

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Benta Wawasan Sdn. Bhd. (377414-H) Contractor: Serijaya Industri Sdn. Bhd. (705242-W)	<b>Reference #</b>	GFSSBH 003-228
<b>Contact Person</b>	Mr. Akmurulla Arawangsa (Sr. Manager - Admin & Planting)	<b>Date of Report</b> <b>Date of close out</b>	27/10/2023 -
<b>Office Address</b>	<b><u>Benta Wawasan Sdn. Bhd.</u></b> Perdana Square, TB 9131 & 9132, Mile 3 1/2, Apas Road, P.O. Box 62074, 91000 Tawau, Sabah, Malaysia. <b><u>Serijaya Industri Sdn. Bhd.</u></b> 2 <sup>nd</sup> Floor, TSH Building, TB9, KM 7, Apas Road, WDT 131, 91009 Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6089 914 377 +6089 914 177 +6089 914 877 +6012 843 117
<b>Email</b>	cyril@innoprise.com.my DFO Kalabakan: MohdAzmi.Yazid@sabah.gov.my	<b>Fax</b>	+6089 913 477
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	NC: Non-Compliance – Criteria 1.3, 1.4, 1.6, 2.1, 2.2, 3.1 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

### Assessment Details

Assessment Dates	23 – 27 October 2023
Scope of Assessment	Sabah TLAS P1-4: Long Term Forest Management License Agreement No. JP(TKA)122/96(CO)
Species	Plantation: Oil Palm and Laran Salvage logging: <i>Dryobalanops</i> spp. (Kapur), <i>Dipterocarpus</i> spp. (Keruing), <i>Shorea inappendiculata</i> (Selangan Batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea</i> spp. (White Seraya), <i>Shorea</i> spp. (Red Seraya, Yellow Seraya, Urat Mata, Melapi), <i>Shorea</i> spp. (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), <i>Lauraceae</i> (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspathulata</i> (Talisai), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), <i>Myristicaceae</i> (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Hopea sangal</i> (Gagil), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Canarium dactyodes</i> & other <i>Burseraceae</i> spp. (Kedondong), <i>Pterocymbium javanicum</i> (Teleto), <i>Prerospermum</i> spp. (Bayor), <i>Dyera</i> spp. (Jelutong), <i>Dialium indum</i> (Kerangi), <i>Annonaceae</i> (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Campnosperma auriculatum</i> (Terentang), <i>Anisoptera</i> spp. (Pengiran), <i>Cratoxylum</i> spp. (Geronggang), <i>Endospermum diadenum</i> (Sendok-Sendok), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), and other timbers (OT)
Lead Assessor	Priera Bagang
Assessor(s)	Glory Linggou, Aleeza Ho, Tommy Olui
SFD Staff	Nordin Musa (PPW Tawau), Agku Mohd. Ridzwan (ADFO Kalabakan)

**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 area is owned by the Sabah State Government and licensed to Benta Wawasan Sdn. Bhd. under the main concessionaire, which is Yayasan Sabah.
- Benta Wawasan Sdn. Bhd. under License No JP(TKA)122/96(CO) appointed Serijaya Industri Sdn. Bhd. (Serijaya Industri), a wholly owned subsidiary of Innoprise Plantations Berhad to manage the 22,763 ha licensed area as in Agro-forestry plantation (oil palm) and Industrial Tree Plantation (ITP).
- The area managed by Serijaya Industri is divided into 6 estates: Lokan, Maliau, Luasong, Gunung Rara, Labau and Imbak, which are covered under 14 approved Coupe Permits:

Estate	Coupe Permit #	Block	Expiry	Area (ha)
Imbak	TWU 03/14	BW 5/01 OPP	10/03/2074	1,799.00
	TWU 08/14	BW 4/01 OPP	15/06/2074	1,769.00
Gunung Rara	TWU 11/14	BW 12/01 OPP	04/09/2074	1,543.00
	TWU 02/14	BW 6/01 OPP	21/02/2074	2,096.00
Labau	TWU 14/14	BW 10/01 OPP	19/10/2074	1,283.00
	TWU 24/06	BW 10/02 OPP	27/08/2036	1,113.00
	TWU 13/14	BW 10/03 OPP	25/09/2074	1,520.00
Maliau	TWU 12/14	BW 12/02 OPP	07/09/2074	2,883.00
Lokan	TWU 06/14	BW 5/02 OPP	15/06/2074	1,857.00
	TWU 10/14	BW 12/05 OPP	03/07/2074	1,382.62
	TWU 17/14	BW 2/02 OPP	03/11/2074	534.00
	TWU 16/14	BW 14/01 OPP	19/10/2074	1,070.00
Luasong	TWU 19/14	BW 12/03 OPP	18/11/2074	2,292.00
	TWU 11/09	BW 12/04 OPP	29/10/2039	920.03
<b>Total area</b>				<b>22,062.00</b>

- Serijaya Industri is an MSPO certified company, with certificate #: MSPO/2020/48(B), for their Production of Sustainable Fresh Fruit Bunches (FFB), valid through 20/06/2024.
- Serijaya Industri does not engage any other subcontractor to conduct the salvage logging inside the licensed area.
- The previous assessment was conducted in October 2022 that resulted in 7 gap(s) and 4 observation(s) (Report #: GFSSBH003-156a).

**Current Operations:**

- Currently, Serijaya Industri is conducting oil palm harvesting, maintenance, and planting Laran across the licensed area.
- Serijaya Industri also conducts salvage logging inside the residual forest patches and royalty assessment is based on log volume registered under Form IIB permits.
- From October 2022 to September 2023, ten (10) FIIB permits have been approved by the SFD.
- Summary of Laran planting inside Serijaya Industri's area.

Estate	Planted Area (ha)	Total Laran
Gunung Rara	291.86	59,325
Imbak	240.89	50,567
Labau	485.28	102,249
Maliau	449.93	91,673
Lokan	598.46	122,515
Luasong	338.24	71,326
<b>Grand total</b>	<b>2,404.66</b>	<b>497,655</b>

- Land use classification:

Land classification	2 <sup>nd</sup> draft ADP (ha)	Current Status, as of Sep 2023 (ha)
Total Concession Area	22,763	22,763
Production Area	17,048	17,048
<ul style="list-style-type: none"> <li>Agroforestry (oil palm)</li> <li>ITP (Laran)</li> </ul>	Oil Palm planted: 12,258 Laran plantation: 4,790	Oil Palm planted: 12,258 Laran planted: 2,404.66 Total seedlings planted: 497,655
Riparian and Steep Area	3,865	3,865
Infrastructure, Roads Buildings, etc.	1,850	1,850

### Environmental Context:

- Prior to conversion, the project site consisted of logged Lowland Mixed Dipterocarp Forest and Hill Dipterocarp Forest.
- Two (2) rivers, Sg. Imbok and Sg. Gukuam in the licensed area drains into Cowie Bay in the southeast.
- Surface run-off and soil erosion are somewhat mitigated by preserving forests in steep areas and along all rivers and streams (riparian). Forest restoration and enrichment planting will establish linkages between preserved patches of forests to the Gunung Rara Forest Reserve to support biodiversity and habitat within the licensed area.
- Wildlife surveys were conducted in the remaining forest area of BW 4/01 and BW 12/02, including the steep forest area and along the stream and river buffers. There was evidence (accidental sightings, scats and hoof/paw prints, etc.) of the presence of wildlife (Bornean pygmy elephant, Sambar deer, Civets, Langurs, Long/Short-tailed macaques, Hornbills, Black and Crested serpent eagle, etc.).
- EIA study title "Proposed Oil Palm Plantation (OPP) development at Benta Wawasan 1 by Serijaya Industri Sdn. Bhd. (22,061.65 ha - 14 coupes)" was approved by the EPD in 2011 [Ref. #: JPAS/PP/21/600-1/01/1/284 (6) dated 21/01/2011].

### Social Context:

- A Social Impact Assessment (SIA) was conducted, and the report was published in July 2017 by Kiwiheng Environmental Consultants Sdn. Bhd. entitled "Oil Palm Plantation (OPP) at Benta Wawasan 1 by Serijaya Industri Sdn. Bhd., Yayasan Sabah Forest Management Area, Kalabakan and Gunung Rara Forest Reserves, Tawau District, Sabah."
- The SIA exercise has affirmed that no local communities live inside or adjacent to the licensed area. The nearest village outside of the project site is Kg. Mukandot is located approximately 10.5 km south of the boundary. Kg. Mukandot has yet to be gazetted as a village.
- The village houses of Kg. Mukandot is mostly concentrated along the road for easy access. This village is located within the Kalabakan Forest Reserve (Class II). Villagers of Kg. Mukandot were formerly workers of Luasong Forestry Centre of Yayasan Sabah and now, most of them are either self-employed (agriculture) or employed in oil palm plantations surrounding the village. The population of Kg. Mukandot consists of 4 ethnic groups: Sungai (50%), Bugis (25%), followed by Dusun and Murut.
- There are no land claims between the villagers and Serijaya Industri (SIA July 2017 Page 26). The SFD identified that the village illegally occupies the land inside the forest reserve due to the

uncertainty of land status, Kg. Mukandot does not have much infrastructure or amenities the government provided, including water and electricity. The villagers rely on rainwater or use water from the nearby rivers and streams once the rainwater runs out during long droughts.

- The community of Kg. Mukandot has not experienced any major impacts from the presence of the oil palm estates. The only concern is damage to their planted crop (oil palm) by wildlife. The local community perceives that this problem arises from the installation of electric fences by corporate planters; thus, preventing wildlife from foraging in the Serijaya Industri Oil Palm estates and, consequently, they moved on to the community areas that are unprotected to forage instead (SIA July 2017 Page 32). Serijaya Industri is not in a position to take any action to help the villagers with damage to their crops caused by wildlife (SIA July 2017 Page 84).

Scope of Assessment	
<ul style="list-style-type: none"> <li>• The scope of the evaluation is to verify compliance of Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) with the Long Term Forest Management License Agreement No. JP(TKA)122/96(CO) for FMU 23 (partly).</li> <li>• 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).</li> <li>• Site evaluation to verify and report the level of compliance by Benta Wawasan Sdn. Bhd. and Serijaya Industri Sdn. Bhd. to the standard in respect to each of the criteria within this report.</li> <li>• 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.</li> </ul>	

**Itinerary & Mandays: FMU 23 (partly) / Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) / Close-out: Rakyat Berjaya Sdn. Bhd. (RT Plantations Sdn. Bhd.) / Kalabakan District / 23 – 27 October 2023 (Total Mandays = 23)**

Date	Activity	GFS Staff	Mandays
23 October 2023 Monday	Travelling to Tawau and overnight.	Priera Bagang, Glory Linggou, Aleeza Ho, Tommy Olui	4
24 October 2023 Tuesday	Opening meeting. Field assessment to Laran plantation area, Oil palm production areas, protected areas, campsites, and licensed boundaries. Document review and compiling report.	Priera Bagang, Glory Linggou, Aleeza Ho, Tommy Olui	4
25 October 2023 Wednesday	Field assessment to Salvage logging areas. Document review and compiling report.	Priera Bagang, Glory Linggou, Aleeza Ho, Tommy Olui	4
26 October 2023 Thursday	Document review and compiling report.	Priera Bagang, Glory Linggou, Aleeza Ho, Tommy Olui	4
27 October 2023 Friday	Closing meeting at PPD Tawau. Close-out for RT Plantations Sdn. Bhd. Travel to home base.	Priera Bagang, Glory Linggou, Aleeza Ho, Tommy Olui	4
28 - 29 October 2023	Reporting: GFSSBH 003-228 Reporting: GFSSBH 003-156a	Dr. Kevin Grace Priera Bagang	3
<b>Total</b>			<b>23</b>

### Highlights of Assessment

**(Major Gaps = 3; minor Gaps = 1; Observations = 2)**

Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) has not complied with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was identified under Criteria 1.3, 1.4, 1.6, 2.1, 2.2 and 3.1 during the assessment on 23 – 27 October 2023.

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

**Principle 1.**

The validity of all Agroforestry OPP coupe permits for Serijaya Industri has been extended from 30 to 60 years and approved by the Chief Conservator of Forests [Ref. #: JPHTN/PP (S) 100-26/4/KLT.6/9 dated 29/08/2013].

The 1<sup>st</sup> ADP was approved by SFD on 02/06/2006, which covers an area of 22,763 ha of Gunung Rara Forest Reserve, for a period not exceeding 35 years, from 01/01/2006 to 31/12/2040.

However, Serijaya Industri has prepared a revised, 10-year Agro-Forestry Development Plan (ADP) for 2022-2031. The 2<sup>nd</sup> ADP includes the plans development of Laran Plantations and has been submitted to SFD for approval (Ref. #: COO/M-4/10/22/066 dated 03/10/2022).

The 2023 AWP was endorsed by the Chief Conservator of Forests [Ref. #: JPHTN/SFM 800-1/1/14/1 (JILID.3)(127), dated 09/12/2022].

**August 2021: Gap 001/2021 (minor) – Checklist 1.6.1**

The draft of the revised PDP has been submitted to SFD and is pending approval.

**October 2022: Gap 001/2021 (Raised to Major) – Checklist 1.3.1, 1.3.2.4, 1.6.1**

The 2<sup>nd</sup> ADP draft submitted for approval includes areas planned for Laran plantation development that overlap with identified protection and inoperable areas according to the EIA and ADP.

**December 2022: Gap 001/2021 (Major) - Outstanding**

No evidence of a revised area for the planned Laran plantation that overlaps with the EIA protection area.

**October 2023: Gap 001/2021 (Major) – Outstanding**

No evidence of a revised area for the planned Laran plantation that overlaps with the EIA protection area.

**October 2022: Gap 001/2022 (minor) – Checklist 1.2.1**

No evidence of updating the EIA for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection.

**October 2023: Gap 001/2022 (minor) – Outstanding**

No evidence of updating the EIA for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection.

**October 2022: Gap 002/2022 (minor) – Checklist 1.2.3**

Inadequate mitigation against oil spillage and waste management within several estates.

Banned pesticides were used for the Laran plantation.

**October 2023: Gap 002/2022 (minor) – Closed**

Serijaya Industri has implemented measures for oil spillage and waste management systems as in the EPD regulations. Serijaya Industri has discontinued the usage of banned pesticides.

**October 2022: Observation 001-2022 – Checklist 1.3.2.7**

The harvest schedule and estimated yield for planted Laran is not defined in the ADP.

**October 2023: Observation 001-2022 (Addressed)**

Serijaya Industri has included the harvest schedule and expected yield for Laran Plantation in the 2<sup>nd</sup> ADP revision.

**October 2022: Gap 003/2022 (Major) – Checklist 1.4.2**

Observed terracing for Laran plantation development that does not comply with the 2022 SFD requirement prohibiting terracing.

**December 2022: Gap 003/2022 (Major) - Outstanding**

The definition of *Access Path* in the 2<sup>nd</sup> ADP is not credible to displace terracing methods for tree planting.

**October 2023: Gap 003/2022 (Major) – Outstanding**

Terracing for Laran plantation development does not comply with SFD requirement prohibiting terracing.

### Highlights of Assessment

**October 2022: Gap 004/2022 (minor) – Checklist 1.7.3**

Inconsistency in marking and protection of buffer zones.

**October 2023: Gap 004/2022 (minor) – Closed**

Buffer zones are consistently marked and protected.

**October 2022: Observation 002-2022 - Checklist 1.3.3**

The current ADP did not define a midterm review as per SFMLA requirements.

**October 2023: Observation 002-2022 (Outstanding)**

Serijaya Industri has not included the schedule for midterm review in the 2<sup>nd</sup> ADP revision.

**October 2022: Observation 003-2022 – Checklist 1.8.2**

The PSP plots are not analysed to define growth in relation to volume yield targets.

**October 2023: Observation 003-2022 (Outstanding)**

The MAI calculations are not credible for young Laran plantations.

**Principle 2.**

Based on the DFO, no requirement for logging contractor registration as Serijaya Industri only applies for a Form IIB permit for salvage logging operations. Serijaya Industri is only required to pay the Form IIB permit processing fees to SFD.

**October 2022: Gap 004/2022 (minor) – Checklist 2.1.13**

Inconsistency in marking and protection of buffer zones.

**October 2023: Gap 004/2022 (minor) – Closed**

Buffer zones are consistently marked and protected.

**October 2022: Gap 003/2022 (Major) – Checklist 2.1.15**

Observed terracing for Laran plantation development that does not comply with the 2022 SFD requirement prohibiting terracing.

**December 2022: Gap 003/2022 (Major) - Outstanding**

The definition of *Access Path* in the 2<sup>nd</sup> ADP is not credible to displace terracing methods for tree planting.

**October 2023: Gap 003/2022 (Major) – Outstanding**

Terracing for Laran plantation development does not comply with SFD requirement prohibiting terracing.

**October 2023: Gap 005/2021 (Raised to Major) – Checklist 2.2.2**

Several OP and FD have expired. One log loader used inside the salvage logging area is observed without FD registration plate.

**August 2021: Gap 004/2021 (minor) – Checklist 2.3.1**

i) The license to hire foreign workers for Gunung Rara Estate and Imbak Estate has expired.

ii) The COI for Serijaya Industri workers has expired.

**October 2022: Gap 004/2021 (Raised to Major) – Checklist 2.3.1**

Work visas & COI expired for workers sampled and license for hiring 328 foreign workers differs from the 543 foreign workers currently employed.

**December 2022: Gap 004/2021 (Major) - Outstanding**

No evidence of additional labour licenses covering the current 543 foreign workers.

**October 2023: Gap 004/2021 (Major) – Closed**

Serijaya Industri has a valid JTK quota covering all foreign workers.

**October 2022: Observation 004-2022 - Checklist 2.3.7**

One unit of fire extinguisher observed without pressure at Labau Estate.

**October 2023: Observation 004-2022 (Addressed)**

Sampled of fire extinguisher were observed with pressure.

**Principle 3.**

Serijaya Industri has not demonstrated compliance with the statutory charges' principle.

**August 2021: Gap 005/2021 (minor) – Checklist 3.1.1**

Expired Occupational Permits are pending payment from the company and renewal from SFD.



### Highlights of Assessment

**October 2022: Gap 005/2021 (minor) - Outstanding**

Inconsistency maintaining OP renewal and FD heavy machinery registration plate.

**October 2023: Gap 005/2021 (Raised to Major) – Checklist 3.1.1**

Several OP and FD have expired. One log loader used inside the salvage logging area is observed without FD registration plate.

**Principle 4.**

The SIA exercise has affirmed that no local communities live inside or adjacent to the licensed area. The nearest village outside of the project site is Kg. Mukandot is located approximately 10.5 km south of the boundary. Kg. Mukandot has yet to be gazetted as a village.

There are no land claims between the villagers and Serijaya Industri (SIA July 2017 Page 26). The SFD identified that the village is illegally occupying the land inside the forest reserve.

The community of Kg. Mukandot has not experienced any major impacts from the presence of the oil palm estates. The only concern is damage to their planted crop (oil palm) by wildlife. The local community perceives that this problem arises from the installation of electric fences by corporate planters; thus, preventing wildlife from foraging in the Serijaya Industri Oil Palm estates and, consequently, they moved on to the community areas that are unprotected to forage instead (SIA July 2017 Page 32). Serijaya Industri is not in the position to take any action to help the villagers with damage to their crops caused by wildlife (SIA July 2017 Page 84).

**Summary Results:**

(Major gap = 3, minor gap = 1, Observation = 2)

Gap raised against indicators & criteria during the October 2023 assessment.

GAP	Type	Checklist	Status	Description
001/2021	Major	1.3.1 1.3.2.4 1.6.1	Outstanding	<b>August 2021:</b> The draft of the revised PDP has been submitted to SFD and is pending approval. <b>October 2022:</b> The 2 <sup>nd</sup> ADP draft submitted for approval includes areas planned for Laran plantation development that overlap with identified protection and inoperable areas according to the EIA and ADP. <b>December 2022:</b> No evidence of a revised area for the planned Laran plantation that overlaps with the EIA protection area. <b>October 2023:</b> No evidence of a revised area for the planned Laran plantation that overlaps with the EIA protection area.
004/2021	Major	2.3.1	Closed	<b>August 2021:</b> i) The license to hire foreign workers for Gunung Rara Estate and Imbak Estate has expired. ii) The COI for Serijaya Industri workers has expired. <b>October 2022:</b> Work visas & COI expired for workers sampled and license for hiring 328 foreign workers differs from the 543 foreign workers currently employed. <b>December 2022:</b> No evidence of additional labour licenses covering the current 543 foreign workers. <b>October 2023:</b> Serijaya Industri has a valid JTK quota covering

GAP	Type	Checklist	Status	Description
				all foreign workers.
005/2021	minor	2.2.2 3.1.1	Raised to Major	<p><b>August 2021:</b> Expired Occupational Permits are pending payment from the company and renewal from SFD.</p> <p><b>October 2022:</b> Inconsistency maintaining OP renewal and FD heavy machinery registration plate.</p> <p><b>October 2023:</b> Several OP and FD have expired. One log loader used inside the salvage logging area is observed without a displayed FD registration plate.</p>
001/2022	minor	1.2.1	Outstanding	<p><b>October 2022:</b> No evidence of updating the EIA for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection.</p> <p><b>October 2023:</b> No evidence of updating the EIA for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection.</p>
002/2022	minor	1.2.3	Closed	<p><b>October 2022:</b> Inadequate mitigation against oil spillage and waste management within several estates. Banned pesticides were used for the Laran plantation.</p> <p><b>October 2023:</b> Serijaya Industri has implemented measures for oil spillage and waste management systems as in the EPD regulations. Serijaya Industri has discontinued the usage of banned pesticides.</p>
003/2022	Major	1.4.2 2.1.15	Outstanding	<p><b>October 2022:</b> Observed terracing for Laran plantation development that does not comply with the 2022 SFD requirement prohibiting terracing.</p> <p><b>December 2022:</b> The definition of <i>Access Path</i> in the 2<sup>nd</sup> ADP is not credible to displace terracing methods for tree planting.</p> <p><b>October 2023:</b> Terracing for Laran plantation development does not comply with SFD requirement prohibiting terracing.</p>
004/2022	minor	1.7.3 2.1.13	Closed	<p><b>October 2022:</b> Inconsistency in marking and protection of buffer zones.</p> <p><b>October 2023:</b> Buffer zones are consistently marked and protected.</p>

Observation raised against indicators & criteria during the October 2023 assessment.

Obs #	Checklist	Description
001-2022 Addressed	1.3.2.7	<p><b>October 2022:</b> The harvest schedule and estimated yield for planted Laran is not defined in the ADP.</p> <p><b>October 2023:</b> Serijaya Industri has included the harvest schedule and expected yield for</p>



Obs #	Checklist	Description
		Laran Plantation in the 2 <sup>nd</sup> ADP revision.
002-2022 Outstanding	1.3.3	<b>October 2022:</b> The current ADP did not define a midterm review as per SFMLA requirements. <b>October 2023:</b> Serijaya Industri has not included the schedule for midterm review in the 2 <sup>nd</sup> ADP revision.
003-2022 Outstanding	1.8.2	<b>October 2022:</b> The PSP plots are not analysed to define growth in relation to volume yield targets. <b>October 2023:</b> The MAI calculations are not credible for young Laran plantations.
004-2022 Addressed	2.3.7	<b>October 2022:</b> One unit of fire extinguisher observed without a pressure at Labau Estate. <b>October 2023:</b> Sampled of fire extinguisher were observed with pressure.

Highlights of Close Out Visit (if applicable)	Dates	-
The Major gaps 001/2021, 005/2021 & 003/2022 shall be addressed within 2 months by <b>December 2023</b> .		

Recommendations
<p><b>Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.)</b> has not demonstrated compliance with the Sabah Legality Standard (<b>SFD-TLAS-002</b>) as non-compliance was identified in Criteria 1.3, 1.4, 1.6, 2.1, 2.2, 3.1 and is NOT eligible to receive a GFS Statement of Compliance or a Sabah TLAS Compliance Certificate from SFD.</p> <p>The Major Gap shall be addressed within two months by <b>December 2023</b>.</p> <p><b>Gap 001/2021 (Major) Outstanding – Checklist 1.3.1, 1.3.2.4, 1.6.1:</b> Serijaya Industri shall revise the 2<sup>nd</sup> ADP draft in respect of areas planned for Laran plantation development that overlap with identified protection and inoperable areas according to the EIA and ADP.</p> <p><b>Gap 005/2021 (Raised to Major) - Checklist 2.2.2, 3.1.1:</b> Serijaya Industri shall renew Occupational Permit and FD heavy machinery 3 months before the expiry date and display the FD registration plate on the heavy machinery.</p> <p><b>Gap 003/2022 (Major) Outstanding - Checklist 1.4.2, 2.1.15:</b> Serijaya Industri shall stop terracing access paths for planting Laran in accordance with SFD requirements.</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><b>Gap 001/2022 (minor) Outstanding – Checklist 1.2.1:</b> Serijaya Industri shall update the EIA for development of Laran plantations.</p> <p><b>Observation 002-2022 (Outstanding) – Checklist 1.3.3:</b> Serijaya Industri should include the current schedule for midterm review in the 2<sup>nd</sup> ADP draft.</p> <p><b>Observation 003-2022 (Outstanding) - Checklist 1.8.1:</b> Serijaya Industri shall correctly analyze permanent sample plot data for Laran plantation areas.</p> <p>The next annual surveillance audit will be scheduled for October 2024.</p>

## End of Summary Report