

Sabah TLAS Audit Report

Sabah Legality Standard Principles 1 – 4

Licensee	Jawala Plantation Industries Sdn. Bhd. (819712-W)	Reference #	GFSSBH 003-069a
Contact Person	Maxy Self (General Manager) Bernan Ibanez Billones (Forest Manager)	Date of Report	15/01/2021
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		Approved By	Dr. Kevin Grace

Statements			
Audit Statement	GFS 100 LVS		
Issuance Date	20 January 2021	Expiration Date	19 January 2022

Assessment Details	
Assessment Dates	11 – 14 January 2021
Scope of Assessment	TLAS Principle 1-4: ITP development, FMU 14 SFMLA 02/15
Species	Salvage logging: <i>Drybalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium spp.</i> (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 spp.</i> (Pulai), <i>Nauclea spp./Neonauclea spp.</i> (Bangkal), <i>Annonaceae spp.</i> (Karai), <i>Eugenia spp.</i> (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum spp.</i> (Perupok), <i>Terminalia subspathulata</i> (Talisai), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace spp.</i> (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), Gluta/ Semecarpus/Melanochyla & Swintonia (Rengas), Annonaceae (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok-Sendok), Assam, Perapat Hutan, OT (Other timber)
Lead Assessor	Priera Bagang
Assessor(s)	Varenus V Untomon
SFD Staff	Jaime Gampawi (DFO Tibow), Julius Janusip (PPW Keningau), Zaini Noil (PPW Keningau), PH Jen Ladon (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:

- Jawala Plantation Industries 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 started 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 11,043 ha.
- Formerly, the licensed area was part of the management area under the Sustainable Forest Management License Agreement (SFMLA) 04/97 and managed by Sapulut Forest Development Sdn. Bhd.
- Prior to reverting the area to Jawala Plantation Industries Sdn. Bhd. (Jawala Plantation Industries), Sapulut Forest Development Sdn. Bhd. was given a special dispensation by the Forestry Department of Sabah (SFD) to harvest the licensed area until December 2015.
- Jawala Plantation Industries engaged Perusahaan J & T Sdn. Bhd. as their logging and planting contractor.
- The previous assessment was conducted in May 2019 that resulted in 0 gap(s) and 0 observation(s) (report #: GFSSBH 003-019a).
- Land use classification:

Land classification	FMP Area (ha)	Current Status (ha)
Total Concession Area	11,043	11,043
Production Area	8,930	8,930
<i>i. Industrial Tree Plantation (ITP)</i>	8,442	1,173
<i>ii. Industrial Tree Plantation (RIL Harvesting)</i>	488	488
Non-Production Area	1,364	1,364
<i>i. Roads & clearings</i>	84	84
<i>ii. Streams, ponds & riparian reserves</i>	1,192	1,192
<i>iii. Steep areas & inoperable areas</i>	68	68
<i>iv. Infrastructure</i>	20	20
Conservation Area	749	749

Land Use	FMP Area (ha)	Current Planting Status as of December 2020			
		Cmpt #	Species	Tree #	Planted (ha)
<i>Industrial Tree Plantation (ITP)</i>	8,442	7	Laran	54849	189.06
			Albizia	13620	
			<i>E. pelita</i>	0	
		8	Laran	69588	282.96
			Albizia	51154	
			<i>E. pelita</i>	0	
		9	Laran	33507	187.97
			Albizia	43735	
			<i>E. pelita</i>	12611	
		1	Laran	28150	192.00
			Albizia	58000	
			Khaya ivorensis	9850	
		15	Laran	11000	196.80
Albizia	87400				
16	Laran	47615	95.23		
29	Laran	13325	26.65		
		Total		534404	1170.67

Land Use	FMP Area (ha)	Current Logging Status as of December 2020			
		Coupe#	Logged area (ha)	Production in 2020, m ³	Cumulative production, m ³
Industrial Tree Plantation (ITP)	8,442	KGU 06/17	1576.60 – completed	923.75	5515.82
		KGU 07/17	226.12 60 – completed	0	3485.95
		KGU 01/18	1523.53 60 – completed	0	20932.00
		KGU 01/19	1571.17 60 – Ongoing	0	34666.63
		KGU 06/20	912.95 - Ongoing	15,660.64	27142.77
		KGU 10/16	951.86 - Completed	0	2044.66
		Totals	NA	6,762.23	16,584.39

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. SFD conducted RIL harvesting system in this area from 2011 to 2013 under the SFMLA 04/97 and subsequently rehabilitated the area with native dipterocarp species and fast-growing species.
- The SFMLA area comprises of 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 prepared the Environmental Impact Assessment and approved by the Environment Protection Department (EPD) (Ref.#: JPAS/PP/NDN/600-1/01/3/62 (35); dated 16th May 2017).

Social Context:

- There are no communities living or claim areas within the SFMLA licensed concession.
- 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 use the resources in the SFMLA area because local Stateland forest resources are sufficient to meet the local needs.

Scope of Assessment

- The scope of the evaluation is to verify compliance of **Jawala Plantation Industries Sdn. Bhd.** with the Sabah Forest Management License Agreement (SFMLA 02/2015) 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.

Itinerary & Mandays: FMU 14 / Jawala Plantation Industries Sdn. Bhd. / Tibow 11 – 14/01/2021 (Total Mandays = 10)

Date	Activity	GFS Staff	Mandays
11 January 2021 Monday	Travelling to Tibow (Jawala Plantation Industries – Overnight at basecamp). Opening meeting at Tibow Forestry office and document review at the office (Quarterly Logging Report)	Priera Bagang, Varenus Untomon	2
12 January 2021 Tuesday	Document review at Jawala Plantation Industries office Field visit to salvage logging, plantation, maintenance, riparian reserves, stream buffer zones, nursery, steep area, conservation area and boundaries (licensed area, compartment, coupe), manned gate, basecamp Travel to Kota Kinabalu (Due to MCO announcement)	Priera Bagang, Varenus Untomon	2
13 January 2021 Wednesday	Document review (AWPs, Removal Pass, Progress report, etc.)	Priera Bagang, Varenus Untomon	2
14 January 2021 Thursday	Continue reporting the for the document provided via email.	Priera Bagang, Varenus Untomon	2
15 January 2021	Reporting GFSSBH 003-069	Dr Kevin Grace, Priera Bagang	2
Total			10

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 was identified during the assessment on 11 – 14 January 2021.

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

Principle 1.

Forestry Department of Sabah and Jawala Plantation Industries have signed an agreement (SFMLA 02/15); a total of 11,043 ha of the Sapulut Forest Reserve were placed under the management of Jawala Plantation Industries that expires on 31st December 2115. Salvage logging operations in the licensed area are based on Coupe permits issued by FDS to clear secondary forests for plantation development.

Jawala Plantation Industries demonstrated compliance with the license requirements, management planning, and submission of documents or reports such as the EIA monitoring report to the relevant authorities. The company has an approved Forest Management Plan that also serves as a Plantation Development Plan to plant 8,930 ha in fast growing Laran and Albizzia species on a 10-year rotation. The FMP identifies 1.364 ha to be protected for conservation.

Principle 2.

Jawala Plantation Industries has adequately implemented mitigation measures to protect the environment based on the Environmental Compliance Reports (ECR) for 2019 and 2020 prepared quarterly by an appointed EIA consultant. The company demonstrated compliance with the 2019 & 2020 AWP and Environmental Impact Assessment requirements. Demarcation of areas prohibited from harvesting such as steep slopes, riparian reserve and buffer zones were identifiable on the ground. No evidence of disturbance observed during the field assessment.

Jawala Plantation Industries submitted Notification letter to Wildlife Department before the commencement of harvesting operations.

Requirements for salvage logging were followed and each log was incised with a serial number as well as a Property Hammer Mark, FDS Inspection Hammer Mark and FDS Royalty Hammer Mark. Related

Highlights of Assessment

documents such as TDP, Scaling Order, Transit Pass, Removal Pass and royalty receipts were available.

Jawala Plantation Industries has yet to harvest planted trees from their planting coupes. The oldest planting area is in compartment 7 (date of planting: April 2018) with planted tree species of Laran and Albizia.

The company has an approved Forest Fire Management Plan (FFMP) by FDS dated 25/07/2018.

Principle 3.

Jawala Plantation Industries has paid the licensing fees to Tibow District Forestry office. Royalty fees for salvage logging have been paid and records were available for inspection.

Principle 4.

There are no communities living or claim areas within the SFMLA licensed concession. 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 do not use the resources in the SFMLA area because local Stateland forest resources are sufficient to meet the local needs. Jawala Plantation keeps and maintains all records of meetings with adjacent local communities.

Summary Results:

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

Gap raised against indicators & criteria during the January, 2021 assessment.

GAP	Type	Checklist	Status	Description
-	-	-	-	-

Observation raised against indicators & criteria during the January, 2021 assessment

Obs #	Checklist	Description
-	-	-

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

Recommendations

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

The next surveillance audit will be scheduled for December 2021.

End of Summary Report