

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Licensee: Collector As Trustee Contractor: Sentotimber Sdn. Bhd. (1232759-K)	<b>Reference #</b>	GFSSBH 003-164
<b>Contact Person</b>	Kevin Halup & Nancy Edios	<b>Date of Report</b>	11/11/2022
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	GFS 165 LVS		
Issuance Date	14 November 2022	Expiration Date	13 November 2023

### Assessment Details

Assessment Dates	07 – 11 November 2022
Scope of Assessment	Sabah TLAS P1-4: JP(NNN)002/2021 (Form 1 License) FR. 154000674
Species	Salvage logged: Mixed species - <i>Shorea inappendiculate</i> (Selangan Batu), <i>Shorea spp.</i> (Obah Suluk), <i>Myristicaceae</i> (Darah-Darah), <i>Parashorea spp.</i> (White Seraya), <i>Shorea spp.</i> (Red Seraya, Yellow Seraya, Melapi), <i>Neolamarckia cadamba</i> (Laran), <i>Drybalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Duabanga moluccana</i> (Magas), OT (other timbers).
Lead Assessor	Varenius Untomon
Assessor(s)	Sandra George
SFD Staff	Magandi Junaid (PPW Keningau), Henry Ladsou (DFO Nabawan), Deiras Juin (ADFO Nabawan), Vitalis Isidore (ADFO Nabawan), Yassin Jimbun (KPPM Pensiangan)

### 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 Sabah State Government, through the Land and Survey Department, has granted Collector As Trustee the Field Register #: 154000674 to manage the area. Sentotimber Sdn. Bhd. (Sentotimber) was appointed as a contractor to conduct salvage logging and subdivision survey to issue a land title (Native Title) to all beneficiaries. Currently, there are 174 beneficiaries associated with the area.
- Logging operations will be carried out according to the requirements and conditions issued by the SFD. The project area was previously part of Pensiangan Forest Reserve (Class 1) and was excised in 2015. The history of logging activity in the Pensiangan Forest Reserve was managed by the Majlis Ugama Islam Sabah (MUIS) through a Form 1 license in 2013.
- The area is intended to be developed into agricultural production, SFD issued an approval (Ref. #: JPHTN/FRM 700-2/3/132(a)/8 dated 14/01/2021) to harvest the area for 1 year under the Form 1 logging license that will cease on 13/04/2022. In 2022, MUIS renewed its Form 1 license on 02/06/2022 and is valid until 12/04/2023 [Ref. #: JPHTN/NNN700-2/3/127(65)].
- Sentotimber is the appointed contractor to carry out salvage logging and is registered with the SFD [JP(NNN)002/2021(F1)].
- The previous assessment was conducted in November 2021 that resulted in 2 gap(s) and 0 observation(s) (Report #: GFSSBH003-100a).
- Land use classification:

Land classification	Form 1 License Area (ha)	Status as of November 2022 (ha)
Total Concession Area	1,200	1,200
Production Area	1,079.18	Net production (ha) = 1,079.18 ha Logged = 254 ha Un-logged = 946 ha Royalty-paid Logs = 2,727 pcs Volume (m <sup>3</sup> ) = 4,261.83 m <sup>3</sup>
Riparian reserve	11.53	
Existing Access Road	7.69	
Slope >25°	101.60	

### Environmental Context:

- The project area generally has hilly and undulating terrain formed by the 3 ridges descending from the forest reserves in the southern region. The highest point of the project area is at 850m a.s.l, situated at the southwest corner, whereas the lowest point is at 500m a.s.l, located at the eastern corner and the northern mid-boundary.
- All surface runoff within site will flow between the ridges into the tributaries of Sg. Talangkai that are flowing from the forest reserve in the south. The tributaries flow northerly into the main river, Sg. Talangkai. A Tagal area of Sg. Talangkai, which is registered under the Sabah Fisheries Department, is located 2.5km north at Kg. Layon.
- The project site is mainly covered with mixed dipterocarp forest and undergrowth vegetation and situated between 2 Forest Reserve, namely, Pensiangan Forest Reserve (Class I) and Sg. Tagul Forest Reserve (Class II).
- The EIA recorded 17 fauna species within the vicinity of the licensed area. 3 species were listed under Schedule II. 2 species were listed in Schedule III based on the Sabah Wildlife Department 1997 Schedule.
- The EIA was approved by the EPD in August 2020.

#	Title	EPD Approval Letter #	EIA Consultant
1	Proposed Logging and Land Clearing Activities of FR.154000674 (1,200 hectares) at Kg. Tatalaan 1 Joint Venture between the Beneficiaries of Communal Grant of Kg. Tatalaan 1 with Sentotimber Sdn. Bhd., Pensiangan, District of Nabawan, Sabah	JPAS/PP/NBN/600-1/01/1/320(26) dated 11/08/2020	Ensolve Sdn. Bhd.

**Social Context:**

- The area is intended to be developed into agricultural production for beneficiaries of a Communal Grant of Kg. Tatalaan 1, subdivision survey to issue a land title (Native Title) to all beneficiaries. Currently, there are 174 beneficiaries associated with the area.
- There are no local communities residing in the licensed area. The nearest human settlements are Kg. Nangkawangan and Kg. Layon located 2 km from the licensed area.

**Scope of Assessment**

- The scope of the evaluation is to verify compliance of Collector As Trustee (Sentotimber Sdn. Bhd.) with the Form 1 license #: JP(NNN)002/2021 under the Field Register # 154000674.
- 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 Collector As Trustee (Sentotimber Sdn. Bhd.) 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 - Collector As Trustee (Sentotimber Sdn. Bhd.) / Nabawan District  
07 – 11 November 2022 (Total Mandays = 12)**

Date	Activity	GFS Staff	Mandays
07 November 2022 Monday	Travel to Nabawan. Opening meeting at PPD Nabawan.	Varenius Untomon, Sandra George	2
08 November 2022 Tuesday	Field visit: Licensed boundary, stumping area, basecamp, riparian reserve.	Varenius Untomon, Sandra George	2
09 November 2022 Wednesday	Document review.	Varenius Untomon, Sandra George	2
10 November 2022 Thursday	Closing meeting at PPD Keningau. Travel to Kota Kinabalu.	Varenius Untomon, Sandra George	2
11 November 2022 Friday	Finalizing report.	Varenius Untomon, Sandra George	2
12 – 13 November 2022	Reporting GFSSBH 003-164	Dr. Kevin Grace, Varenius Untomon	2
<b>Total</b>			<b>2</b>

**Highlights of Assessment**

**(Major Gaps = 0; Minor Gaps = 1; Observations = 1)**

**Collector As Trustee (Sentotimber Sdn. Bhd.)** has complied with the Sabah Legality Standard (SFD-TLAS-002) as no non-compliance was identified during the assessment on 07 – 11 November 2022.

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

**Principle 1.**

Sentotimber has demonstrated compliance with the Form 1 license issued by the SFD and the EIA study from the EPD. In addition, the contractor implemented adequate boundary demarcation of the licensed area.

The SFD did not require the submission of the Forest Management Plan and Annual Work Plan for approval.

**November 2021: Gap 001/2021 (Minor) – Checklist 1.2.3, 2.1.11**

No evidence of an ECR was developed after the approval of EIA.

**November 2022: Gap 001/2021 (Minor) – Outstanding – Checklist 1.2.3, 2.1.11**

EDP consultant is scheduled to conduct the ECR monitoring in December 2022.

Based on the field visit, the license boundary was observed overgrown with bushes and no signs of 'rentis' for approximately 100 metres along the boundary as required.

**November 2022: Observation 001-2022 – Checklist 1.7.1**

### Highlights of Assessment

Lack of maintenance of the licensed boundary.

**Principle 2.**

The Form 1 license is based on salvage logging for conversion of the logged over forest to agriculture. Sentotimber is compliant with the timber transportation regulated under the SFD.

**November 2021: Gap 004/2021 (Minor) – Checklist 2.3.2, 2.3.7**

There is no evidence that the safety and fire control training was given to workers prior to logging operations.

**November 2022: Gap 004/2021 (Minor) – Closed**

Sentotimber conducted training on safety and fire control for forest workers prior to logging operations in 2022.

**Principle 3.**

All associated fees have been paid by the company.

**Principle 4.**

**Not applicable** – The area is intended to be developed into agricultural production for beneficiaries of a Communal Grant of Kg. Tatalaan 1, to issue a land title (Native Title) to all beneficiaries. Currently, there are 174 beneficiaries associated with the area.

### Summary Results:

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

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

GAP	Type	Checklist	Status	Description
001/2021	Minor	1.2.3 2.1.11	Outstanding	<p><b>November 2021:</b> No evidence of an ECR was developed after the approval of EIA.</p> <p><b>November 2022:</b> EDP consultant is scheduled to conduct the ECR monitoring in December 2022.</p>
004/2021	Minor	2.3.2 2.3.7	Closed	<p><b>November 2021:</b> There is no evidence that the safety and fire control training was given to workers prior to logging operations.</p> <p><b>November 2022:</b> The company conducted training on safety and fire control to forest workers prior to logging operations in 2022.</p>

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

Obs #	Checklist	Description
001-2022	1.7.1	<p><b>November 2022:</b> Lack of maintenance of the licensed boundary.</p>

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

**Recommendations**

**Collector As Trustee (Sentotimber 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:

**Gap 001/2021 (Minor) Outstanding – Checklist 1.2.3, 2.1.11:** Sentotimber shall that the EPD consultant to conducts quarterly environmental monitoring and submits report to EPD.

**Observation 001-2022 – Checklist 1.7.1:** Sentotimber shall maintain boundary demarcation with brushing, red paint and erecting signage where appropriate.

The next surveillance audit will be scheduled for November 2023.

**End of Summary Report**