

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Magupis Bin Ipang & 16 Peserta Contractor: The Next Level (Sole proprietor)	<b>Reference #</b>	GFSSBH 003-160
<b>Contact Person</b>	Akong Chai (Management Representative)	<b>Date of Report</b>	04/11/2022
<b>Office Address</b>	No. 7, Lot 13, Lorong Burung Keleto, Pusat Perindustrian Ngee Lim, Batu 5, Jalan Tuaran, 88450 Kota Kinabalu, Sabah, Malaysia.	<b>Date of close out</b>	-
<b>Email</b>	-	<b>Telephone</b>	+6016 831 9910 +6016 831 9562
		<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	GFS 192 LVS		
Issuance Date	07 November 2022	Expiration Date	06 November 2023

### Assessment Details

Assessment Dates	31 October - 04 November 2022
Scope of Assessment	Sabah TLAS P1-4: JPHTN/FRM 700-2/4/1/849/6
Species	Mixed species
Lead Assessor	Priera Bagang
Assessor(s)	Ivy Justin
SFD Staff	Norahmad Jumain (DFO Pitas), Fadzil Moxsin (ADFO Pitas), Peter Sumpit (KPPM Tangkarason/Rosob), Raymund Kimlau (PPM Paitan/Sugut/Melinsau), Erik Michael (PPM Paitan/Sugut/Melinsau), Arnold Anselmus (PPM Tangkarason/Rosob), Muniandy Marcus (PPD Pitas).

### 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 (**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 of Sabah has approved the Register Survey Plan for 17 beneficiaries from Kampung Dowokon and Kampung Maliau, Pitas for Oil Palm Plantation. The Register Survey Plan is the final step before the issuance of the land title (i.e., NT/CL/TL).
- An agreement was achieved between the contractor (The Next Level) and the licensee on 21/04/2021, allowing the company to work and extract merchantable logs inside the area, approximately 93 hectares (17 lots).
- The project area is located at Kg. Maliau, District of Pitas, Sabah, which is approximately 30 km from Pitas Township. Access to this project area is from Pitas-Kota Marudu Road.
- Land use classification:

Land classification	Total area (ha)	Current Status (as of 31/10/2022)
Approved Register Survey Plan (RSP): 17 Land application (LA)	93	1 <sup>st</sup> Form IIB application: 286 pcs (467.88m <sup>3</sup> ) Total transported to mill (as of 31/10/2022): 106 pcs (121.04m <sup>3</sup> ) Balance logs (as of 31/10/2022): 180 pcs (346.84 m <sup>3</sup> )

### Environmental Context:

- The project area is located within the state land adjacent to Mandamai FR, which borders the project area. The topographic pattern is relatively undulating ground with attitude varying between 400 m to 800 m above sea levels.
- Dipterocarp diversity is low and non-dipterocarps become dominant. Based on records, trees above 30 cm DBH growth size have been identified and recorded within the project site. The common trees found within the project area are Macaranga, Seraya, Mempening, Binuang, Keruing, Sedaman, Darah-Darah, Melapi and Laran.
- Based on the field observation, the soil is made up mostly of Crocker Association under Mountains landform with main soil units of Orthic Acrisol, Chromic & Dystric Cambisols and Lithosols. The parent materials of these associations are sandstone and mudstone.
- There is no area identified for protection within this project area. The nearest protected area is Mandamai FR Class I located at the north boundary of the project area.
- There are no records of existing EIA studies for the licensed area.

### Social Context:

- The area is associated with people from Kg. Dowokon and Kg. Maliau located approximately 0.5 KM from the licensed area.
- All beneficiaries of the project area are people from Kg. Dowokon and Kg. Maliau, Pitas.

## Scope of Assessment

- The scope of the evaluation is to verify compliance of **Magupis Bin Ipang & 16 Peserta (The Next Level)** with the Form IIB permit No. JPHTN/FRM 700-2/4/1/849/6 dated 06/10/2022.
- 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 (SFD-TLAS-002).
- Site evaluation to verify and report the level of compliance by **Magupis Bin Ipang & 16 Peserta** 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: Magupis Bin Ipang & 16 Peserta (The Next Level) & Nik Mohd Nadzri bin Nik Zawawi & Peserta (Hartawan Dimaju Sdn. Bhd.) / Pitas District / 31 Oct - 04 Nov 2022 (Total Mandays = 14)**

Date	Activity	GFS Staff	Mandays
31 October 2022 Monday	Travel to SFD Pitas for opening meeting.	Priera Bagang, Ivy Justin	2
01 November 2022 Tuesday	Field visit to Magupis Bin Ipang & 16 Peserta and document review.	Priera Bagang, Ivy Justin	2
02 November 2022 Wednesday	Field visit to Nik Mohd Nadzri bin Nik Zawawi & 35 Peserta.	Priera Bagang, Ivy Justin	2
03 November 2022 Thursday	Document review at SFD Pitas.	Priera Bagang, Ivy Justin	2
04 November 2022 Friday	Closing meeting at SFD Kota Marudu office.	Priera Bagang, Ivy Justin	2
05-06 November 2022	Reporting GFSSBH 003-160 Reporting GFSSBH 003-161	Dr. Kevin Grace, Priera Bagang	4
<b>Total</b>			<b>14</b>

### Highlights of Assessment

(Major Gaps = 0; Minor Gaps = 3; Observations = 0)

**Magupis Bin Ipang & 16 Peserta (The Next Level)** has complied with the Sabah Legality Standard (SFD-TLAS-002) as no non-compliance was identified during the assessment on 31 October - 04 November 2022.

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

#### Principle 1.

Magupis Bin Ipang & Peserta (The Next Level) demonstrated compliance with the Form IIB permit and the Form IIB and valid for 1 month after the approval.

Approval	Total area	Total logs	Total volume, m <sup>3</sup>
JPHTN/FRM 700-2/4/1/849/6 dated 06/10/2022	229.73 acre @ 93 hectare	286	467.88

#### November 2022: Gap 001/2022 (Minor) - Checklist 1.1.1

The total Form IIB applicant inside the approval differs between documents (i.e., Form IIB title, Defined applicant, Survey map).

#### Principle 2.

Magupis Bin Ipang & 16 Peserta demonstrated compliance with the Forest Operation Principle. Based on the map, there are no protected areas identified.

The GFS team could not access the licensed area due to poor weather conditions (slippery roads). The licensed area is located at Kg. Maliau, Pitas and approximately 20KM from the main road, Pitas - Kota Marudu. This assessment solely depends on documentation presented by the SFD during the assessment. The verification visit shall be conducted in the next surveillance visit.

As of the assessment, the summary production was reported to DFO Pitas for royalty payment.

Total area	Total logs	Total volume, m <sup>3</sup>
229.73 acre @ 93 hectare	286	467.88

Based on the SFD, logging and land development are still in progress. The licensee will report the next production logs on the 2<sup>nd</sup> Form IIB application.

#### November 2022: Gap 002/2022 (Minor) - Checklist 2.2.4

Working approval from the Land & Survey Department is unavailable during the assessment.

### Highlights of Assessment

**November 2022: Gap 003/2022 (Minor) - Checklist 2.3.2, 2.3.7**

No evidence of safety and fire training conducted before the operation.

**Principle 3.**

No occupational permit registration is required.

The Next Level has paid all associated fees to the SFD.

**Principle 4.**

**Not applicable** – There is no village identified within the licensed area. Land titles will be awarded to Magupis Bin Ipang & 16 Peserta as private property. The nearest village, Kg. Dowokon and Kg. Maliau, Pitas, is located in the south, approximately 0.5 KM from the licensed area.

All beneficiaries of the project area are people from Kg. Dowokon and Kg. Maliau, Pitas.

### Summary Results:

**(Major gap = 0, Minor gap = 3, Observation = 0)**

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

GAP	Type	Checklist	Status	Description
001/2022	Minor	1.1.1	New	<b>November 2022:</b> The total Form IIB applicant inside the approval differs between documents (i.e., Form IIB title, Defined applicant, Survey map).
002/2022	Minor	2.2.4	New	<b>November 2022:</b> Working approval from the Land & Survey Department is unavailable during the assessment.
003/2022	Minor	2.3.2 2.3.7	New	<b>November 2022:</b> No evidence of safety and fire training conducted before the operation.

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

Obs #	Checklist	Description
-	-	-

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

### Recommendations

**Magupis Bin Ipang & 16 Peserta (The Next Level)** 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:

**Gap 001/2022 (Minor) - Checklist 1.1.1:** The information inside the Form IIB permit shall be defined correctly.

**Gap 002/2022 (Minor) - Checklist 2.2.4:** Maintain the working approval letter from the Land & Survey Department.

**Gap 003/2022 (Minor) - Checklist 2.3.2, 2.3.7:** The licensee shall conduct safety and fire training.

Form IIB permits issued for areas under 100 ha are expected to be completed within 12 months; thus, annual surveillance should not be applicable.

**End of Summary Report**