

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Borneo Subur Plantation Sdn. Bhd. (661062-T)	Reference #	GFSSBH 003-117
Contact Person	Wong King Chuong	Date of Report	04/03/2022
Office Address	P. O. Box 1306, 89008, Keningau, Sabah, Malaysia.	Date of close out	-
Email	-	Telephone	+6019 820 2170
		Fax	-
		Approved By	Dr. Kevin Grace

Statements

Audit Statement	NC: Non-Compliance - Criterion 1.2		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Assessment Dates	28 February – 04 March 2022
Scope of Assessment	TLAS P1-4: FIIB JPHTN/FRM 700-2/4/1/29 JILID.5/16 (2B703717), JPHTN/FRM 700-2/4/1/29 JILID.5/19 (2B703723)
Species	Salvage logging (Mixed species): Shorea spp. (Red & Yellow Seraya), Sapotaceae spp. (Nyatoh), Neolamarckia cadamba (Laran), Alstonia spp. (Pulai), Eugenia spp. (Obah), Lauraceae spp. (Medang), Cratoxylum arborescens (Serungan), Koordersiodendron pinnatum (Ranggu), Tristaniopsis merguensis (Pelawan-pelawan), Annonaceae spp. (Pisang-Pisang), Annonaceae spp. (Kerai), Heritiera simplicifolia (Kembang), Planchonia valida (Putat), Shorea pauciflora (Obah Suluk), Duabanga moluccana (Magas), Shorea inappendiculata (Selangan Batu), Dipterocarp spp. (Keruing), Cotylelobium spp. (Resak), Parashorea spp. (White seraya), Drybalanops spp. (Kapur).
Lead Assessor	Varenus V Untomon
Assessor(s)	Ivy Justin
SFD Staff	Rhymie Abd Rahman (ADFO Nabawan), Faverrizeo Joel (PPD Nabawan)

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 01st 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:

- Borneo Subur Plantation Sdn. Bhd. is a private limited company with an area of 600 ha for conversion to agricultural land under the "Country Lease" title, (Registration # 153310320).
- Borneo Subur Plantation developed approximately 400 ha for oil palm plantation since 2013. The company is continuing to develop the remaining 200 ha in palm oil plantation.
- The salvage logging for conversion of the remaining unplanted area started in November 2021. under the jurisdiction of the Nabawan District Forestry Office.
- Two (2) Form IIB licenses have been issued [Form IIB: JPHTN/FRM 700-2/4/1/29 JILID.5/16, dated 21/12/2021 (2B703717) & JPHTN/FRM 700-2/4/1/29 JILID.5/19, dated 08/02/2022 (2B703723)]. Log production progress (by parcel) as of February 2022:

Parcel	Total logs	Total volume, m ³
Parcel 1	398	650.77
Parcel 2	610	1,011.00
Total	1,008	1,661.77

Environmental Context:

- The Form IIB area is a logged over mixed highland dipterocarp forest consisting of Dipterocarps such as Urat mata beludu, Seraya putih, Seraya kuning, Seraya merah, Keruing and Oba suluk, Laran, Pelawan-Pelawan, Medang, Keranji, Magas, Rengas, etc. Most of the remaining harvestable trees in the project site is ranging from 30cm – 70cm diameter size.
- The major soil type is the acidic and nutrient-poor Orthic acrisols.

Social Context:

- No village or local settlement is located within the project area or at least a 3 KM radius from the project area.

Scope of Assessment

- The scope of the evaluation is to verify compliance of Borneo Subur Plantation Sdn. Bhd. with the Form IIB JPHTN/FRM 700-2/4/1/29 JILID.5/16, dated 21/12/2021 (2B703717) & JPHTN/FRM 700-2/4/1/29 JILID.5/19, dated 08/02/2022 (2B703723).
- The assessment is in accordance on the terms of the agreement for the "Sabah Legality Standard Principles 1 - 4 dated 01st January 2015 (FDS-TLAS-002).
- Site evaluation to verify and report the level of compliance by Borneo Subur Plantation 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: Form IIB / Borneo Subur Plantation Sdn. Bhd. / Nabawan District 28 February – 04 March 2022 (Total Mandays = 12)

Date	Activity	GFS Staff	Mandays
28 February 2022 Monday	Travel to Nabawan. Opening Meeting at PPD Nabawan. Document Review.	Varenius Untomon, Ivy Justin	2
01 March 2022 Tuesday	Field visit: Licensed Boundary, forest operation area. Document review.	Varenius Untomon, Ivy Justin	2
02 March 2022 Wednesday	Field visit: Worker's quarter, temporary stumping. Document review.	Varenius Untomon, Ivy Justin	2
03 March 2022 Thursday	Closing meeting at PPD Keningau	Varenius Untomon, Ivy Justin	2
04 March 2022 Friday	Travel to Kota Kinabalu.	Varenius Untomon, Ivy Justin	2

05-06 March 2022	Reporting GFSSBH 003-117	Dr. Kevin Grace, Varenus Untomon	2
Total			12

Highlights of Assessment

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

Borneo Subur Plantation Sdn. Bhd. has not complied with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was identified during the assessment on 28 February – 04 March 2022.

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

Principle 1.

Borneo Subur Plantation Sdn. Bhd. is a private limited company with an area of 600 ha for conversion to agricultural land under the “Country Lease” title, (Registration #: 153310320).

Borneo Subur Plantation developed approximately 400 ha for oil palm plantation since 2013. The company is continuing to develop the remaining 200 ha in palm oil plantation. The salvage logging for conversion of the remaining unplanted area started in November 2021 under the jurisdiction of the Nabawan District Forestry Office.

March 2022: Gap 001/2022 (Major) – Checklist 1.2.1

There is no evidence of EIA submission for converting 600 ha of degraded natural forest area to agricultural production under the “Country Lease” title (Registration #: 153310320).

Two (2) Form IIB licenses have been issued [*FIIB JPHTN/FRM 700-2/4/1/29 JILID.5/16, dated 21/12/2021 (2B703717) & JPHTN/FRM 700-2/4/1/29 JILID.5/19, dated 08/02/2022 (2B703723)*].

Form IIB Permit JPHTN/FRM 700-2/4/1/29/JLD.5/16, dated 21/12/2021 (2B709707).

Applicant	Borneo Subur Plantation Sdn. Bhd.
Land Status	CL.153310320
Area (ha)	Part of 595.4 ha
No. of Logs	398
Volume (m3)	650.77 m ³
Locality	Kg. Bonor, Nabawan
Contractor	Borneo Subur Plantation Sdn. Bhd.

Form IIB Permit JPHTN/FRM 700-2/4/1/29/JLD.5/19, dated 08/02/2022 (2B703723).

Applicant	Borneo Subur Plantation Sdn. Bhd.
Land Status	CL.153310320
Area (ha)	Part of 595.4 ha
No. of Logs	610
Volume (m3)	1,011.00 m ³
Locality	Kg. Bonor, Nabawan
Contractor	Borneo Subur Plantation Sdn. Bhd.

March 2022: Gap 002/2022 (Minor) – Checklist 1.2.3

Lack of mitigation control was observed regarding the oil storage and cleanliness of the campsite. No fire extinguisher was observed within the facility.

Principle 2.

The summary production as of February 2022 was produced and submitted to the DFO Nabawan for royalty payment.

Parcel	Total logs	Total volume, m ³
Parcel 1	398	650.77
Parcel 2	610	1,011.00
Total	1,008	1,661.77

March 2022: Observation 001-2022 – Checklist 2.2.3

There was no evidence of receipt payment for land premium / quit rent during the assessment.

Highlights of Assessment

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

No evidence of safety and fire training was conducted regarding salvage logging by the company.

Principle 3.

No application of occupation permit from SFD is required.

The heavy machinery was used in the licensed area and registered with SFD.

Type	Vehicle Registration #	FD #	Expiry Date	Receipt
Tractor	SA 5406 K	JPKG2737	09/12/2022	AM761862
Tractor	SA 7274 J	JPKG2738	09/12/2022	AM761862
Lorry	SA 9961 J	JPKG2739	09/12/2022	AM761862

Principle 4.

There is no village or local settlement located within the project area or at least a 3 KM radius from the project area.

Summary Results:

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

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

GAP	Type	Checklist	Status	Description
001/2022	Major	1.2.1	New	March 2022: There is no evidence of EIA submission for converting 600 ha of degraded natural forest area to agricultural production under the "Country Lease" title (Registration #: 153310320).
002/2022	Minor	1.2.3	New	March 2022: Lack of mitigation control was observed regarding the oil storage and cleanliness of the campsite. No fire extinguisher was observed within the facility.
003/2022	Minor	2.3.2 2.3.7	New	March 2022: No evidence of safety and fire training was conducted regarding salvage logging by the company.

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

Obs #	Checklist	Description
001-2022	2.2.3	March 2022: There was no evidence of the receipt payment for the land premium / quit rent during the assessment.

Highlights of Close Out Visit (if applicable)	Dates	-
Major Gap 001/2022 shall be addressed within 2 months by May 2022.		

Recommendations

Borneo Subur Plantation Sdn. Bhd has not demonstrated compliance with the Sabah Legality Standard (SFD-TLAS-002) as non-compliance was identified in Criterion 1.2 and is NOT eligible to receive a GFS Statement of Compliance or a Sabah TLAS Compliance Certificate from SFD.

The Major Gap shall be addressed within two months by **May 2022**.

Gap 001/022 (Major) – Checklist 1.2.1: Appoint an environmental consultant to develop and submit an

EIA report for development of agricultural within the 600ha "Country Lease" titled area.

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 002/2022 (Minor) – Checklist 1.2.3: Storage area for lubricant oil needs to be in compliance to EPD requirements. Prepare collection pans for diesel drum to prevent spillage on the ground. Provide adequate fire extinguishers.

Gap 003/2022 (Minor) – Checklist 2.3.2 & 2.3.7: Conduct safety and fire training to workers in respect to salvage logging operations.

Observation 001 – Checklist 2.2.3: Maintain receipt payments for land premium / quit rent.

The next annual surveillance will be scheduled for **March 2023**.

End of Summary Report