

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Benta Wawasan Sdn. Bhd. 199601005068 (377414-H) Contractor: Golden Borneo Palm Sdn. Bhd. 201501008382 (1133717-V)	<b>Reference #</b>	GFSSBH 003-238
<b>Contact Person</b>	Irmayanti Sabaruddin (Golden Borneo Palm)	<b>Date of Report</b>	19/01/2024
<b>Office Address</b>	<u>Licensee:</u> 2 <sup>nd</sup> Floor, TB14943 & TB14944, Peti Surat 60793, Jalan Abaca, 91000 Tawau, Sabah, Malaysia. <u>Contractor:</u> TB 8283, Lot 20C, Perdana Square Commercial Centre, Mile 3 1/2, Apas Road, 91000 Tawau, Sabah, Malaysia.	<b>Date of close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	GFS 055 LVS		
Issuance Date	22 January 2024	Expiration Date	21 January 2025

### Assessment Details

Assessment Dates	15 – 19 January 2024
Scope of Assessment	Sabah TLAS P1-4: Tree Plantation and Forestry Management Agreement [JP(TKA)122/96(CO)]
Species	Planted species: Oil Palm ( <i>Elaeis guineensis</i> ), <i>Khaya ivorenses</i> (Mahogany), <i>Paraserianthes falcataria</i> (Batai), <i>Neolamarkia cadamba</i> (Laran), <i>Terminalia copelandii</i> (Talisai), Rosewood Salvage logging: <i>Parashorea spp.</i> (White Seraya), <i>Shorea spp.</i> (Red Seraya, Yellow Seraya, Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Pentace spp.</i> (Takalis), <i>Dipterocarpus spp.</i> (Keruing), <i>Sapotaceae spp.</i> (Nyatoh), <i>Dryobalanops spp.</i> (Kapur), Lauraceae (Medang), <i>Cotylelobium spp.</i> (Resak batu), Other timber (OT)
Lead Assessor	Glory Linggou
Assessor(s)	Sandra George, Tommy Olui
SFD Staff	Mohd Arapa (PPW Tawau), David Shagun (SFD Kalabakan), Jushandy Jopri (SFD 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:

- Benta Wawasan Sdn. Bhd. (Benta Wawasan) is the licensee of the concession, based on the Tree Plantation and Forestry Management Agreement JP(TKA)122/96(CO). Benta Wawasan assigned Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) to manage an area of 26,764 ha located in the Kalabakan and Gunung Rara Forest Reserve (FMU 26).
- Rakyat Berjaya appointed Golden Borneo Palm Sdn. Bhd. (Golden Borneo Palm) to develop and manage the licensed area as an oil palm plantation.
- Rakyat Berjaya also appointed Timjadi Sdn. Bhd. (Timjadi) to carry out timber sale and log extraction to clear the land for oil palm plantation.
- Golden Borneo Palm engaged Bakat Saga Sdn. Bhd. and Usahawan Borneo Greenwood Sdn. Bhd. to provide manpower to Golden Borneo Palm.
- List of Coupe permits issued for Golden Borneo Palm:  
Oil palm plantation development coupe.

Coupe Permit #	Block	Expiry	Area (ha)
TWU.10/17	BW.9/99	01/11/2092	5,178.65
TWU.05/16	BW.11/02	02/01/2092	2,089.48
TWU.01/2020	BW11/01	16/01/2095	2,106.61
TWU.02/2020	BW9/01	08/03/2095	2,634.13
TWU.04/12	BW.9/00	16/04/2042	2,118.58
TWU.03/2020	BW11/00	08/03/2095	2,058.72
TWU.03/2022	BW09/03(A)	23/04/2096	1,125.10
TWU.06/2023	BW09/03(B)	23/04/2096	1,309.57

### ITP Coupe.

Coupe Permit #	Block	Expiry	Area (ha)
TWU.06/15		05/01/2091	256.00

### Salvage logging coupe.

Coupe permit	Block	Expiry	Area (ha)
TWU.02/2022	BW9/02	12/04/2027	4,175.74
TWU 06/2020	BW09/03	*	*
TWU.05/2021	BW9/00	07/04/2026	3,876.56

\*Salvage logging has been completed, and the Coupe permit has been closed.

- The previous assessment was conducted in September 2023 that resulted in 10 gap(s) and 0 observation(s) (Report #: GFSSBH003-219a).

### Current Operations:

- Timjadi is currently conducting salvage logging to prepare the land for oil palm plantation development, and the ongoing salvage logging operation is in Coupe TWU.05/2021, Block BW9/00.
- As of the assessment, the total logged area for Coupe TWU.05/2021 Block BW9/00 is 1,400.69 ha (18,153 logs, 23,620.40m<sup>3</sup>).
- Summary of planting:

Estate	Coupe	Block	Species	Planted
Merbok	TWU.05/16	BW.11/02	Oil palm	1,979.77
Rajawali	TWU.10/17	BW.9/99	Oil palm	2,174.02
Cenderawasih	TWU 04/12	BW09/00	Oil palm	308.90
Nuri	TWU 04/12	BW09/00	Oil palm	82.90
Merpati	TWU.02/2020	BW9/01	Oil palm	2,285.23
Kenari	TWU.01/2020	BW11/01	Oil palm	2,092.91
Kenyalang 1	TWU.03/2020	BW11/00	Oil palm	1,970.76
Kenyalang 2				87.96
Walit	TWU.02/2020	BW9/01	Oil palm	1,078.46

Helang	TWU.10/17	BW.9/99	Oil palm	1,423.70
<b>Sub-total</b>				<b>13,484.61</b>
ITP Area	TWU.06/15		Batai, Talisai, Mahogany, Laran	132.83
<b>Grand total</b>				<b>13,633.89</b>

- Land use classification:

Land classification	ADP Area (ha)	Current Status (ha)
Total Concession Area	26,794	26,794
Conservation Area <sup>1</sup> - Buffer zone & steep slopes	6,198.72	6,198.72
Oil Palm Development Area <sup>2</sup>	20,446.00	Area Planted: 13,868.58
Industrial Tree Plantation <sup>3</sup>	149.28	Area planted: 132.83 Batai: 107.10 Talisai: 12.90 Khaya: 9.57 Mahogany: 3.13 Rosewood: 0.12
Infrastructure (Roads, Nursery, Building, etc.)	-	1,407.15

Note<sup>1</sup> **Conservation Area**: = 6,198.72 ha

- Kalabakan, Tiagau and Anjeranjermut Rivers = 100m on each side of the river
- Other rivers = 30m on each side of the river
- Road buffer (to be kept under natural forest)
- Kalabakan – Sapulut highway = 30m on each side of the road
- Buffer with Protection Forest Reserve – Class I (i.e., Sg. Sumagas Forest Reserve, Sg. Tiagau Forest Reserve, Sg. Anjeranjermu Forest Reserve and Silimponon Forest Reserve – to be kept under natural forest = 100m
- Parcel “A” (wildlife corridor) = 307.64 ha
- Steep areas = 3,606.46 ha (EIA Report, 2016)

Note<sup>2</sup>: Actual net area for plantation development estimated.

Note<sup>3</sup>: Planting of fast-growing species along the Kalabakan – Sapulut main road = 60m on each side of the main road except where the main road falls within the riparian buffer.

## Environmental Context:

- Elevation 40 m to 1,219 m above sea level. The dominant soil associations found within the project site is Maliau, which covers approx. 70% of the area. Site topography:
  - $\geq 20^{\circ}$  = 67% or approx. 18,000 ha
  - $21^{\circ} - 25^{\circ}$  = 8% or approx. 2,219 ha
  - $\geq 25^{\circ}$  (including road/river buffers) = 25% or approx. 6,674 ha
- The major river within the licensed area is Sg. Kalabakan, which drains into the Cowie Bay.
- 4 tributaries within the licensed area flow into Sg. Kalabakan. The 4 tributaries are Sg. Anjeranjermut, Sg. Kanakanak, Sg. Tiagau and Sg. Sumagas.
- Original vegetation was Lowland Dipterocarp Forest up to 300 m asl and Hill Dipterocarp Forest between 300 m and 750 m asl.
- The most common wildlife sighted prior to conversion was, orang-utan (*Pongo pygmaeus*), Bornean pygmy elephant (*Elephas maximus borneensis*), Long-tailed macaque (*Macaca fascicularis*), Bornean gibbon (*Hylobates mulleri*), Giant squirrel (*Ratufa affinis*), Plantain squirrel (*Callosciurus notatus*), Slender squirrel (*Sundascu temuis*), Wild boar (*Sus barbatus*), Sambar deer (*Cervus unicolor*), Red muntjak (*Muntiacus muntjak*), Mouse deer (*Traganus sp.*), Sun Bear (*Helarctos malayanus*), Civet (*Viverra zibethica*), Clouded leopard (*Neofelis nebulosa*), Marble cat (*Felis marmorata*), Short nose fruit bat (*Cynopterus brachotis*) and Long tongued nectar bat (*Macroglossus minimus*).
- The EIA report for a proposed development of oil palm on 25,753 ha titled “Proposed Oil Palm Plantation (OPP) Development at Benta Wawasan IIC, by Ratus Awansari Sdn. Bhd., Yayasan

Sabah Forest Management Area, Kalabakan and Gunung Rara Forest Reserves, Tawau District Sabah” was conducted by an appointed environmental consultant firm, Envsolve Sdn. Bhd. and submitted to the Environmental Protection Department in 2011. Supplementary revisions for the protection of over 6,100 ha were added to the EIA report by Kiwiheng Environmental Consultants Sdn. Bhd. and submitted to the Environmental Protection Department in March and April 2016.

- Subsequently, a re-assessment of EIA was conducted and approved by the Environmental Protection Department on 25/05/2016 (Ref.#: JPAS/PP/21/600-1/01/1/286 Klt.2) which covered the entire Golden Borneo Palm’s area.

**Social Context:**

- No communities live within the licensed area, and local communities have no claims on lands within the licensed area.

<b>Scope of Assessment</b>	
<ul style="list-style-type: none"> <li>• The scope of the evaluation is to verify compliance of <b>Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)</b> with the JP(TKA)122/96 (CO) for FMU 26 (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 (<b>SFD-TLAS-002</b>).</li> <li>• Site evaluation to verify and report the level of compliance by <b>Benta Wawasan Sdn. Bhd.</b> and <b>Golden Borneo Palm Sdn. Bhd.</b> 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 26 (Partly) / Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) / Kalabakan District / 15 - 19 January 2024 (Total Mandays = 17)**

<b>Date</b>	<b>Activity</b>	<b>GFS Staff</b>	<b>Mandays</b>
15 January 2024 Monday	Travelling to Kalabakan and overnight.	Glory Linggou Sandra George Tommy Olui	3
16 January 2024 Tuesday	Opening meeting at Kenyalang Estate office. Field visit to Oil Palm Plantation area, FFB ramps, Nursery, Diesel Depot, Genset Room, Lubricant Store, Workshop, Dwelling areas, Scheduled Wastes Store and PSP ITP area. Document review and compiling report.	Glory Linggou Sandra George Tommy Olui	3
17 January 2024 Wednesday	Field visit to protected area, steep area, riparian reserve, buffer zone and log yard. Document review and compiling report.	Glory Linggou Sandra George Tommy Olui	3
18 January 2024 Thursday	Document review and compiling report.	Glory Linggou Sandra George Tommy Olui	3
19 January 2024 Friday	Closing meeting at PPD Tawau. Travel to home base.	Glory Linggou Sandra George Tommy Olui	3
20 – 21 January 2024	Reporting GFSSBH 003-238	Dr. Kevin Grace Glory Linggou	2
<b>Total</b>			<b>17</b>

### Highlights of Assessment

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

**Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)** has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 15 – 19 January 2024.

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

**Principle 1.**

Benta Wawasan signed a Tree Plantation and Forestry Management Agreement JP(TKA)122/96(CO) to develop plantations. Benta Wawasan assigned Rakyat Berjaya, which subcontracted Golden Borneo Palm to develop and manage an area of 26,764 ha located in Kalabakan and Gunung Rara Forest Reserve.

The SFD issued a separate coupe for Oil palm plantation and land preparation (salvage logging). Firstly, a salvage logging coupe permit will be issued on the area, allowing salvage logging to be conducted and subsequently, another coupe permit will be issued for the oil palm plantation after the completion of salvage logging. A closing coupe inspection is carried out after the salvage logging activity is completed.

**January 2024: Gap 001/2024 (minor) – Checklist 1.2.1**

A copy of the approved EIA (2016) was not available to support operational compliance with EIA requirements.

The Environment Protection Department (EPD) has noted that the distance from the riparian reserve to the water pump in BW.9/99 is 45 meters and instructed Golden Borneo Palm to implement control measures and always protect the riparian reserve. Which is based on a 30 m buffer zone to protect the stream.

**Principle 2.**

Demarcation of areas prohibited from harvesting, such as steep slopes, riparian reserves and buffer zones, were identifiable on the ground. No evidence of a disturbance was observed during the field assessment.

**January 2024: Gap 002/2024 (minor) – Checklist 2.2.7**

Incorrect stamping of “Sabah TLAS CC” on the removal pass for Golden Borneo Palm.

**Principle 3.**

Records of fees and royalty payments were maintained.

**Principle 4.**

No communities live within the licensed area, and local communities have no claims on lands within the licensed area.

**Summary Results:**

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

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

GAP	Type	Checklist	Status	Description
001/2024	minor	1.2.1	New	<b>January 2024:</b> A copy of the approved EIA (2016) was not available to support operational compliance with EIA requirements.
002/2024	minor	2.2.7	New	<b>January 2024:</b> Incorrect stamping of "Sabah TLAS CC" on the removal pass for Golden Borneo Palm.

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

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p><b>Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.)</b> has demonstrated compliance with the Sabah Legality Standard (<b>SFD-TLAS-002</b>) as no non-compliance was identified thus is recommended to receive a GFS Statement of Compliance or a Sabah TLAS Compliance Certificate 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 001/2024 (minor) – Checklist 1.2.1:</b> Golden Borneo Palm shall maintain the EIA to support operational compliance.</p> <p><b>Gap 002/2024 (minor) – Checklist 2.2.7:</b> SFD shall not stamp "Sabah TLAS CC" on the removal pass for Golden Borneo Palm since they're non-compliant under the Sabah TLAS assessment.</p> <p>The next annual surveillance audit will be scheduled for January 2025.</p>

**End of Summary Report**