

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta Contractor: Hartawan Dimaju Sdn. Bhd. (1292987-T)	Reference #	GFSSBH 003-162a
Contact Person	Mr. Lee	Date of Report	04/11/2022
Office Address	Lot 16, Taman Kota, Peti Surat 5, 89000, Keningau, Sabah, Malaysia.	Date of close out	03/01/2023
		Telephone	+6016 980 2329
Email	hartawandimaju@gmail.com	Fax	-
		Approved By	Dr. Kevin Grace

Statements

Audit Statement	NC: Non-Compliance – Criteria 1.2 & 2.1 (Outstanding)		
Issuance Date	Not applicable	Expiration Date	Not applicable

Assessment Details

Assessment Dates	31 October 2022 – 04 November 2022
Scope of Assessment	Sabah TLAS P1-4: Form IIB (JPHTN/FRM 700-2/4/1/921/12)
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 01st 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:

- Hartawan Dimaju Sdn. Bhd. (1292987-T) was appointed as a logging contractor by Nik Mohd Nadzri Bin Zawawi & 35 Peserta to conduct logging inside the Native Title (NT) land of 35 lots. The total area for development is 151.07 ha. Based on the contractor, the area will be converted into agriculture after salvage logging is completed.
- The licensed area is within Kampung Garung village reserve. The nearest forest reserve is Lingkabau Class II Forest Reserve, located approximately 2 km to the north of the licensed area.
- The first and second Form IIB permit application was in 2019, but the operation was halted during the pandemic. Currently, Hartawan Dimaju continues the operation that commenced in September 2022.
- The applicant (licensee) is under the jurisdiction of the Pitas District Forestry Office.
- Land use classification:

Land classification	Total area (ha)	Current Status (as of 04/11/2022)
Native Title land (35 lots)	151.07	1 st Form IIB application: 506 logs, 990.63 m ³ 2 nd Form IIB application: 668 logs, 1,293.80 m ³ 3 rd Form IIB application: 238 logs, 549.03 m ³ 4 th Form IIB application: 152 logs, 347.68m ³ (Pending for approval) Total log production (1 st – 3 rd application): 1,412 logs, 2,833.46 m ³

Environmental Context:

- The licensed area is logged over mixed highland dipterocarp forest and consists of Dipterocarps such as Seraya putih, Seraya Kuning, Pelawan – Pelawan, Mempening and etc.
- The major soil type is acidic and nutrient – poor Orthic Acrisols.
- Based on the field observation, the area is undulating terrain with a maximum slope of 20°.
- There are no records of existing EIA study for the licensed area.

Social Context:

- There is no village identified within the licensed area. Land titles have been awarded to Nik Mohd Nadzri Bin Zawawi & 35 Peserta, a private property.
- There is no other NCR claim area inside the titled land.

Scope of Assessment

- The scope of the evaluation is to verify compliance of **Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta (Hartawan Dimaju Sdn. Bhd.)** with the Form IIB permit (JPHTN/FRM 700-2/4/1/921/12).
- The assessment is in accordance on the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 01st January 2015 (SFD-TLAS-002).
- Site evaluation to verify and report the level of compliance by **Nik Mohd Nadzri Bin Nik Zawawi & 35 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 & 35 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 & 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
Total			14

Highlights of Assessment

(Major Gaps = 2; Minor Gaps = 2; Observations = 0)

January 2023: (Major Gaps = 2; Minor Gaps = 2; Observations = 0)

Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta (Hartawan Dimaju Sdn. Bhd.) has not complied with the Sabah Legality Standard (**SFD-TLAS-002**) as non-compliance was identified for Criteria 1.2 & 2.1 during the assessment on 31 October – 04 November 2022.

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

Principle 1.

The Sabah Government through the Land and Survey Department has granted the beneficiaries the Native Title land to Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta for the purpose of agriculture. The title land is permanently owned by the beneficiaries' subject to the Sabah Land Ordinance regulations.

Approved Form IIB permit issued by SFD.

JPHTN/FRM 700-2/4/1/921/5, dated 23/09/2019 (2B202675)

Applicant	Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta
Land status	Native Titled Land – NT Land
Locality	Ulu Sungai Sugut (Kg. Garung, Ranau)
Area (ha)	151.07
No. of logs	506
Volume (m³)	990.63

JPHTN/FRM 700-2/4/1/921/9, dated 17/10/2019 (2B202681)

Applicant	Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta
Land status	Native Titled Land – NT Land
Locality	Ulu Sungai Sugut (Kg. Garung, Ranau)
Area (ha)	151.07
No. of logs	668
Volume (m³)	1,293.80

JPHTN/FRM 700-2/4/1/921/12, dated 14/10/2022 (2B202734)

Applicant	Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta
Land status	Native Titled Land – NT Land
Locality	Ulu Sungai Sugut (Kg. Garung, Ranau)
Area (ha)	151.07
No. of logs	238
Volume (m³)	549.03

Highlights of Assessment

Based on the approvals, the Form IIB permits expire after one month from the approval date. Hartawan Dimaju is currently pending approval from SFD Pitas for the Phase 4 Form IIB permit application, submitted on 21/10/2022.

Hartawan Dimaju is required to develop a Proposal for Mitigation Measures (PMM) for the 151.07 ha licensed area.

November 2022: Gap 001/2022 (Major) – Checklist 1.2.2

No evidence of the Proposal for Mitigation Measures was developed and approved by EPD for the 151.07 ha (35 lots) with respect to land conversion.

January 2023: Gap 001/2022 (Major) – Outstanding

Hartawan Dimaju has yet to prepare or submit a Proposal for Mitigation Measures to EPD as required.

November 2022: Gap 002/2022 (Major) - Checklist 1.2.3, 2.1.11

ECR monitoring reports were not developed as the PMM was not submitted to the EPD as required.

Based on the title land map, there is no protection area within the licensed area.

January 2023: Gap 002/2022 (Major) - Outstanding

ECR monitoring reports have yet to be developed and submitted as required.

Principle 2.

Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta demonstrated compliance with the forest operation. No evidence of unauthorized operation outside the licensed area during the assessment.

The GFS team could not access the licensed area due to poor weather conditions and high water level on a stream. This assessment solely depends on documentation presented by the SFD during the assessment. The verification visit shall be conducted in the next surveillance visit.

The summary production was reported to DFO Pitas for royalty payment.

Form IIB permit JPHTN/FRM 700-2/4/1/921/5, dated 23/09/2019 (2B202675)

Parcel	Total logs	Total volume, m ³
1	506	990.63

Form IIB permit JPHTN/FRM 700-2/4/1/921/9, dated 17/10/2019 (2B202681)

Parcel	Total logs	Total volume, m ³
2	668	1,293.80

Form IIB permit JPHTN/FRM 700-2/4/1/921/12, dated 14/10/2022 (2B202734)

Parcel	Total logs	Total volume, m ³
3	238	549.03

The total production was equivalent to 1,412 logs and 2,833.46 m³. Royalty fees have been paid for all logs. All logs under parcels 1 & 2 were transported to the local processing in 2019.

Currently, the transportation of Parcel 3 is halted due to poor weather conditions.

Logging and land development are still in progress and the next log production shall be reported in the 4th Form IIB application.

November 2022: Gap 003/2022 (Minor) – Checklist 2.2.3

The payment receipts for land premiums were unavailable during the assessment.

November 2022: Gap 004/2022 (Minor) - Checklist 2.3.2, 2.3.7

Hartawan Dimaju did not conduct safety and fire training prior to the forest operation.

Principle 3.

No occupational permit registration is required.

Hartawan Dimaju has paid all associated fees. As of November 2022, there are 3 parcels of logs paid with royalty.

Principle 4.

Highlights of Assessment

Not applicable – There is no village or local settlement located within the licensed area. The State Government has awarded the land titles to the beneficiaries and it is private property.

Summary Results:

(Major gap = 2, Minor gap = 2, Observation = 0)

January 2023: (Major Gaps = 2; Minor Gaps = 2; Observations = 0)

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

GAP	Type	Checklist	Status	Description
001/2022	Major	1.2.2	Outstanding	<p>November 2022: No evidence of the Proposal for Mitigation Measures was developed and approved by EPD for the 151.07 ha (35 lots) with respect to land conversion.</p> <p>January 2023: Hartawan Dimaju has yet to prepare or submit a Proposal for Mitigation Measures to EPD as required.</p>
002/2022	Major	1.2.3 2.1.11	Outstanding	<p>November 2022: ECR monitoring reports were not developed as the PMM was not submitted to the EPD as required.</p> <p>January 2023: ECR monitoring reports have yet to be developed and submitted as required.</p>
003/2022	Minor	2.2.3	New	<p>November 2022: Receipts of land premiums were unavailable during the assessment.</p>
004/2022	Minor	2.3.2 2.3.7	New	<p>November 2022: Hartawan Dimaju did not conduct safety and fire training prior to harvesting operations.</p>

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

Obs #	Checklist	Description
-	-	-

Highlights of Close Out Visit (if applicable)	Dates	03 January 2023
The Major gap 001/2022 & 002/2022 shall be addressed within two months by January 2023. The Major Gaps remain outstanding since Hartawan Dimaju did not prepare the PMM and ECR reports for approval to the EPD as required.		

Recommendations
<p>Nik Mohd Nadzri Bin Nik Zawawi & 35 Peserta has not demonstrated compliance with the Sabah Legality Standard (SFD-TLAS-002) as non-compliance was identified in Criteria 1.2 & 2.1 and is NOT eligible to receive a GFS Statement of Compliance or a Sabah TLAS Compliance Certificate from SFD.</p> <p>The Major Gap shall be addressed within two months by January 2023.</p> <p>Gap 001/2022 (Major) Outstanding - Checklist 1.2.2: Hartawan Dimaju shall prepare a Proposal for Mitigation Measures for the licensed area and submit it to the EPD for approval.</p> <p>Gap 002/2022 (Major) Outstanding - Checklist 1.2.3, 2.1.11: ECR monitoring reports are required to be developed and submitted to the EPD for the conversion of the 151.07 ha (35 lots) to agricultural land use.</p> <p>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:</p> <p>Gap 003/2022 (Minor) – Checklist 2.2.3: The licensee and the SFD shall maintain a copy of land premium for the licensed area.</p> <p>Gap 004/2022 (Minor) – Checklist 2.3.2, 2.3.7: The licensee shall conduct safety and fire training for the</p>

forest workers prior to the operation.

The next surveillance audit will be scheduled for **November 2023** (if applicable).

End of Summary Report