

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Rakyat Berjaya Sdn. Bhd. 197001000639 (009867-W) Contractor: Indah Serimas Sdn. Bhd. 201001044023 (927951-A)	Reference #	GFSSBH 003-403
Contact Person	Fredoline Dubis (Officer In-Charge Rakyat Berjaya Keningau) Sainih Sakani (Forest Manager Indah Serimas)	Date of Report	22/05/2026
Office Address	Rakyat Berjaya: Pusat Kraftangan Sabah, KM5, Jalan Apin-Apin, Peti Surat 961, 89008 Keningau, Sabah, Malaysia. Indah Serimas: Lot 8-2, 2 nd Floor, Block E, Jalan Lintas Square, 88300 Kota Kinabalu, Sabah, Malaysia.	Date of close out	-
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		Approved By	Dr. Kevin Grace

Statements

Statement of Compliance	GFS 094 LVS		
Issuance Date	25 May 2026	Expiration Date	24 May 2027

Assessment Details

Assessment Dates	18-22 May 2026
Scope of Assessment	Sabah TLAS P1-4: SFMLA 09/1997 FMU 16 (Partly)
Species	Salvage logging: <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Albizia falcata</i> (Batai), <i>Neolamarckia cadamba</i> (Laran), <i>Terminalia subspatulata</i> (Talisai), <i>Hopea sangal</i> (Gagil), <i>Octomeles sumatrana</i> (Binuang), <i>Shorea pauciflora</i> (Oba suluk), <i>Alstonia</i> spp. (Pulai), <i>Pentace</i> spp. (Takalis), <i>Myristicaceae</i> spp. (Darah-darah), <i>Annonaceae</i> (Pisang-pisang), <i>Dyera</i> spp. (Jelutong), <i>Annonaceae</i> spp. (Karai), <i>Planchonia valida</i> (Putat Paya), <i>Dialium indum</i> (Keranjil), <i>Koompassia malaccensis</i> (Impas), <i>Anthoshore</i> sp. (White Seraya, Melapi), <i>Rubroshorea</i> sp. (Red Seraya), <i>Dyobalanops</i> (Kapur), <i>Palaquium</i> sp. (Nyatoh), <i>Dipterocarpus</i> (Keruing), <i>Heritiera simplicifolia</i> (Kembang), <i>Syzygium</i> sp. (Obah), <i>Maasia</i> sp. (Mempisang), <i>Pterospermum</i> sp. (Bayor), <i>Sindora beccariana</i> (Sepetir), <i>Lauraceae</i> (Medang), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Vatica</i> sp. (Resak), <i>Shorea inappendiculata</i> (Selangan Batu), Other Timber (OT) Mosaic Planting: <i>Neolamarckia cadamba</i> (Laran), <i>Octomeles sumatrana</i> (Binuang), <i>Albizia falcata</i> (Batai), <i>Hopea odorata</i> (Gagil), <i>Sweitona</i> spp. (Mahagony), <i>Shorea</i> spp. (Seraya)
Lead Assessor	Teddy Quintin, (Acting Lead Auditor) Eljipy Sualim
Assessor(s)	(UMS Intern) Stacy Robert
SFD Staff	Mazlan Azman (PPW Keningau), Esebius Aegidius (PPD Sook), Bede Linus Gambut (PPD Sook)

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:

Sabah Foundation (Yayasan Sabah) general objectives are to provide educational opportunities, social welfare support, as well as equitable economic opportunities for the people of Sabah.

In order to fulfill these objectives, the Foundation was allocated a large forest concession in Sabah, comprising 8 FMUs which cover a total area of close to 800,000 hectares. This entire concession area is licensed for 100 years to the Foundation under Sustainable Forest Management Licensed Agreement 09/97 (SFMLA). Its' by an agreement in 1971, the Sabah Foundation assigned the rights to manage and conduct all commercial forestry operations related to this concession to Rakyat Berjaya Sdn. Bhd. (Rakyat Berjaya), a wholly-owned subsidiary of the Sabah Foundation. As such, Rakyat Berjaya serves as the commercial arm of the Foundation.

In October 2010, the Forest Department approved the Forest Management Plan for Forest Management Units 15 and 16, both located within the Sabah Foundation concession and covering approximately 176,993 ha of the Sg. Pinangah Forest Reserve. The Sg. Pinangah Forest Reserve is designated by law as a Commercial Forest Reserve (Class II), meaning that it is intended primarily for timber production.

In the FMP for FMUs 15 and 16, a contiguous area of about 14,960 hectares within the FMU 16 is allocated for an intensive forest rehabilitation project, following a mosaic planting approach that integrates natural forest management and forest plantations. This decision was made due to the poor timber stand in the area. For the purpose of this development, a Forest Development Plan (FDP) is required. The proposed 14,960 ha and was previously allocated for logging under Coupes YK/01-03.

The 2nd Forest Development Plan (FDP) for the Natural Forest Management & Integrated Mosaic Planting in an area of 14,960 ha within FMU 16, Sg. Pinangah Forest Reserve and will covering the period of May 01, 2022 to April 30, 2032.

Indah Serimas Sdn Bhd. (Indah Serimas), a Kota Kinabalu-based company, with a long-term interest in the timber industry, has been appointed by Rakyat Berjaya as the contractor to undertake the task of developing the project area.

The Power of Attorney was created and signed on 26/08/2025 between Indah Serimas (Donor) and Twin Firm Sdn. Bhd. (Donee) to carry out the salvage logging activities inside the licensed area. The Power of Attorney grants the Donee to manage matters related to salvage logging activities, including obtaining permits, handling payments and taxes, employing workers, taking legal action against trespassers, and carrying out necessary actions on behalf of the attorney. The Donee is also authorized to delegate granted powers to another party if necessary and revoke such delegation when required.

The previous assessment was conducted in May 2025 that resulted in 7 gap(s) and 2 observation(s) (Report #: GFSSBH 003-346).

Land use classification: 2nd FDP, Table 10: Net production area (ha) & Table 11: Land use planning for the project area.

Land classification	2 nd FDP Area (ha)	Current Status (ha)
Total Project Area	14,960	14,960
Road, Clearings, Occupation Permits	135	135
Rivers, ponds including riparian reserves	975	975
Steep slopes ($\geq 25^\circ$)	665	665
50-m buffer along 22 KM common boundary with Maliau Basin Conservation Area Buffer Zone I	110	110
Net Production Area	13,075	13,075
Mosaic Planting	12,165	Total Area planted: 2,813.24 ha Species planted: Laran, Binuang, Batai, Gagil,

		Mahogany, Seraya
Natural Forest Management	2,488	2,488
Research	307	307

Current Operations:

Based on the AWP 2026, the following activities are planned for 2026.

Activity	Remarks
Salvage Logging	Mosaic Planting (MP) area: Cpt #: 727, 728, 736, 739, 709, 710, 717, 718, 719, 729, 720, 721, 725, 726, 740, 743 The implementation initially planned for 2022 has been rescheduled (B/F) to subsequent years. 4 Compartments 702, 703, 705 & 706 were excluded due to its locations. Compartments 731, 732, 733 – Initially planned in 2023 has been postponed to 2026. Gross Area = 2,819 Ha NFM Area: Logging for Compartments 708, 723 = 428 Ha
Mosaic Planting (Line Planting)	Compartments 727, 728, 734, 735, 739, 717, 719 and 729 = 520.13 Ha – Binuang, Laran, Gagil, Kapur, Gaharu, Seraya Methodology for identification of planted and naturally grown timber for Mosaic planting.
Maintenance of Planted	Planted year = 2025 / Compartments = 734, 736 = 250 Ha (Circle weeding, line slashing, fertilizer)
Maintenance of Natural Forest Patches	Compartments = 731, 732, 733, 694, 712, 711, 713, 714, 715, 716, 730 = 703.58 Ha (Actual total area will depend on PCT availability within Mosaic planting compartments (unplanted area).

List **current compartments** under harvesting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
728	ITP	Sabah TLAS EUDR	270.00	NW:116°40'30" E 4°51'0"N NE:116°41'0" E 4°50'50"N SW:116°40'30" E 4°49'50"N SE:116°40'40" E 4°49'50"N

List **AWP planned** FFB harvesting.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
708	NFM	Sabah TLAS EUDR	222.00	NW:116°41'0" E 4°49'20"N NE:116°42'0" E 4°49'30"N SW:116°41'0" E 4°48'50"N SE:116°43'0" E 4°49'20"N
727	ITP	Sabah TLAS EUDR	226.00	NW:116°40'30" E 4°51'0"N NE:116°40'31" E 4°51'0"N SW:116°40'0" E 4°49'50"N SE:116°40'40" E 4°49'50"N
736	ITP	Sabah TLAS EUDR	449.00	NW:116°38'50" E 4°51'0"N NE:116°39'0" E 4°51'0"N SW:116°38'50" E 4°49'50"N SE:116°39'10" E 4°50'0"N
739	ITP	Sabah TLAS EUDR	313.00	NW:116°40'0" E 4°51'0"N NE:116°40'30" E 4°51'0"N SW:116°39'0" E 4°49'30"N SE:116°39'50" E 4°49'50"N
709	ITP	Sabah TLAS EUDR	204.00	NW:116°42'0" E 4°49'40"N NE:116°43'0" E 4°50'40"N SW:116°42'10" E 4°49'30"N SE:116°43'0" E 4°49'40"N
710	ITP	Sabah TLAS EUDR	314.00	NW:116°42'0" E 4°51'0"N NE:116°43'10" E 4°51'0"N SW:116°42'0" E 4°49'30"N

				SE:116°42'10" E 4°49'50"N
717	ITP	Sabah TLAS EUDR	226.00	NW:116°42'0" E 4°52'0"N NE:116°42'0" E 4°52'0"N SW:116°41'0" E 4°50'50"N SE:116°42'10" E 4°51'0"N
718	ITP	Sabah TLAS EUDR	203.00	NW:116°41'59" E 4°51'0"N NE:116°42'0" E 4°51'0"N SW:116°40'50" E 4°49'30"N SE:116°41'0" E 4°49'30"N
719	ITP	Sabah TLAS EUDR	258.00	NW:116°40'50" E 4°50'50"N NE:116°42'0" E 4°50'59"N SW:116°40'30" E 4°49'30"N SE:116°40'50" E 4°49'20"N
729	ITP	Sabah TLAS EUDR	225.00	NW:116°40'30" E 4°51'30"N NE:116°42'0" E 4°51'30"N SW:116°40'40" E 4°51'0"N SE:116°41'50" E 4°51'0"N
720	ITP	Sabah TLAS EUDR	180.00	NW:116°40'30" E 4°49'30"N NE:116°40'50" E 4°49'30"N SW:116°40'0" E 4°49'0"N SE:116°40'30" E 4°49'0"N
721	ITP	Sabah TLAS EUDR	273.00	NW:116°40'30" E 4°49'20"N NE:116°41'40" E 4°49'20"N SW:116°40'42" E 4°49'20"N SE:116°41'40" E 6°48'0"N
725	ITP	Sabah TLAS EUDR	245.00	NW:116°38'0" E 4°49'0"N NE:116°39'50" E 4°49'0"N SW:116°38'0" E 4°48'20"N SE:116°39'50" E 6°48'20"N
726	ITP	Sabah TLAS EUDR	325.00	NW:116°40'0" E 4°50'0"N NE:116°40'30" E 4°50'0"N SW:116°39'0" E 4°49'20"N SE:116°40'10" E 4°49'2 0"N
740	ITP	Sabah TLAS EUDR	308.00	NW:116°38'20" E 4°50'0"N NE:116°39'10" E 4°50'10"N SW:116°37'50" E 4°49'0"N SE:116°39'10" E 4°49'0"N
743	ITP	Sabah TLAS EUDR	303.00	NW:116°37'30" E 4°49'0"N NE:116°37'50" E 4°49'0"N SW:116°37'30" E 4°47'50"N SE:116°37'50" E 4°47'50"N
731	ITP	Sabah TLAS EUDR	292.00	NW:116°39'20" E 4°53'50"N NE:116°41'0" E 4°53'50"N SW:116°40'30" E 4°52'50"N SE:116°40'50" E 4°52'50"N
732	ITP	Sabah TLAS EUDR	283.00	NW:116°40'40" E 4°52'50"N NE:116°40'50" E 4°52'50"N SW:116°40'40" E 4°51'30"N SE:116°41'0" E 4°51'30"N
733	ITP	Sabah TLAS EUDR	436.00	NW:116°39'50" E 4°53'50"N NE: 116°40'40" E 4°52'50"N SW:116°39'50" E 4°52'20"N SE: 116°40'40" E 4°51'30"N
734	ITP	Sabah TLAS EUDR	307.00	NW:116°39'0" E 4°53'50"N NE:116°39'10" E 4°53'50"N SW:116°39'10" E 4°52'10"N SE:116°40'0" E 4°52'20"N
735	ITP	Sabah TLAS EUDR	233.00	NW: 116°39'10" E 4°52'10"N NE: 116°40'40" E 4°51'30"N

				SW:116°39'10" E 4°50'50"N SE:116°40'20" E 4°51'0"N
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Environmental Context:

Existing EIA report & key elements for protection / mitigation:

EIA	Ref. #	Consultant
Proposed Integrated Mosaic Planting in Sungai Pinangah Forest Reserve Under Yayasan Sabah Concession Area, Tongod, Sabah	JPAS/PP/24/600-1/01/3/46(44)	Ekohandal Sdn. Bhd.

Forest type and short history of management:

The original forest cover of the project area according to 2 classes of timber stand quality classified by crown size. A large portion of the area (67 %) was classified as "medium or mixed crown" lowland dipterocarp forest with a gross standing volume ranging from 280 to 390 m³ha⁻¹. 10 years before the area was managed under the NFM and Integrated Mosaic Planting in the 1st FDP period (2012-2022), the area was first logged by the Foundation between the period 2001 and 2003, under coupes YK1/01, YK1/02 and YK1/03. Poor logging practices have resulted in a residual forest that is considerably poor in commercial regeneration, extensive pioneer tree cover and rapidly proliferating vine growth. As part of Sabah Foundation concession area within FMU 16, apart from being subjected to log extraction, the project area has never been actively managed.

Principal commercial species currently existing:

Salvage logging: *Parashorea* spp. (White seraya), *Shorea* spp. (Red seraya, Yellow seraya, Melapi), *Albizia falcataria* (Batai), *Neolamarckia cadamba* (Laran), *Terminalia subspatulata* (Talisai), *Hopea sangal* (Gagil), *Octomeles sumatrana* (Binuang), *Shorea pauciflora* (Oba suluk), *Alstonia* spp. (Pulai), *Pentace* spp. (Takalis), *Myristicaceae* spp (Darah-darah), *Annonaceae* (Pisang-pisang), *Dyera* spp. (Jelutong), *Annonaceae* spp. (Karai), *Planchonia valida* (Putat Paya), *Dialium indum* (KerANJI), *Koompassia malaccensis* (Impas), *Richetias* p. (Yellow Seraya), *Anthoshore* sp. (White Seraya, Melapi), *Rubroshorea* sp. (Red Seraya), *Dyrobalanops* (Kapur), *Palaquium* sp. (Nyatoh), *Dipterocarpus* (Keruing), *Heritiera simplicifolia* (Kembang), *Syzygium* sp. (Obah), *Maasia* sp. (Mempisang), *Pterospermum* sp. (Bayer), *Sindora beccariana* (Sepetir), *Lauraceae* (Medang), *Calophyllum obliquinervium* (Bintangor), *Vatica* sp (Resak), *Shorea inappendiculate* (Selangan Batu), Other Timber (OT).
Mosaic Planting: *Neolamarckia cadamba* (Laran), *Octomeles sumatrana* (Binuang), *Albizia falcataria* (Batai), *Hopea odorata* (Gagil), *Sweitona* spp (Mahagony), *Shorea* spp. (Seraya).

Specific biological values (e.g., rare or endangered species):

In its current state, the project area is generally poor in wildlife. This can be largely attributed to the fact that logging practices during the first FDP have resulted in a residual forest characterized by a very broken canopy, large gaps and open conditions. Forest structure has yet to recover from the last logging. Under such conditions, many arboreal animals are now scarce. Wildlife habitat can be expected to improve as the forest recovers over time.

Environmental services (e.g., critical watersheds, wildlife habitat, peat swamp, etc.):

There are many small streams within the project area, most of them unnamed. Generally, these streams all flow into Sg. Pinangah. The estimated total length of perennial streams within the area is about 185 KM. Of these, 52 KM is considered major rivers, i.e., with a width of greater than 5 M. Sg. Kawaye is the only river with a gazetted name that flows through the project area.

Social Context:

Social assessment **SBS / SIA / EIA** summary:

Based on the 2nd FDP, all villages close to the project area are located along the Pinangah River. There are five villages located within a distance of about 6km from the project area boundary; namely, Kg. Tambunan 2, Kg. Kawayoi, Kg. Susui, Kg. Tudungin, Kg. Inarad 1.

Identified communities that are dependent on the FMU:

No evidence that local communities in the vicinity area in any way dependent on the Project Area for their livelihood or use it for any cultural purposes.

Land claims, disputes & communication system:
None

Community Forestry Projects:
None

Scope of Assessment
- The scope of the evaluation is to verify compliance of Rakyat Berjaya Sdn. Bhd. (Indah Serimas Sdn. Bhd.) with the Sabah Forest Management License Agreement (SFMLA 09/1997) for FMU 16. - 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 Rakyat Berjaya 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: 18-22 May 2026 / FMU 16: Rakyat Berjaya Sdn. Bhd. (Indah Serimas Sdn. Bhd.) / Sook District

Date	Activity	GFS Staff	Mandays
18 May 2026 Monday	Travel to Keningau and opening meeting at Rakyat Berjaya (Keningau) office. Document review. Travel to campsite and overnight.	Teddy Quintin, Eljipy Sualim, Stacy Robert	3
19 May 2026 Tuesday	Field assessment to operation areas Compartment 728 (natural patches harvesting), Compartment 736 (2025 mosaic planted area), PSP area, licensed boundary, protected area (riparian reserve, steep area). Document review. Overnight at campsite.	Teddy Quintin, Eljipy Sualim, Stacy Robert	3
20 May 2026 Wednesday	Field assessment to nursery, log yard, quarters, workshop, store, basecamp. Social assessment with representative from Kg. Tambunan 2. Document review. Overnight at Keningau.	Teddy Quintin, Eljipy Sualim, Stacy Robert	3
21 May 2026 Thursday	Document review. Overnight at Keningau.	Teddy Quintin, Eljipy Sualim, Stacy Robert	3
22 May 2026 Friday	Closing meeting at Rakyat Berjaya (Keningau) office. Travel to home base.	Teddy Quintin, Eljipy Sualim, Stacy Robert	3
23-24 May 2026	Reporting/Administration: GFSSBH003-403	Dr. Kevin Grace Teddy Quintin	2
Total			17

Highlights of Assessment
(Major Gaps = 0; Minor Gaps = 6; Observations = 4) Rakyat Berjaya Sdn. Bhd. (Indah Serimas Sdn. Bhd.) has complied with the Sabah TLAS requirements (FDS TLAS-006), as no non-compliance was identified during the assessment on 18-22 May 2026. Summary of status of operations by Principle: Principle 1. Right to Harvest Rakyat Berjaya has demonstrated compliance with the SFMLA requirement. The license agreement SFMLA 09/1997 was granted by the SFD and is valid for 100 years by 09/09/2097. Rakyat Berjaya has an approved 2nd Forest Development Plan from 01/05/2022 to 30/04/2032 (10 years) under the Sustainable Forest Management Licence Agreement 09/97 for Sg. Pinangah Forest Reserve FMU 16 (partly) and was approved by the Chief Conservator of Forests on 21/03/2022. May 2025: Observation 001-2025 - Checklist 1.1.3 Area under Coupe permit 11,900 ha is against the FDP area for Mosaic of 12,165 ha.

Highlights of Assessment

May 2026: Observation 001-2025 (Outstanding)

The discrepancy between the Mosaic area in the approved coupe and 2nd FDP has yet to be resolved.

May 2025: Gap 001/2025 (minor) – Checklist 1.3.2.13

The FFMP has not been approved by the SFD.

May 2026: Gap 001/2025 (minor) – Outstanding

The 2nd FFMP has not been approved by the SFD.

May 2025: Gap 002/2025 (minor) – Checklist 1.5.1

The AWP 2025 has not been approved by the SFD.

May 2026: Gap 002/2025 (minor) – Closed

The AWP 2025 was approved by the SFD in May 2025.

May 2026: Gap 001/2026 (minor) – Checklist 1.3.3

Indah Serimas has yet to conduct the mid-term review that was due in 2025.

Principle 2. Forest Operations

Demarcation of areas prohibited from harvesting and forest operations, such as riparian reserves were identified on the ground. No evidence of a disturbance was observed during the field assessment. Indah Serimas complies with operations and regulatory requirements for its workers.

May 2026: Gap 002/2026 (minor) – Checklist 2.1.7

Logging Contractor Certificates had expired since 2024.

May 2025: Gap 003/2025 (minor) – Checklist 2.2.3, 2.2.7

Removal Passes were not stamped as “Sabah TLAS” by the SFD.

May 2026: Gap 003/2025 (minor) – Closed

Removal Passes were stamped as “Sabah TLAS” by the SFD.

May 2026: Observation 001-2026 – Checklist 2.2.3, 2.2.7

The Geo-locations, payment receipt, FR & coupe # in QR codes and “Sabah TLAS CC” were not indicated in the e-Removal Pass by the SFD.

May 2025: Gap 001/2025 (minor) – Checklist 2.3.5

The FFMP has not been approved by the SFD.

May 2026: Gap 001/2025 (minor) – Outstanding

The 2nd FFMP has not been approved by the SFD.

May 2025: Observation 002-2025 – Checklist 2.4.2

The COI is pending feedback and approval by the SFD.

May 2026: Gap 003/2026 (Raised to minor) – Checklist 2.4.1, 2.4.2

Employment agreement for workers was not established for workers under KKS Timber Trading & Ko Kung Siong. JTK license expired under KKS Timber Trading. COI for workers under Indah Serimas expired and some document for some workers were not available.

May 2025: Gap 004/2025 (minor) – Checklist 2.4.5

No work and fire training were conducted for workers.

May 2026: Gap 004/2025 (minor) – Closed

Training for fire was conducted for workers.

May 2026: Observation 001-2026 – Checklist 2.4.5

Training for work safety has not been conducted for workers.

May 2025: Gap 005/2025 (minor) – Checklist 2.4.8

Inconsistent in EPF/SOCSO contributions and records for monthly contributions of SOCSO and EPF for workers by Indah Serimas.

May 2026: Gap 005/2025 (minor) – Closed

EPF and SOCSO monthly contributions for workers under Indah Serimas are consistent.

Highlights of Assessment

May 2026: Gap 004/2026 (minor) – Checklist 2.4.8

Inconsistent in EPF and SOCSO registration and contribution for workers under KKS Timber Trading and Ko Kung Siong.

Principle 3. Statutory Charges

Indah Serimas has paid the applicable licensing fees and other charges to the SFD.

May 2025: Gap 006/2025 (minor) – Checklist 3.1.1

3 Occupation Permits were expired since Jan & Feb 2025 with no evidence of action taken for renewal for OP and heavy machinery.

May 2026: Gap 006/2025 (minor) – Outstanding

Occupation Permits were expired and no evidence of the cancellation of the heavy machinery Indah Serimas.

Principle 4. Other User Rights

Based on the FDP, there are 5 villages located within a distance of about 6 KM from the project area boundary, which is Kg. Tambunan 2, Kg. Kawayoi, Kg. Susui, Kg. Tudungin and Kg. Inarad 1.

May 2025: Gap 007/2025 (minor) – Checklist 4.1.5

Lack of consultation with communities.

May 2026: Gap 007/2025 (minor) – Closed

Rakyat Berjaya recorded and documented the communication with nearby villages.

Summary Results:

(Major gap = 0, Minor gap = 6, Observation = 4)

Gap raised against indicators & criteria during the May 2026 assessment.

GAP	Type	Checklist	Status	Description
001/2025	minor	1.3.2.13, 2.3.5	Outstanding	May 2025: The FFMP has not been approved by the SFD. May 2026: The 2 nd FFMP has not been approved by the SFD.
002/2025	minor	1.5.1	Closed	May 2025: The AWP 2025 has not been approved by the SFD. May 2026: The AWP 2025 was approved by the SFD in May 2025.
003/2025	minor	2.2.3, 2.2.7	Closed	May 2025: Removal Passes were not stamped as “Sabah TLAS” by the SFD. May 2026: Removal Pass was stamped as “Sabah TLAS” by the SFD.
004/2025	minor	2.4.5	Closed	May 2025: No work and fire training were conducted for workers. May 2026: Training for fire was conducted for workers.
005/2025	minor	2.4.8	Closed	May 2025: Inconsistent in EPF/SOCSO contributions and records for monthly contributions of SOCSO and EPF for workers by Indah Serimas. May 2026: EPF and SOCSO monthly contributions for workers under Indah Serimas are consistent.

GAP	Type	Checklist	Status	Description
006/2025	minor	3.1.1	Outstanding	May 2025: 3 Occupation Permits were expired since Jan & Feb 2025 with no evidence of action taken for renewal for the OP and heavy machinery. May 2026: Occupation Permits were expired and no evidence of the cancellation of the heavy machinery Indah Serimas.
007/2025	minor	4.1.6	Closed	May 2025: Lack of consultation with communities. May 2026: Rakyat Berjaya recorded and documented the communication with nearby villages.
001/2026	minor	1.3.3	New	May 2026: Indah Serimas has yet to conduct the mid-term review that was due in 2025.
002/2026	minor	2.1.7	New	May 2026: Logging Contractor Certificates had expired since 2024.
003/2026	Obs 002- 2025	2.4.1, 2.4.2	Raised to minor	May 2026: Employment agreement for workers was not established for workers under KKS Timber Trading & Ko Kung Siong. JTK license expired under KKS Timber Trading. COI for workers under Indah Serimas expired and some document for some workers were not available.
004/2026	minor	2.4.8	New	May 2026: Inconsistent in EPF and SOCSO registration and contribution for workers under KKS Timber Trading and Ko Kung Siong.

Observation raised against indicators & criteria during the May 2026 assessment.

Obs #	Checklist	Description
001-2025 Outstanding	1.1.3	May 2025: Area under Coupe permit 11,900 ha is against the FDP area for Mosaic of 12,165 ha. May 2026: The discrepancy between the Mosaic area in the approved coupe and 2 nd FDP has yet to be resolved.
001-2026	2.2.3, 2.2.7	May 2026: The Geo-locations, payment receipt, FR & coupe # in QR codes and "Sabah TLAS CC" were not indicated in the e-Removal Pass by the SFD.
002-2026	2.4.5	May 2026: Training for work safety has not been conducted for workers.
003-2026	2.4.8	May 2026: Indah Serimas has yet to register with DOSH.

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

Recommendations

Rakyat Berjaya Sdn. Bhd. (Indah Serimas Sdn. Bhd.) has 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.

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 001/2025 (minor) Outstanding – Checklist 1.3.2.13, 2.3.5: Indah Serimas shall follow up with the SFD and the SFD should expedite the Forest Fire Management Plan approval process.

Gap 006/2025 (minor) Outstanding – Checklist 3.1.1: Indah Serimas shall ensure all OPs are valid and heavy machinery shall be cancelled accordingly.

Gap 001/2026 (minor) – Checklist 1.3.3: Indah Serimas should conduct the mid-term review as stipulated in the 2nd FDP.

Gap 002/2026 (minor) – Checklist 2.1.7: Indah Serimas shall ensure Logging Contractor Certificates are valid prior to the commencement of harvesting.

Gap 003/2026 (Raised to minor) – Checklist 2.4.1, 2.4.2: Employment agreement for workers should be established and JTK license should be valid under KKS Trading Timber Trading and JTK should not exceeded the quota under Ku Kung Siong. COI for workers under Indah Serimas should be valid and contractors should ensure documents are available to facilitate the Sabah TLAS assessment.

Gap 004/2026 (minor) – Checklist 2.4.8: Indah Serimas should ensure workers under contractors are complied with the SOCSO and EPF statutory requirements.

Observation 001-2025 Outstanding - Checklist 1.1.3: Coupe permit and Mosaic in the FDP areas should match.

Observation 001-2026 – Checklist 2.2.3, 2.2.7: The SFD should implement the e-Removal Pass by ensuring the Geo-locations, payment receipt, FR & coupe # in QR codes and “Sabah TLAS CC” were indicated in the e-Removal Pass.

Observation 002-2026 – Checklist 2.4.5: Training for work safety should be conducted for workers annually and when there are new workers.

Observation 003-2026 – Checklist 2.4.8: Indah Serimas shall seek guidance from DOSH regarding registration under DOSH.

The next annual surveillance audit will be scheduled for **May 2027**.

End of Summary Report