

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Licensee: Lydia Bu Thou & 4 Peserta Contractor: Kironngu Sawit Sdn. Bhd. (1177022-U)	Reference #	GFSSBH 003-166
Contact Person	Kelvin Yek	Date of Report	18/11/2022
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement	GFS 194 LVS		
Issuance Date	21 November 2022	Expiration Date	20 November 2023

Assessment Details

Assessment Dates	14 – 18 November 2022
Scope of Assessment	Sabah TLAS P1 – 4: Form IIB (JPHTN/FRM 700-2/4/1/855/3)
Species	Mixed species
Lead Assessor	Sandra George
Assessor(s)	Brandon James
SFD Staff	Ag Ismail Ag Tuah (DFO Telupid), Widi Saradin (ADFO Telupid), Nasri Lamiting (KPPM Telupid), Natok Esa (KPPM Telupid)

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:

- Kironggu Sawit Sdn. Bhd. (1177022-U) (Kironggu Sawit) was given the Power of Attorney by Lydia Bu Thou & 4 Peserta as a contractor to develop the titled land area into an oil palm plantation.
- Subsequently, Kironggu Sawit appointed Mekar Mulia Sdn. Bhd. (Mekar Mulia) as a subcontractor to conduct salvage logging.
- The total area for development is 14.945 ha, consisting of 5 lots.
- Mekar Mulia has stopped its operation since early November 2022 with only one (1) permit application. Currently, all logs have been transported out to local buyer.
- The area is under the jurisdiction of the Telupid District Forestry Office.
- Land use classification:

Land classification	Total Area (ha)	Current Status (ha)
Total Concession Area	5 Native Title Land: 14.945	14.945
Production Area	14.945	Total log production: 1,152 pieces Total volume: 1,265.06 m ³

Environmental Context:

- The Form IIB area is located at Ulu Sg. Keramuak, Telupid.
- The nearest forest reserve is Bukit Taviu Forest Reserve, Class I, located approximately 10 km from the licensed area.
- Based on the field visit, the area's topography is hilly and undulating terrain, with significant soil type of clay.
- Based on the production records, the area predominantly has mixed lowland dipterocarp species.
- There is no requirement for EIA or PMM for the licensed area as it is not applicable for areas under 100 ha.

Social Context:

- There is no village identified within the licensed area. Land titles have been awarded to Lydia Bu Thou & 4 Peserta as private property.
- The nearest village, Kg. Kironggu is located approximately 10 km from the licensed area.
- There are no NCR claims inside the titled land.

Scope of Assessment

- The scope of the evaluation is to verify compliance of **Lydia Bu Thou & 4 Peserta (Kironggu Sawit Sdn. Bhd.)** with the Form IIB permit (**JPHTN/FRM 700-2/4/1/855/3**).
- 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 **Lydia Bu Thou & 4 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: Weljain Jaini & 6 Peserta / Lydia Bu Thou & 4 Peserta (Kronggu Sawit Sdn. Bhd.) / Telupid District / 14 – 18 November 2022 (Total Mandays = 14)

Date	Activity	GFS Staff	Mandays
14 November 2022 Monday	Travelling to Telupid and opening meeting at PPD Telupid. Document review.	Sandra George, Brandon James	2
15 November 2022 Tuesday	Field visit to (Form IIB: Weljain Jaini & Lydia Bu Thou) licensed boundary, operation area and gate.	Sandra George, Brandon James	2
16 November 2022 Wednesday	Document review at PPD Telupid.	Sandra George, Brandon James	2
17 November 2022 Thursday	Document review at PPD Telupid and closing meeting at PPD Telupid. Finalizing report and travel to home base.	Sandra George, Brandon James	2
18 November 2022 Friday	Election Day - Public Holiday	Sandra George, Brandon James	2
19 - 20 November 2022	Reporting GFSSBH 003-165 Reporting GFSSBH 003-166	Dr. Kevin Grace Sandra George	4
Total			14

Highlights of Assessment

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

Lydia Bu Thou & 4 Peserta (Kronggu Sawit Sdn. Bhd.) has complied with the Sabah Legality Standard (SFD-TLAS-002) as no non-compliance was identified during the assessment on 14 – 18 November 2022.

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

Principle 1.

Based on the approval, the Form IIB will expired after one month from the approval date.

Application	Total logs	Total volume, m ³	Total area, ha
JPHTN/FRM 700-2/4/1/855/3, dated 17/10/2022.	1,152	1,265.06	14.945

The licensee is not required to conduct EIA or PMM as the area is less than 100 ha.

Principle 2.

No evidence of unauthorized operation inside of the licensed area or that the licensee has operated outside of the licensed area based on the assessment.

Based on the titled land map, there was no protected area identified within the licensed area. There was no permanent stream observed inside the licensed area.

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

Form IIB permit JPHTN/FRM 700-2/4/1/855/3, dated 17/10/2022 (2B308341).

Total logs	Total volume, m ³
1,152	1,265.05

Workers are temporarily employed by the contractor and paid based on the volume (m³) of salvaged logs extracted

November 2022: Gap 001/2022 (Minor) – Checklist 2.3.2, 2.3.7

No evidence of safety and fire prevention training was conducted for forest workers.

Principle 3.

The contractor has paid all the associated fees to the SFD. No occupational permit registration is required.

Principle 4.

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

Summary Results:

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

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

GAP	Type	Checklist	Status	Description
001/2022	Minor	2.3.2 2.3.7	New	November 2022: No evidence of safety and fire prevention training was conducted for forest workers.

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

Obs #	Checklist	Description
-	-	-

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

Recommendations
<p>Lydia Bu Thou & 4 Peserta (Kronggu Sawit 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.</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 001/2022 (Minor) – Checklist 2.3.2, 2.3.7: The contractor shall conduct safety and fire training for the forest workers prior to the operation.</p> <p>Form IIB permits issued for areas under 100 ha are expected to be completed within 12 months; thus, annual surveillance should not be applicable.</p>

End of Summary Report
