

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Jawala Plantation Industries Sdn. Bhd. 200801018416 (819712-W)	<b>Reference #</b>	GFSSBH 003-330a
<b>Contact Person</b>	Maxy Self (Chief Operating Officer) Bernan Ibanez Billones (Forest Manager) Heldawati Binidik (Admin & Marketing Manager)	<b>Date of Report</b>	07/02/2025
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Statement of Compliance	GFS 100 LVS		
Issuance Date	10 February 2025	Expiration Date	09 February 2026

### Assessment Details

Assessment Dates	03-07 February 2025
Scope of Assessment	Sabah TLAS P1-4: FMU 14 (Partly) (SFMLA 02/2015)
Species	<p><u>Salvage logs:</u> <i>Drybalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium spp.</i> (Kembang semangkuk), (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarkia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia spp.</i> (Pulai), <i>Nauclea spp./Neonauclea spp.</i> (Bangkal), <i>Annonaceae spp.</i> (Karai), <i>Eugenia spp.</i> (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum spp.</i> (Perupok), <i>Terminalia subspathulata</i> (Talisai), Lithocarpus &amp; Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace spp.</i> (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), Gluta / Semecarpus / Melanochyla &amp; Swintonia (Rengas), Annonaceae (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok-Sendok), Assam, Perapat Hutan, OT (Other timber), <i>Neolamarkia cadamba</i> (Laran), <i>Albizia falcataria</i> (Batai)</p> <p><u>ITP planted species:</u> <i>Neolamarkia cadamba</i> (Laran), <i>Albizia falcataria</i> (Batai), <i>Khaya ivorensis</i>, <i>Neolamarkia macrophylla</i> (Laran Merah), <i>Terminalia subspathulata</i> (Talisai)</p>
Lead Assessor	Brandon James
Assessor(s)	Glory Linggou, Teddy Quintin
SFD Staff	Jaime Gampawi (PPW Keningau), Ismail Hj. Aluwisos (PPW Keningau), Mazlan Azman (PPW Keningau), Faizul Dinin (PPW Keningau), Fidery Juni (PPW Keningau), Sofian Yunus (PPW Keningau), Christer Edward (PPW Keningau), Mitus Nuing (PPD Tibow), Jen Laduk (PPD Tibow), Franklin Ombokou (PPD Tibow)

**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:**

On 12/08/2015, a long-term License Agreement (SFMLA 02/2015) was made between the State Government of Sabah (Sabah Forestry Department) and Jawala Plantation Industries Sdn. Bhd. (Jawala Plantation Industries) for forest logging and establishment of an Industrial Tree Plantation (ITP) on an area of 11,043 hectares in a sustainable manner that does not impair the environment and is socially acceptable. The tenure for the licensed area is for 100 years and expires on 31/12/2115.

The licensed area was formerly formed part of the management area under the Sustainable Forest Management License Agreement 04/97 (SFMLA 04/97) covering some 95,300 ha, which was managed by Sapulut Forest development Sdn. Bhd. The Licensed Area under the management jurisdiction of Jawala Plantation Industries cover 11,043 ha within the FMU 14, which forms part of Sapulut Forest Reserve, a Commercial Forest Reserve (Class II), which was gazetted in 1979, and regazetted in 1984 (F.D. map No. 101/5F0 covering a total area of 241,885 ha for the purpose of supplying timber and other forest produce.

A 10-year Forest Management Plan (FMP) from 01/01/2017 to 31/12/2026 [Ref.#: JPHTN/KKH100-15/28(6) dated 13/03/2017] was developed and approved by the Chief Conservator of Forests (CCF) and is currently being implemented.

- Amendment No. 1/2019 (2) dated 31/12/2019 – Site preparation and planting schedule.
- Amendment No. 1/2021 (1) dated 20/01/2021 – Silviculture treatment (Item 5.6, Page 74).

Jawala Plantation Industries engages Perusahaan J & T Sdn. Bhd. as their main contractor for salvage logging and site preparation for the establishment of the ITP.

Land use classification:

Land classification	FMP Area (ha)	Current Status (ha)
Total Concession Area	11,043	11,043
Forest plantation zone	9141	9141
Industrial Tree Plantation (ITP)	8,442	Total planted = 3,977.80 ha Laran = 3,143.60 ha Albizia = 682.28 ha Khaya ivorensis = 10.25 ha Talisai paya = 10.54 Laran Merah = 131.13 ha
RIL Harvesting Compartment 2A	488	Yet to commence
<b>Non-production area:</b> - Roads & clearings (84 ha) - Streams, ponds, including riparian reserves (1192 ha) - Steep areas & inoperable areas (68 ha) - Base camp & other facilities (20 ha)	1,364	1,364
Conservation Area	749	749

### Current Operations:

Jawala Plantation Industries has planned to implement Reduced Impact Logging (RIL) harvesting in Compartment 2A, covering an area of 488 ha, in 2025.

The CHP contractor, Evergreen Enterprise [FD/CON/CHP(34)2021] developed the Comprehensive Harvesting Plan (CHP) for Compartment 2A (493.81 ha), Sapulut Forest Reserve, which was zoned and managed under Industrial Tree Plantation.

As no harvesting activities had commenced at the time of the assessment, Jawala Plantation Industries had not yet appointed an RIL contractor.

Additionally, Jawala Plantation Industries is undertaking site preparation for planting within the Industrial Tree Plantation (ITP) coupes areas, with a target of 2,104.17 hectares for planting in 2025. As of the assessment, site-clearing activities were being conducted in Compartments 10, 18, 27, and 28 to facilitate the development of the ITP.

Comp #	NFM / ITP	Status	Area (ha)	Geo-location data
2A	ITP RIL	Sabah TLAS	399.80	NE: 4°39'37.5" N, 116°36'15.4" E SE: 4°38'45.5" N, 116°36'06.1" E SW: 4°38'35.3" N, 116°33'46.0" E NW: 4°39'31.7" N, 116°33'54.8" E
10	ITP	Sabah TLAS	291	NE: 4.59532 N, 116.60463 E SE: 4.58144 N, 116.60449 E SW: 4.57956 N, 116.58794 E NW: 4.59167 N, 116.58835 E
18	ITP	Sabah TLAS	227	NE: 4.59257 N, 116.55111 E SE: 4.58351 N, 116.55288 E SW: 4.58130 N, 116.53656 E NW: 4.59567 N, 116.53837 E
27	ITP	Sabah TLAS	434	NE: 4.57509 N, 116.50938 E SE: 4.56070 N, 116.50743 E SW: 4.55914 N, 116.49296 E NW: 4.57400 N, 116.49610 E
28	ITP	Sabah TLAS	379	NE: 4.59099 N, 116.51861 E SE: 4.57758 N, 116.52100 E SW: 4.57883 N, 116.50323 E NW: 4.59214 N, 116.50524 E

### Environmental Context:

The project site is an existing logged over area that is dominated by the common species of a typical secondary forest. As the project site falls under the Sapulut Forest Reserve (Class II), this reserve may contain important habitats sheltering significant protected flora. In addition, Batu Punggul Amenity Forestry (Class IV) and Sg. Sansiang Virgin Jungle Reserve (Class VI) are bordering the vicinity of the project site which is located within the 3km zone of impact may contain high biodiversity of the ecosystem.

The forest landscape is dominated by a function group referred to as pioneer species. This is comprised of tree genera such as *Macaranga* (predominantly), *Calicarpa*, *Croton*, Laran tree (*Neolamarckia cadamba*) as well as Binuang (*Octomeles Sumatrana*) were also found in the project area. Secondary vegetation and also, fern species could be sighted within the vicinity of the project area. In addition to that, banana and coconut trees which were planted by the villagers who stayed outside the project boundary could be sighted during the flora survey.

Based on the information from Sabah Forestry Department, there are no protected species exists within the areas. However, there are 19 protected species known to exist in the vicinity. Another studies conducted for Sapulut Wildlife Survey by Hutan (Kinabatangan Orang-Utan Conservation Programme) in the year 2011 has highlighted few species protected animals known to exist within the FMU. Among the

protected species are Bornean Orang-Utan (*Pongo pygmaeus morio*), Bearded pigs (*Sus barbatus*), Tembadau (Banteng) (*Bos javanicus*), Malayan Sun Bear (*Helacartos malayanus*), Bornean gibbon (*Hylobates melleri funereus*), Asian Elephant (*Elephas maximus*), Felidae species (wild cats) and Cervidae species (Sambar beer, muntjacs and mouse deer). Based on the study by Hutan as well, it was found that there were 57 species of birds were observed during the survey. Among the notable avian species that was sighted were three (3) species of hornbill (i.e. Rhinoceros, Helmeted and Bushy crested).

The project area is located on hilly terrain. The altitude of the project site ranges from 150m to 750m Above Mean Sea Level (AMSL).

It is noted that the main rivers within the project area are Sg. Salung and Sg. Sinikaluan, as well as Sg. Beliar and Sg. Sablangan. There is an extensive network of streams within the project area, most of them unnamed. The main river system flowing within the project areas are not being used for any government water abstraction or irrigation purposes.

The project site is dominated by the Lokan Association and Croker Association. The minor Association of Gomantong is also identified at the northern part of the project site. The parent materials for Lokan Association and Croker Association consisting of sandstone and mudstone. As for Gomantong Association, the parent materials consist of limestone.

An EIA report entitled “Forest Logging and Plantation of 11,043 hectares on part of Forest Management Unit (FMU) 14 Sapulut, Sabah” was documented and approved by The Environment Protection Department (EPD) [Ref. #: JPAS/PP/NBN/600-1/01/3/62 (35) dated 16/05/2017].

**Social Context:**

The social baseline study conducted by Sapulut Forest Development under its 2<sup>nd</sup> FMP, the SIA conducted as part of the EIA conducted for the Project Area.

About 16 villages, reside within a 3 KM radius of the Project Area. Of the 16 villages, 9 are located adjacent to the western portion of the Project Area, across Sg. Sapulut, and do not border Sapulut Forest Reserve. The remaining 7 villages are located towards the eastern portion of the Project Area. An estimated 166 households are located towards the western portion of the project area and a further 129 households are located towards the eastern portion of the project area. All settlement were located on lands outside of Sapulut Forest Reserve, hence outside of the Project Area.

<b>Scope of Assessment</b>	
<ul style="list-style-type: none"> <li>• The scope of the evaluation is to verify compliance of <b>Jawala Plantation Industries Sdn. Bhd.</b> with the Sabah Forest Management License Agreement (SFMLA 02/2015) for FMU 14 (partly).</li> <li>• The assessment is in accordance with the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 1 January 2024 (<b>SFD-TLAS-006</b>).</li> <li>• Site evaluation to verify and report the level of compliance by <b>Jawala Plantation Industries Sdn. Bhd.</b> and contractors to the standard in respect to each of the criteria within this report.</li> <li>• 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.</li> </ul>	

**Itinerary & Mandays: 03-07 February 2025 / FMU 14 (Partly): Jawala Plantation Industries Sdn. Bhd. / Close-out: Benta Wawasan Sdn. Bhd. (RT Plantations Sdn. Bhd.) / Tibow & Kalabakan District**

Date	Activity	GFS Staff	Mandays
03 February 2025 Monday	Travel to Jawala Plantation Industries and overnight. Opening meeting at Jawala Plantation Industries office and document review. Requesting close-out documents via Whats App from Benta Wawasan Sdn. Bhd. (RT Plantations Sdn. Bhd.)	Brandon James Glory Linggou Teddy Quintin	3
04 February 2025 Tuesday	Field assessment to licensed area, licensed boundary, protected area, ITP-RIL compartment area. Document review and compiling report.	Brandon James Glory Linggou Teddy Quintin	3
05 February 2025 Wednesday	Field assessment to PSP compartment area, planting area, basecamp, workers quarters,	Brandon James Glory Linggou	3

	workshop, nursery & stumping. Document review and compiling report.	Teddy Quintin	
06 February 2025 Thursday	Social assessments and interview at Kg. Salung. Document review and compiling report.	Brandon James Glory Linggou Teddy Quintin	3
07 February 2025 Friday	Closing meeting at PPD Keningau. Travel back to home base.	Brandon James Glory Linggou Teddy Quintin	3
08-09 February 2025	Reporting GFSSBH003-330 Reporting GFSSBH003-323a	Dr. Kevin Grace Brandon James	3
<b>Total</b>			<b>18</b>

### Highlights of Assessment

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

Jawala Plantation Industries Sdn. Bhd. has complied with the Sabah TLAS requirements (FDS TLAS-006) as no non-compliance was identified during the assessment on 03-07 February 2025.

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

#### **Principle 1. Right to Harvest**

Jawala Plantation Industries demonstrated compliance with the Sabah Forestry Department regulations. The Sabah Forestry Department and Jawala Plantation Industries have signed an agreement (SFMLA 02/15); a total of 11,043 ha of the Sapulut Forest Reserve were placed under the management of Jawala Plantation Industries and expired on 31/12/2115. A 10-year Forest Management Plan from 01/01/2017 to 31/12/2026 was developed and approved by the Chief Conservator of Forests (CCF) and is currently being implemented.

- Amendment No. 1/2019 (2) dated 31/12/2019 – Site preparation and planting schedule.
- Amendment No. 1/2021 (1) dated 20/01/2021 – Silviculture treatment (Item 5.6, Page 74).

Jawala Plantation Industries has adequately implemented mitigation measures to protect the environment based on the Environmental Compliance Reports (ECR) for 2024, prepared quarterly by an appointed EIA consultant.

#### **Principle 2. Forest Operations**

Jawala Plantation Industries has demonstrated compliance with the Environmental Impact Assessment (EIA) requirements. Areas designated as off-limits for harvesting, including steep slopes, riparian reserves, and buffer zones, were clearly demarcated and identifiable in the field. Moreover, no evidence of environmental disturbance was observed during the field assessment.

Jawala Plantation Industries submitted a formal notification letter to the Wildlife Department prior to the commencement of harvesting operations, ensuring compliance with regulatory requirements. Additionally, relevant transport documentation, including the Timber Disposal Permit (TDP), Scaling Order, Transit Pass, Removal Pass, and royalty receipts, was available for verification. Furthermore, Jawala Plantation Industries has an approved Forest Fire Management Plan, issued by the Sabah Forestry Department (SFD) on 25/07/2018, which outlines measures for fire prevention, mitigation, and response within the plantation area.

#### **Principle 3. Statutory Charges**

Jawala Plantation Industries has remitted the required licensing fees to the Tibow District Forestry Office in accordance with regulatory requirements. Additionally, Jawala Plantation Industries has fulfilled its obligation to pay royalty fees for harvested logs, with relevant records duly maintained and available for inspection.

#### **Principle 4. Other User Rights**

No communities reside within the licensed area, and no land claims have been made by local communities regarding areas within the licensed boundary.

Sixteen (16) villages have been identified within a 3-kilometer radius of the licensed area. These villages include Kg. Salung, Kg. Sabinait, Kg. Salarom Taka, Kg. Bangau, Kg. Balantos-Balait, Kg. Tikandis, Kg.

### Highlights of Assessment

Mawantul, Kg. Telaluan, Kg. Mator, Kg. Sinikaluan, Kg. Kuyoh, Kg. Agis, Kg. Sandukan, Kg. Sabuloh, Kg. Sosogoh, and Kg. Simatuoh.

The local communities primarily belong to the Murut Tagol ethnic group and practice sedentary agriculture. These communities do not rely on resources within the Sustainable Forest Management License Agreement (SFMLA) area, as the available resources within State land forests are sufficient to meet their subsistence needs. Jawala Plantation Industries maintains comprehensive records of meetings and engagements with adjacent local communities.

### Summary Results:

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

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

GAP	Type	Checklist	Status	Description
-	-	-	-	-

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

Obs #	Checklist	Description
-	-	-

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

### Recommendations

**Jawala Plantation Industries 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.

The next annual surveillance audit will be scheduled for **February 2026**.

**End of Summary Report**