the Plantation) with such infrastructure related thereto as Samel Plantation may deem necessary and the maintenance of the same as an ongoing business subject to the terms and conditions contained therein. The Development Agreement is for the term of 30 years from the Commencement Date stated therein or such longer date as approved by the Director of the Forestry Department not exceeding 38 years.

Contractor	Expiry Date	Remarks *
Samel Plantation	Not provided	The Agreement between Benta Wawasan and Samel Plantation was not provided. Thus, it was only noted based that, “To occupy and develop the JV land known as BW 4/00 (B II) and BW 10/00....”

Note: * Data derived from sub-contractor Management Agreement.

In relation to the above, the Director of Forestry, Sabah on 06/09/2006 endorsed and approved the Development Plan through Samel Plantation for the establishment of approximately 5,000 Ha of oil palm for a period not exceeding 35 years, with effect from 01/01/2006 to 31/12/2040.

Note: Oil palm plantation falls under Agro-forestry; however, the document indicated as "Development Plan" (DP).

Samel Plantation engaged Adaza Plantation Management Sdn. Bhd. (Adaza Plantation Management) and Adaza engaged contractors as listed below.

Contractor	Expiry Date	Remarks
Adaza Plantation Management	31/07/2035	As a Manager for managing, overseeing and/or carrying out the development and maintenance as well as operation approximately 2,192.56 Ha including necessary contributions to EPF and SOCSO.
Bursa Enterprise	31/12/2026	FFB transportation including providing labour (to comply with all applicable Sabah State and Malaysia law and Regulations), bin and lorry for transporting FFB to palm oil mill.
Sumber Kayu Development	31/12/2026	Harvesting and field work including providing labour (to comply with all applicable Sabah State and Malaysia law and Regulations) for harvesting and field work.
Adawiyah Collection	31/12/2026	Harvesting and field work including providing labour (to comply with all applicable Sabah State and Malaysia law and Regulations) for harvesting and field work.

The previous assessment was conducted in June 2025 that resulted in 5 gap(s) and 1 observation(s) (Report #: GFSSBH 003-354).

Land use classification:

Based on DP (2006) Chapter 3. Development Program, Clause 3.1 Phases of Development

Land classification	DP Area (ha)	Current Status (AWP 2026) (ha)
Total Area	5,407	5,418.96
Planted area	5000	AWP Table 1 = 4,459.71 Samel 1 = 954.95 Samel 2 = 3,504.76
Area above 25°, buffer belt of 20 m along both side of rivers, etc.	407	932.81 (steep) 26.44 (riparian)

Current Operations:

List of activities based on AWP 2026.

Activity	Current operations Compartments / Area (Ha)	AWP planned: Compartments / Area (Ha)
FFB Production	Samel I: Phase 6 & 7, Samel II: Phase 1, 3, 4 & 25 / 2,563 Ha	Target FFB Mature Area is 2,192.56 Ha
Forest Enrichment Planting	Has not started yet	Samel II: Phase 1, Block 7 / 10 Ha Samel II: Phase 1, Block 2 / 10 Ha
Silviculture	Has not started yet	Samel II (Riparian reserve area) / Additional 25 Ha

List for FFB harvesting.

Estate	Oil Palm	Status	Area (ha)	Geo-location data
Samel I	Oil Palm	Sabah TLAS EUDR	954.95	NW: 4°34'0" N 117°31'20" E NE: 4°35'0" N 117°32'0" E SW: 4°33'0" N 117°31'0" E SE: 4°32'0" N 117°33'0" E
Samel II	Oil Palm	Sabah TLAS EUDR	3504.76	NW: 4°35'0" N 117°34'0" E NE: 4°35'0" N 117°35'0" E SW: 4°32'0" N 117°36'0" E SE: 4°31'0" N 117°40'0" E

Environmental context:

Forest type:

The subject land is characterized by the existence of gently rolling to strongly rolling, very low to moderately high hills and ridges with slope gradient ranging between 15° to 20°, sometimes exceeding 25° in many places. The amplitudes of the terrain are variable between 90 meters and 150 meters.

Commercial species currently existing:

Elaeis guineensis (Oil Palm)

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

There was no evidence on the presence of mammal in the study area during the survey. However, according to plantation workers who were interviewed during the survey, animals such as bearded pig, sambar deer, mousedeer and pangolin can occasionally be seen inside the plantation. The workers also reported that orang-utan nests can be seen in pockets of remaining forests in Ladang Samel I, Phase 2. 68 species of birds were recorded in the survey area of which ten are listed as protected species under the Wildlife Conservation Enactment 1997. Only two species of reptile were recorded from this study such as common skink and common monitor lizard.

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

Rivers that drain the subject land are Sungai Baba, Sungai Toe, Sungai Bosi, Sungai Gita, Sungai Serani, Sungai Bang, Sungai Tambulai, Sungai Sibuku and Sungai Gumbat.

EIA Report #:

EIA	Ref. #	Consultant
Environmental Impact Assessment for the Proposed Oil Palm Plantation (OPP) Development at Benta Wawasan 1 by Samel Plantation Sdn. Bhd. Yayasan Sabah Forest Management Area, Kalabakan and Gunung Rara Forest Reserve, Tawau District, Sabah	JPAS/PP/21/600-1/01/1/285(27)	Envsolve Sdn. Bhd.

Social Context:

Social assessment SBS / SIA / EIA summary:

Based on the EIA, there are 7 settlements located near the site, Kg. Pekan Kalabakan-Mangga, Kg. Rancangan Kalabakan, Kg. Tuda, Kg. Murut Ulu Kalabakan, Kg. Brantian, Kg. Luasong (Luasong Forest Centre) and Kg. Mukantod.

Identified communities that are dependent on the FMU:

None

Land claims, disputes & communication system:

None

Community Forestry Projects:

None

Itinerary & Mandays: 20-24 July 2026 / FMU 24 (Partly) & FMU 25 (Partly): Benta Wawasan (Samel Plantation) / Kalabakan District

Date	Activity	GFS Staff	Mandays
20 July 2026 Monday	Travel to Tawau & opening meeting at PPD Kalabakan. Document review. Overnight in Tawau.	Sheanna Kehong, Ennald Chin, Rachal Jim	3
21 July 2026 Tuesday	Field visit to Samel I Division: licensed boundary, protected area (riparian reserves, steep area), workers' quarters. Document review. Overnight in Tawau.	Sheanna Kehong, Ennald Chin, Rachal Jim	3
22 July 2026 Wednesday	Field visit to Samel II Division: licensed boundary, protected area (riparian reserves, steep area), base camp, workers' quarters. Document review. Overnight in Tawau.	Sheanna Kehong, Ennald Chin, Rachal Jim	3
23 July 2026 Thursday	Closing meeting at PPD Kalabakan. Travel back to home base.	Sheanna Kehong, Ennald Chin, Rachal Jim	3
24 July 2026 Friday	Finalizing report.	Sheanna Kehong, Ennald Chin, Rachal Jim	3
25 – 26 July 2026	Reporting/Administration: GFSSBH 003-413	Dr. Kevin Grace Sheanna Kehong	2
Total			17

Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 1; Observations = 3)

Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) has complied with the Sabah TLAS+ requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 20-24 July 2026.

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

Principle 1. Right to Harvest

In 2004, a Memorandum of Understanding was signed between Yayasan Sabah and Yayasan Melaka to jointly develop two parcels of land into an oil palm area. The subject containing an area of 5,402 Ha* for BW4/00(BII) and BW10/00.

*Total area different than area in the DP, EIA and AWP 2026.

Note: Oil palm plantation falls under Agro-forestry; however, the document indicated as "Development Plan" (DP).

July 2026: Observation 001-2026 – Checklist 1.1.3, 1.2.1, 1.3.2.4, 1.3.2.6

Discrepancy in total area between Coupe Permit (5,138 ha), EIA (5,343.81 ha) and ADP (5,407 ha).

July 2026: Gap 001/2026 (minor) – Checklist 1.2.4

Oil spillage was observed at diesel depot & genset room and open burning was observed at the office and dwelling areas.

July 2026: Observation 002-2026 – Checklist 1.3.2.10, 1.3.3, 1.4.1

The DP approved in 2006 has not been updated to reflect current land use status (established plantation areas, conservation, infrastructure, etc.) and associated map.

Principle 2. Forest Operations

Samel Plantation concentrated on oil palm maintenance, FFB harvesting, and enrichment planting. Protected areas are mapped and identified on the ground. The company ensures compliance with all applicable regulatory requirements relating to its workers.

July 2026: Gap 001/2026 (minor) – Checklist 2.3.4

Oil spillage was observed at diesel depot & genset room and open burning was observed at the office and dwelling areas.

Highlights of Assessment

July 2026: Observation 003-2026 – Checklist 2.4.1, 2.4.2, 2.4.8

Employment agreement & EPF/SOCSSO monthly contributions under contractors (Samel Plantation and sub-contractors were not maintained).

Principle 3. Statutory Charges

Payment records on 5% royalty on FFB production sales, official documents and validity records on fees & charges for Occupational Permits and machinery were available and maintained by Samel Plantation.

Principle 4. Other User Rights

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.

Principle 7. Deforestation Free

The oil palm plantation was established prior to 31 Dec 2020. The system to trace FFB and CPO is not yet developed for Deforestation Free palm oil products.

Principle 8. In Accordance with the EU Corporate Sustainability Due Diligence Directive (CS3D) (Optional)

Not applicable

Summary Results:

(Major gap = 0, Minor gap = 1, Observation = 3)

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

GAP	Type	Checklist	Status	Description
001/2026	minor	1.2.4, 2.3.4	New	July 2026: Oil spillage was observed at diesel depot & genset room and open burning was observed at the office and dwelling areas.

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

Obs #	Checklist	Description
001-2026	1.1.3, 1.2.1, 1.3.2.4, 1.3.2.6	July 2026: Discrepancy in total area between Coupe Permit (5,138 ha), EIA (5,343.81 ha), ADP (5,407 ha) and AWP (5,418.96 ha).
002-2026	1.3.2.10, 1.3.3, 1.4.1	July 2026: The DP approved in 2006 has not been updated to reflect current land use status (established plantation areas, conservation, infrastructure, etc.) and associated map.
003-2026	2.4.1, 2.4.2, 2.4.8	July 2026: Employment agreement & EPF/SOCSO monthly contributions for workers under contractor (Samel Plantation) & sub-contractors were not maintained.

Highlights of Close Out Visit (if applicable)	Dates	-
Not applicable		

Recommendations

Benta Wawasan Sdn. Bhd. (Samel Plantation Sdn. Bhd.) has demonstrated compliance with the Sabah TLAS+ Principle 1-4 & 7 requirements (FDS TLAS-006) for its designated area and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System+ Compliance Certificate (Sabah TLAS+ CC) from 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:

Gap 001/2026 (minor) – Checklist 1.2.4, 2.3.4: Adaza Plantation Management should take immediate action to rectify oil spillage at diesel depot & genset room and should strictly prohibited open burning at the office area or dwelling area.

Observation 001-2026 – Checklist 1.1.3, 1.2.1, 1.3.2.4, 1.3.2.6: Adaza Plantation Management shall ensure the total area between Coupe Permit, EIA, ADP and AWP are consistent.

Observation 002-2026 – Checklist 1.3.2.10, 1.3.3, 1.4.1: The DP should be updated to define the current land use status and map as per requirement.

Observation 003-2026 – Checklist 2.4.1, 2.4.2, 2.4.8: Employment agreement & EPF/SOCSO monthly contributions under contractor (Samel Plantation) and sub-contractors should be maintained as stipulated in the agreement.

The next annual surveillance audit will be scheduled for **July 2027**.

End of Summary Report