



## GLOBAL FORESTRY SERVICES

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# Sabah Timber Legality Assurance System (Sabah TLAS - Dated: Nov 2020)

## Principles 1-4: (Forest Management)

### Principle 1. Right to Harvest

#### Criterion 1.1: Approval of Harvesting Area

1.1.1 The Organisation shall hold approval of harvest rights for specified area (e.g. Signed License Agreement/Coupe Permit Approval/Form 2B Permit).

1.1.2 Areas gazetted for specific purposes, including Native Customary Right (NCR) land (SL only) shall be excluded from the area to be approved for harvesting.

#### Criterion 1.2: EIA requirement

1.2.1 For areas of 500 ha or more, the Organisation/Land Owner shall have an EIA Report developed by a qualified environmental consultant and approved by the Director of EPD.

1.2.2 For areas of 100 ha or more but less than 500 ha, the Organisation/Land Owner shall have a PMM Report developed by a qualified environmental consultant and approved by the Director of EPD.

1.2.3 The organisation shall implement relevant mitigation measures according to requirements of AEC/MD and submit Environmental Compliance Report (ECR) as required.

#### Criterion 1.3: Forest Management Plan

1.3.1 The Organisation shall develop a 10-year Forest Management Plan (FMP) approved by SFD.

1.3.2 The FMP shall describe the policy, management systems, forest resources, environmental and social elements associated with the SFMLA.

1.3.2.1 Policy Statement

1.3.2.2 Inventory results defining forest conditions

1.3.2.3 ESIA Assessment

1.3.2.4 Zoning of forest area into Production, Conservation, Social, etc.

1.3.2.5 Delineations of compartments

1.3.2.6 Net production area

1.3.2.7 Sustainable yield & AAC

1.3.2.8 Plans for restoration & ITP

1.3.2.9 FMU / Land use map (agriculture, community settlement, production, conservation and non-forested areas)

1.3.3 The FMP shall be revised every 5 years as defined in the SFMLA.

#### Criterion 1.4: Annual Work Plan

1.4.1 The Organisation (SFMLA/LTL) shall have an approved Annual Work Plan (AWP) containing detailed maps and description of areas and types of operations to be carried out during the year and approved by SFD.

1.4.2 The Organisation shall demonstrate implementation of activities listed in the Annual Work Plan.

#### Criterion 1.5: Comprehensive Harvest Plan (CHP)

1.5.1 The Organisation shall have a CHP containing total and net production areas, particulars of licensee, description of areas, harvesting prescription, estimated log production, list of roads and skid trails, list of trees to be harvested, harvesting volume, diameter limits, species, and protected areas that are approved by SFD.



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1.5.2 CHP shall comply with Reduced Impact Logging (RIL) Operation Guide Book requirements for harvesting and operations (roads, skid trails and log landings density and location, harvestable tree marking and stream buffer zone(s) identification.

1.5.3 The CHP shall be developed by a registered CHP contractor.

### Criterion 1.6: Plantation Development Plan

1.6.1 The Organisation shall have a 10-year PDP that is approved by FDS.

### Criterion 1.7: Area Demarcation and Mapping

1.7.1 The organisation shall identify and demarcate on the ground, the boundary of the licensed area according to regulations.

1.7.2 The Organisation shall have an updated and approved Map(s) of Coupe Permit / Harvest area at the required scale and level of detail.

1.7.3 Areas prohibited from harvesting such as riparian zones, buffer zones, steep slopes, etc., are mapped and demarcated on the ground.

### Criterion 1.8: Forest Inventory

1.8.1 The Organisation shall conduct a systematic plot sampling inventory according to Director's Circular: FDS 26/2009.

1.8.2 The Organisation shall establish Permanent Sample Plots (PSP).

## Principle 2. Forest Operation

### Criterion 2.1: Harvesting Operations

2.1.1 Reduced-Impact Logging (RIL) – All forest operations shall follow the approved CHP.

2.1.2 RIL - The Organisation shall ensure that RIL Contractor has a valid registration by SFD.

2.1.3 The Organisation shall ensure that harvesting system being used followed the approved CHP.

2.1.4 RIL – Only marked / numbered harvest trees listed in the harvest tree list (except when under girth or prohibited species) should be felled. Commercial trees not listed in the CHP harvest list may only be felled with permission by the SFD and recorded in a daily felling list.

2.1.5 RIL – Logs and stumps shall be numbered with reference to the harvest tree # and clearly identified on the end of each log and on the stump.

2.1.6 Non-RIL – The Organisation shall ensure that logging contractor has a valid registration by SFD.

2.1.7 The Organisation shall register Property Hammer Mark.

2.1.8 The Organisation shall only extract trees from compartments approved in the AWP.

2.1.9 The Organisation shall record all production of logs and submit quarterly production report to the DFO.

2.1.10 The Land owner and developer shall have all harvested trees inspected by the DFO prior to removal.

2.1.11 The Organisation and/or appointed contractors shall comply with AEC and MD.

2.1.12 The Organisation shall notify the Director of Wildlife Department one month before commencing harvesting operation for any area to be harvested.

2.1.13 Areas prohibited from harvesting such as steep slopes, riparian reserves and buffer zones shall be protected and excluded from harvesting.

2.1.14 The Organisation shall maintain records of all trees felled and extracted that include species, diameter & volume, Compartment felling records and quarterly summary.

2.1.15 The Organisation shall demonstrate compliance to felling regulations regarding diameter limits, species and slope limits.

2.1.16 The Organisation shall not harvest species or trees prohibited from harvesting

2.1.17 The Organisation shall not harvest any CITES listed species without permit.

2.1.18 The Organisation shall develop and implement systems to protect forest from illegal exploitation and/or encroachment such as:

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- a. Systems for entry and access control to concession - (e.g. entry gate registry)
- b. Forest security and patrolling measures for encroachment, illegal logging and/or poaching - (monitoring schedule, personnel and training records)
- c. Identification of illegal activities & reporting to authorities - (security records)

### **Criterion 2.2: Log Transportation**

2.2.1 The Organisation shall incise each extracted log with a serial number traceable to the harvest tree number in the CHP for NFM logs; or to the coupe permit number for ITP logs. Paint can be used for small ITP logs as appropriate.

2.2.2 The Organisation shall transport marked logs to an approved stumping area that has an occupation permit for areas inside PF or TOL for areas inside SL.

2.2.3 The Form IIB license holder shall have a valid land title/or letter of confirmation of land applicant from Assistant Collector of Land Revenue on the land status and receipt of payment of land premium/quit rent.

2.2.4 The Form IIB / ITP (SL/AL) land owner shall have a letter/agreement/contract/Power of Attorney with the contractor to remove logs and wood residues.

2.2.5 All logs to be transported shall have a Property Hammer Mark; FDS Inspection Hammer Mark / FDS Royalty Hammer Mark as appropriate.

2.2.6 Transported logs shall be accompanied with a Transit Pass / CS Form; Removal Pass and Timber Disposal Permit as required that corresponds the logs being transported (species, log numbers, quality, volume and dimensions).

2.2.7 Logs from Sabah TLAS compliant forest licenced areas shall be identified on the removal pass as appropriate.

2.2.8 Logs transported from a one area to another shall only take place between 07:00am to 07:00pm, unless the DoF approves transport outside the stipulated time period.

2.2.9 For all plantation logs subjected to royalty assessment transported from the harvesting area to an approved weigh bridge shall be accompanied with transit pass.

2.2.10 For all plantation logs subjected to royalty assessment transported from the weigh bridge to the Port of loading/mill shall be accompanied with Removal Pass.

2.2.11 For all plantation logs not subjected to royalty (AL, Including rubber wood from small holders), the land owner shall have a letter/agreement/contract/[Power of Attorney (PA)] with the contractor to remove logs, and shall have removal pass.

2.2.12 For all plantation logs not subjected to royalty (AL, Including rubber wood from small holders), logs bear FD Inspection Hammer Mark (marked randomly).

2.2.13 For all plantation logs subjected with royalty – for export (SL/AL, including rubber wood from small holders)

- i. The land owner has a letter / agreement / contract / [Power of Attorney (PA)] with the contractor to transport logs.
- ii. Land owner/authorized contractor obtains approval to transport plantation logs to an approved weigh bridge from SFD. Logs must bear Property Hammer Mark and FD Inspection Hammer Mark (marked or painted randomly).
- iii. Land owner/authorised contractor transports all logs from the weigh bridge to the Port of loading must be accompanied with Removal Passes upon recording of volume (weighed volume).



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### Criterion 2.3: Worker Safety & Health

- 2.3.1 The Organisation shall pay insurance premium/contribution for all workers.
- 2.3.2 The Organisation shall provide adequate training on safety measures/personnel protective equipment and maintain records of training showing what training was conducted, who attended and any certificates awarded.
- 2.3.3 The Organisation shall undertake remedial measures as directed by relevant authorities (DOSH and SFD) following their inspection.
- 2.3.4 The Organisation shall report to SOCSO, DOSH and Department of Labour on accidents related to employment immediately.
- 2.3.5 The Organisation shall maintain monthly records of contribution to SOCSO.
- 2.3.6 The Organisation shall provide protective clothing and safety equipment required in accordance to the RIL Operation Guide Book.
- 2.3.7 The Organisation shall ensure adequate precaution for workers' safety in the event of fire or other accident.

### Principle 3. Statutory Charges

#### Criterion 3.1: Royalty & Fees

- 3.1.1 Organisation shall pay all applicable license fees upon issuance of a license and other charges prior to issuance of harvesting licence.
- 3.1.2 The Organisation shall pay all royalties due, based on volume and species, premium (unless exempted), Community Forestry Cess, Forest Conservation Fees Forest Rehabilitation Fees (unless exempted) before the Organisation can remove the timber from the licensed area.
- 3.1.3 The Organisation shall pay Removal Pass fees before removal of timbers.
- 3.1.4 Logs shall carry FDS Royalty Hammer Mark
- 3.1.5 The Organisation shall have Timber Disposal Permit, Removal Pass and payment receipts as records of royalty payment.

### Principle 4. Other User Rights

#### Criterion 4.1: Community benefits and rights to occupy and use

- 4.1.1 The Organisation or it's appointed consultant shall conduct a Social Baseline Survey and Social Impact Assessment of the licensed area as part of the preparation of a 10-year FMP, which shall include:
- Identification of communities
  - Identification of potential impacts
  - Mitigation measures
- 4.1.2 The Organisation shall identify and set aside Community Forestry Areas in their licensed area (where relevant) and include such areas in the Forest Management Plan (FMP).
- 4.1.3 The Organisation shall identify and respect community rights within the licensed area and exclude community areas from harvesting.
- 4.1.4 The Organisation shall record and document communications and consultation with communities.

#### Criterion 4.2: Users' Right by Natives

- 4.2.1 Areas with Native Customary Right (NCR) claim described under the Land Ordinance shall be excised from Temporary Occupation Licence (TOL) area after a land inquiry is conducted to verify the claim and found to be justifiable by the Lands and Surveys Department prior to the issuance of TOL and the timber harvesting licence.
- 4.2.2 Native rights shall be respected.



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### Principles 5-6: (Mill Operations & Trade)

#### Principle 5. Mill Operations

##### Criteria 5.1: Issuance / Renewal / Upgrading of Mill License and Conditions of Operations

5.1.1 All wood processing facilities shall hold a valid license from the Sabah Forestry Department.

5.1.2 Organisation shall comply with mill license conditions including submission of monthly Mill Production Returns and maintenance of Log Arrival Book (for mills processing logs).

##### Criterion 5.2. Log Input and Output

5.2.1 The organization shall ensure that all logs received at or transported out from the mill are accompanied with a valid Removal Pass and Timber Disposal Permit (as required) that physically corresponds to the material being transported based on log number, species, quality, volume and dimensions.

5.2.2 Organization shall ensure that Forest Ranger / Forester inspects logs to confirm material is acceptable under the Sabah TLAS upon arrival and “stamps” Removal Pass as “Used Removal Pass” & “Sabah TLAS Compliant” upon verification of the consignment.

5.2.3 Organisation shall ensure that logs arrival have been recorded in Log Arrival Book that includes reference to Sabah TLAS compliance (date of entry, species, volume and log numbers).

5.2.4 Manufacturing companies that produce and sell Sabah TLAS products shall have a formal system to ensure raw materials are correctly issued into a defined production unit that is Sabah TLAS Compliant.

5.2.5 All work in progress should be identified to the production unit and referenced compliant to the Sabah TLAS as applicable.

5.2.6 Data on volume input into the mills, volume input into the processing machinery, and output of final products, shall be documented and forwarded to the relevant authorities through monthly reporting.

5.2.7 Finished goods that are Sabah TLAS compliant must be identified to the production unit and quantified relevant to the input of raw material.

##### Criterion 5.3. Worker Safety and Health

5.3.1 The Company shall ensure workers are legally employed; non-resident workers have valid work permits from Sabah Immigration Department. All workers are covered with insurance and or SOCSO contributions that are up to date in accordance with labour regulations. Workers have COI issued from SFD.

5.3.2 Organisation shall provide adequate training on safety measures / personnel protective equipment.

5.3.3 Organisation shall undertake remedial measures as directed by relevant authorities (DOSH and SFD) following their inspection.

5.3.4 Organisation shall submit relevant report to SOCSO, DOSH and Department of Labour in case of accidents related to employment.

5.3.5 Organisation shall maintain monthly records of contribution to SOCSO.

5.3.6 Organisation shall meet minimum performance requirements as stated in their letter from DOSH.

5.3.7 Organisation shall maintain records of worker’s training on safety and health showing what training was conducted, who attended and any certificates were awarded.

5.3.8 Organisation shall ensure adequate precaution for worker’s safety in the event of fire or other accidents.

#### Principle 6. Trade and Customs

##### Criterion 6.1. Export Regulations

6.1.1 A company intending to export timber and timber products, must possess a certificate of registration as an exporter and timber supplier for export from the FDS and valid trading licence.

6.1.2 Company/sole proprietor (Enterprise) declares timber and timber products to be exported to the District Forestry Officer with a valid registration certificate as an exporter with supporting documents such as Log summary, Sales Contract, Invoice, Packing List, Borang EIS 1/2000 (declaration on the source of processed





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timber to be exported), CITES Permit, where applicable, receipt of royalty payment and other fees where applicable.

6.1.3 The export of each consignment is accompanied by an export licence issued by SFD.

### Criterion 6.2. Import Regulations

6.2.1 A company intending to import timber and timber products possess a registration certificate as an importer from SFD.

6.2.2 A company intending to import timber and timber products needs to register with the Registrar of Companies (ROC), SFD and poses a trading licence. Note: ROC registration is not applicable to sole proprietors/enterprise/individual and only a trading licence is required.

6.2.3 Company / sole proprietor (Enterprise) applies for an import licence for timber products to be imported to the District Forestry Officer with a valid registration certificate as an importer with CD1 Form and supporting documents such as Log summary, Sales Contract, invoice, Packing List, CITES Import Permit where applicable with advance payment of import inspection fee where applicable

6.2.4 Organisations that produce and sell Sabah TLAS products shall conduct a Risk Assessment to ensure that each supplier and material to be imported can be approved through documenting low risk based on country level risk, species risk & operational risks (Appendix 1).

6.2.5 Purchase of raw material and products that are not evaluated as low risk must not be used in the production of sale of Sabah TLAS products.

6.2.6 Each consignment of imported timber is accompanied by an import licence issued by SFD.

6.2.7 Company intending to import timber products (logs/veneer/sawn timber) is subject to phytosanitary requirements and obtains an import permit from the Department of Agriculture (DoA).

6.2.8 Upon arrival of imported timber, company requests for inspection of imported timbers.

### Criterion 6.3. Transportation of Imported Logs, Sawn Timber, and Veneer

6.3.1 Importer of logs/sawn timber/veneer applies to the nearest DFO to inspect the consignment of imported logs/sawn timber/veneer and pays inspection fees.

6.3.2 Organisation shall ensure and document that the imported logs receive the inspection hammer mark and all imported material and is accompanied with valid removal pass.

6.3.3 Organization shall ensure and document that the material transported are consistent with the records of imported timber and Removal Pass (species, dimensions, quality, volume), as well as monthly import records by SFD.

### Criterion 6.4. Timber from Sarawak

6.4.1 Company shall ensure that timber brought in from Sarawak is evaluated as Low Risk (STLVS Verified) prior to use as Sabah TLAS in export consignments to the EU or other countries.

6.4.2 Company submits Customs Declaration form (CD3) to FDS and requests for physical inspection upon arrival of timber for timber brought by sea or Removal Pass and inspection fee receipt where applicable for timber brought overland through ICQS Merapok / Sindumin.

6.4.3 Company shall maintain records of buyers, sales, and distribution of timber from Sarawak and timber products manufactured using such timber.

6.4.4 Company shall declare that products exported to EU that include material from Sarawak have been evaluated as Low Risk in accordance to the Sabah TLAS requirements.