



**PUBLIC SUMMARY OF
SEGAN FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

Certificate Number: FPMC 0002
Date of Certification: 18 July 2014
Date of Public Summary: 18 August 2014

Certification Body:

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1. INTRODUCTION

SIRIM QAS International Sdn Bhd (SIRIM QAS International) is the largest and oldest certification, inspection and testing body in Malaysia. The certification services provided by SIRIM QAS International conform to standards and other accreditation requirements established at the national and international levels.

SIRIM QAS International has been providing auditing services for forest management certification since 2001 through its involvement as a registered certification body under the Malaysian Timber Certification Scheme (MTCS) operated by the Malaysian Timber Certification Council (MTCC).

This Stage 2 audit on the Segan Forest Plantation Management Unit (hereafter referred as the Segan FPMU) was conducted to assess the overall management system and practices of the Segan FPMU against the requirements of the standard for certification of forest plantation, the Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations) [MC&I (Forest Plantations)]. The scope of this Stage 2 audit was limited to the forest management system and practices of the plantation forest within the Segan FPMU.

This Stage 2 audit on the Segan FPMU was conducted on 3-7 December 2013 by a 3-member team comprising Dr. Yap Son Kheong (Botanist and as Audit Team Leader), Professor Datuk Abdul Rashid Abdullah (Sociologist) and Khairul Najwan Ahmad Jahari (Forester).

Based on the findings of this Stage 2 audit, it was found that the Segan FPMU had generally complied with the requirements of the MC&I (Forest Plantations). However, there were lapses in the management system and practices which had resulted in the issuance of one (1) major and four (4) minor NCRs and four (4) Opportunity for Improvements (OFIs).

This public certification summary contains general information on the Segan FPMU, the audit processes involved, the findings of the audit, non-conformity reports (NCRs) raised as well as the decision on the certification of the FPMU under the MTCS by the Certification Panel of SIRIM QAS International.

2. GENERAL SUMMARY

2.1 Name, Address and Contact Information of the Certified PFMU

Segan FPMU [Licenced Planted Forest (LPF)/0014]
Samling Timber Sdn Bhd
Wisma Samling
Lot 296 Jalan Temenggong
Datuk Oyong Lawai Jau
P, O, Box 368
98007 Miri, Sarawak
MALAYSIA
Tel : +60(85)413 099
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Contact Person : Mr. David Marsden (Chief Forester)
E-mail : marsdend@samling.com.my

2.2 General Background on the Segan PFMU

The Segan FPMU is managed by Samling Manufacturing Plantation Bhd, the downstream processing arm of Samling Timber Sdn Bhd.

The Segan FPMU area was originally the flood plains of the Batang Kemena River with peat in the northern block and a flat and low-lying topography. The northern block was originally covered

by *Nipah* swamp and peat swamp forests. The western and eastern blocks consisted of low lying hills with elevation of 15 meter (m) to 184 m above the sea level. The eastern and western blocks originally consisted of mixed *Dipterocarp* forest. Owing to past repeated heavy logging activities conducted in the area, most of the original vegetation had been depleted. Only scattered trees of the *Dipterocarpaceae* family were still visible in the eastern and western blocks along the protected buffer belts.

The Segan FPMU comprises 3 blocks covering an area of 10,800 ha located southeast of the town of Bintulu. The northern block stretches from the Segan River in the west to the Ninai River in the east with the southern bank of the Batang Kenena River forming the northern boundary. This block has an area of 3,400 hectares (ha).

The eastern block of the Segan FPMU covers an area of 5,450 ha and share a common boundary with the Alabumi Oil Palm Plantation and Sarawak Planted Forest. The western block is the smallest with an area of 1,950 ha which is also surrounded by the Alabumi Palm Oil Plantation to the east and Sarawak Planted Forest in the other three directions. A map of the Segan FPMU is as in **Attachment 1**.

2.3 Date First Certified

18 July 2014.

2.4 Location of the Certified PFMU (Latitude and Longitude)

2° 58' N to 3° 12'N and 112° 58' E to 113° 12'E

2.5 Forest and Management System

The Segan FPMU was one of the earliest Industrial Tree Plantations (ITP) established in Sarawak with the first planting carried out in 1999/2000. The forest management objective was originally for the production of pulpwood. This was changed to the production of logs for supply to the downstream processing mills of the parent company. The primary aim was for solid wood use, i.e. peeler logs and saw logs with logs unsuited for these purposes being chipped (for in-house fibre board manufacture). To achieve this primary objective, the following supplementary objectives were set:

- maintain the ecological productivity of the ITP – thereby assist to maintain the value of the forest services;
- ensure a sustainable level of log production;
- conduct forestry operations in a manner that do not impact negatively on the well-being of those people living within and nearby the FPMU;
- safeguard the environment of the FPMU thereby assist to maintain the value of the forest services; and
- minimise harvest wastes.

In addition to planting trees, the Segan FPMU had also considered the conservation of residual forested sites. Special Management Zones (SMZ) had been established to protect the residual forest, which have a protective function that contributes to the conservation and enhancement of the FPMU's bio-diversity. To-date, the area under SMZs represents 20% of the total forested area of the Segan FPMU. The breakdown of the land use of the Segan FPMU is as shown in the table below:

Land Use within the Segan FPMU (ha)

Gross Area	Totally Protected Area	Shifting Agriculture/NC R Land	Net LPF Area	Planted area	Plantable Area	Balance Potential Plantable Area	Others

10,909	1,577	2,797	6,535	5,092	1,009	105	329
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2.6 Annual Allowable Cut/Annual Harvest under the Forest Management Plan

The rate of harvest of forest products was set at 42,000 tonnes (metric) per year. This had not been exceeded in 2012 and 2013 based on the production record. The 2014 Harvesting Plan had projected 309.2 ha for harvesting with an expected log production volume of 41,161 tonnes. The mean annual increment (MAI) of the plantation would be based on the data from the PSPs containing 153 to 296 trees per ha with a MAI of 16 m³ per ha.

2.7 Environmental and Socioeconomic Contexts

A socio-economic survey which was conducted during an Environmental Impact Assessment (EIA) study had shown there were 23 long houses (villages) within and around 3 km radius of the FPMU. These long houses were located along the main river systems.

Most of the inhabitants of the long houses are Iban except for Kampung Kuala Segan which is of Melanau/Kedayan community. Most of the long houses owned agricultural plots which they had planted with oil palm as well as pineapples as sources of income. Many of the younger villagers had left these long houses to work in the off-shore oil and gas industry in the town of Bintulu and thus not many were working with the Segan FPMU.

3.0 THE CERTIFICATION AUDIT PROCESS

3.1 Date of Audit

3-7 December 2013 (13 auditor days including report writing)

3.2 Audit Team

Dr. Yap Son Kheong (Audit Team Leader)
 Professor Datuk Abdul Rashid Abdullah (Sociologist)
 Khairul Najwan Ahmad Jahari (Forester)

Peer Reviewers

Dr. Woon Weng Chuen
 Dr. Sanath Kumaran

3.3 Standard Used

Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations) [*MC&I* (Forest Plantations)] using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning 30 October 2013 to solicit comments and feedback from the relevant stakeholders on the Segan FPMU's forest management system and practices against the requirements of the *MC&I* (Forest Plantations). The comments by the stakeholders and responses by the audit team are shown in **Attachment 2**.

3.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Segan FPMU's current documentation and field practices on forest management with the detailed of the SOPs listed in the *MC&I* (Forest Plantations), using the verifiers stipulated for Sarawak.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the Segan FPMU or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers for a particular indicator, the auditors then determined the degree of the overall compliance in the indicator and decided whether or not to issue a major or minor NCR or an OFI. An NCR raised during an audit is categorized as either major or minor as follows:

- (i) A major NCR is a non-compliance deemed by the auditor to be critical and is likely to result in an immediate hazard to the quality or standard of forest management system and practices in the FPMU.

The FPMU is requested to notify SIRIM QAS International of the proposed corrective actions taken within two weeks from the last date of the audit. The evidences as corrective actions shall be verified by the Audit Team Leader or a member of the audit team within one month from the last date of audit.

- (ii) A minor NCR is a single observed lapse in compliance by the FPMU to the *MC&I* (Forest Plantations).

The FPMU shall respond in writing to SIRIM QAS International within one month from the last date of audit detailing the actions to be taken to address all minor NCRs. The effectiveness of the resulting actions taken by the FPMU shall be verified at the next surveillance visit.

- (iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the *MC&I* (Forest Plantations) but without sufficient objective evidence to support a non-conformity.

The Segan FPMU shall submit a corrective action plan within three months from the last date of the audit. The closing of an OFI shall be made during the next surveillance audit.

4.0 RESULT AND CONCLUSION

- 4.1 The general findings of the audit on the compliance of the Segan FPMU against the principles and criteria of the *MC&I* (Forest Plantations) are as follows:

PRINCIPLE	STRENGTH	WEAKNESS
Principle 1	<p>The Segan FPMU had maintained a legal register of all the relevant national and local laws and regulations and policies related to forest plantation management. Copies of all these relevant laws, policies and regulations were made available in the office of Samling Timber Sdn Bhd.</p> <p>The senior forest manager had demonstrated a good knowledge of the federal, state and local laws and regulatory framework as well as binding international agreements to Malaysian on forest plantation management.</p> <p>There was a written policy statement signed by the COO dated 1 October 2013 on the FPMU's commitment to forest plantation management practices consistent with the Principles and Criteria of the <i>MC&I</i> (Forest</p>	<p>A summary of the policy statement on the Segan FPMU's commitment to forest plantation management practices consistent with the Principles and Criteria of the <i>MC&I</i> (Forest Plantations) was not publicly made available. An NCR #1/2013 (minor) was therefore raised.</p>

	Plantations).	
Principle 2	<p>A licence for Planted Forests Licence No. LPF/0014 had been issued to Syarikat Samling Timber Sdn. Bhd on 27 January 1999 which is valid until 26 January 2059.</p> <p>Through the Community Liaison Officer, the Segan FPMU had maintained continuous communication with the local communities.</p> <p>Boundaries between the local communities NCR land/<i>Temuda</i> and the FPMU area had been marked (colour-coded) and in some areas marker-ditches had been constructed and maintained.</p> <p>The forest managers had demonstrated their willingness to collaborate with holders of duly recognized legal or customary tenure or use rights within legal frameworks if these were raised.</p> <p>There was a written procedure on resolving land claims as described in a document entitled <i>Procedures Taken in Dealing with Land Claims</i>. In addition, there was a Community Representative Committee (CRC) that served as a platform for resolution of conflict between the FPMU and the local communities.</p>	<p>Although the procedures on land claims had been established, the reporting on the status of the land claim had not been done accurately. There were cases of claims that had been resolved and recorded in the notes of the Community Liaison Officer but not being documented in the file. An OFI #1 was therefore raised.</p>
Principle 3	<p>Record on Native Agreements which were signed from 2008 to 2010 between the Segan FPMU and affected individuals was made available.</p> <p>It was documented that the Segan FPMU had not operated within indigenous people's lands which had been recognized within national legal frameworks and that the FPMU had a long-term tenure on the land under the Licence for Planted Forest No. LPF/0014.</p> <p>There was no record on the indigenous peoples' rights being breached and this was confirmed during the interviews held with the people of Rumah Chom, Rumah Anthony, Rumah Suring, and Rumah Minggu</p> <p>The Community Representative Committee had provided a forum where grievances of local people would be adjudicated through a conflict resolution process.</p>	Nil.

	<p>It was also noted that the Segan FPMU's management had not threatened or diminished indigenous people's lands recognized within the legal frameworks. All Shifting Agricultural (SA) land within the FPMU had been demarcated and mapped.</p> <p>There were no sites of special cultural, ecological or religious significance to indigenous peoples within the FPMU as documented in the Forest Plantation Management Plan presented. As indicated above, shifting agriculture site of economic importance had been demarcated and mapped.</p> <p>The Segan FPMU had not utilized traditional forest-related knowledge and practices of indigenous people in the use of forest species or management systems in its forest plantation operations.</p>	
<p>Principle 4</p>	<p>A considerable number of the fieldworkers and supervisory staff were employed from the communities in the vicinity of the FPMU.</p> <p>There was an up-to-date information on all the applicable laws and/or regulations covering health and safety as specified under this Indicator which had been disseminated to all workers through safety and health briefings.</p> <p><i>A Safety and Health Policy Statement</i> and its Bahasa Malaysia version which had been approved by the Chief Operating Officer on 1 January 2012, was posted on all the signboards in Segan Camp.</p> <p>Workers were provided with personal protective equipment (PPE) such as gloves, rubber boots, respirators, hard hats and boots.</p> <p>The records on safety being maintained were in compliance with the DOSH specifications.</p> <p>There was no restriction on workers to organize as provided for under the Industrial Relations Act 1967, Trade Union Act 1959 and the Labour Ordinance (Sarawak Cap 76).</p> <p>The Community Representative Committee (CRC) and the procedures on claims related to land and customary rights were in place and had been used in resolving such claims.</p>	<p>Nil.</p>

<p>Principle 5</p>	<p>The forest plantation management plan (FPMP) had stated the need to implement measures to protect environmental features, social responsibilities and research to optimize growth of the planted trees.</p> <p>Timber is the main product being extracted from the FPMU. As only trees were planted there would be no non-timber forest product to be harvested from this FPMU. All the timber harvested would be for local processing within the mill of the parent company.</p> <p>Harvesting was done using a yarder system thus reducing impacts on the soil. Logs were hauled up the slopes reducing severe soil disturbances. A series of SOPs on logging had been prepared and being applied during harvesting.</p> <p>To encourage potential use of non-timber forest products, the FPMU had established a small plot with local fruit trees. The residual <i>Koompassia excelsia</i> or Tualang trees were able to attract honey bees.</p> <p>The rate of harvest of forest products was set at 42,000 metric tonnes (MT) per year. This had not been exceeded in 2012 and 2013 based on the production record being kept. The 2014 Harvesting Plan had projected 309.2 ha for harvesting with an expected log production volume of 41,161 tonnes.</p> <p>Records on the quantity of timber harvested within the FPMU were being kept and monitored.</p>	<p>Nil.</p>
<p>Principle 6</p>	<p>An EIA report entitled <i>Environmental Impact Assessment of the Proposed Segan Forest Plantation Bintulu Division, Sarawak</i> which was approved on 27 July 1999 by the Natural Resources and Environment Board Sarawak under the Natural Resources and Environment (Prescribed Activities) Order 1994 had described the potential impacts of the Segan FPMU's forest operations and the strategies to mitigate them.</p> <p>The report had also stated on the need to protect residual forested sites to reduce potential impacts on protected species of animals and the floral composition within the FPMU.</p> <p>Measures to mitigate environmental impacts</p>	<p>Posters on protected fauna and flora had been displayed in prominent places in the plantation. The awareness on the need to protect these species could be enhanced by having regular briefings to the field staff. An OFI #2 was therefore raised.</p> <p>Records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil were seen in e-consignment records by a registered contractor for scheduled wastes. However, during an inspection of the scheduled waste store it was found that the Scheduled Waste (SW) was not applied to all wastes</p>

	<p>caused by harvesting activities identified in the EIA study had been incorporated in the FPMP.</p> <p>There were prescribed guidelines for identification and protection of endangered, rare and threatened (ERT) species as provided by the authority in the <i>Wildlife Protection Ordinance 1998</i> and <i>A Master Plan for Wildlife in Sarawak 1996</i>. The IUCN Red List of Threatened Species was also referred for the identification of these species.</p> <p>The <i>Guidelines and Procedures: Fauna Conservation and Ecosystem Management Forest Management Areas</i> prepared by Sarawak Forestry Corporation (SFC) for forest management certification was referred for establishment of conservation and protection areas. Conservation sites in the western and eastern blocks were inspected during this assessment. These sites were still with natural forest cover and had been demarcated in maps and on the ground.</p> <p>Cooperative efforts with governmental agencies especially the Sarawak Forest Department, SFC and nature society on flora and fauna studies had just been initiated. Further development in these cooperative efforts would be assessed during the coming surveillance.</p> <p>Hunting and fishing within the FPMU were not allowed. Notices had been issued to ban hunting and use of poison in rivers by the Chief Operating Officer (COO).</p> <p>The <i>GL02 Guidelines and Procedures: Fauna Conservation and Ecosystem Management</i> on the procedures for diversity conservation and the need to establish biological corridors and buffer belts had been implemented in coupes the northern, eastern and western blocks. Riparian buffer belts, steep slopes and conservation areas were observed to have been protected and these sites had been demarcated on map.</p> <p>Mitigation measures had been specified in the EIA and FPMP to avoid any environmental degradation. There were Standard Operating Procedures (<i>SOP SST/RP/OP/02 Site Preparation</i>) to avoid loss of top soil nutrients, and soil erosion and compaction from inappropriate use of mechanical and chemical</p>	<p>except for SW 410 for used filters. There was no inventory of scheduled waste. An OFI #3 was therefore raised.</p>
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	<p>techniques were available.</p> <p>The Segan FPMU had adhered to the Specifications of Reduced Impact Logging (RIL) Harvesting Operations and <i>Guidelines for Forest Road Lay-out and Construction</i> of the Sarawak Forest Department in its operations.</p> <p>Chemical herbicides were used during land preparation in forest plantation operation for weed control. The herbicide load was low with 4 to 5 litres/ha being applied for each round of spraying. These chemicals had been properly stored in a contained store room.</p> <p>The procedures on the use of chemicals were posted in the chemical store and in the nursery.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner. Procedures for disposing such materials and containers were prescribed in <i>SST/RP/GL/008 Guidelines for Disposal and Storage of Scheduled Wastes</i> and <i>Guidelines GL007 Storage and Handling of Hazardous Material</i>.</p> <p>There was no application of biological control agents in the FPMU.</p> <p>A list of all the species planted and their establishment and silvicultural regimes were described in the FPMP.</p> <p>There had been careful monitoring of these planted species to avoid adverse ecological impacts. The R&D unit had been conducting studies on a broader spectrum of species to be established that would meet the objectives of the FPMP.</p> <p>There was a policy which commits the Sagan FPMU to control the planting of exotic species to prevent them from invading protected sites and areas outside the plantation.</p> <p>Conversion of forest plantation area into non forest land use had not occurred within the Segan FPMU except for roads and infrastructures essential for the operations. The main office complex and staff quarters were sited outside the plantation area.</p>	
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<p>Principle 7</p>	<p>The FPMP entitled <i>STSB Forest Management Plan for LPF/0014-Segan</i>) which was revised on 15 November 2013 had covered the items listed from a) to i) in Criterion 7.1.</p> <p>It was stated in the FPMP that revision would be conducted annually to incorporate data obtained from monitoring and research activities within the FPMU.</p> <p>Forest managers had attended workshops on the <i>Malaysian Criteria and Indicators for forest Management Certification (Forest Plantations)</i>, the <i>MC&I (Forest Plantations)</i>, other related training on the management of plantation forest organized by the Sarawak Timber Association (STA) and briefings on environmental audit conducted by the NREB Sarawak.</p>	<p>The summary of the primary elements of the FPMP prepared on 31 December 2012 and revised on 15 November 2013 had not been made publicly available. An NCR #2/2013 (minor) was therefore raised.</p>
<p>Principle 8</p>	<p>Permanent Sample Plots (PSPs) had been established one in every 5 ha. Annual data collection was conducted and preliminary data analysis was done on survival rate, diameter and tree height. Growth data from these PSPs would provide projection on current annual increment and mean annual increment, survival rate and basal area/ha.</p> <p>Log movement from the stumps to the processing mill had followed the set procedures and was being monitored by the Sarawak Forestry Corporation (SFC). Each truck carrying logs had a Reforestation Log Delivery Order (DO) which indicates the details on the plantation block, name of driver, truck registration number and final destination.</p> <p>A Timber From Planted Forest Specification Form (Royalty Audit) was prepared before the issuance of a Removal Pass by SFC permitting the logs to be transported to the mill.</p> <p>The results from the various monitoring activities would be incorporated in the revision of the FPMP which had been scheduled in November 2014.</p>	<p>A summary on the monitoring indicators such as yield of forest products harvested, growth rates, composition and observed changes in flora and fauna, environmental and social impacts, cost, productivity and efficiency of forest management practices had not been updated and made publicly available. An NCR #3/2013 (minor) was therefore raised.</p>
<p>Principle 9</p>	<p>Sagan FPMU had kept a list of the relevant stakeholders being consulted regarding HCVFs.</p>	<p>A list of stakeholders had been prepared. However, this list should have included other relevant stakeholders from NGOs, ecological</p>

	<p>Meetings/dialogues with relevant stakeholders and experts regarding HCVFs had been conducted. There were records of meeting held with these stakeholders.</p> <p>The status or information on protected HCVF had been collected and this would be incorporated in the revised FPMP.</p> <p>The need for protecting riparian buffer belts, residual forest sites and remnant trees had been stated in the FPMP.</p>	<p>experts from universities and other government agencies. An OFI #4 was therefore raised.</p> <p>The EIA report had stated it was very unlikely that there were HCVFs within the plantation. The Segan PFMU had approved a study to be conducted by SFC on the identification and management of HCVFs. However, such a study had yet to be conducted except for the setting up of camera traps. An NCR #4/2013 (major) was therefore raised.</p>
<p>Principle 10</p>	<p>Management objectives had been included in the FPMP. The forest management objective was originally for the economic production of pulpwood. This was then changed to economic production of logs for supply to the parent company's mill. The other important supplementary objectives are to:</p> <ul style="list-style-type: none"> • maintain the ecological productivity of the ITP – thereby to maintain the value of the forest services; • ensure a sustainable level of log production; • conduct forestry operations in a manner that do not impact negatively on the well-being of those people living within and nearby the forest; • safeguard the environment; and • minimise harvest waste <p>The establishment of the plantation had protected all residual forest sites and riparian buffer belts. The natural residual forested site within the plantation had been demarcated to be protected, restored and conserved.</p> <p>A list of species established within the plantation had been provided to the audit team. The research unit had continuously assess alternative species to achieve species diversity necessary to mitigate risk from pest and disease attack whilst still meeting the objective of economically producing peeler logs of acceptable size and quality.</p> <p>The species selected were based on the planting experience of plantations in and around the region. The species had been tested and found to be suitable for use by the veneer mills and also, as sawn timbers.</p> <p>A proportion of the overall forest plantation management area, appropriate to the scale of</p>	<p>The needs for prevention and control of outbreaks of diseases and fires had been elucidated in the FPMP. However, the guidelines and/or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant were not available. An NCR #5/2013 (minor) was therefore raised.</p>

	<p>the plantation shall be managed so as to restore the site to a natural forest cover. An area of 1,109 ha had been protected with the residual forest trees.</p> <p>Appropriate site preparation and planting techniques had been implemented during the planting stage. Old roads were used as much as possible. Due to the steep terrain the primary harvesting system used at the FPMU was cable yarding. This system had helped to protect fragile soils and in particular reduce compaction and impact on water quality.</p> <p>Segan FPMU had not embarked on fertilization of the planted trees in the field. No chemicals pesticides and biological agents were used once the trees were planted.</p> <p>The forest plantation management had a R&D unit to develop more efficient nursery techniques for improvement of planting stocks.</p>	
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Based on the findings of this Stage 2 audit, it was found that the Segan FPMU had generally complied with the requirements of the *MC&I* (Forest Plantations). However, there were lapses in the management system and practices which had resulted in the issuance of one (1) major and four (4) minor NCRs and four (4) Opportunity for Improvements (OFIs). The details on the NCRs and OFIs raised are as in **Attachment 3**.

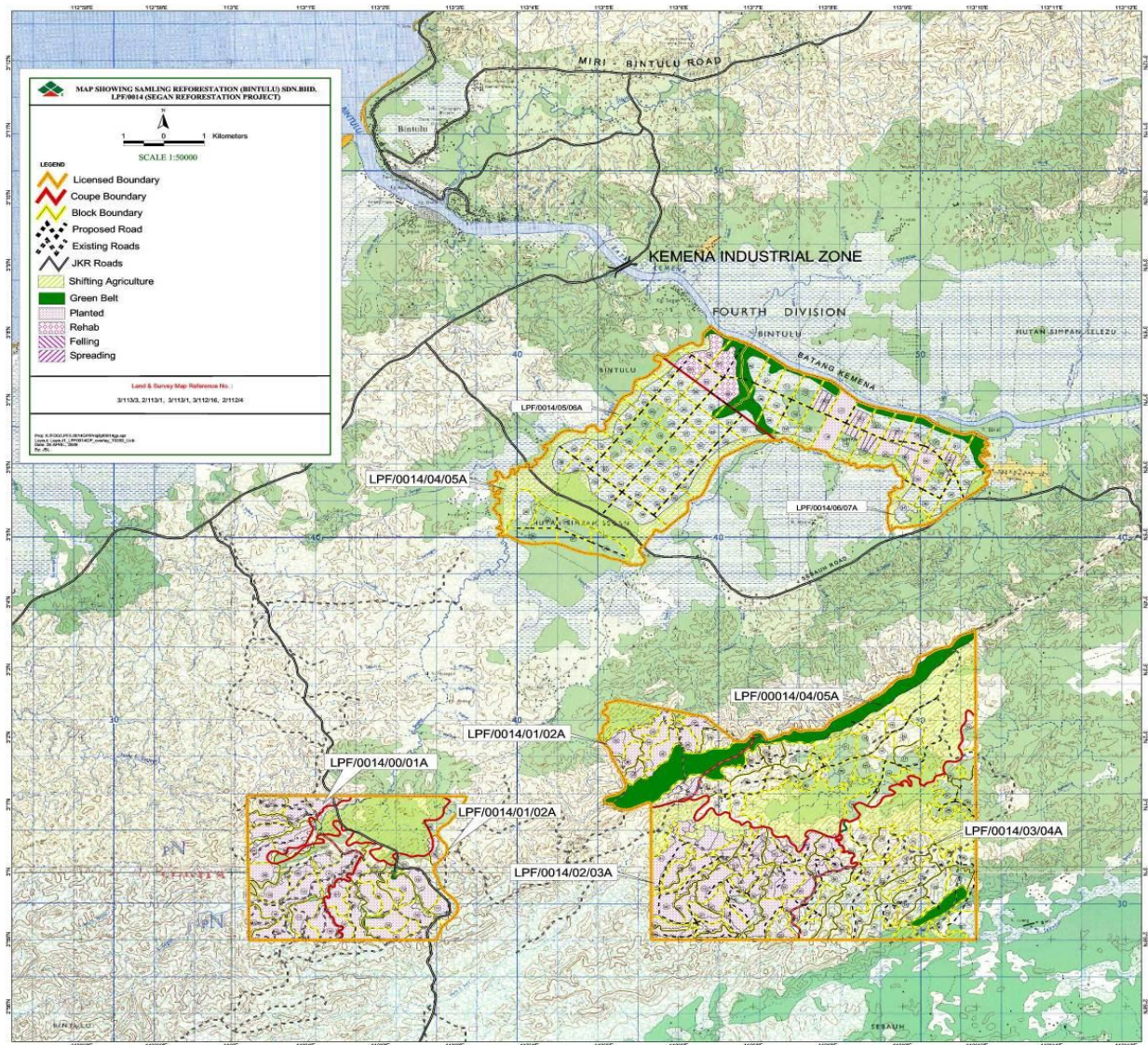
On indigenous peoples' right, it was documented that the Segan FPMU had not operated within indigenous people's lands which had been recognized by national legal frameworks and that the FPMU had a long-term tenure on the land under the Licence for Planted Forest No. LPF/0014. There was no record on the indigenous peoples' rights being breached and this was confirmed during the interviews held with the people of Rumah Chom, Rumah Anthony, Rumah Suring, and Rumah Minggu. The Community Representative Committee had provided a forum where grievances of local people would be adjudicated through a conflict resolution process.

With regard to Criterion 6.10, conversion of forest plantation area into non forest land use had not occurred within the Segan FPMU except for the construction of roads and infrastructures essential for the operations. The main office complex and staff quarters were sited outside the plantation area.

The management of Segan FPMU had taken appropriate corrective actions to address the major NCR raised which had been reviewed and accepted by the audit team. Therefore, this major NCR had been closed out. The Segan FPMU had also submitted its proposed corrective actions to address the minor NCRs and OFIs. The proposed corrective action plan had been reviewed and accepted by the audit team. However, these corrective actions shall be verified by the audit team during the next surveillance audit.

As the major NCR raised had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Segan FPMU.

Map of Segan FPMU



Comments by Stakeholders and Responses by Audit Team

No.	Stakeholder	Comments	Response by Audit Team
1	Stakeholder 1	<p>The Segan FPMU had followed the planting schedule as specified. The management had paid the Annual Licence Fee (ALF) and Annual Licence Rent (ALR) as required for all companies.</p> <p>The Segan FPMU had submitted an Annual Reports as required.</p> <p>The licensee had planted species as approved by the Sarawak Forest Department as in the Planting Plan. The sources of planting materials were also reported to the Sarawak Forest Department.</p> <p>The licensee had complied with the road construction and buildings within the plantation.</p> <p>The General Harvesting Plan was submitted for approval</p>	No issue.
2	Stakeholder 2	The Segan FPMU had complied with all requirements and specifications imposed by SFC.	No issue.
3	Stakeholder 3	The management of the Segan FPMU had submitted an EIA which was approved by NREB. The management of the Segan FPMU had also submitted an Environmental Compliance reports at specified intervals to the Sarawak NREB	No issue.
4	Stakeholder 4	The Labour Department had noted that the management of Segan FPMU had followed all the required procedure in recruiting workers both local and foreign.	No issue.

**NON CONFORMITY REPORTS AND OPPORTUNITIES FOR IMPROVEMENT
RAISED AND CORRECTIVE ACTIONS TAKEN**

NON-CONFORMITY REPORTS

Indicator	NCR	Detail Non-conformances	Corrective Action Plans/Corrective Actions Taken	Verification by Assessor
Indicator 1.6.2 NCR #: 1/2013	Minor	A summary of the policy statement on the FPMU's commitment to forest plantation management practices consistent with these Principles and Criteria of the MC&I (Forest Plantations) was not publicly made available.	Segan FPMU had prepared a summary of the policy statement on its commitment to forest plantation management practices consistent with these Principles and Criteria of the MC&I (Forest Plantations) for up-load on to its website. The website was still being up-dated and could be accessed using test access via: http://www.samling.com/itp_sr.w.php . The summary of this policy statement should be publicly available via the Samling website (http://www.samling.com) by the 25 January 2014.	The summary of the policy statement of the FPMU commitment to managing plantation forest consistent with the P&C of the MC&I (Forest Plantations) was made available on the Samling website. The audit team had reviewed, accepted and verified the corrective actions taken. This minor NCR was therefore closed out.
Indicator 7.4.1 NCR #: 2/2013	Minor	A summary of the primary elements of the FPMP prepared on 31 December 2012 was not made publicly available.	A summary of the primary elements of the FPMP had been prepared and uploaded on to the Samling website test site on 12 December 2013. It became publicly available via the Samling website (www.samling.com) as from 21 December 2013.	The audit team had reviewed, accepted and verified the corrective action taken. This minor NCR was therefore closed out.
Indicator 8.5.1 NCR #: 3/2013	Minor	A summary of the results on monitoring indicators such as yield of forest products harvested, growth rates, composition and observed changes in flora and fauna, environmental and social impacts, cost, productivity and efficiency of forest	A summary of the results on monitoring indicators [with the exception of 8.2 (c)] was made available to the public via the Samling website (www.samling.com) from 21 December 2013. As for 8.2 (c) the flora and fauna field surveys would not be completed until early 2014. There were therefore no information on the composition and observed changes	The corrective action taken had been reviewed and accepted by the audit team. The verification on the summary being publicly made available including on the composition and observed changes in the

		management practices had not been updated and made publicly available.	in the flora and fauna.	fauna and flora would be done during the surveillance audit.
Indicator 9.1.1 NCR #: 4/2013	Major	An assessment to identify HCVFs within the plantation area had yet to be conducted except for the setting up of camera traps.	An assessment to identify HCVFs had been conducted and a report entitled <i>High Conservation Value Forest (HCV1-HCV4) Assessment Report March 2014, An Assessment of the Potential for Designating Areas as High Conservation Value Forest</i> was submitted to the audit team. In addition, another report <i>A Socioeconomic Profiling Study of Communities Living Within and Around The Northern Block of Segan Licensed Planted Forest (LPF/0014) Bintulu Division November 2013</i> had also been submitted.	The audit team had reviewed both of the reports submitted by the Segan FPMU. The first report had indicated the presence of HCVFs attributes within the Segan FPMU and had included the management as well as monitoring requirements for each of the identified HCVF attribute. The field study conducted to identify HCVFs had involved consultations with the neighbouring communities. This major NCR was therefore closed out.
Indicator 10.7.1 NCR#: 5/2013	Minor	The following guidelines and/or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant introductions for forest plantation areas listed below were not available: <ul style="list-style-type: none"> Guidelines and/or standard operating procedures for pest control and disease management practices, including forest hygiene practices and biological control methods Forest Fire Management Plan Procedures for 	R&D has its own SOP for P&D assessment and operations has a guideline. Copies of both these documents have been emailed to the Lead Auditor (17 Dec 2013). A Forest Fire Management Plan was available at the time of the audit but was overlooked due to a miscommunication. A hardcopy of the plan was passed to the auditors prior to their departure from Segan on 7 December 2013. The subject of potentially invasive plant introductions is covered in the FPMP (Section 6.4.4 Monitoring and Control of Exotic Species).	Documents verified and action taken accepted. Will verify for implementation in the next audit

		preventing, monitoring and assessing invasive plant introductions		
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OPPORTUNITIES FOR IMPROVEMENT

Indicator	Details of OFI
Indicator 2.3.1 OFI#: 1	Although the procedures on land claims had been established, the reporting on the status of the land claim had not been done accurately. There were cases of claims that had been resolved and recorded in the notes of the Community Liaison Officer but not being documented in the file.
Indicator 6.2.5 OFI#: 2	Posters on protected fauna and flora had been displayed in prominent places in the plantation. The awareness on the need to protect these species could be enhanced by having regular briefings to the field staff.
Indicator 6.7.1 OFI#: 3	Records of disposal of containers, liquid and solid non-organic wastes, including fuel and oil were seen in e-consignment records by a registered contractor for scheduled wastes. However, during an inspection of the scheduled waste store it was found that the Scheduled Waste (SW) was not applied to all wastes except for SW 410 for used filters. There was no inventory of scheduled waste.
Indicator 9.2.1 OFI#: 4	A list of stakeholders had been prepared. However, this list should have included other relevant stakeholders from NGOs, ecological experts from universities and other government agencies.