

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Benta Wawasan Sdn. Bhd. 199601005068 (377414-H) Contractor: Serijaya Industri Sdn. Bhd. 200501023111 (705242-W)	Reference #	GFSSBH 003-393
Contact Person	Mr. Cyril Yong (QA & Sustainability Manager)	Date of Report	13/03/2026
Office Address	Benta Wawasan Sdn. Bhd. Perdana Square, TB 9131 & 9132, Mile 3 1/2, Apas Road, P.O. Box 62074, 91000 Tawau, Sabah, Malaysia. Serijaya Industri Sdn. Bhd. 2 nd Floor, TSH Building, TB9, KM 7, Apas Road, WDT 131, 91009 Tawau, Sabah, Malaysia.	Date of close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 059 LVS		
Issuance Date	24 March 2026	Expiration Date	23 March 2027

Assessment Details

Assessment Dates	09-13 March 2026
Scope of Assessment	Sabah TLAS P1-4: Tree Plantation and Forest Management Agreement No. JP(TKA)122/96(CO)
Species	Agro-Forestry and Industrial Tree Plantation: <i>Elaeis guineensis</i> (Oil Palm) and <i>Neolamarckia cadamba</i> (Laran)
Lead Assessor	Teddy Quintin
Assessor(s)	Ennald Chin, Soliano Andrew
SFD Staff	Ag. Ku Mohd Ridzwan Pg. Abd Razak (ADFO Kalabakan), Varenus V Untomon (ADFO Kalabakan), Suhezron Salim (PPD Kalabakan), Asman Jumil (PPD 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:

The project area is owned by the Sabah State Government, managed by SFD and was licensed to Benta Wawasan Sdn. Bhd. (Benta Wawasan). Serijaya Industri Sdn. Bhd. (Serijaya Industri) was incorporated on 04/08/2005 under the Companies Act 1965, with registration #: 200501023111 (705242-W).

Benta Wawasan, as the licensee has entered into an agreement with Serijaya Industri, as a project developer. In the agreement, approval was issued by the SFD for a period of 30 years or such longer period as may be approved by the Director of SFD, provided that the maximum period shall not exceed 38 years.

Serijaya Industri divided the licensed coupe areas 22,763 ha into 6 estates and 1 palm oil mill. SFD has given the approval of expanding the coupes permit period for 60 years from 2014 to 2074. Areas of steep slopes, riparian reserves and water catchment (totalling 3,865 ha), unsuitable for oil palm and Laran tree cultivation, are classified for conservation.

Serijaya Industri is an MSPO certified company, with certificate #: MSPO/2020/48(B), for their Production of Sustainable Fresh Fruit Bunches (FFB), valid through 20/06/2029.

The previous assessment was conducted in March 2025 that resulted in 2 gap(s) and 3 observation(s) (Report #: GFSSBH 003-338).

Land use classification: Based on the ADP, Clause 3.0 Area Statement and Crop hectareage.

Land classification	1 st ADP Area (ha)	Current Status (ha) Mar 2026
Total Project Area	22,763	22,763
Plantable area	17,048	17,048
Agroforestry (Oil palm)	12,258	Total planted area: 12,258
ITP (Laran)	4,790	Total planted area: 4,139
Steep, Riparian & Water catchment areas	3,865	3,865
Infrastructure	1,850	1,850

Current Operations:

List of activities based on AWP 2026.

Activity	Remark
ITP Land Preparation and Planting Laran	<u>Land Preparation and Planting (711 ha):</u> Estate Imbak = 110 ha, Estate Gunung Rara = 100 ha, Estate Labau = 156 ha, Estate Maliau = 120 ha, Estate Lokan = 125 ha, Estate Luasong = 100 ha (Areas deemed not suitable for oil palm)
Crop Production	<u>FFB harvesting (12,246 ha):</u> Estate Imbak = 1,809 ha, Estate Gunung Rara = 1,463 ha, Estate Labau = 2,311 ha, Estate Maliau = 2,092 ha, Estate Lokan = 2,300 ha, Estate Luasong = 2,271 ha
Forest Restoration	<u>Silviculture treatment (500 ha):</u> Estate Imbak = 100 ha, Estate Gunung Rara = 100 ha, Estate Labau = 75 ha, Estate Maliau = 75 ha, Estate Lokan = 75 ha, Estate Luasong = 75 ha

List **AWP 2026** planned FFB harvesting and Laran planting.

Estate	Oil Palm	Status	Area (ha)	Geo-location data
Imbak	Oil palm	Sabah TLAS	3,676	NE: 4° 47' 23" N 117° 25' 09" E SE: 4° 44' 40" N 117° 25' 26" E SW: 4° 43' 00" N 117° 22' 14" E NW: 4° 43' 13" N 117° 19' 42" E
Gunung Rara	Oil palm	Sabah TLAS	3,632	NE: 4° 50' 46" N 117° 21' 25" E SE: 4° 47' 23" N 117° 25' 09" E SW: 4° 46' 18" N 117° 25' 08" E

				NW: 4° 50' 37" N 117° 20' 22" E
Labau	Oil palm	Sabah TLAS	4,273	NE: 4° 52' 23" N 117° 24' 20" E SE: 4° 49' 51" N 117° 27' 05" E SW: 4° 47' 23" N 117° 25' 09" E NW: 4° 50' 46" N 117° 21' 25" E
Maliau	Oil palm	Sabah TLAS	3,302	NE: 4° 46' 18" N 117° 25' 08" E SE: 4° 43' 00" N 117° 22' 14" E SW: 4° 43' 13" N 117° 19' 42" E NW: 4° 43' 44" N 117° 16' 46" E
Lokan	Oil palm	Sabah TLAS	4,169	NE: 4° 49' 48" N 117° 16' 21" E SE: 4° 45' 49" N 117° 15' 46" E SW: 4° 47' 32" N 117° 12' 34" E NW: 4° 50' 37" N 117° 13' 03" E
Luasong	Oil palm	Sabah TLAS	3,711	NE: 4° 50' 37" N 117° 20' 22" E SE: 4° 43' 13" N 117° 19' 42" E SW: 4° 43' 44" N 117° 16' 46" E NW: 4° 49' 46" N 117° 18' 27" E

Environmental Context:

Existing EIA report & key elements for protection / mitigation:

EIA	Ref. #	EIA Consultant
Reassessment Report for Proposed Oil Palm Plantation Development of Benta Wawasan 1 by Serijaya Industri Sdn Bhd, Yayasan Sabah Forest Management Area, Kalabakan and Gunung Rara Forest Reserve, Tawau, Sabah.	JPAS/PP/21/600-1/01/1/284(24)	Envsolve Sdn. Bhd.
Reassessment Report For "Proposed Oil Palm Plantation Development of Benta Wawasan 1 By Serijaya Industri Sdn. Bhd. Yayasan Sabah Forest Management Area, Kalabakan and Gunung Rara Forest Reserve, Tawau, Sabah	JPAS/WPD/TWU/900-1/01/1/4KLT.4(22)	Envsolve Sdn. Bhd.

Forest type and short history of management:

The Project site is located within Gunung Rara Forest Reserve (Class II Commercial Forest Reserve). The Project site is part of the Sabah Forestry Department (SFD)'s Forest Management Unit (FMU) 23 and partly in FMU 24. It is completely bordered by forest reserve of multiple classes, i.e. Class I Protection Forest Reserve i.e. Mount Magdalena Forest Reserve (Extension) at northeast and northwest, Mount Magdalena Forest Reserve at the east and Ulu Sg. Napagon Forest Reserve (Class VI Virgin Jungle Reserve) bordering west of Project site. Whereas remaining are bordered by the Class II Commercial Forest Reserve i.e. Gunung Rara Forest Reserve at southeast-south and Kalabakan Forest Reserve at south-southwestern. Based on the High Conservation Value (HCV) Assessment Report (**Annex 5.0, EIA**) conducted in 2016-2017, the undeveloped areas i.e. riparian reserve within Project site consists mostly of degraded dipterocarp forests, while the steep areas within Project site consists of heavily degraded dipterocarp forests with a small section of undeveloped kerangas habitat at the northwestern portion of Lokan Estate.

Principal commercial species currently existing:

Elaeis guineensis (Oil Palm) and *Neolamarckia cadamba* (Laran)

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

During site assessment, no protected fauna was observed within the Project site. Domestic animals i.e. cat was spotted in Maliau Estate office, while a dog was spotted along the estate road in Labau Estate, while birds observed from afar include Asian glossy starling (*Aplonis panayensis*) and white-breasted woodswallow (*Artamus leucorhynchus*). According to the Proponent, fauna such as Asian Elephant (*Elephas maximus*) are often sighted, while macaques and bearded pig (*Sus barbatus*) were seldom seen by the workers.

Based on the HCV assessment Report (**Annex 5.0, EIA**), presence of protected fauna was reported within Project vicinity. Fauna such as Orangutan (*Pongo pygmaeus*), Asian elephant (*Elephas maximus*),

Banteng (*Bos javanicus*), Malayan sun bear (*Helarctos malayanus*), helmeted hornbill (*Rhinoplax vigil*), bay cat (*Catopuma badia*), flat headed cat (*Prionailurus planiceps*). Bornean gibbon (*Hylobates muelleri*), oriental small-clawed otter (*Aonyx cinerea*), bearded pig (*Sus barbatus*), Sambar deer (*Rusa unicolor*), and clouded leopard (*Neofelis diardi*) were recorded during the assessment for the EIA report. In addition, electric fences were observed in Lokan Estate and Labau Estate at west and center northeast of Project site respectively due to presence of the Asian elephant (*Elephas maximus*) roaming in between the Project site i.e. Lokan Estate and the forest reserves within Project close vicinity. List of protected fauna recorded and conservation status in the HCV Assessment Report based on Table 4.4, EIA.

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

About 90% or major northern portion of the Project site lies within the upper area of the Kinabatangan catchment, which is the sub-catchment involving Sg. Kuamut. The runoff is channeled by the existing internal drains within the estates, received by tributaries of Sg. Kuamut and Sg. Imbak that flows across Project site, with the width of the waterbodies vary between approximately 1–5 m.

Runoff within the site that contributes to the Kinabatangan catchment is generated from two (2) minority catchment areas, which are the eastern half of the site and northwestern portion of the site. Surface runoff within Project eastern half shall be collected by tributaries of Sg. Imbak and into the river itself which generally flows northerly from Project southeastern boundary where Imbak Estate is situated. The river crosses through Gunung Rara Estate and exits at Labau Estate boundary before merging into Sg. Kuamut at 5.38 km northeast of the Project site. While surface runoff within the northwestern portion generally consisting of the Lokan Estate is received by tributaries of Sg. Kuamut that exits the Project northwestern boundary at three (3) positions, the tributaries flow northerly and ultimately merge with main river Sg. Kuamut at 5.10–6.37 km north of Project site. Regionally, Sg. Kuamut flows northeasterly and connects to Sg. Malubuk, Sg. Lokan and Sg. Kinabatangan at further northeast before reaching the Sulu Sea at 150.54 km northeast of Project site.

Whereas the remaining area at the southwestern portion is within Kalabakan catchment that contributes to the Sg. Kalabakan river system in the southern region. Runoff from the said portion or Maliau Estate shall flow southerly into Sg. Tiagau which merges with Sg. Kalabakan at 28.75 km south of Project site before eventually flowing into Cowie Bay further south of Project site. Refer Figure 4.2 for the surface runoff flow and regional river system respectively.

Social Context:

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

The SIA was conducted and prepared by Kiwiheng Environmental Consultants Sdn. Bhd. in 2017. Based on the SIA, the houses of Kg. Mukandot are concentrated along the road right after the entrance gate of Great Sight Sdn. Bhd. The village is located within the Kalabakan Commercial Forest Reserve (Class II) and yet to be gazetted as a village. Formerly, settlers of Kg. Mukandot were workers of Luasong Forestry centre; nonetheless, currently most of them are self employed, mostly linked to agriculture.

Although Kg. Mukandot is not yet recognized or registered as a village but it does have a Ketua Kampung and JKKK. Due to its uncertain status, Kg. Mukandot do not have much infrastructure or amenities provided by the government that include water and electricity supplies.

Identified communities that are dependent on the FMU:

None.

Land claims, disputes & communication system:

None.

Community Forestry Projects:

None.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) with the Tree Plantation and Forest Management Agreement No. JP(TKA)122/96(CO) for FMU 23 and FMU 24 (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 Benta Wawasan Sdn. Bhd. (Serijaya Industri 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: 09-13 Mar 2026 / FMU 23 (partly): Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd. / Kalabakan District

Date	Activity	GFS Staff	Mandays
09 March 2026 Monday	Travel to Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) Overnight at Serijaya Industri basecamp.	Teddy Quintin Ennald Chin Soliano Andrew	3
10 March 2026 Tuesday	Opening meeting at Serijaya Industri basecamp office. Field assessment to Serijaya Industri operation areas (Laran planting, maintenance, encroachment), licensed boundary, protected area (riparian reserve, steep area). Document review. Overnight at Serijaya Industri basecamp.	Teddy Quintin Ennald Chin Soliano Andrew	3
11 March 2026 Wednesday	Field assessment to PSP plots, workers quarters, workshop, schedule waste, landfill, diesel depot. Document review. Overnight at Serijaya Industri basecamp.	Teddy Quintin Ennald Chin Soliano Andrew	3
12 March 2026 Thursday	Document review and compiling report. Overnight at Serijaya Industri basecamp.	Teddy Quintin Ennald Chin Soliano Andrew	3
13 March 2026 Friday	Closing meeting at PPD Kalabakan. Travel back to home base.	Teddy Quintin Ennald Chin Soliano Andrew	3
14 - 15 March 2026	Reporting/Administration: GFSSBH 003-393	Dr. Kevin Grace Teddy Quintin	2
Total			17

Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 4; Observations = 0)

Benta Wawasan (Serijaya Industri Sdn. Bhd.). has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 09-13 March 2026.

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

Principle 1. Right to Harvest

Serijaya Industri has demonstrated compliance with the license requirements, management planning, and submission of documents and reports, such as the EIA monitoring report to the relevant authorities.

March 2025: Observation 001-2025 – Checklist 1.2.1

EIA has yet to be updated for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection.

March 2026: Observation 001-2025 (Addressed)

The planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection was included in the reassessment EIA report.

March 2025: Observation 002-2025 – Checklist 1.3.1, 1.4.1

Highlights of Assessment

The 1st Revision ADP is pending approval from the SFD.

March 2026: Observation 002-2025 (Addressed)

The 1st Revision ADP was approved by the CCF in Mar 2025.

March 2026: Gap 001/2026 (minor) – Checklist 1.3.2.13

The 2nd Forest Fire Management Plan has not been finalized and has not been submitted to the SFD.

March 2026: Gap 002/2026 (minor) – Checklist 1.6.4, 1.6.5, 1.6.6, 11.7.2, 1.7.4

CPPs were not developed and submitted to SFD for each estate planted with Laran.

Principle 2. Forest Operations

Serijaya Industri has demonstrated compliance with regulations concerning workers' safety and health, the security of the licensed area, the maintenance of license boundaries, and the protection of designated protected areas.

March 2025: Observation 003-2025 – Checklist 2.4.2

The JTK requires more quotas for foreign workers and 2 workers were not registered under COI.

March 2026: Gap 003/2026 (Raised to minor) – Checklist 2.4.1, 2.4.2

The JTK quota to hire foreign workers exceeded the quota. 2 workers have an expired work permit and 4 workers have expired COI.

Principle 3. Statutory Charges

Serijaya Industri has demonstrated compliance with the statutory charges' principle. Fresh Fruit Bunch (FFB) royalty is paid and maintained.

March 2025: Gap 002/2025 (minor) – Checklist 3.1.1

2 Occupational Permits were expired.

March 2026: Gap 002/2025 (minor) – Outstanding

Occupational Permits were expired.

Principle 4. Other User Rights

The SIA was conducted and prepared by Kiwiheng Environmental Consultants Sdn. Bhd. in 2017. Based on SIA, the nearest village outside of the project site is Kg. Mukandot, located approximately 10.5 km south from the boundary of the project site and 15.2 km travelling distance by road from Imbak's main gate. Kg. Mukandot, located inside the Kalabakan Commercial Forest Reserve (Class II) is yet to be gazetted as a village.

Summary Results:

(Major gap = 0, Minor gap = 4, Observation = 0)

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

GAP	Type	Checklist	Status	Description
002/2025	minor	3.1.1	Outstanding	March 2025: 2 Occupational Permits were expired. March 2026: Occupational Permits were expired.
001/2026	minor	1.3.2.13	New	March 2026: The 2 nd Forest Fire Management Plan has not been finalized and submitted to the SFD.
002/2026	minor	1.6.4, 1.6.5, 1.6.6, 1.7.2, 1.7.4	New	March 2026: CPPs were not developed and submitted to SFD for each estate planted with Laran.
003/2026	Obs	2.4.1, 2.4.2	Raised to minor	March 2026: The JTK quota to hire foreign workers exceeded the quota. 2 workers have an expired work permit and 4 workers have expired COI.

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

Obs #	Checklist	Description
001-2025 Addressed	1.2.1	March 2025: EIA has yet to be updated for the planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection. March 2026: The planned development of Laran plantations in relation to change in land use, forest conversion and areas identified for protection was included in the reassessment EIA report.
002-2025 Addressed	1.3.1, 1.4.1	March 2025: The 1st Revision ADP is pending approval from the SFD. March 2026: The 1st Revision ADP was approved by the CCF in Mar 2025.

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

Recommendations
Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.) demonstrated compliance with the Sabah TLAS 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: Gap 002/2025 (minor) Outstanding – Checklist 3.1.1: Serijaya Industri shall ensure that all Occupational Permits are valid. Gap 001/2026 (minor) – Checklist 1.3.2.13: Serijaya Industri shall finalize and submit the 2nd Forest Fire Management Plan to the SFD for approval. Gap 002/2026 (minor) – Checklist 1.6.4, 1.6.5, 1.6.6, 1.7.2, 1.7.4: Serijaya Industri shall develop CPP for each estate defining Laran plantation areas and conservation areas. Gap 003/2026 (minor) – Checklist 2.4.2: Serijaya Industri shall ensure hiring of foreign workers do not exceed the JTK quota, work permit for foreign workers is valid and COI is valid. The next annual surveillance audit will be scheduled for March 2027.

End of Summary Report