

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Aspirasi Kristal (M) Sdn. Bhd. (276839-M)	<b>Reference #</b>	GFSSBH 003-182
<b>Contact Person</b>	Jielion Mokuntil (Estate Manager)	<b>Date of Report</b>	17/02/2023
<b>Office Address</b>	Lot 73, 1st Floor, Prima Square, Phase 1, Batu 4, Jalan Utara, 90000 Sandakan, Sabah, Malaysia.	<b>Date of close out</b>	-
		<b>Telephone</b>	+6089 210 086
<b>Email</b>	kristal1.bonggaya@gmail.com	<b>Fax</b>	+6089 464 686
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	GFS 067 LVS		
Issuance Date	20 February 2023	Expiration Date	19 February 2024

### Assessment Details

Assessment Dates	13 – 17 February 2023
Scope of Assessment	Sabah TLAS P1 - 4: Agro-Forestry Management License Agreement JP(SBN)01/2011(CO)
Species	Salvage logging: <i>Not applicable</i> Planted species: Oil Palm
Lead Assessor	Varenius Untomon
Assessor(s)	Priera Bagang, Asraf Mahmud, Ivy Justin
SFD Staff	Jurimin Ebin (PPW Sandakan), Jafin Abu Bakar (SFM Division HQ), Ag. Mohd Adzrul (DFO Beluran), Abu Bakar Bin Usin (SFM Beluran), Ahmad Jimadi (KPPM Bonggaya Timur), Muhammad Zulsyazwan (FIT Beluran)

### 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:

- Aspirasi Kristal (M) Sdn. Bhd. [Aspirasi Kristal (M)] was granted an area of approximately 5,033 ha in Bonggaya Forest Reserve by the State Government of Sabah under the Agro-Forestry Management Licence Agreement JP(SBN)01/2011(CO) for 60 years commencing from 27/01/2011 to 31/12/2071.
- The licensed area is located partly in Bonggaya Forest Reserve, FMU 18. Aspirasi Kristal (M) is permitted to plant, establish, harvest forest products and agroforestry crops under the principles of sustainable environmental management and conservation for economic, environmental and social purposes.
- The clearing for site preparation at Phase 5 stopped in 2020 due to NGO complaints about land conversion. Aspirasi Kristal (M) is in the process of rectifying the issue.
- The previous assessment was conducted in February 2022 that resulted in 1 gap(s) and 2 observation(s) (Report #: GFSSBH 003-112).

### Current Operations:

- As of the assessment, there was no new logging area/clearing site inside the licensed area. Aspirasi Kristal (M) has temporarily stopped the site preparation due to the NGO's complaint about land-use conversion.
- Land use classification:

Land classification	FMP Area (ha)	Current Status (ha)
Total Concession Area	5,033.09	5,033.09
Agroforestry (Oil Palm)	4,176.18	Total logged area (as of Dec 22): <b>4,107.1ha</b> Total tree volume harvested, m <sup>3</sup> : <b>9,525.11</b> Unplanted area: <b>605.35 ha</b> Total planted area: <b>2,944.82 ha</b>
Conservation (Riparian reserve, freshwater swamp, and mangrove forest)	856.91	856.91

### Environmental Context:

- The project site was initially covered by five forest types; Lowland Mixed Dipterocarp Forest, Heath Forest, Seasonal Freshwater Swamp Forest, Lowland Kerangas Forest and Mangrove Forest.
- Repeated logging activities have severely disturbed nearly all the natural vegetation within the licensed area.
- Several rivers were identified within the project site, namely Sg. Bonggaya, Sg. Makopaku, Sg. Klagan and its tributaries.
- The wildlife population was declining from its original levels due to changes in vegetation types.
- At least 15 mammals have been detected, including the pig-tailed macaque, borneon gibbon, wild boar, sambar deer and bats. Various types of birds also can be founded. Crocodiles are commonly sighted in Makopako and Tungud Rivers.
- The EIA study was approved by the EPD on 29/01/2013 (Ref.#: JPAS/PP/02/6 00-1/11/1/158).

### Social Context:

- Based on the EIA and ADP, no community is settled inside the licensed area. The nearest village was located 5 KM from the licensed area, which is Kg. Biangkang. There is no evidence that the forestry operation directly affects the villager.

### Scope of Assessment

- The scope of the evaluation is to verify compliance of **Aspirasi Kristal (M) Sdn. Bhd.** with the Agro-Forestry Management Licence Agreement No. **JP(SBN)01/2011(CO)** for **FMU 18 (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 **Aspirasi Kristal (M) Sdn. Bhd.** 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 18 (partly) / Aspirasi Kristal (M) Sdn. Bhd. & Iburu Timber Enterprise Close out / Beluran District 13 – 17 February 2023 (Total Mandays = 23)**

Date	Activity	GFS Staff	Mandays
13 February 2023 Monday	Travel to Beluran. Opening meeting at PPD Beluran.	Varenus Untomon, Priera Bagang, Asraf Mahmud, Ivy Justin	4
14 February 2023 Tuesday	Field visit: Licensed boundary, riparian reserved, workshop, worker's quarters, office camp, generator house, fertiliser store, water pump treatment, FFB harvesting area.	Varenus Untomon, Priera Bagang, Asraf Mahmud, Ivy Justin	4
15 February 2023 Wednesday	Document review at PPD Beluran.	Varenus Untomon, Priera Bagang, Asraf Mahmud, Ivy Justin	4
16 February 2023 Thursday	Finalize Report. Closing meeting at PPD Beluran. Travel to Kota Kinabalu.	Varenus Untomon, Priera Bagang, Asraf Mahmud, Ivy Justin	4
17 February 2023 Friday	Close-out for Iburu Timber Enterprise (document submission only).	Varenus Untomon, Priera Bagang, Asraf Mahmud, Ivy Justin	4
18-19 February 2023	Reporting GFSSBH 003-182 Reporting GFSSBH 003-169a	Dr Kevin Grace, Varenus Untomon	3
<b>Total</b>			<b>23</b>

### Highlights of Assessment

**(Major Gaps = 0; Minor Gaps = 2; Observations = 1)**

**Aspirasi Kristal (M) Sdn. Bhd.** has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 13 – 17 February 2023.

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

**Principle 1.**

Aspirasi Kristal (M) demonstrated compliance with the license requirement. Agro-Forestry Management License Agreement was issued by the SFD and is valid for 60 years. Aspirasi Kristal (M) is permitted to conduct forestry activities based on the Coupe Permits requirements.

The EIA study was also developed for the area that outlined sensitive areas designated for protection and environmental mitigation measures that were subsequently approved by the EPD on 29/01/2013 (Ref.#: JPAS/PP/02/6 00-1/11/1/158). No evidence of encroachment to the protected areas during the assessment.

**February 2022: Gap 001/2022 (Minor) - Checklist 1.3.1, 1.6.1**

The new ADP draft was not available during the assessment.

**February 2023: Gap 001/2022 (Minor) – Closed**

The 2<sup>nd</sup> ADP (2022 – 2031) was available and approved by the Chief Conservator of Forest on 07/06/2022.

**February 2022: Observation 001-2022 - Checklist 1.2.3**

### Highlights of Assessment

Labelling of scheduled waste material is inadequate.

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

The scheduled waste is labelled accordingly.

**February 2023: Gap 001/2023 (Minor) – Checklist 1.8.1**

The 2<sup>nd</sup> ADP lacks defining of forest condition or inventory data concerning the undeveloped coupe area (Phase 5) of 246.23 ha for establishing an oil palm plantation.

**Principle 2.**

As of the assessment, there was no new logging area/clearing site inside the licensed area. Aspirasi Kristal (M) has temporarily stopped the site preparation due to the NGO's complaint about land-use conversion.

Transit Passes for transporting FFB to the oil palm mill were available during the assessment.

Workers are legally employed and SOCSO contributions are up to date. Aspirasi Kristal (M) conducted safety and fire control training for forest workers.

**February 2022: Observation 002-2022 - Checklist 2.3.7**

The Forest Fire Management Plan was submitted on 01/09/2020 that is pending approval by the SFD.

**February 2023: Observation 002-2022 – Outstanding**

Aspirasi Kristal (M) submitted a revised Forest Fire Management Plan on 09/08/2022 that is pending approval from the Chief Conservator of Forest.

**Principle 3.**

Aspirasi Kristal (M) paid all applicable charges to the SFD as required.

**February 2023: Gap 002/2023 (Minor) – Checklist 3.1.1**

The lorry transporting fertilizer is not registered with FD and the contractors' workers are not registered under COI as required by the SFD.

**Principle 4.**

Based on the EIA and ADP, the nearest village, Kg. Biangkang is located 5 KM from the licensed area. There is no evidence that the village is directly affected by the plantation activities.

### Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 1)

Gap raised against indicators & criteria during the February, 2023 assessment.

GAP	Type	Checklist	Status	Description
001/2022	Minor	1.3.1 1.6.1	Closed	<b>February 2022:</b> The new ADP draft was not available during the assessment. <b>February 2023:</b> The 2 <sup>nd</sup> ADP (2022 – 2031) was available and approved by the Chief Conservator of Forest on 07/06/2022.
001/2023	Minor	1.8.1	New	<b>February 2023:</b> The 2 <sup>nd</sup> ADP lacks defining of the forest condition or inventory data concerning the undeveloped coupe area (Phase 5) of 246.23 ha for establishing an oil palm plantation.
002/2023	Minor	3.1.1	New	<b>February 2023:</b> The lorry transporting fertilizer is not registered with FD and the contractors' workers are not registered under COI as required by the SFD.

Observation raised against indicators & criteria during the February, 2023 assessment.

Obs #	Checklist	Description
001-2022 Addressed	1.2.3	<b>February 2022:</b> Labelling of scheduled waste material is inadequate. <b>February 2023:</b> The scheduled waste is labelled accordingly.
002-2022 Outstanding	2.3.7	<b>February 2022:</b> The Forest Fire Management Plan was submitted on 01/09/2020 that is pending approval by the SFD. <b>February 2023:</b> Aspirasi Kristal (M) submitted a revised Forest Fire Management Plan on 09/08/2022 that is pending approval from the Chief Conservator of Forest.

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

Recommendations
<p><b>Aspirasi Kristal (M) Sdn. Bhd.</b> demonstrated compliance with the Sabah Legality Standard (<b>SFD-TLAS-002</b>) 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.</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 001/2023 (Minor) - Checklist 1.8.1:</b> Aspirasi Kristal (M) shall include the inventory data inside the 2<sup>nd</sup> ADP to define forest condition based on the SFD forest stratification standards and compliance with the SFMLA condition.</p> <p><b>Gap 002/2023 (Minor) - Checklist 3.1.1:</b> Aspirasi Kristal (M) shall register workers under COI and shall register heavy machinery under SFD.</p> <p><b>Observation 002-2022 - Checklist 2.3.7:</b> Aspirasi Kristal (M) shall follow up on the status of approval of the Forest Fire Management status.</p> <p>The next annual surveillance audit will be scheduled for <b>February 2024</b>.</p>

**End of Summary Report**