

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Christina Liew Mei Fah & 3 Peserta Contractor: Tiong & Chun Enterprise (Sole proprietorship)	<b>Reference #</b>	GFSSBH 003-125
<b>Contact Person</b>	Tiong Chee Kong (Manager)	<b>Date of Report</b>	14/04/2022
<b>Office Address</b>	Lot 3, Tropicana Villa, Jalan Liawan Airport, 89000 Keningau Sabah, Malaysia.	<b>Date of close out</b>	-
<b>Email</b>	-	<b>Telephone</b>	+6013 836 7782 +6087 312 768
		<b>Fax</b>	+6087 312 768
		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement	GFS 176 LVS		
Issuance Date	18 April 2022	Expiration Date	17 April 2023

Assessment Details	
Assessment Dates	11 - 14 April 2022
Scope of Assessment	TLAS P1-4: JPTHN/FRM 700-2/4/1/824/3 (FIIB permit)
Species	Mixed species
Lead Assessor	Priera Bagang
Assessor(s)	Ivy Justin, Varenus Untomon
SFD Staff	Robert Mijol (SFM-FLEGT SFD), Charlene Billy (SFM-FLEGT SFD), George Angampun (DFO Sipitang), Yunus Mutalip (KPPM Sipitang), Jamhari Asli (SFD Sipitang), Mohammad Helmi (PPM Sipitang)

### 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:

- Sabah has initiated a program for rural development that focuses on the establishment of agricultural crops as well as on developing communities' economic values on titled land, which is managed by an entity. The resulting dividend payments from the agricultural crops and other community benefits significantly contribute to enhancing the livelihood of the rural population that also participates in agricultural projects, such as rubber and oil palm planting.
- As an initial step of site preparation, the identified agricultural development areas require the harvesting and removal of remaining residual timber stocks. Power of Attorney was granted to Tiong & Chun Enterprise (Tiong & Chun), which acts as the logging contractor. The party involved in the management and administration of the licenced area under the auspices of the licensee includes the following:
  - Christina Liew Mei Fah & 3 Peserta – FIIB permit holder
  - Tiong & Chun Enterprise – Logging contractor
  - Sipitang District Forestry Office (Pejabat Perhutanan Daerah Sipitang) Area survey, scaling of logs for payment of royalties and other fees due to Sabah Forestry Department.
- Land use classification:

Land classification	Land status(ha)	Current Status
Total Concession Area	11 Native Title land: 47.96 ha	47.96ha
Production Area	Not available	Total logs production: 774 pcs Total volume: 1,383.47 m <sup>3</sup>

### Environmental Context:

- Forest type and history of management:  
The project area is located at Kg. Meligan, Sipitang. The licensed area is adjacent to Sipitang Forest Reserved (Class II) and Meligan Forest Reserve (VJR). There are many small streams within the project area, most unnamed. However, all the streams generally flow into the mighty Sg. Padas.
- Principal commercial species:  
The project area mainly consists of secondary forest, with common tree species including Shorea spp. (Red seraya, Yellow seraya), other non-Dipterocarp and pioneer species. Other vegetation within the licensed area includes bamboo, shrubs, palm species, herbs and other secondary vegetation.
- Existing EIA / PPM report: Not applicable for areas under 100ha

### Social Context:

There are no human settlements within the project area. Christina Liew Mei Fah & 3 Peserta held a total of 11 Native land titles that define the 47.96 ha area approved for conversion to agriculture. There are 3 villages (Kg. Iburu, Kg. Ulu Bole and Kg. Meligan) located about 10 km from the licensed boundary.

### Scope of Assessment

- The scope of the evaluation is to verify compliance of **Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise)** with FIIB Permit No. **JPHTN/FRM 700-2/4/1/824/3**.
- 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 **Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise)** to the standard in respect to each of the criteria within this

### Scope of Assessment

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 Permit No. JPHTN/FRM 700-2/4/1/824/3 / Christina Liew Mei Fah & 3 Peserta / Sipitang District 11 – 14 April 2022 (Total Mandays = 15)**

Date	Activity	GFS Staff	Mandays
11 April 2022 Monday	Travel to Sipitang. Opening meeting and document review at PPD Sipitang.	Priera Bagang, Ivy Justin, Varenus Untomon	3
12 April 2022 Tuesday	Field visit: Licensed Boundary, Logging operation area, Buffer Area and Contractor Campsite.	Priera Bagang, Ivy Justin, Varenus Untomon	3
13 April 2022 Wednesday	Document review. Closing meeting at PPD Sipitang.	Priera Bagang, Ivy Justin, Varenus Untomon	3
14 April 2022 Thursday	Close-out for Samel Plantation Sdn. Bhd. Travel to Kota Kinabalu.	Priera Bagang, Ivy Justin, Varenus Untomon	3
15 April 2022 Friday	Public Holiday	-	0
16 - 17 April 2022	Reporting GFSSBH 003-125 Reporting GFSSBH 003-113a	Dr. Kevin Grace, Priera Bagang	3
<b>Total</b>			<b>15</b>

### Highlights of Assessment

**(Major Gaps = 0; Minor Gaps = 3; Observations = 1)**

**Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise)** has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 11 – 14 April 2022.

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

**Principle 1.**

The FIIB permit was approved by the SFD. All logs have been paid with royalty. The total production was only limited to 774 pcs of logs, equivalent to 1,383.47 m<sup>3</sup>.

The SFD did not require a management plan to be developed for the FIIB application.

**April 2022: Gap 001/2022 (Minor) – Checklist 1.2.3 & 2.1.11**

Inadequate protection against oil / schedule waste spillage. Littering and open burning were observed at the campsite.

**April 2022: Gap 002/2022 (Minor) – Checklist 1.7.3**

Lack of identification of buffer zones for stream protection.

**Principle 2.**

Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise) is compliant with the forest operation. Common boundaries were marked and maintained.

The SFD did not require a CHP to be developed prior to logging.

**April 2022: Gap 003/2022 (Minor) – Checklist 2.3.2 & 2.3.7**

No evidence that safety and fire prevention training was conducted prior to logging.

**Principle 3.**

The company has paid all the associated fees to the SFD.

**April 2022: Observation 001-2022 – Checklist 3.1.1**

FD registration plate was not displayed on the heavy machinery.

## Highlights of Assessment

### Principle 4.

**Not applicable** - There is no village or local settlement located within the project area.

### Summary Results:

(Major gap = 0, Minor gap = 3, Observation = 1)

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

GAP	Type	Checklist	Status	Description
001/2022	Minor	1.2.3 2.1.11	New	<b>April 2022:</b> Inadequate protection against oil / schedule waste spillage. Littering and open burning were observed at the campsite.
002/2022	Minor	1.7.3	New	<b>April 2022:</b> Lack of identification of buffer zones for stream protection.
003/2022	Minor	2.3.2 2.3.7	New	<b>April 2022:</b> No evidence that safety and fire prevention training was conducted prior to logging.

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

Obs #	Checklist	Description
001-2022	3.1.1	<b>April 2022:</b> FD registration plate was not displayed on the heavy machinery.

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

### Recommendations

**Christina Liew Mei Fah & 3 Peserta (Tiong & Chun Enterprise)** demonstrated compliance with the Sabah Legality Standard (**SFD-TLAS-002**) 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 001/2022 (Minor) – Checklist 1.2.3 & 2.1.11:** All scheduled waste must be contained and segregated in each container and labeled according to EPD. Trash should be disposed of in the trash bin and buried in the dumping pit.

**Gap 002/2022 (Minor) – Checklist 1.7.3 & 2.1.13:** Identify all protected areas and exclude them from land clearing.

**Gap 003/2022 (Minor) – Checklist 2.3.2 & 2.3.7:** Conduct safety and fire prevention awareness/training for the forest workers.

**Observation 001-2022 – Checklist 3.1.1:** The licensee should display an FD registration plate on each heavy machinery.

The next surveillance audit will be scheduled for **April 2023**.

## End of Summary Report