

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) Contractor: Empayar Kejora Sdn. Bhd. 200901025902 (869004-M)	Reference #	GFSSBH 003-309
Contact Person	Richard Ondoh (Officer in-Charge RBJ Tawau) Awang Zaidun Ag Taip (Forest Manager)	Date of Report Date of close out	20/09/2024 -
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 060 LVS		
Issuance Date	23 September 2024	Expiration Date	22 September 2025

Assessment Details

Assessment Dates	16-20 September 2024
Scope of Assessment	Sabah TLAS P1-4: SFMLA 09/97 FMU 23 (partly); TWU 08/12, TWU 06/12, TWU 07/12, TWU 16/14
Species	Not applicable (No harvesting)
Lead Assessor	Glory Linggou
Assessor(s)	Priera Bagang
SFD Staff	Suhezron Salim (PPM Brantian), Rosdin Abd Rahman (SFM 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 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:

Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) was appointed in 1970 to manage FMU 23, in which the licensed area is located along with the 7 other Forest Management Units (FMUs), which make up the Yayasan Sabah Concession Area.

Rakyat Berjaya obtained a license to manage FMU 23, where operations focus mainly on harvesting (Natural Forest Management), planting (harvesting / clearing of degraded forests followed by planting - Mosaic ITP areas) and oil palm (Agroforestry).

Land tenure is based on:

- The Sustainable Forest Management Licensed Agreement (SFMLA) 09/1997 commenced on 10 September 1997 with a 100-year tenure which will expire on 10 September 2097.
- A supplementary agreement to reduce the Yayasan Sabah Concession Area from 799,828 ha to 599,828 ha was signed on 15 February 1999.
- Tree Plantation and Forest Management Agreement - JP(TKA)122/96(CO) 24 April 1996 - 106,310 ha and Supplemental Agreement - JP(TKA)122/96(CO) – 200,000 ha - 15 February 1999 for NFM and tree planting under Benta Wawasan Sdn. Bhd.

Empayar Kejora Sdn. Bhd. (Empayar Kejora) is the appointed contractor to carry out residual timber extraction and develop a mosaic-planting scheme within the licensed area in FMU 23 located within the Gunung Rara Forest Reserve.

Empayar Kejora is also affiliated with Zillion Fortune Sdn. Bhd., Pesona Majukaya Sdn. Bhd., First Greenworld Sdn. Bhd. & Top Quantum Sdn. Bhd., which comes under the auspices of Rakan Rimba Sdn. Bhd.

The integrated mosaic tree planting system is implemented to ensure sustainable timber production by planting fast-growing indigenous and exotic species for the production of high-volume timber.

As of the assessment, Empayar Kejora has yet to appoint subcontractors for logging and planting.

Land use classification:

Land classification	2 nd FMP Area (ha)	Current Status as of September (ha)
Total Concession Area	29,105.60	29,105.60
Production Area	28,118.30	28,118.30
Natural Forest Management -RIL	4,354.70	Total CHPs developed 4,354.70 ha Total log production (2014 - 2017) = 77,281.33 m ³
Mosaic planting	18,561.10	Total Area planted: 4,400.50 Area planted by species Batai = 2846.40 Laran = 1293.90 Binuang = 113.50 Talisai = 145.40 Perupok = 1.30
Natural Forest Management non-RIL	5,202.50	Total area planted: 1177.90 Area planted by species Laran = 401.60 Binuang = 426.30 Talisai = 83.80 Perupok = 23.80 Dipterocarp = 242.40
Steep area	187.50	187.50
Riparian and buffer zones	280.60	280.60
Conservation area	475.00	475.00
OP sites	44.20	44.20

Current Operations:

As of the assessment, there is no harvesting and planting activities conducted by Empayar Kejora. Based on the 2nd FMP, harvesting and planting will be carried out in 2025.

Currently, Empayar Kejora only focusing on silviculture activities that includes climber cutting and weeding.

Table below shows the silviculture activities planned for 2024.

Activity	Target
Silviculture treatment	Maintenance/thinning, such as weeding (slashing, chemical weeding, pruning, vines cutting) at <ul style="list-style-type: none"> - Compartment 28 (Block YT1/12(1) Coupe TWU 06/12): 30 ha - Compartment 7, 8, 9, 12 (Block YT1/12(2)A Coupe TWU 16/14): 200 ha
	Method: cutting the climbers and bamboo. Natural standing trees (PCT area) at Compartment 19 & 20 (Block YT1/12(2)A Coupe 16/14): 786 ha

List current coupe completed for harvesting and planting.

Coupe #	NFM / ITP	Status	Area (ha)	Geo-location data
TWU 08/12	Mosaic	Sabah TLAS EUDR	8,986.90	Northeast: N 05°03'56.70" E117°15'11.8" Southeast: N 05°03'30.10" E117°17'04.30" Northwest: N 05°03'12.20" E117°07'00.50" Southwest: N 04°57'37.50" E117°11'56.40"
TWU 07/12	NFM-RIL	Sabah TLAS EUDR	4,354.70	Northeast: N 05°01'28.60" E117°19'42.60" Southeast: N 04°53'48.60" E117°19'07.50" Northwest: N 04°55'20.00" E117°11'19.80" Southwest: N 04°53'54.70" E117°12'38.30"
TWU 06/12	Mosaic	Sabah TLAS EUDR	9,574.20	Northeast: N 05°00'20.40" E117°16'53.30" Southeast: N 04°55'46.00" E117°15'00.10" Northwest: N 04°57'37.50" E117°11'56.40" Southwest: N 04°55'20.00" E117°11'19.80"
TWU 16/14	NFM non-RIL	Sabah TLAS EUDR	5,202.50	Northeast: RY 847481 BOR 552575 Southeast: RY 847554 BOR 549975 Northwest: RY 838628 BOR 542812 Southwest: RY 841469 BOR 541020

Environmental Context:

The area is logged over mixed highland dipterocarp forest consisting of Dipterocarps, such as Urat mata, Seraya kuning, Seraya merah, Keruing and Oba suluk and, other lesser-known species, such as Laran, Pelawan-Pelawan, Mempening, Medang, Keranji, Magas, Rengas, etc.

The altitude varies between 100m to 900m a.s.l

The nearest forest reserve is Imbak Canyon Conservation Area (Class I) in the west, Sg. Imbak Forest Reserve (Class VI) in the north, Sg. Pinangah Forest Reserve (Class II) in the northwest, and Kuamut Forest Reserve (Class II) in the northeast.

The mean annual rainfall recorded in 2009 until 2011 is 3,171.10mm with an average of 264.25mm/month.

The main rivers located the licensed area are:

- The main rivers located in the licensed area are Sg. Kuamut and its tributaries, which flow towards Sg. Kinabatangan.

The project area is underlain by Lokan Association. The major soil type is the acidic and nutrient poor Orthic Acrisols.

Terrestrial mammals commonly sighted are Sambar deer, Bornean yellow muntjac, Bearded pig, Malayan civet, Common palm civet, Long-tailed macaque and Leopard cat. Avian species identified through calls and sightings: Great argus, Plaintive cuckoo and Crested serpent eagle. The biggest threat to wildlife in the licensed area is poaching.

Significant impacts:

- Soil erosion exacerbated by topography and conventional logging.
- Water quality deterioration.

- Refugia disturbance.

Ease of ignition due to increase in fuel loads (logging residue).

The EIA study titled “EIA for Proposed Integrated Mosaic Planting in Block YT1/12 of Yayasan Sabah Concession area in Tawau, Sabah.” was prepared and approved by the EPD [Ref. #: JPAS/PP/21/600 1/01/3/47(48) dated 26/07/2012].

Social Context:

Based on 2nd FMP, there are no villages or human settlements within the FMU. The surrounding area is gazetted as Forest Reserve. Based on GFS observation, the nearest settlement is located 50 KM away from the licensed area, which is the Luasong Forestry Complex owned by Yayasan Sabah.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) with the Sustainable Forest Management License Agreement (SFMLA 09/97) for FMU 23 (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 Rakyat Berjaya 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: 16-20 September 2024 / FMU 23 (Partly): Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) / Kalabakan District

Date	Activity	GFS Staff	Mandays
16 September 2024 Monday	Public Holiday – Malaysia Day	Glory Linggou Piera Bagang	2
17 September 2024 Tuesday	Travel to Tawau and overnight.	Glory Linggou Piera Bagang	2
18 September 2024 Wednesday	Opening meeting at Empayar Kejora Office. Field visit to planted areas, NFM restoration area, campsite and protected areas. Document review at Empayar Kejora camp office.	Glory Linggou Piera Bagang	2
19 September 2024 Thursday	Document review at Empayar Kejora’s Tawau office.	Glory Linggou Piera Bagang	2
20 September 2024 Friday	Closing meeting at Empayar Kejora’s Tawau office. Travel back to home base.	Glory Linggou Piera Bagang	2
21-22 September 2024	Reporting/Administration: GFSSBH003-309	Dr. Kevin Grace Glory Linggou	2
Total			12

Highlights of Assessment

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

Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 16-20 September 2024.

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

Principle 1. Right to Harvest

Empayar Kejora demonstrated compliance with the license requirements, required management planning, and submission of documents or reports such as the EIA monitoring report to the relevant authorities.

September 2024: Observation 001-2024 – Checklist 1.3.2.7

The 2nd FMP did not determine the AAC for NFM-RIL compartments.

Principle 2. Forest Operations

Highlights of Assessment

Empayar Kejora demonstrated compliance with the licensed area security, maintenance of the licensed boundary, and protection of the riparian reserve. Empayar Kejora has also implemented their system to monitor planted trees and ensure compliance with the regulatory requirements for workers.

September 2024: Observation 002-2024 – Checklist 2.3.5

Empayar Kejora has yet to conduct the forest fire awareness programme as required in the approved FFMP.

Principle 3. Statutory Charges

Empayar Kejora has paid licensing fees and other charges to the SFD.

Principle 4. Other User Rights

Not applicable - Based on 2nd FMP, there are no villages or human settlements within the FMU. The surrounding area is gazetted as Forest Reserve. Based on GFS observation, the nearest settlement is located 50KM away from the licensed area which is the Luasong Forestry Complex owned by Yayasan Sabah.

Summary Results:

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

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

GAP	Type	Checklist	Status	Description
-	-	-	-	-

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

Obs #	Checklist	Description
001-2024	1.3.2.7	September 2024: The 2 nd FMP did not determine the AAC for NFM-RIL compartments.
002-2024	2.3.5	September 2024: Empayar Kejora has yet to conduct the forest fire awareness programme as required in the approved FFMP.

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

Recommendations

Rakyat Berjaya Sdn. Bhd. (Empayar Kejora Sdn. Bhd.) demonstrated compliance with the Sabah TLAS EUDR 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 (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:

Observation 001–2024 Checklist 1.3.2.7: Empayar Kejora should determine the AAC for NFM-RIL compartments that can be derived from the previous CHP data.

Observation 002-2024 Checklist 2.3.5: Empayar Kejora shall conduct the forest fire awareness as required in the approved FFMP.

The next annual surveillance audit will be scheduled for **September 2025**.

End of Summary Report