

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Rimbunan Gaya Sdn. Bhd. (674602-P) Contractor: LD Maju Enterprise (Sole Proprietorship)	<b>Reference #</b>	GFSSBH 003-144
<b>Contact Person</b>	Wong Teik Hong (LD Maju Enterprise)	<b>Date of Report</b>	12/08/2022
<b>Office Address</b>	MDLD 6856, Lot 213, Semi Dect Seri Perdana, 91100 Lahad Datu, Sabah, Malaysia.	<b>Date of close out</b>	-
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		<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement	GFS 179 LVS		
Issuance Date	15 August 2022	Expiration Date	14 August 2023

Assessment Details	
Assessment Dates	10 – 12 August 2022
Scope of Assessment	TLAS P1-4: Form IIB permits - JPHTN/FRM 700-3/3/0/JILID.4/3 and JPHTN/FRM 700-3/3/0/JILID.4/11
Species	<i>Tectona grandis</i> (Teak)
Lead Assessor	Varenus Untomon
Assessor(s)	Sandra George, Prieria Bagang
SFD Staff	Osman Bangkong (DFO Lahad Datu), Siti Masturah Narbeh (ADFO Lahad Datu), Rayner George (KPPM Tungku/Silabukan)

### 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 01<sup>st</sup> January 2015 (**FDS-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:

- Rimbunan Gaya Sdn. Bhd. (Rimbunan Gaya) is registered with the Companies Commission of Malaysia on 09/12/2004 in Kota Kinabalu with registration number 674602-P.
- The title land #: CL115323281 was made on 29/10/1975 between the State Government through the Land and Survey Department with the previous owner, Mr. Koh Ah Lai for agriculture.
- The land has been transferred to Hung Yik Sdn. Bhd. in 1991. Subsequently, in 2005, the land was bought by Rimbunan Gaya Sdn. Bhd.
- Rimbunan Gaya Sdn. Bhd. has appointed LD Maju Enterprise as a contractor to extract and remove planted teak inside the titled land no. CL 115323281 (Ref.#: RGCC.GGM/002/nl/Forestry.22, dated 19/04/2022). The total area for the planted teak is approximately 44 hectares.
- The applicant is under the jurisdiction of Lahad Datu District Forestry Office.
- Land use classification:

Land classification	Planted area (ha)	Current Status (ha)
Planted teak area	44	1 <sup>st</sup> FIIB application: 1,260 pcs (271.56m <sup>3</sup> ) 2 <sup>nd</sup> FIIB application: 2,000 pcs (500m <sup>3</sup> )

### Environmental Context:

- The area is located in the sub-district of Lahad Datu, Tungku, Sabah. The land status is a Country Lease titled land.
- Previously, the area was predominantly with mixed lowland dipterocarp at 80 *a.s.l* and it was converted into a plantation after the land title was awarded.
- The area was planted with teak species approximately 35 years ago.
- The nearest forest reserved is located approximately 3KM from Class I Silabukan FR on the east, whereas approximately 20KM from Tabin Wildlife Reserve Class VII on the north.
- There is no existing EIA recorded for the licensed area.

### Social Context:

- There is no village identified within the licensed area. The land title was awarded to Rimbunan Gaya and it is private property.
- There is no NCR claim area inside the titled land area.

### Scope of Assessment

- The scope of the evaluation is to verify compliance of **Rimbunan Gaya Sdn. Bhd.** with the Form IIB permits #: JPHTN/FRM 700-3/3/0/JILID.4/3 and JPHTN/FRM 700-3/3/0/JILID.4/11.
- The assessment is in accordance on the terms of the agreement for the "Sabah Legality Standard Principles 1 - 4 dated 01<sup>st</sup> January 2015 (**FDS-TLAS-002**).
- Site evaluation to verify and report the level of compliance by **Rimbunan Gaya 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 demonstrate adequate compliance to a criterion.

**Itinerary & Mandays: FIIB permits #: JPHTN/FRM 700-3/3/0/JILID.4/3 and JPHTN/FRM 700-3/3/0/JILID.4/11. / Lahad Datu District / 08 - 12 August 2022 (Total Mandays = 19)**

Date	Activity	GFS Staff	Mandays
08 August 2022 Monday	Travel to SFD Beluran office and Opening meeting.	Varenius Untomon, Prieria Bagang, Sandra George	3
09 August 2022 Tuesday	Field visit to Satria Eramaju licensed area and document review.	Varenius Untomon, Prieria Bagang, Sandra George	3
10 August 2022 Wednesday	Closing meeting at SFD Beluran office and Opening meeting at SFD Lahad Datu.	Varenius Untomon, Prieria Bagang, Sandra George	3
11 August 2022 Thursday	Field visit to Rimbunan Gaya licensed area and document review.	Varenius Untomon, Prieria Bagang, Sandra George	3
12 August 2022 Friday	Closing meeting at SFD Lahad Datu office. Travel back to home base.	Varenius Untomon, Prieria Bagang, Sandra George	3
13 - 14 August 2022	Reporting: GFSSBH 003-143 Reporting: GFSSBH 003-144	Dr Kevin Grace, Varenius Untomon	4
<b>Total</b>			<b>19</b>

### Highlights of Assessment

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

**Rimbunan Gaya Sdn. Bhd. (LD Maju Enterprise)** has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 10 – 12 August 2022.

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

**Principle 1.**

Approved FIIB permit issued by the SFD.

Applications	*Total logs	*Approximate volume, m <sup>3</sup>	Total area, ha	Total export declared/royalty paid (as of Aug 2022), m <sup>3</sup>
JPHTN/FRM700-3/3/0/ JILID.4/3 dated 08/07/2022	1,260	271.5591	44	151.63
JPHTN/FRM700-3/3/0/ JILID.4/11 dated 20/07/2022	2,000	500.0000		155.98

\*Note: The total volume for the Form IIB application is based on approximation. Based on the SFD Circular, FD16/2014, royalty assessment for plantation logs for export is by weighing at the place of export declaration.

The company is not applicable to submit the ECR quarterly to the EPD.

There is no evidence that an existing EIA study was conducted for the licensed area.

**Principle 2.**

Based on the titled land map, there is no protection area to be excluded from the licensed area.

GFS observed that the area is undulating terrain with a maximum slope of 15°.

There is no permanent stream observed inside the licensed area.

**August 2022: Observation 001-2022 – Checklist 2.2.6**

SFD Lahad Datu office issued Transit Pass, Removal Pass and TDP for logs that were not royalty paid which is not in accordance with the SFD circular, FD16/2014.

**August 2022: Gap 001/2022 (Minor) – Checklist 2.3.2 & 2.3.7**

No evidence of safety training conducted prior to the forest operation.

**Principle 3.**

The company has paid all the associated fees.

**Principle 4.**

**Not applicable** - There is no village identified within the licensed area. The land title was awarded to Rimbunan Gaya and it is private property. There is no NCR claim area inside the titled land.

## Summary Results:

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

Gap raised against indicators & criteria during the August, 2022 assessment.

GAP	Type	Checklist	Status	Description
001/2022	Minor	2.3.2 2.3.7	New	<b>August 2022:</b> No evidence of safety training conducted prior to the forest operation.

Observation raised against indicators & criteria during the August, 2022 assessment.

Obs #	Checklist	Description
001-2022	2.2.6	SFD Lahad Datu office issued Transit Pass, Removal Pass and TDP for logs that were not royalty paid which is not in accordance with the SFD circular, FD16/2014.

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

Recommendations
<p><b>Rimbunan Gaya Sdn. Bhd. (LD Maju Enterprise)</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 and verified by SFD. Action required to close the gap(s)/observation(s) include: <b>Gap 001/2022 (Minor) – Checklist 2.3.2 &amp; 2.3.7:</b> Conduct safety and fire prevention awareness/training for the forest workers. <b>Observation 001-2022 – Checklist 2.2.6:</b> The issuance of transit pass, removal pass and TDP shall comply with the SFD circular: FD 16/2014.</p> <p>Form IIB permit covering 100 ha is expected to be completed within 12 months; thus, annual surveillance will not be applicable.</p>

**End of Summary Report**