

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Jawala Plantation Industries Sdn. Bhd.	Reference #	G161-244
Contact Person	Bernan Ibanez Billones (Forest Manager)	Date of Report	27 May 2018
Office Address	Lot 2-10 & 2-11, Pusat Komersil Latitud 6 Lintas, Off Jalan Lintas, 88000 Kota Kinabalu, Sabah.	Date of close out	-
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement	GFS 100 LVS		
Issuance Date	01 June 2018	Expiration Date	31 May 2019

Assessment Details

Assessment Dates	21 – 25 May 2018
Scope of Assessment	TLAS Principle 1 – 4: ITP development, SFMLA 02/15
Species	<i>Drybalanops</i> spp. (Kapur), <i>Dipterocarp</i> spp. (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea</i> spp. (White seraya), <i>Shorea</i> spp. (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium</i> spp. (Kembang semangkuk), (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia</i> spp. (Pulai), <i>Nauclea</i> spp./ <i>Neonauclea</i> spp. (Bangkal), <i>Annonaceae</i> spp. (Karai), <i>Eugenia</i> spp. (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum</i> spp. (Perupok), <i>Terminalia subspathulata</i> (Talisai), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia</i> spp. (Simpur), <i>Cotylelobium</i> spp. (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace</i> spp. (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), Gluta/Semecarpus/Melanochyla & Swintonia (Rengas), <i>Annonaceae</i> (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok-Sendok), Assam, Perapat Hutan.
Lead Assessor	Priera Bagang
Assessor(s)	Mohd Akram bin Mansur, Siti Radiah Mohammad
FDS Staff	Abd Jamal Ibrahim (DFO Tibow), Hamdan Faridz (ADFO Tibow), Hj. Muhd Razali bin Hj. Mohammad (SFM Officer PPD Keningau), RHK Julius Janusip (MCEE Keningau), PH Julaili Mulkiaman (MCEE Keningau), Felix Gasah (PPM Sapulut), Anselmus Pedro (KPPM Sapulut)

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 (**FDS-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:

- Formerly, the licensed area was part of the management area under Sustainable Forest Management License Agreement (SFMLA) 04/97 and managed by Sapulut Forest Development Sdn. Bhd.
- Prior to reverting the area to Jawala, Sapulut was given a special dispensation by the Forestry Department of Sabah (FDS) to harvest the licensed area until December 2015.
- **Jawala Plantation Industries Sdn. Bhd. (Jawala)** is fully owned subsidiary of Jawala Corporation Sdn. Bhd. and incorporated with the State Government of Sabah for a long-term agreement.
- Tenure based on **SFMLA 02/15** that starts on 12th August 2015 and expires on 31st December 2115 (100 years agreement) to develop an “Industrial Tree Plantation” within the **FMU 14** concession, comprising an area of 11,043ha.
- **Jawala** engaged contractor (Perusahaan J&T Sdn. Bhd.) to carry out salvage logging at the ITP area.
- The previous assessment was conducted in May 2017 that resulted in 3 observations (Report #: G161-152).
- Below is the land use zoning based on the approved FMP:

Land classification	FMP Area (ha)
Total Concession Area	11,043
Production Area:	8,930
<i>Industrial Tree Plantation (ITP)</i>	8,442
<i>Industrial Tree Plantation (RIL Harvesting)</i>	488
Non-Production Area:	1,364
• <i>Roads & Clearings</i>	84
• <i>Stream, ponds & riparian reserves</i>	1,192
• <i>Steep areas</i>	868
• <i>Infrastructures</i>	20
Conservation Area	749

Environmental Context:

- It was recorded that this area was first logged in the late 1980's. Poor logging practices had resulted in poor forest structure with extensive pioneer trees cover, and heavy vine loads. Sapulut Forest Development conducted RIL harvesting system in this area from 2011 to 2013 under the SFMLA04/97 and subsequently rehabilitated the area with native dipterocarp species and fast-growing species.
- The SFMLA area comprises 3 forests type, which are Lowland Mixed Dipterocarp Forest (LMDF), Upland Mixed Dipterocarp Forest (UMDF) and Limestone Vegetation (LV). LMDF comprises approximately 8,121 ha (72.9%) of the licensed area where the common tree species belongs to the Dipterocarp genera of Shorea, Parashorea, Dryobalanops and Dipterocarpus. Unfortunately, this forest type has been logged heavily in the past. UMDF covers an area of approximately 2,987 ha (26.8%) of the total licensed area.
- A rapid assessment wildlife survey was conducted within the licensed area. A total of 24 mammal species (i.e. *sus barbatus*, *cervus unicolor*, *helarctos malayanus*, and *prinailurus bengalensis*), 1 reptile species, and 106 bird species.
- The registered EIA consultant prepares the Environmental Impact Assessment for Jawala and approved by the Environment Protection Department (EPD) (JPAS/PP/NDN/600-1/01/3/62 (35); dated 16th May 2017).

Social Context:

- There are no communities living within the licensed area.
- The surrounding villages are Kg. Simatuoh, Kg. Sebuloh, Kg. Samuran, Kg. Tataluan and Kg. Salung. The local communities are mainly from the Murut Tagol ethnic group. The communities are sedentary agriculturists, who do not have to use the resources in the SFMLA area because State land forest resources are sufficient to meet the local needs.

Scope of Assessment	
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| <ul style="list-style-type: none"> • The scope of the evaluation is to verify compliance of Jawala Plantation Industries Sdn. Bhd. with the Sabah Forest Management License Agreement (SFMLA 02/15) for FMU 14. The assessment is in accordance on the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated 01st January 2015 (FDS-TLAS-002). • Site evaluation to verify and report the level of compliance by Jawala Plantation Industries 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. |
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Itinerary of Assessment	
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Date	Activity
21 May 2018 Monday	Opening meeting at FDS Keningau district office.
22 May 2018 Tuesday	Field assessment to Jawala Plantation Industries licensed area: Site visit to licensed boundary (Jawala Plantation Industries/Sapulut Forest Development), protection area (steep area, riparian reserve and stream buffer zone), salvage logging (compartment 9, 10 and 11), nursery, planting area (compartment 7), stumping, base camp, office.
23 May 2018 Wednesday	Field assessment to FIIB permit holder; Matusin @ David Bin Elloh & 2 Peserta project area. Note: The area was inaccessible due to high water level at the main road to the licensed area and unfortunately there was no alternative way to reach the project area. Field assessment to FIIB permit holder; Antaun Bin Andul @ Bataun & 5 Peserta project area.
24 May 2018 Thursday	Document review at FDS Keningau office. 1. Jawala Plantation Industries Sdn. Bhd. 2. Matusin @ David Bin Elloh & 2 Peserta 3. Antaun Bin Andul @ Bataun & 5 Peserta
25 May 2018 Friday	Closing meeting at FDS Keningau.

Highlights of Assessment

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

Jawala Plantation Industries Sdn. Bhd. has complied with the Sabah Legality Standard (**FDS-TLAS-002**) as no non-compliance that was identified during the assessment on 21 – 25 May 2018.

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

Principle 1.

Highlights of Assessment

Forestry Department of Sabah and Jawala Plantation Industries Sdn. Bhd. has signed an agreement (SFMLA 02/15) whereby a total of 11,043 ha of the Sapulut Forest Reserve placed under the management of Jawala Plantation Industries Sdn. Bhd., and expires on 31st December 2115. Harvesting operation in the licensed area based on Coupe permit issued by FDS.

Jawala demonstrated compliance with the license requirements, management planning, and submission of documents or reports such as the EIA monitoring report to the relevant authorities.

Principle 2.

The company demonstrated compliance with the 2017 AWP and Environmental Impact Assessment requirements. Adequate implementation of the environmental mitigation measures observed at the campsite and nursery. Demarcation of riparian reserve and the steep area was seen on the ground and maintained. No signs of disturbance observed during the field assessment.

Principle 3.

The company has paid the licensing fees and other charges to the Tibow District Forestry office.

Principle 4.

Jawala keeps all record of any claim/compensation/disputed raised by the adjacent local communities.

Results:

(Compliance = 16; Non-Compliance = 0)

Gap raised against indicators & criteria during the May, 2018 assessment.

GAP	Type	Checklist	Description
-	-	-	-

Status of previous outstanding Gaps.

GAP	Type	Checklist	Status	Description of Close Out
-	-	-	-	-

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

Observation raised during May 2018 assessment.

OBS	Checklist	Description
-	-	-

Recommendations

Jawala Plantation Industries Sdn. Bhd. has demonstrated compliance with the Sabah Legality Standard (FDS-TLAS-002) for its designated area and is recommended to receive a GFS Audit Statement and STCC from FDS.

The next surveillance audit will be scheduled in May 2019.

End of Summary Report