

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Asok Bin Sarah @ Pusarah Contractor: Khidmat Majukaya Sdn. Bhd. (1161257-V)	Reference #	GFSSBH 003-232
Contact Person	Chin Nyuk Cheong (Khidmat Majukaya's Director)	Date of Report	08/12/2023
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement	GFS 201 LVS		
Issuance Date	11 December 2023	Expiration Date	10 December 2024

Assessment Details

Assessment Dates	04 - 08 December 2023
Scope of Assessment	TLAS P1-4: Form 1 License No. JP(NKG)002/2023(F1)
Species	<i>Shorea spp.</i> (Red & Yellow Seraya), <i>Sapotaceae spp.</i> (Nyatoh), <i>Neolamarckia cadamba</i> (Laran), <i>Alstonia spp.</i> (Pulai), <i>Eugenia spp.</i> (Obah), <i>Lauraceae spp.</i> (Medang), <i>Lithocarpus & Quercus spp.</i> (Mempening/Berangan), <i>Cratoxylum arborescens</i> (Serungan), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Annonaceae spp.</i> (Pisang – Pisang), <i>Annonaceae spp.</i> (Kerai), <i>Scaphium spp.</i> (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), <i>Dipterocarp spp.</i> (Keruing), <i>Cotylelobium spp.</i> (Resak), <i>Parashorea spp.</i> (White seraya), <i>Drybalanops spp.</i> (Kapur), OT (Other Timber)
Lead Assessor	Priera Bagang
Assessor(s)	Vanessa Abin
SFD Staff	Narbert Nasly (DFO Keningau), Magandi (PPW Keningau), Mazlan Azman (PPW Keningau), Peter Abdullah (KPPM Ansip/Dalit), Welbert (PPM Ansip/Dalit)

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 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 “Temporary Occupation License” (TOL) no. 13900093 registered under the Land Application (LA) no. 20-19130223 to Asok Bin Sarah @ Pusarah for salvage logging (Ref.#: L.S.1301.4.262/(27)(HH/aa) dated 21/07/2022).
- The estimated TOL total area is 595 hectares located at Sook, Keningau, Sabah.
- Subsequently, Asok Bin Sarah @ Pusarah has granted a power of attorney to Khidmat Majukaya Sdn. Bhd. (Khidmat Majukaya) to conduct the logging activities and payment of any statutory charges.
- In 2023, the SFD granted the Form 1 license to Asok Bin Sarah @ Pusarah that will lapse on 20/10/2025 (Ref.#: JPHTN/FRM 700-2/3/149/10 dated 06/02/2023).
- The licensed area is under the jurisdiction of the Keningau District Forestry Office.
- Khidmat Majukaya is affiliated with Team Best Sdn. Bhd., Bumi Timber Sdn. Bhd. and YKL Enterprise that support the company’s management business.
- Khidmat Majukaya is not engaging any subcontractor to conduct logging inside the licensed area.

Current Operations:

- Based on the Form 1 license, the harvesting method adopts conventional logging with no diameter cutting limit and species restriction. However, all logging activities must be below 25° slopes.
- The licensed area is divided into 31 blocks with an area ranging from 18 to 20 hectares per block.
- The logging operation has recently started in October 2023. The current operational block area is at Block 5, Block 11, Block 14-16 and Block 18-19, with a total cumulative log production as of November 2023 is 4,003.30 m³ (2,107pcs).
- As of November 2023, there was only 1 phase of the log has been paid with royalty, totaling 2,237.98m³ (1,211pcs).
- Khidmat Majukaya is currently halting the logging operation due to unfavorable weather conditions.
- Land use classification:

Land classification	Form 1 Area (ha)	EIA area (ha)
Total Concession Area	591.50	595*
Production Area	591.50	388.24
Protected Forest & Conservation	Not stated	206.76 Steep Area (>25°) = 131.60 ha Riparian reserve = 27.91ha Pensiangan Class I FR buffer zone (50m) = 9.95ha Stream buffer zone = 37.30ha

*Note: Discrepancy of 3.5 hectares due to error in GIS digitization.

Environmental Context:

- The area is logged over mixed highland dipterocarp forest consisting of Dipterocarps such as *Urat mata*, *Seraya kuning*, *Seraya merah*, *Keruing*, *Oba suluk* and, other lesser-known species such as *Laran*, *Pelawan-Pelawan*, *Mempening*, *Medang*, *KerANJI*, *Magas*, *Rengas*, etc.
- The altitude varies between 468m to 881m a.s.l.
- The southern part borders the Pensiangan Forest Reserve Class I.
- The mean annual rainfall recorded from 2017 until 2021 is 1,881.64mm, with an average of 156.8mm/month.
- The main river in the licensed area is Sg. Molos and its tributaries and flow to Sg. Tinagalan.
- The TOL area is underlain by Crocker and Dalit Associations. The major soil type is the acidic and nutrient poor Orthic Acrisols.
- Terrestrial mammals commonly sighted are Sambar deer, Borneon yellow muntjac, Bearded pig, Malayan civet, Common palm civet, Long-tailed macaque and Leopard cat. Avian species

identified through calls and sightings, Great argus, Plaintive cuckoo and Crested serpent eagle. The biggest threat to wildlife in the licensed area is poaching.

- Significant impacts:
 - Soil erosion is exacerbated by topography and conventional logging.
 - Water quality.
 - Refugia disturbance.
- Ease of ignition due to increasing fuel loads (logging residue) and rapid desiccation of fuel due to clear felling.
- Environmental Impact Assessment was conducted and approved by the Environment Protection Department (EPD).

Title	EPD Approval Letter #	EIA Consultant
Proposed Logging Operation in 595 Hectares Within Temporary Occupation License (TOL) under PT.20-19130223 in Sook, Keningau, Sabah	JPAS/PP/SOOK/600-1/01/1/334(25) dated 03/02/2023	Prisma Adventure Sdn. Bhd.

Social Context:

- There are no local communities residing in the licensed area. However, 2 villages within a 4 km radius were identified, including Kg. Kasuing and Kg. Bangawong.
- There is no NCR claimed area inside the TOL area.

Scope of Assessment
<ul style="list-style-type: none"> • The scope of the evaluation is to verify compliance of Asok Bin Sarah @ Pusarah (Khidmat Majukaya Sdn. Bhd.) with the Form 1 License No. JP(NKG)002/2023(F1) for TOL No. 13900093. • The assessment is in accordance on the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated November 2020 (SFD-TLAS-002). • Site evaluation to verify and report the level of compliance by Asok Bin Sarah @ Pusarah 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 1: Asok Bin Sarah @ Pusarah (Khidmat Majukaya Sdn. Bhd.) / Keningau District / 04 - 08 December 2023 (Total Mandays = 12)

Date	Activity	GFS Staff	Mandays
04 December 2023 Monday	Travelling to PPD Keningau and Opening meeting. Document review at PPD Keningau. Compiling report.	Priera Bagang, Vanessa Abin	2
05 December 2023 Tuesday	Field assessment to licensed area, logging operation, protection areas, licensed boundary and campsite.	Priera Bagang, Vanessa Abin	2
06 December 2023 Wednesday	Field assessment to stumping. Document review. Compiling report.	Priera Bagang, Vanessa Abin	2
07 December 2023 Thursday	Document review and compiling report.	Priera Bagang, Vanessa Abin	2
08 December 2023 Friday	Closing meeting at PPD Keningau and travel to homebase.	Priera Bagang, Vanessa Abin	2
09-10 December 2023	Reporting GFSSBH 003-232	Dr. Kevin Grace, Priera Bagang	2
Total			12

Highlights of Assessment
<p>(Major Gaps = 0; Minor Gaps = 0; Observations = 1) Asok Bin Sarah @ Pusarah (Khidmat Majukaya Sdn. Bhd.) has complied with the Sabah Legality Standard (SFD-TLAS-002) as no non-compliance was identified during the assessment on 04 - 08 December 2023.</p>

Highlights of Assessment

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

Principle 1.

Asok Bin Sarah @ Puserah (Khidmat Majukaya) demonstrated compliance with the license requirements and developed an EIA study for the TOL area [Ref.#: JPAS/PP/SOOK/600-1/01/1/334(25) dated 03/02/2023].

Principle 2.

Khidmat Majukaya demonstrated compliance with the demarcation of common boundaries (e.g., licensed boundaries and protection areas) and regulatory requirements for workers.

Training was limited to fire and safety training by BOMBA.

December 2023: Observation 001-2023 – Checklist 2.3.2

No evidence that training include work safety for tree felling and extraction.

Principle 3.

Khidmat Majukaya has paid the licensing fees and other charges to Keningau Forestry Office. The records were available and maintained.

Principle 4.

Not applicable - There are no local communities residing in the licensed area. However, 2 villages within a 4 km radius were identified that include Kg. Kasuing and Kg. Bangawong. There is no NCR claimed area inside the TOL area.

Summary Results:

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

Gap raised against indicators & criteria during the December 2023 assessment.

GAP	Type	Checklist	Status	Description
-	-	-	-	-

Observation raised against indicators & criteria during the December 2023 assessment.

Obs #	Checklist	Description
001-2023	2.3.2	December 2023: No evidence that training include work safety for tree felling and extraction.

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

Recommendations

Asok Bin Sarah @ Puserah (Khidmat Majukaya Sdn. Bhd.) 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:

Observation 001-2023 – Checklist 2.3.2: Training shall include work safety for tree felling and extraction.

The next annual surveillance audit will be scheduled for December 2024.

End of Summary Report