

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Antir Binti Ansangor & 239 Peserta Contractor: Borneo Green Agricultural Sdn. Bhd. (1336818-D)	<b>Reference #</b>	GFSSBH003-105a
<b>Contact Person</b>	Steven Lee	<b>Date of Report</b>	23/12/2021
<b>Office Address</b>	No.15-3, Lot 24, 3 <sup>rd</sup> Floor, Block C, Lintas Square, Jalan Lintas, Kota Kinabalu, Sabah, Malaysia.	<b>Date of close out</b>	25/02/2022
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		<b>Approved By</b>	Dr. Kevin Grace

Statements			
Audit Statement	GFS 167 LVS		
Issuance Date	28 February 2022	Expiration Date	26 December 2022

Assessment Details	
Assessment Dates	22 – 23 December 2021
Scope of Assessment	TLAS P1-4: JP(NNN)004/2021(F1)
Species	Shorea spp. (Red & Yellow Seraya), Sapotaceae spp. (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), Alstonia spp. (Pulai), Eugenia spp. (Obah), Lauraceae spp. (Medang), Lithocarpus & Quercus spp. (Mempening/Berangan), <i>Cratoxylum arborescens</i> (Serungan), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), Annonaceae spp. (Pisang – Pisang), Annonaceae spp. (Kerai), Scaphium spp. (Kembang semangkuk), <i>Heritiera simplicifolia</i> (Kembang), <i>Planchonia valida</i> (Putat), <i>Shorea pauciflora</i> (Obah Suluk), <i>Duabanga moluccana</i> (Magas), <i>Shorea inappendiculata</i> (Selangan Batu), Dipterocarp spp. (Keruing), <i>Cotylelobium</i> spp. (Resak), <i>Parashorea</i> spp. (White seraya), <i>Drybalanops</i> spp. (Kapur), OT (Other Timber)
Lead Assessor	Varenus V Untomon
Assessor(s)	Priera Bagang
SFD Staff	Hendry Ladsou (DFO Nabawan), Eddy Anthonius (PPM Pamuntarian), Leroy Gaidim (KPPM Pamuntarian), Julius Janusip (PPW Keningau)

### 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:

- The State Government of Sabah, through the Land and Survey Department, has approved the land application by a group of 240 applicants thereafter known as 'Landowners' with a total area of 1,456.87 ha near Sg. Talangkai, Nabawan, for the purpose of oil palm cultivation. The project site was formerly designated for Tingkalis Communal Grant area but has been revoked and changed into individual land title ownership to the landowners. Each landowner will have their own land title with an area of not more than 6.07 ha.
- The Form 1 logging license is alienated land comprised of NT/PT 240 lot with a total area of approximately 1,337 ha for conversion to oil palm plantation. The Sabah Forestry Department (SFD) issued an approval (JPHTN/FRM 700-2/4/1/798/16 dated 13/07/2021) to harvest the area for 2 years under the "Form 1" logging license, which will cease on 12/08/2022.
- The harvesting method is salvage logging for land conversion.
- The licensed area is under the jurisdiction of the Nabawan District Forestry Office.
- Borneo Green Agriculture Sdn. Bhd. is the appointed contractor to carry out salvage logging, and registered with the SFD.

Logging Contractor	Borneo Green Agricultural Sdn. Bhd.
Non-RIL Contractor Certificate	KON(NNN)008/2021(KM)
Expiry Date	12/08/2022

- Land use classification:

Land classification	EIA Area (ha)	Current Status (ha)
Total Concession Area	1,377.03	1,377.03
Production Area	1,248.77	Area logged as of 3 <sup>rd</sup> Quarter 2021 (September): 365 ha
Riparian Reserve & Slope $\geq 25^\circ$	River Stream Buffer = n/a Steep Slopes: 128.26 ha	River Stream Buffer = n/a Steep Slopes: 128.26 ha

### Environmental Context:

- The area is 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, Mempening, Medang, Keranji, Magas, Rengas, etc.
- The eastern area borders Pensiangan Class I Forest Reserve.
- The altitude varies between 457 m to 988 m asl.
- Topography: undulating with steep areas ( $>25^\circ$ ) = 128.26 ha
- The major soil type is the acidic and nutrient poor Orthic acrisols.
- The main rivers, namely Sg. Talangkai flows from the northwest to the south part of the project site. The secondary river is Sg. Susuhon, which flows from the North to the Northwest part of the project site and is connected to Sg. Talangkai. Two other rivers flow from the project site to Sg. Talangkai is Sg. Tatalunan and Sg. Pongolon.
- Terrestrial mammals commonly sighted are Sambar deer, Borneon yellow muntjac, Bearded pig, Malay civet, Common palm civet, and Long-tailed macaque (communication from SFD in 2021).
- Environmental Impact Assessment was conducted and approved by the Environment Protection Department (EPD).

Title	EPD Approval Letter #	EIA Consultant
Proposed clearing activities and development of oil palm plantation covering an area of approximately 1,456 hectares within 240 individual land lots (formerly Tingkalis communal grant area) in Nabawan, Sabah.	JPAS/PP/NBN 600-1/11/1/422(27) dated 05/05/2020	Ekohandal Sdn. Bhd.

## Social Context:

- There is no human settlement exist within and around 1 KM radius form the project site. There is only one village known as Kg. Susuhon located 1.8 KM (in direct distant) from west boundary of the project site.

Scope of Assessment
<ul style="list-style-type: none"> <li>• The scope of the evaluation is to verify compliance of <b>Antir Binti Ansangor &amp; 239 Peserta (Borneo Green Agricultural Sdn. Bhd.)</b> with the Form 1 License JP(NNN)004/2021(F1) for the area.</li> <li>• 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 (<b>FDS-TLAS-002</b>).</li> <li>• Site evaluation to verify and report the level of compliance by <b>Antir Binti Ansangor &amp; 239 Peserta</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 demonstrate adequate compliance to a criterion.</li> </ul>

## Itinerary & Mandays: Form 1 License No. JP(NNN)004/2021(F1) / Antir Binti Ansangor & 239 Peserta (Borneo Green Agricultural Sdn. Bhd.) / Nabawan 20 – 23 December 2021 (Total Mandays = 12)

Date	Activity	GFS Staff	Mandays
20 December 2021 Monday	Travel to PPD Tenom for opening meeting and document review for MUIS.	Priera Bagang, Varenius Untomon	2
21 December 2021 Tuesday	Field visit to MUIS Area A.	Priera Bagang, Varenius Untomon	2
22 December 2021 Wednesday	To PPD Nabawan for opening meeting, field visit and document review.	Priera Bagang, Varenius Untomon	2
23 December 2021 Thursday	Close-out Form 1: JD Salarong. Document review and closing meeting at PPD Keningau.	Priera Bagang, Varenius Untomon	2
24 December 2021 Friday	Public Holiday – Christmas	-	0
25 – 26 December 2021	Reporting GFSSBH 003-104 Reporting GFSSBH 003-105 Reporting GFSSBH 003-095a	Dr. Kevin Grace, Priera Bagang	5
<b>Total</b>			<b>13</b>

Highlights of Assessment
<p>(Major Gaps = 1; Minor Gaps = 1; Observations = 0)  <b>February 2022: (Major Gap = 0; Minor Gaps = 1; Observations = 0)</b></p> <p><b>Antir Binti Ansangor &amp; 239 Peserta (Borneo Green Agricultural Sdn. Bhd.)</b> has not complied with the Sabah Legality Standard (<b>SFD-TLAS-002</b>) as non-compliance was identified for criteria 2.1 during the assessment on 20 – 23 December 2021.</p> <p>Summary of status of operations by <b>Principle</b>:</p> <p><b>Principle 1.</b>            Antir Binti Ansangor &amp; 239 Peserta is compliant with the Form 1 License conditions. The Form 1 is valid until 12/08/2022. The EIA study for the area was approved by the EPD on 05/05/2020. The SFD did not require a CHP for the area.</p> <p><b>Principle 2.</b>            The company is compliant with the transportation of logs. Based on the 3<sup>rd</sup> Quarter 2021 reported to the DFO Tenom, the total area logged was 365.00ha with a logs production 1,337.03m<sup>3</sup>.</p> <p>The campsite was constructed less than 30m from a river. Observed lack of control during road</p>

## Highlights of Assessment

construction / maintenance as excess soil was pushed into the buffer zone and indiscriminate tree felling inside buffer areas.

### December 2021: Gap 001/2021 (Major) – Checklist 2.1.13

Lack of protection of stream buffer areas. Streams sampled were heavily disturbed based on field observations and the camp site was constructed inside the buffer zone.

### February 2022: Gap 001/2021 (Major) – Closed

The company has closed the path and protected the stream buffer near the dwelling areas and cleared debris in the stream. PPD Nabawan conducted the site visit on 18/02/2022 (Ref.#: JPHTN/NNN: MPNTN 700-3/1/1/4, dated 21/02/2022).

### December 2021: Gap 002/2021 (Minor) – Checklist 2.3.2, 2.3.7

No evidence of safety and fire control training.

### Principle 3.

Antir Binti Ansangor & 239 Peserta (Borneo Green Agriculture) has paid the licensing fees and other charges to the SFD. The records were available and maintained.

### Principle 4.

There is no human settlement exist within and around 1 KM radius form the project site. There is only one village known as Kg. Susuhon located 1.8 KM (in direct distant) from west boundary of the project site. **(Not applicable)**

## Summary Results:

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

**February 2022 (Major gap = 0, Minor gap = 1, Observation = 0)**

Gap raised against indicators & criteria during the December 2021 assessment.

GAP	Type	Checklist	Status	Description
001/2021	Major	2.1.13	Closed	<p><b>December 2021:</b> Lack of protection of stream buffer areas. Streams sampled were heavily disturbed based on field observations and the camp site was constructed inside the buffer zone.</p> <p><b>February 2022:</b> The company has closed the path and protected the stream buffer near the dwelling areas and cleared debris in the stream. PPD Nabawan conducted the site visit on 18/02/2022 (Ref.#: JPHTN/NNN: MPNTN 700-3/1/1/4, dated 21/02/2022).</p>
002/2021	Minor	2.3.2 2.3.7	New	<p><b>December 2021:</b> No evidence of safety and fire control training.</p>

Observation raised against indicators & criteria during the December 2021 assessment.

Obs #	Checklist	Description
-	-	-

Highlights of Close Out Visit (if applicable)	Dates	25 February 2022
The Major Gap <b>001/2021</b> is now closed. The company has closed the path and protected the stream buffer near the dwelling areas and cleared debris in the stream. PPD Nabawan conducted the site visit on 18/02/2022 (Ref.#: JPHTN/NNN: MPNTN 700-3/1/1/4, dated 21/02/2022).		

## Recommendations

**Antir Binti Ansangor & 239 Peserta (Borneo Green Agriculture)** has now demonstrated compliance with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was addressed in Criterion 2.1 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 002/2021 – (Minor) Checklist 2.3.2 & 2.3.7:** Conduct and maintain records of safety and fire control training for workers.

The next surveillance audit will be scheduled for December 2022.

**End of Summary Report**