

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Benta Wawasan Sdn. Bhd. 199601005068 (377414-H) Contractor: Golden Borneo Palm Sdn. Bhd. 201501008382 (1133717-V)	Reference #	GFSSBH 003-341
Contact Person	Irmayanti Sabaruddin (Golden Borneo Palm)	Date of Report	11/04/2025
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance				GFS 055 LVS			
Issuance Date		14 April 2025		Expiration Date		13 April 2026	

Assessment Details

Assessment Dates	07 - 11 April 2025
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 falcata</i> (Batai), <i>Neolamarkia cadamba</i> (Laran), <i>Terminalia copelandii</i> (Talisai) Salvage logging: <i>Octomeles sumatrana</i> (Binuang), <i>Parashorea</i> spp. (White Seraya), <i>Shorea</i> spp. (Red Seraya, Yellow Seraya, Oba suluk), <i>Lithocarpus</i> & <i>Quercus</i> (Mempening), <i>Koompassia malaccensis</i> (Impas), <i>Pentace</i> spp. (Takalis), <i>Dipterocarpus</i> spp. (Keruing), <i>Dryobalanops</i> spp. (Kapur), <i>Lauraceae</i> (Medang), <i>Cotylelobium</i> spp. (Resak batu), Other timber (OT)
Lead Assessor	Glory Linggou, Brandon James, Keith Sinter (Acting Lead)
Assessor(s)	Teddy Quintin, Merlyne Gerard
SFD Staff	Varenus V Untomon (ADFO Kalabakan), Mohd. Azuan Dourin (PPD Kalabakan), Judon B. Lamiting (PPD Kalabakan), Jushandy Jopri (PPD Kalabakan), Dairi Ramlee (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:

Benta Wawasan Sdn. Bhd. (Benta Wawasan), a wholly owned subsidiary of Innoprise Corporation Sdn. Bhd. (Innoprise Corporation) was incorporated in 1996. It has entered a "Tree Plantation and Forest Management Agreement" (TPFMA) with the Chief Minister of Sabah on 24/04/1996 and a Supplement Agreement on 15/02/1999. The total area under the said License Agreement – JP(TKAS)122/96(CO) as of 1999 was about 106,310 ha¹. Pursuant to a Tree Plantation and Forest Management (Supplemental) Agreement dated 15/02/1999 made between Benta Wawasan and the Chief Minister of the State of Sabah, an area of land (the Licensed Area) measuring 306,310 hectares² more or less, has been licensed to Benta Wawasan.

¹ Derived from ADP (2016-2025), Page 1.

² Based on Agreement for Oil Palm Plantation Development stamped duty on 18/10/2016.

It is generally accepted that Benta Wawasan has the main responsibility for financing and implementing the agroforestry project. However, under such circumstances, finances are limited and therefore, external funding or other private capital must complement it. Consequently, the Joint Venture Agroforestry Project between Benta Wawasan and Ratus Awansari was signed, whereby the latter agreed to jointly develop all areas of 20° slopes and below into an oil palm plantation, while the rest of the project area is managed under natural forest management and conservation.

Pursuant to the Deed of Assignment dated 26/05/2015 made between Benta Wawasan and Rakyat Berjaya, whereby a portion of the Licensed Area with an area measuring approximately 26,794 hectares (the Project Land) was assigned to Rakyat Berjaya to develop an oil palm plantation in accordance with a development plan agreed or to be agreed by Rakyat Berjaya.

Log extraction (Clear felling) and timber sale agreement was made on 19/08/2015 between Rakyat Berjaya (the Company) and Timjadi Sdn. Bhd. (the Contractor). Whereas Pursuant to the Deed of Assignment dated 26/05/2015 made between Benta Wawasan and the Company, whereby an area of approximately 29,676 hectares situated at Kalabakan-Serudong was assigned to the Company (the Assigned Area).

Benta Wawasan entered into a Joint Venture with Golden Borneo Palm to jointly develop and manage the project area. The agreement for oil palm plantation development was made on 18/10/2016 between Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya) and Golden Borneo Palm Sdn. Bhd. (Golden Borneo Palm). Following this, Benta Wawasan requested the SFD to prepare the new ADP.

List of Coupe permits

Oil palm plantation development coupe (Contractor: Golden Borneo Palm)

Coupe Permit #	Block	Expiry Date	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	BW 11/01	16/01/2095	2,106.61
TWU.02/2020	BW 9/01	08/03/2095	2,634.13
TWU.04/12	BW.9/00	16/04/2042	2,118.58
TWU.03/2020	BW 11/00	08/03/2095	2,058.72
TWU.03/2022	BW 09/03(A)	23/04/2096	1,125.10
TWU.06/2023	BW 09/03(B)	23/04/2096	1,309.57

ITP Coupe

Coupe Permit #	Map #	Expiry Date	Area (ha)
TWU.06/15	JP.104/146	05/01/2091	256

Salvage logging coupe

Coupe permit	Block	Expiry	Area (ha)
TWU.02/2022	BW.9/02	12/04/2027	4,175.74
TWU.05/2021	BW.9/00	07/04/2026	3,876.56

Land use classification:

Land classification	ADP Area (ha)	Current Status (ha)
Total Concession Area	26,794.00	26,794.00
Production Area	20,595.28	20,595.28
Industrial Tree Plantation	149.28	Total Area planted: 149.28 ha Species planted: Batai, Talisai, Khaya, Laran
Oil Palm Development	20,446.00	Total Area oil palm planted: 13,529.03 ha
Conservation	6,198.72	6,198.72

Current Operations:

Based on the AWP 2025, Golden Borneo Palm is preparing land preparation for salvage logging and new oil palm plantation area.

New oil palm planting target area.

Block #	Area (ha)	Estate
BW 9/03	623.80	Kawasari
BW 9/00	1,147.73	Cenderawasih
Total	1,771.53	

Land clearing (Salvage logging):

Coupe #	Area (ha)
BW9/00	1270.16
BW9/02	320 ha

Production of FFB:

Block #	Area (ha)	Estate
BW11/00	1708.37	Kenyalang A
BW 11/01	1409.95	Kenari
BW11/02	1699.70	Merbok
BW9/01	778.98	Merpati
BW9/03	157.31	Walit
BW9/99	1289.93	Rajawali
BW 9/99	1091.97	Helang
BW9/00	308.90	Cenderawasih
BW9/99	405.10	Kenyalang B

Block #	Land Use	Status	Area (ha)	Geo-location data
BW 9/00 (TWU.05/2021)	Salvage logging	Sabah TLAS	3,876.56	NE: 842000 N, 500800 E SE: 843000 N, 491000 E SW: 838000 N, 494000 E NW: 838000 N, 501000 E

Environmental Context:

Based on the ADP, elevation is between 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:

- $\geq 20^0$ = 67% or approx. 18,000 ha
- $21^0 - 25^0$ = 8% or approx. 2,219 ha
- $\geq 25^0$ (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.

The original vegetation cover in the area is mainly tropical lowland evergreen rainforest, or Mixed Dipterocarp Forest (MDF), which extends from sea level to 750m. Mixed Dipterocarp Forest can be classified according to altitude, that is 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 (*Sundascus temuis*), Wild boar (*Sus barbatus*), Sambar deer (*Cervus unicolor*), Red muntjak (*Muntiacus muntjak*), Mouse deer (*Tragulus sp.*), Sun Bear (*Helarctos malayanus*), Civet (*Viverra zangalunga*), Clouded leopard (*Neofelis nebulosa*), Marble cat (*Felis marmorata*), Short nose fruit bat (*Cynopterus brachotis*) and Long tongued nectar bat (*Macroglossus minimus*).

Based on Golden Borneo Palm, EIA was conducted and approved by the Environmental Protection Department. However, the EIA (2016) was missing.

Social Context:

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

Scope of Assessment	
<ul style="list-style-type: none"> The scope of the evaluation is to verify compliance of Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) with the Tree Plantation and Forestry Management Agreement JP(TKA)122/96(CO) for FMU 26 (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. (Golden Borneo Palm 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: 07-11 April 2025 / FMU 26 (Partly): Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) / Kalabakan District

Date	Activity	GFS Staff	Mandays
07 April 2025 Monday	Travel to Benta Wawasan (Golden Borneo Palm Sdn. Bhd.) and overnight.	Glory Linggou, Brandon James, Teddy Quintin, Keith Sintar, Merlyne Gerard	5
08 April 2025 Tuesday	Opening meeting at Kenyalang Estate Office. Field assessment to BW9/00; licensed boundary, protected area (buffer zone, riparian reserves, steep area), oil palm plantation area, logging area, log yard, ITP and PSP. Document review.	Glory Linggou, Brandon James, Teddy Quintin, Keith Sintar, Merlyne Gerard	5
09 April 2025 Wednesday	Field assessment to base camp, workers' quarters, workshop and nursery. Document review.	Glory Linggou, Brandon James, Teddy Quintin, Keith Sintar, Merlyne Gerard	5
10 April 2025 Thursday	Document review.	Glory Linggou, Brandon James, Teddy Quintin, Keith Sintar, Merlyne Gerard	5
11 April 2025 Friday	Closing meeting at Kenyalang Estate Office. Travel back to home base.	Glory Linggou, Brandon James, Teddy Quintin, Keith Sintar, Merlyne Gerard	5
12–13 April 2025	Reporting/Administration: GFSSBH003-341	Dr. Kevin Grace Glory Linggou Brandon James	6
Total			31

Highlights of Assessment

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

Benta Wawasan Sdn. Bhd. (Golden Borneo Palm Sdn. Bhd.) has complied with the Sabah TLAS requirements (FDS TLAS -006) as no non-compliance was identified during the assessment on 07-11 April 2025.

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

Principle 1. Right to Harvest

Benta Wawasan Sdn. Bhd. (Benta Wawasan), a wholly owned subsidiary of Innoprise Corporation Sdn. Bhd. (Innoprise Corporation) was incorporated in 1996. It has entered a "Tree Plantation and Forest Management Agreement" (TPFMA) with the Chief Minister of Sabah on 24/04/1996 and a Supplement Agreement on 15/02/1999. Rakyat Berjaya was assigned to develop an oil palm plantation. Timjadi has a contractor agreement with Rakyat Berjaya for log extraction (clear felling) and timber sale agreement.

Based on the MR from Golden Borneo Palm, EIA was conducted and approved by the Environmental Protection Department. However, the EIA (2016) was missing. Thus, Golden Borneo Palm could not provide the EIA.

April 2025: Gap 001/2025 (minor) – Checklist 1.2.2

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

April 2025: Observation 001-2025 – Checklist 1.3.1, 1.3.3, 1.4.1

Golden Borneo Palm could not provide the approval letter for ADP (2016-2025) and ADP draft for 2026-2035 were not submitted to the SFD in Dec 2024.

Principle 2. Forest Operations

Golden Borneo Palm 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.

April 2025: Gap 002/2025 (minor) – Checklist 2.2.3, 2.2.7

Inconsistent in stamping of "Sabah TLAS CC" on the Removal Pass.

Principle 3. Statutory Charges

Golden Borneo Palm has demonstrated compliance with the statutory charges' principle. Fresh Fruit Bunch (FFB) and logs royalty is paid and maintained.

Principle 4. Other User Rights

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

Summary Results:

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

Gap raised against indicators & criteria during the April 2025 assessment.

GAP	Type	Checklist	Status	Description
001/2025	minor	1.2.2	New	April 2025: A copy of the approved EIA (2016) was not available to support operational compliance with EIA requirements.
002/2025	minor	2.2.3, 2.2.7	New	April 2025: Inconsistent in stamping of "Sabah TLAS CC" on the Removal Pass.

Observation raised against indicators & criteria during the April 2025 assessment.

Obs #	Checklist	Description
001-2025	1.3.1, 1.3.3, 1.4.1	April 2025: Golden Borneo Palm could not provide the approval letter for ADP (2016-2025) and ADP draft for 2026-2035 were not submitted to the SFD in Dec 2024.

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

Recommendations
<p>Benta Wawasan Sdn. Bhd. (Golden Borneo Palm 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.</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>Gap 001/2025 (minor) – Checklist 1.2.2: Golden Borneo Palm shall maintain the EIA to support operational compliance.</p> <p>Gap 002/2025 (minor) – Checklist 2.2.3, 2.2.7: SFD shall be consistent in stamping "Sabah TLAS CC" on the Removal Pass.</p> <p>Observation 001-2025 – Checklist 1.3.1, 1.3.3, 1.4.1: Golden Borneo Palm shall maintain the ADP approval letter and submit the ADP (2026-2035) to the SFD not later than Dec 2024 as stipulated in the SFD letter.</p> <p>The next annual surveillance audit will be scheduled for April 2026.</p>

End of Summary Report
