



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
KEJIN LONG LAMA FOREST PLANTATION MANAGEMENT UNIT (LPF/17)
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00114
Date of First Certification: 03 February 2017
Audit Date: 3 - 8 August 2015
Date of Public Summary : 23 February 2017**

**Certification Body:
SIRIM QAS International Sdn. Bhd.
Block 4, SIRIM Complex
No. 1, Persiaran Dato' Menteri
Section 2, 40700 Shah Alam
Selangor
MALAYSIA
Tel : 60-3-5544 6400/5544 6448
Fax : 60-3 5544 6763
Website : www.sirim-qas.com.my**

TABLE OF CONTENTS

		Page No.
1.	EXECUTIVE SUMMARY	3
2.	INTRODUCTION	4
2.1	Name of FPMU	4
2.2	Contact Person and Address	4
2.3	General Background on the Shin Yang FPMU (Kejin Long Lama LPF/17 FPMU)	4
2.4	Date First Certified	5
2.5	Location of the FPMU	5
2.6	Forest Management System	5
2.7	Annual Allowable Cut/ Annual Harvest Under the Forest Management Plan	5
2.8	Environmental and Socioeconomic Context	5
3	AUDIT PROCESS	5
3.1	Audit Dates	5
3.2	Audit Team	5
3.3	Standard Used	6
3.4	Stakeholder Consultations	6
3.5	Audit Process	6
4.	SUMMARY OF AUDIT FINDINGS	6
 <u>Attachments</u>		
1	Map of Kejin Long Lama LPF/17 FPMU	17
2	Experiences and Qualifications of Audit Team Members	19
3	Comments Received From Stakeholders and Responses by Audit Team Leader	21
4	Audit Plan	22
5	Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken	24

1 EXECUTIVE SUMMARY

This stage 2 audit on the Shin Yang Forest Plantation Management Unit (Kejin Long Lama LPF/17 FPMU) hereafter referred as the Kejin Long Lama LPF/17 FPMU was conducted on 3 - 8 August 2015 to assess the continued compliance of the overall forest management system of the Kejin Long Lama LPF/17 FPMU against the requirements of the *Malaysian Criteria and Indicators for Forest Plantation Management Certification* [MC&I (Forest Plantation.v2)] using the verifiers stipulated for Peninsular Sarawak. The scope of this stage 2 audit was limited to the forest plantation management system and practices on the Kejin Long Lama LPF/17 FPMU.

This stage 2 audit was conducted by a 3-member team comprising Dr. Yap Son Kheong (Lead Auditor), Dr.Samsudin Musa (Auditor) and Mr. Ernest Chai (Auditor).

Based on the findings of this stage 2 audit, it was found that Kejin Long Lama LPF/17 FPMU had continued to comply with the requirements of the MC & I (Forest Plantation.v2). This stage 2 audit had resulted in the issuance of four (4) and twenty (20) major and minor Non Conformity Reports (NCRs) respectively. In addition, seven (7) Opportunities for Improvements (OFIs) were raised.

This public summary contains the general information on the Kejin Long Lama LPF/17 FPMU, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FPMU.

2 INTRODUCTION

2.1 Name of FPMU

Shin Yang Forest Plantation Management Unit (Kejin Long Lama LPF/17 FPMU).

2.2 Contact Person and Address

Name : Mr. Ling Ee Khai

Designation : Plantation Controller.

Address : Lot 515, Jalan Datuk Edward Jeli,
Piasau Industrial Estate,
98000 Miri, Sarawak.

Phone # : 085 656699

Fax # : 085-604555

2.3 General Background on the Kejin Long Lama LPF/17 FPMU

The Kejin Long Lama LPF/17 FPMU is managed by the Shin Yang Forestry Sdn. Bhd. which has committed the management of the FMU on a sustainable basis. The forest plantation area is located just upstream of Long Lama and is bounded by Batang Baram on the west; Sg. Palutan on the south; Sg. Aban Deng, Sg. Buan, Sg. Teloak on the east; and Sg. Temala on the north.

The forest plantation is managed under a Sustainable Forest Management System (SFM) on a 7-10 year rotation period. The Annual Allowable Cut (AAC) for the Kejin Long Lama LPF/17 FPMU had been set at 11,424 ha that is based on area planted from 2015-2019. A Forest Management Plan (FMP) covering the period from 2015 to 2024 had been presented during the audit.

The Licenced Planted Forest area covers an area of 65,178 hectares but only 28,093.35 ha are subjected for certification. Of this area only 11,424 ha had been planted as the remaining area were preprotected under shifting cultivation, water catchment, riparian buffer and bird nest harvesting site for local community (Table 1).

Table 1 Area of LPF 0017 FPMU

Coupe	Gross Area(ha)	Water Catchment (ha)	National Park Buffer Area (ha)	Camp area & Nursery (ha)	Buffer zone (ha)	Planted area (ha)
1A, 2A, 3A, and 6A	12,285.35	93	445.35	10	313	11,424
Shifting cultivation	10,952					
Water catchment	631					
Bird Nest cave	4225					
Total	28,093.35	93	445.35	10	313	11,424

A map of the FMU showing the significant features of the forest is attached in **Attachment 1**.

2.4 Date First Certified
03 February 2017

2.5 Location of the FPMU

The Kejin Long Lama LPF/17 FPMU is located between 3°29.7'N - 3°49.8'N, 114°23.7'E - 114°42.3'E.

2.6 Forest Management System

The Kejin Long Lama LPF/17 FPMU) had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. The revised Forest Plantation Management Plan Version 2 completed in July 2015. A Forest Plantation Management Plan (FPMP) 2015 to 2024 was presented during this audit.

2.7 Annual Allowable Cut/Annual Harvest under the Forest Management Plan

The FPMP indicated the total areas planted within areas cleared up to 2010 would be 11424 hectares. The AAC would be harvested according to areas planted and approved by Forest Department. For 10 years rotation, the AAC would be one coupe per year.

For the period (2015 – 2019), the annual allowable cut (AAC) for the Kejin Long lama LPF/17 FPMU had been set at 11424 ha. During this stage 2 audit, the size of the FMU is 28093.35 ha.

2.8 Environmental and Socioeconomic Context

An EIA report “Environmental Impact Audit Report for the Proposed Long Lama Forest Plantation in Long Lama Miri March 2000 was produced. The potential impacts and strategies to mitigate the impacts were written in this report. This report had also considered on-site impacts as well as at landscape level. This report was submitted and approved by Natural Resources and Environmental Board (NREB).

The people staying in these regions are Iban, Penan, Kayan and Kenyah There are about 8 longhouses comprising 371 doors (families) with a total population of 2,415 people living within or along the boundary of the forest plantation.

The FPMU had been operating in the area as prescribed by the Licence for Planted Forests Licence no. LPF/0017 with specified conditions. The management had excluded areas within the licenced area used as Shifting Agriculture (SA) by local communities from the forest plantation activities. In addition areas of special importance to local communities and managed by themselves were also not affected by the forest plantation activities. Furthermore, as part of the social contribution, the management of the FPMU had provided free transportation to the local communities on requests, foods and drinks for special occasions, repair of access roads to longhouses. The management had also assisted in the construction of a long house for the Penan communities.

3. AUDIT PROCESS

3.1 Audit Dates
3 - 8 August 2015 (15 man-days)

3.2 Audit Team

Dr Yap Son Kheong	(Lead Auditor)
Dr. Samsudin Musa	(Forester)
Mr Ernest Chai	(Forester)

The details on the experiences and qualifications of the audit team members are as in **Attachment 2**.

3.3 Standard Used

Malaysian Criteria and Indicators for Forest Plantation Management Certification [MC&I (Forest Plantation.v2)] using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning July 2015 to solicit feedback from stakeholders on the compliance of the Kejin Long Lama LPF/17 FPMU against the requirements of the MC&I Forest Plantation.v2. The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

3.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Kejin Long Lama LPF/17 FPMU current documentation and field practices in forest plantation management with the detailed of the standard of performances (SOPs) listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sarawak.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the FPMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I Forest Plantation.v2;
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I Forest Plantation.v2; and
- (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 Plantation.v2 but without sufficient objective evidence to support a non-conformance.

Consultations were held with three long houses of Long Tepen, Long Lunyim and Uma Akeh which is located within the Kejin Long Lama LPF/17 FPMU, and members of the Liaison Committee Member Organisation of these longhouses and villagers as well as contractors and workers operating in the FPMU. The audit team had also held meetings with the officers and the field staff of the (Kejin Long Lama LPF/17 FPMU).

The coverage of this stage 2 audit is as shown in the Stage 2 Audit Plan in **Attachment 4**.

The Kejin Long Lama LPF/17 FPMU had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim stage 2 audit report and sent it to the (Kejin Long Lama LPF/17 FPMU for comment. A second draft stage 2 audit report which had incorporated the comments received from the Kejin Long Lama LPF/17 FPMU was then prepared and sent to two peer reviewers for independent reviewing. A final recertification audit was prepared after incorporated the comments from peer reviewers.

4 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that the Kejin Long Lama LPF/17 FPMU had continued to manage the Kejin Long Lama LPF/17 FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This stage 2 audit had resulted in the issuance of four (4) major, twenty (20) minor NCRs and seven (7) OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Kejin Long Lama LPF/17 FPMU to address the 4 major NCR raised during this stage2 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this

major NCR. The audit team had also reviewed and accepted the Kejin Long Lama LPF/17 FPMU proposed corrective actions to address the 20 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights, "*Mechanism to Resolve Local Issues*" dated 6 June 2015 had been prepared to resolve any tenure claims and requests for assistance. It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Kejin Long Lama LPF/17 FPMU.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Plantation Management be awarded to the Long Lama LPF/17 FPMU.

The summary of the findings of the Stage 2 audit on the Kejin Long lama LPF/17 FPMU against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>Shin Yang FPMU (Kejin Long Lama LPF/17 FPMU) management has respected all applicable laws and international treaties and agreements to which Malaysia is a signatory, and complied with all the Principles and Criteria contained herein.</p> <p>Documents on all the binding international agreements which Malaysia is a signatory were present at Kejin Camp and made available to the forest managers.</p> <p>There were no conflicts documented between these Principles and Criteria, laws and regulations. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise.</p> <p>The FPMU is protected under both the provisions of the Forest Ordinance and Wildlife Protection Ordinance. Signage stating no hunting and fishing had been erected at prominent spots within the FPMU.</p> <p>There was a statement of commitment of the forest plantation management practices to be consistent with the MC & I (Forest Plantation) Version 2 Principles and Criteria in the Forest Plantation Management Plan and the publicly available summary.</p>	<p>The relevant documents on binding international agreements were present at the office at Kejin Camp. The forest managers were aware of these agreements but they would have to develop a better awareness of international agreements binding to Malaysia relevant to forest plantations. Therefore an OFI was raised by Auditor on indicator 1.3.1.</p> <p>To control encroachment monthly patrols were conducted and Forest Patrol Record Forms recording results of these patrols on 21 January, 21, 22 and 23 March, 15-16 April, 20, 15-16 May, 15-16 June 2015, 15, 16 July of 2015 were presented to the audit team. However, these records only stated no encroachments without presenting the locations and extent of the area covered during the patrols. Therefore a Minor NCR SK1/2015 was raised by Auditor on indicator 1.5.2</p>
Principle 2 Tenure and Use Rights and Responsibilities	<p>Long-term tenure and the use rights to the land and forest resources had been clearly defined, documented and legally established. The forest use rights were provided in the</p>	<p><i>Mechanism to Resolve Local Issues</i> dated 6 June 2015 had been prepared to resolve any tenure claims and requests for assistance. A structured mechanism for the resolution of such requests and disputes</p>

Principle	Strengths	Weaknesses
	<p>Licence for Planted Forests Licence no. LPF/0017 issued to Shin Yang Forestry Sdn Berhad from 19 November 1999 to 18 November 2059.</p> <p>Forest managers had continued to recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights of the local communities.</p> <p>There were mechanisms in place at various levels for use to resolve disputes over tenure and use rights.</p>	<p>had been established. The role of the Liaison Committee was not included in the document. The response process was ad hoc without a consultative process with the local communities. There was no record of outcome of direct negotiation. Therefore a Minor NCR SK3/2015 was raised by Auditor on Indicator 2.3.1</p>
Principle 3 Indigenous People's Rights	<p>The legal and customary rights of local communities to own, use and manage their lands, territories, and resources had continued to be recognised and respected by the Shin Yang FPMU (Kejin Long Lama LPF/17 FPMU).</p> <p>The Shin Yang FPMU (Kejin Long Lama LPF/17 FPMU) had excluded areas within the licenced area used as Shifting Agriculture (SA) by local communities from the forest plantation activities. In addition areas of special importance to local communities and managed by themselves were also not affected by the forest plantation activities.</p> <p>There was no evidence that local communities' traditional forest-related knowledge and practices in the use of forest species or management systems were utilized by the FPMU in managing its forest. There was also no record of commercial utilization of their traditional forest-related knowledge and practices.</p>	<p>An organization chart on the structure of the Liaison Committee with the different units for resolution of conflicts was presented. The roles and function of each unit had not been clearly defined and there was no evidence of meetings organized with local communities. Therefore a Minor NCR SK2/2015 was raised by Auditor on Indicator 3.1.3.</p> <p>Procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites used by indigenous peoples had been written in Procedure and Guideline for Identification, Demarcation, Mapping and Conservation dated 6 June 2015. The draft report on the HCVF study had identified sites of special cultural and economic importance to the local communities but there was no record of direct consultation as specified. Therefore a Minor NCR SK8/2015 was raised by Auditor on Indicator 3.3.1.</p>
Principle 4 Community Relations and Worker's Rights	<p>FPMU management had continued to maintain the long-term social and economic well-being of the forest workers and local communities.</p> <p>Wherever possible, qualified people in the surrounding communities were provided with employment opportunities. A SOP SYF/MC&I/P10 Mechanisms to Encourage Locals to</p>	<p>Advertisement on employment opportunity was distributed to local long houses within the FPMU, but more information on the terms of employment and closing dates of application could be included. Therefore an OFI was raised by Auditor on Indicator 4.1.2.</p> <p>A base line survey of two villages within the FPMU was conducted on 20 July 2015. The</p>

Principle	Strengths	Weaknesses
	<p>be Employed was written.</p> <p>All applicable laws and/or regulations covering health and safety of employees were made available and explained to them.</p> <p>Management Policies on Safety and Health had been clearly established and implemented. Posters on Occupational Safety and Health Policy dated September 2014 were displayed at the store, camp office, workshop and store.</p> <p>Safety and Health Committee had been established by FPMU, but meeting had yet to be conducted.</p> <p>The FPMU had communicated to the staff and workers of their rights to freely organise into union of their own choice. Provisions for forest plantation workers to freely organize into unions of their own choice had been provided for under the Industrial Relations Act 1967, Trade Union Act 1959 and the Labour Ordinance (Sarawak Cap 76). Copies of these laws were available at the Kejin Camp office.</p>	<p>people staying in these regions were Iban, Penan, Kayan and Kenyah. There are about 9 longhouses comprising 371 doors (families) with a total population of 2,415 people. A comprehensive social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations had not been completed. The issues of the impact of land use and resolution mechanism had not been discussed. Therefore a Minor NCR SK9/2015 was raised by Auditor on indicator 4.4.1</p>
<p>Principle 5 Benefits From the Forest</p>	<p>The annual operating and development budget was documented in the Annual Development Budget 2015. Investments and reinvestments are made in forest management, including for forest administration, research, human resource development, protection, economic, conservation environmental and social aspects, consistent with the tenure of the FPMU.</p> <p>The FPMU was established as a main source of logs for the mill in Miri for the production of plywood. Most of the species planted were <i>Paraserianthes falcataria</i> (Batai) followed by <i>Acacia mangium</i> both were found to be suitable for producing veneer. The FPMU was also planting on trial basis other suitable species for the face and back of the veneers. As the mill was able to utilize logs with diameters of 10 cm and above all the felled materials would be harvested leaving only</p>	<p>Preliminary analysis had been conducted for 9 PSPs covering all species. Map showing the location of the PSPs was made available. The analysis for some of the plots particularly those at the early stages of growth, with young plants, showed that the volume increment was high. The analysis would have to be supported with extension to older plots. Therefore an OFI was raised by Auditor on Indicator 5.1.2</p> <p>The planned annual harvesting area for the FPMU had been determined in the Annual Work Plan. The timber from the plantation was to be utilized by its own plywood mill. However the total extent by species and estimated volume planned to be extracted yearly on a sustainable basis according to the mill capacity was not available. Therefore a Minor NCR SM1/2015 was raised by Auditor on Indicator 5.6.2.</p>

Principle	Strengths	Weaknesses
	<p>small woody residues which would left for soil improvement.</p> <p>Forest harvesting was guided by the FPMP, General Harvesting Plan and Comprehensive Harvesting Plan. The harvesting process conducted by the FPMU LPF/0017 was in accordance to the SOP SYF / MC & I / P.12 Reduce Impact Logging (RIL) Harvesting Operation. The harvesting operations prescribed measures to protect soil from compaction and erosion and reduced wastage.</p> <p>The FPMU management has established standard procedures for the identification and demarcation of sensitive areas to serve for the protection of soil and water resources, Slopes of more than 35 degrees (terrain IV), watershed area were excluded from logging and was demarcated. Riparian reserve 20m wide had been demarcated and marked out on the field.</p> <p>The rate of harvest for LPF/0017 had been stated in the FPMP. The Annual Allowable Cut (AAC) would be controlled based on the approved area by the Forest Department with no activities allowed within protected areas. The AAC would be harvested according to areas planted and approved by Forest Department. For 10 years rotation, the AAC would be one coupe per year</p>	
Principle 6 Environmental Impact	<p>Shin Yang FPMU (Kijen Long Lama LPF/17 FPMU) management had continued to conserve biological diversity and its associated values, water resources, soils, unique and fragile ecosystems and landscapes, in line with the aim to maintain the ecological functions and the integrity of the forest.</p> <p>Guidelines and SOPs presented for <i>Protection of natural forest Procedure for Identifying and Demarcation Sensitive Areas for the Protection of Soil and Water, 1999, Guidelines for Identification and Management of Protection Area Rev no 01</i> and SYF / MC & I / P.11 <i>Guidelines for the Conservation of Genetic, Species</i></p>	<p>An EIA report "Environmental Impact Audit Report for the Proposed Long Lama Forest Plantation in Long Lama Miri March 2000 was produced. The potential impacts and strategies to mitigate the impacts were written in this report. The EIA for the FPMU was done over 15 years ago and it would have to be updated to take into consideration the changes to the environment within and adjacent to the FPMU. Therefore a Minor NCR SM 2/2015 was raised by Auditor on Indicator 6.1.1</p> <p>The EIA report had indicated an absence of endangered, rare and threatened species of flora and fauna within the plantation area owing to the intensity of logging conducted. Chapter 7 of the FPMP had incorporated measures to mitigate environmental</p>

Principle	Strengths	Weaknesses
	<p>and Ecological Diversity 1 April 2015 were available.</p> <p>The monthly patrolling and monitoring had also included the documentation of any illegal activities occurring within the plantation area. Signage and posters had been posted at the main entrance and office. Signs prohibiting hunting were also erected at strategic points.</p> <p>The RIL guidelines SYF / MC & I / P.12 <i>Reduced Impact Logging (RIL) Harvesting Operation</i> were adopted by the management of LPF/0017 in harvesting operations. The guidelines contained measures to protect soil from compaction and erosion. The guidelines for forest road layout and construction, and harvesting plan were also presented. These mitigation measures for harvesting were also presented in the EIA and FPMP.</p> <p>The FPMU has established SOP related to waste disposal such as Storage of scheduled waste, Handling of scheduled waste, Labelling of scheduled waste, Scheduled wastes spillage, Removal and disposal of solid waste and Storage, handling and disposal of hazardous goods.</p> <p>There was no application of biological control agents in the FPMU. Operating procedure SYF / MC & I / P.04 Procedure for Preventing, Monitoring and Assessing Invasive Plant Introduction had been written for the control of exotic species. Management had recorded all the exotic species established within the FPMU. The exotic species established were <i>Paraserianthes falcataria</i>, <i>Acacia mangium</i>, <i>Eucalyptus pellita</i> and <i>Eucalyptus deglupta</i> established within the FPMU.</p>	<p>impacts. These included water quality, fertilizer application, riparian buffer, socio-economic aspects, domestic waste, health and safety and pest and diseases. References to Sarawak Plant Red List and Master Plan for wildlife in Sarawak 1996 had been made in the SOP 11. These aspects should be implemented with the updating of EIA. Therefore an OFI was raised by Auditor on Indicator 6.1.2</p> <p>Documents on the guidelines for the establishment of conservation areas within the existing forest ecosystem were not available or implemented. The Forest Plantation Management Plan had not included such guidelines. Orang Utan Strategic Action Plan and Trans-boundary Biodiversity Conservation Area were not available. Therefore a Minor NCR SM 5/2015 was raised by Auditor on Indicator 6.2.2</p> <p>Cooperative efforts in forest management with governmental agencies especially the Sarawak Forest Department, Sarawak Forestry Corporation were made by the FPMU management. Projects on breeding and establishment of seed production areas were initiated. Efforts in conservation and management could be enhanced to involve universities, research institutions and non-governmental agencies. Therefore an OFI was raised by Auditor on Indicator 6.2.3</p> <p>Management guidelines to demarcate residual natural forest sites were available in chapter 11 of the FPMP. These guidelines had been incorporated into the forest plantation management plan. However, the establishment of natural forest sites within the FPMU had not been clearly demarcated and mapped. Therefore a Minor NCR SM 3/2015 was raised by Auditor on Indicator 6.3.1</p> <p>Existing natural forest ecosystem such as Terrain class IV area, stream bank reserves and HCV sites had been marked and mapped for protection. In addition there were patches of residual forest ecosystem maintained with no planting. These representative areas of existing forest ecosystem within the FPMU had not been demarcated and mapped for protection. Therefore a Minor NCR SM 4/2015 was raised by Auditor on Indicator 6.4.1</p>

Principle	Strengths	Weaknesses
		<p>Buffer strip inspected in the FPMU was found to be intact and are being protected. Their boundaries were marked with blue paint on tree trunks. However the signage for riparian buffer belts could be labelled consistently and prominently displayed. Therefore an OFI was raised by Auditor on Indicator 6.5.3</p> <p>It was noted that the license for the compressor in the workshop had expired and effort to renew the license was in progress. Therefore an OFI was raised by Auditor on Indicator 6.7.1</p> <p>The areas that were cleared prior to January 2010 for plantation establishment had not been defined on maps or demarcated on ground. This area shall have to be demarcated from areas that were cleared after January 2010 which could not be included in this certification process. High conservation values had not been determined in the areas cleared after January 2010 and precautionary measures had yet to be implemented. Therefore a Major NCR SK 4/2015 was raised by Auditor on Indicator 6.10.1</p>
Principle 7 Management Plan	The revised Forest Plantation Management Plan Version 2 completed in July 2015 and was made available. The FPMP had included all the management objectives as well as providing the items (a) to (i) of the criterion. It had also included the relevant existing guidelines and provisions listed in Principle 1.	<p>List of trainings attended or conducted were not available. The field workers had not been guided on the specifications on conservation. Courses had not been undertaken to enhance the awareness of forest workers from all levels, on the requirements of the Forest Plantation Management Plan and MC&I (Forest Plantations). It was observed during consultations with these workers that they were not clear on the requirements of the FPMP. Therefore a Minor NCR EC 2/2015 was raised by Auditor on Indicator 7.3.2</p> <p>The public summary in the company web page www.shinyang.com.my did not cover all the primary elements of the forest plantation management plan. Therefore a Minor NCR SK5/2015 was raised by Auditor on Indicator 7.4.1</p>
Principle 8 Monitoring and Assessment	There were 25 PSPs established within the plantation. Eight (8) of the PSPs consisted of <i>Acacia mangium</i> , ten (10) on <i>Paraserianthes falcataria</i> , five (5) on <i>Hevea</i> , one (1) on <i>Eucalyptus</i> and one (1) on <i>Terminalia</i> . The growth rates of the <i>Acacia mangium</i> and <i>Paraserianthes falcataria</i> from these PSPs had been incorporated into the Annual	The forest management of Shin Yang FPMU (Kejin Long Lama LPF/17 FPMU) had not conducted an internal audit and a management review as specified in SYF / MC & I / P.01 <i>Procedure for Internal Audit</i> and SYF / MC & I / P.02 <i>Procedure for Management Review Meeting</i> . These had been proposed to be conducted at the end of the year. Therefore a Minor NCR SK

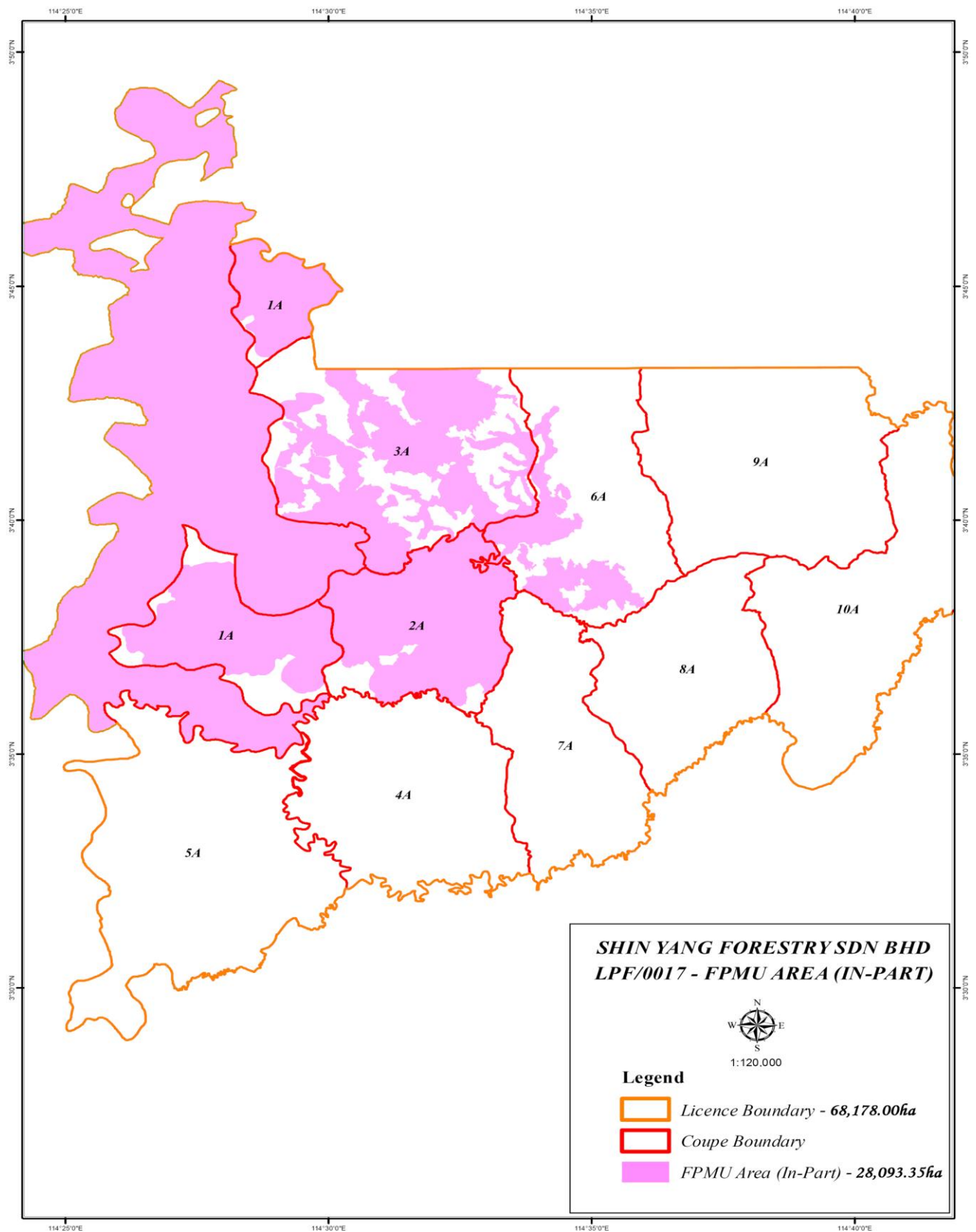
Principle	Strengths	Weaknesses
	<p>Allowable Cut (AAC) in in the Rev 2. FPMP on July 2015.</p> <p>Appropriate procedures to monitor social, ecological, environmental and economic impacts in process of development and the intensity of forest operations were developed in SOP Ref: No. SYF/MC&I/P.05 dated 6 June 2015.</p> <p>Forest plantation managers had gather the relevant information, appropriate to the scale and intensity of the forest plantation management for the following indicators:</p> <p>a) Yield of log harvested.</p> <p>b) Growth rates, regeneration and condition of the forest.</p> <p>c) Composition and observed changes in the flora and fauna.</p> <p>d) Environmental and social impacts of harvesting and other operations.</p> <p>e) Costs and productivity of forest management</p> <p>The procedure for the control of log movement from the forest to the log pond had been developed as in SYF / MC & I / P.03 <i>Procedure for Chain of Custody</i> to identify all forest products leaving the planted area in the block to Hollystone Weighbridge at Batu Gading, Long Lama.</p> <p>The revised Forest Plantation Management Plan for LPF 0017 v 2 had incorporated the latest results and findings of the monitoring activities of growth data, PSPs, and SIA.</p>	<p>6/2015 was raised by Auditor on Indicator 8.1.3</p> <p>A brief summary of the data obtained from the monitoring results of growth data from PSPs and SIA (Social Impact Audit) had been incorporated into the public summary. Yield of forest products harvested had not been included in the public summary www.shinyang.com.my. Therefore a Minor NCR SK 7/2015 was raised by Auditor on Indicator 8.5.1</p>
Principle 9 Maintenance of High Conservation Value (HCV)	<p>A draft copy of the HCVF report was presented during the audit.</p>	<p>A draft report on the audit of HCVF within the FPMU using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia had been presented during the audit. Records of consultations with relevant stakeholders and experts were also not available. Therefore a Minor NCR SK 10/2015 was raised by Auditor on Indicator 9.1.1</p>

Principle	Strengths	Weaknesses
		<p>HCV sites had not incorporated into the Forest Plantation Management Plan at Kejin Camp LPF/0017 FPMU in accordance to the specified attributes of HCVF Toolkit. Therefore a Minor NCR SK11/2015 was raised by Auditor on Indicator 9.2.2</p> <p>The HCV areas had yet to be mapped and incorporated progressively into the Forest Plantation Management Plan and demarcated on the ground, where appropriate. Management prescription to maintain and enhance the identified HCV attributes and reports on measures taken at LPF/0017 FPMU had yet to be developed. Therefore a Major NCR SK12/2015 was raised by Auditor on Indicator 9.3.1</p> <p>Management prescriptions to maintain and / or enhance HCV attributes, and reports on measures taken FPMU were not conducted. The public summary of the forest plantation management plan available in the shinyang.com.my did not include HCV measures. Therefore a Major NCR SK 13/2015 was raised by Auditor on Indicator 9.3.2</p> <p>Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCV area were not available at Kejin LPF/0017 FPMU. Monitoring procedures to assess the effectiveness of the measures in the management of the HCV area was not available in LPF/0017 FPMU. Annual monitoring had not been conducted on the sites identified. There was also no monitoring of the HCVF sites. Therefore a Major NCR SK 14/2015 was raised by Auditor on Indicator 9.4.1</p>
Principle 10 Forest Plantation Development and Management	<p>The revised forest plantation management plan of July 2015 had in <i>Chapter 11: Identification and Management of Protection Areas</i> included in Section 11.2 the need to protect stream bank reserves (SBR), water catchment areas, HCV and Terrain IV. The SBR were demarcated with blue paint on trees. Signage of SRB was seen planted on the ground next to Sungai Temala. The riparian buffer established along this river continued from Coupe 1 to southern part of Coupe 2 covering a length of 26.6 km. The locations of</p>	<p>Annual operating plan for the year 2015 describing activities on seed sowing, site planting, harvesting, land preparation and site maintenance (thinning) was verified. However, the forest plantation stands in Coupes 2 and 3 were not in accordance to normal plantation silvicultural practices. Thinning of poor form trees was not conducted and infestation of other species were observed. Therefore a Minor NCR EC 1/2015 was raised by Auditor on Indicator 10.1.1</p> <p>Records and maps of planting patterns in the forest plantation areas to indicate</p>

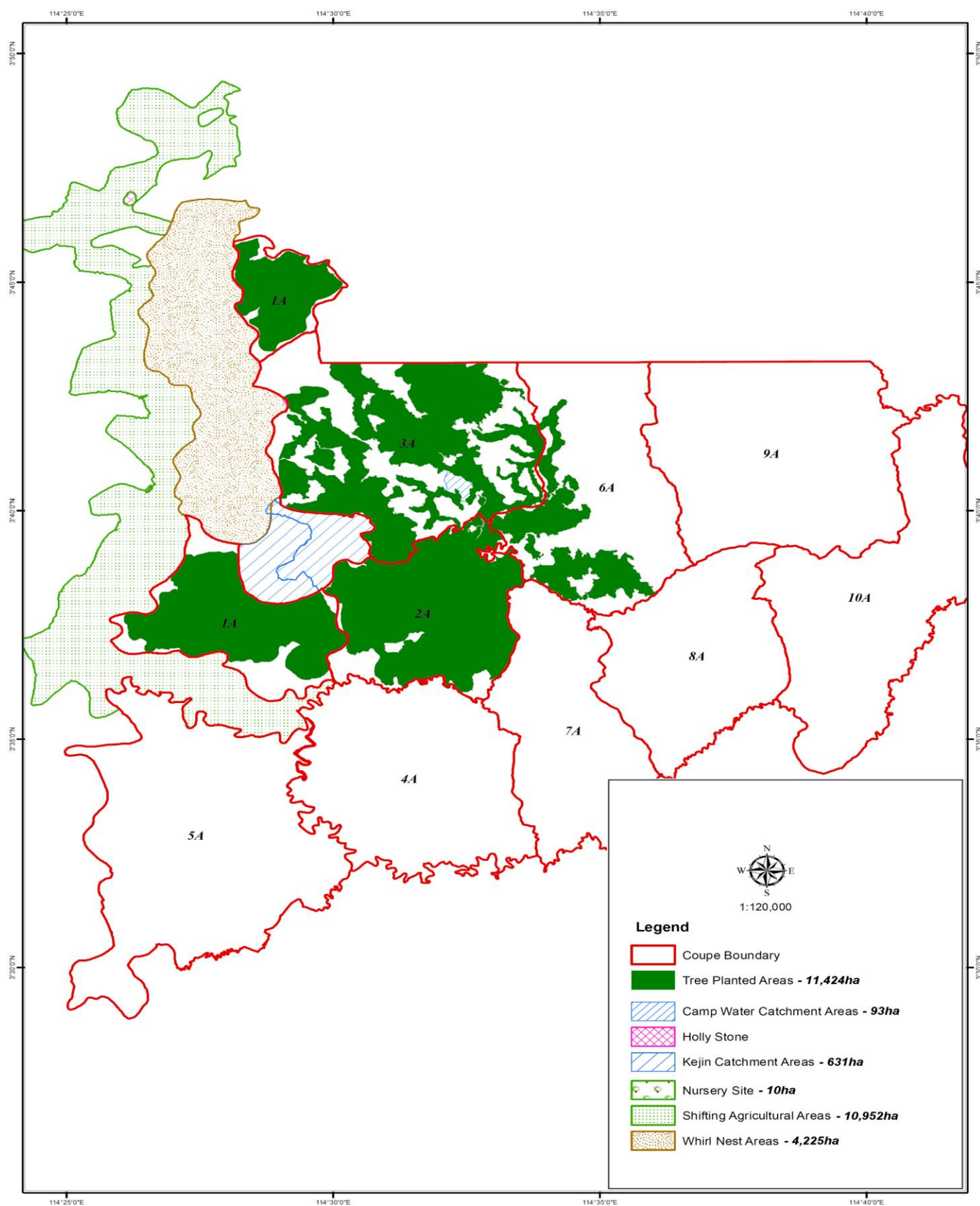
Principle	Strengths	Weaknesses
	<p>these protected areas were marked on maps.</p> <p>Total potential areas that can be planted within the Coupes 1 to 3 and Coupe 6 of the LPF 0017 undergoing this certification audit amounted to 28,093.35 ha out of the total size of the FPMU of 65,178 ha including areas for water catchment, shifting cultivation and bird nest area. To date a total 11,424 ha have been planted.</p> <p>Information on planting stock and species planted in the forest plantation areas was presented. Taking cognizance of the need of diversity in composition in forest plantation, the plantation had included indigenous species Ketapang (<i>Terminalia catapa</i>) planted in Block 7 of Coupe 1. The area planted was 2 ha. In addition, Sawih (<i>Duabanga molucana</i>), a local species, was planted in Block 2 of Coupe 1, with an area of 1.6 ha.</p> <p>A description of the soil types within the FPMU was presented in Section 1.4.2 of the revised FPMP.</p> <p>Results of comparative justification were made available in the FPMP chapter 2 Section 2.3 Growing Timber Stock. This section presented comparative advantages/benefits of planting exotic species over native species in the establishment of the plantation.</p> <p>Documentation and maps depicting areas managed as natural forest in the forest plantation areas were available. The General Harvesting Plan and Detailed Harvesting Plan of each coupe examined had demarcated riparian reserve, water catchment areas, HCV, and terrain Class IV areas. These residual forest sites and riparian buffers were protected.</p> <p>Management had established procedures in accordance to <i>Guidelines for forest road layout, construction and maintenance</i>. The RIL guidelines had been adopted in the FPMU as shown in the SOP SYF / MC & I / P.12 <i>Reduced Impact</i></p>	<p>wildlife corridors and mosaic of stands were not available in the Forest Plantation Management Plan at LPF/0017 FPMU. Therefore a Minor NCR SK15/2015 was raised by Auditor on Indicator 10.2.2</p> <p>There were no evidences to show the choice of species that match the site conditions and the management objectives of the established forest plantation. Consultations conducted with the field staff of the plantation showed that there was no species and site matching study being carried out. Therefore a Minor NCR EC 3/2015 was raised by the Auditor on Indicator 10.4.1</p> <p>Written procedures on control of forest fires were included in SOP SYF / MC & I / P.24 <i>Pelan Kecemasan Jika Berlaku Kebakaran di Hutan</i> (Emergency Plan for Fire Outbreaks in Forest). There was, however no Forest Fire Management Plan developed for the FPMU. Therefore a Minor NCR EC 4/2015 was raised by Auditor on Indicator 10.7.1</p>

Principle	Strengths	Weaknesses
	<p><i>Logging (RIL) Harvesting Operation</i> in harvesting operations to protect soil from compaction and erosion</p> <p>The EIA report and the revised forest plantation management plan had included preparation and planting techniques.</p> <p>The FPMU did not apply fertilizers in the forest plantation after planting. No biological agents were used in the plantation.</p> <p>Environmental monitoring including quality of water, impacts of plantation establishment and conditions of base camps were done at quarterly intervals as specified under the approval of the EIA. In addition a monthly patrol system had been instituted and the record forms were inspected. A team had also been established to initiate consultation with different long houses within and bordering the plantation area.</p> <p>A research report on the monitoring of insect and pest problems on <i>Acacia mangium</i> and <i>Paraserianthes falcataria</i> seedlings in the plantation conducted in LPF 0019 was used in this FPMU.</p>	

Map of Kejin Long Lama LPF/17 FPMU



Map of LPF 0017 – Long Lama Forest Plantation Management Unit (Planting Map)



Details of the auditors and their qualification

Audit Team	Role/Area of MC&I Requirement	Qualification and Experience
Dr. S.K. Yap	Audit Team Leader / Environment / Social issues	Currently an independent consultant on forestry, arboriculture and environment. He has a B.Sc. Hons. Second Class Upper (Botany and Ph. D. in forest biology. He is an independent auditor appointed by FSC's accredited certifier - Scientific Certification System (SCS) Global Services of USA and SIRIM QAS Malaysia to conduct Forest Management Certification under the FSC Principles and Criteria and Malaysian Criteria and Indicators since 2001. He is also an accredited EMS ISO 14001 auditor with SIRIM and a Lead Auditor for RSPO certification scheme. He is a forest/flora ecology consultant for EIA and HCVF. Qualified as lead auditor under the QMS ISO 9001 in September 2013
Dr.Samsudin Musa	Auditor	<p>Dr. Samsudin bin Musa is a Senior Research Officer at the Forest Research Institute of Malaysia (FRIM) since 1997. He graduated in 1984 with a B Sc. Forestry from the University Putra Malaysia and has completed his PhD studies in Universiti Kebangsaan Malaysia (UKM) in 2011. From 1993 to 1997 he was the Forest Inventory Officer at the Forestry Department Headquarters, Peninsular Malaysia. Prior to that, he was the Head of Inventory Unit of the ASEAN Institute of Forest Management in Kuala Lumpur from 1987 to 1993. His area of expertise include silviculture, climate change and forest certification.</p> <p>He was involved in the following forest management/chain-of-custody certification training programmes:</p> <p>Workshop on Forest Management Certification, Institut Penyelidikan Perhutanan Malaysia, Kepong. (12-13 December 1996). – Resource person</p> <p>XXI IUFRO Pre-Congress Workshop on Sustainable forest management and Criteria & Indicators, FRIM, Kepong, Malaysia (1-4 August, 2000) – Resource person</p> <p>Workshop on Methodologies for Assessing Forest Biodiversity and Estimating its Recovery. Kuala Lumpur, Malaysia (30-31 October, 2001). – Resource person</p> <p>Training in Forest Management Certification by Scientific Certification System, SIRIM, February 2000, Shah Alam, Selangor</p> <p>Quality Assurance Auditor/Lead Auditor Training Course and Examination, 25-29 March 2003, Moody International Certification., FRIM, Kepong, Selangor</p> <p>Forest Management Certification Procedures, SIRIM QAS, 19 February 2009, Shah Alam, Selangor</p>

		<p>ISO 14001:2004 EMS Lead Auditor Training Course under SIRIM Training Services Sdn Bhd, 2 – 6 March 2009</p> <p>Auditor Training Course on MC&I 2002, 30 March – 2 April 2002 by MTCC, Kuala Lipis, Pahang</p> <p>His auditing experiences include the following:</p> <p>Member of the Team under MTCC/SGS(M) Sdn. Bhd. (Local expert/Auditor) for the testing of the application of Malaysian Criteria and Indicators for Forest Management Certification (MC&I) for the State of Johor, Malaysia, 14-18 August 2001.</p> <p>FRIM Internal Auditor for ISO 9002.</p> <p>Observer for the Audit for forest management certification of the Perak Integrated Timber Complex by SIRIM QAS International based on FSC principles in collaboration with the Scientific Certification Services (SCS) on 8 – 11 October 2001</p> <p>GTZ-FD Project on the Development of Internal Audit Procedures for Forest Certification. 1999 (Local expert)</p> <p>GTZ-FD Project on the Development of Internal Audit Procedures for Sustainable Forest Management using new MC&I. 2000/2001 (Consultancy Project Leader)</p> <p>Auditor for forest management certification of the Kelantan FMU conducted by SIRIM QAS International against the MC&I under the MTCS in 2004</p> <p>Auditor for forest management certification of the Kedah FMU conducted by SIRIM QAS International against the MC&I (2002), 5 – 9 March 2006</p> <p>Auditor for forest management certification of the Perak FMU conducted by SIRIM QAS International against the MC&I (2002), 10 – 15 September 2006</p> <p>Auditor for forest management certification of the Negeri Sembilan FMU conducted by SIRIM QAS International against the MC&I (2002), 9 – 13 April 2007</p> <p>Lead Auditor in Field Tests of MC&I (2002) in Sarawak FMU for the Malaysian Timber Certification Council.</p>
Mr. Ernest Chai	Forester	<p>Mr Ernest Chai currently an independent consultant on forestry.</p> <p>He graduated in 1984 with a B Sc. Forestry from the University Putra Malaysia and has completed his Master of Philosophy in Plant Science from University of Edinburgh, Scotland in 1994. From 1970 – 2004, he was the State Forest Silviculturist at the Forest Department Sarawak. He also has been a Forest Research Manager at Sarawak Forestry Corporation (SFC) from 2002 – 2004.</p> <p>He is an independent auditor appointed by SIRIM QAS International Sdn Bhd to conduct Forest Management Certification (FMC) audit under the Malaysian Criteria and Indicators (MC&I) since 2006.</p>

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Agency	Comments/Issues Raised	Response by Audit Team
1	District Forest Office Miri	No infringement of regulations by the FPMU. Tree Planting Plan submitted on schedule.	Noted
2	Sarawak Forestry Corporation Miri	All Transit Passes for logs to be transported to the mill had to be issued by SFC. Possible of joint committee in resolution of issues.	Noted
3	NREB Miri	Had complied with the EMR requirement with reports submitted on schedule. Training provided on EIA requirement provided by the agency.	Noted and informed FPMU on the training opportunity.
4.	Residents of Rumah Anai, Rumah Sepurai and Rumah Mancha within and at the boundary of the FPMU	The inhabitants consulted had agreed that they had continued to use the land for cultivation and protection of water catchment for each village was provided. Assistance for earth works for the new long house was provided by FPMU with the loan of a tractor but requested for faster pace.	Noted their comments and conveyed to the management of the FPMU.

Stage 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (AUDIT TEAM LEADER) (Dr. S.K Yap)	AUDITOR 2 (Dr. Samsudin Musa)	AUDITOR 3 (Mr. Ernest Chai)
Day 0		<ul style="list-style-type: none"> Flight MH2584 KL to Miri 1700hr to 1915 hr (Lead auditor) 		
Day 1	8.00 am - 5.30 pm	Lead auditor consultative meetings with <ul style="list-style-type: none"> NREB Sarawak Forest Department Sarawak Forestry Corporation Shin Yang Forestry – HR and mapping unit 		
	07.15 pm	Arrival of auditors Briefing by Audit Team Leader on the audit plan Night in Miri		
Day 2 4/8/2015	7.00 am - 11.30 am	<ul style="list-style-type: none"> Travel to Kejin Camp 		
	12.00 pm -1.30 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Plantation Manager of the FPMU Q&A Session Follow up on issues of concern from Stage 1 Confirm audit schedule 		
	3.30 pm-5.00 pm	<ul style="list-style-type: none"> Documentation review 		
	8.00 pm-10.00 pm	<ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader 		
Day 3 5/8/2015	7.30 am – 5.00 pm	Site Visits (Auditor 1)	Site Visits (Auditors 2 and 3)	
		<ul style="list-style-type: none"> Conservation sites FPMU boundary HCVF sites Biological corridors 	<ul style="list-style-type: none"> Planting area Pre Harvesting area Harvesting area Inspection of COC process 	

		<ul style="list-style-type: none"> Meeting with long house communities 	<ul style="list-style-type: none"> Consultation with forest plantation workers Residual areas to be logged
	8.00 pm – 10.00 pm	<ul style="list-style-type: none"> Documentation review Briefing to representatives of FMU/FPMU on the progress of audit Review of Day 2 Findings by Audit Team Leader 	
Day 4 6/8/2015	7.30 am – 5.00 pm	Site Visits (Auditor 1)	Site Visits (Auditors 2 and 3)
		<ul style="list-style-type: none"> Meeting with long house communities 	<ul style="list-style-type: none"> Experimental planting Forest maintenance activities PSPs Nursery area Chemical store Base camp inspection (scheduled wastes and storage) Consultation with FPMU staff
	8.00 pm-10.00 pm	<ul style="list-style-type: none"> Briefing to representatives of FMU/FPMU on the progress of audit Review of Day 3 Findings 	
Day 5 7/8/2015	7.30am –11.00 pm	AUDIT TEAM <ul style="list-style-type: none"> Preparation of closing meeting Issuance of NCRs. 	
	11.00pm–5.00 pm	Travel to Miri Shin Yang Forestry head office	
	5.00pm-07.00 pm	Documentation review Night in Miri	
Day 6 8/8/15	8.00 am-10.00 am	<ul style="list-style-type: none"> Closing Meeting and presentation of findings of audit and discussion on follow-up activities at Shin Yang Forestry Miri. Adjourn Closing Meeting. 	
	11.20 am-1.20 pm	Flight from Miri to KL MH 2591 11.25 am -01.35 pm	

Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/ OFI	Detail Non- conformances	Corrective Action Taken	Verification by Assessor
Indicator 6.10.1	NCR No: SK 4/2015 Major	<p>Conversion of forest area to forest plantations, consistent with the provisions of relevant federal and state legal frameworks and policies, does not occur on high conservation value forest areas, and shall provide substantial, additional, secure and long term benefits across the forest plantation management unit.</p> <p>Finding: The areas that were cleared prior to January 2010 for plantation establishment had not been defined on maps or demarcated on ground. High conservation values had not been determined in the areas cleared after January 2010 and precautionary measures had yet to be implemented.</p> <p>Objective evidence: Areas that had been cleared for plantation establishment had not been clearly determined and demarcated on ground. HCV study had not been completed for areas that after January 2010.</p>	Demarcation on ground and maps of the converted area prior to 2010 would be done by October 2015.	During the verification audit conducted on December 2015 maps indicating the area planted prior to December 2010 were presented. Inspection on ground indicating that signage showing certifiable area planted before December 2010 and area planted after that date were observed at Coupe 2 and 7 as well as between Coupe 5 and Coupe 7. The Major NCR was therefore closed.

Indicator 9.3.1	NCR No: SK 12/2015 Major	Measures to demarcate, maintain and / or enhance the HCV attributes are documented in the forest plantation management plan and effectively implemented Finding: Measures to demarcate, maintain and / or enhance the HCV attributes had yet to be developed. Objective evidence: Management prescriptions to maintain and / or enhance HCV attributes, and reports on measures taken at LPF/0017 PFMU had yet to be developed	Management practices to maintain, enhance the HCV attribute will be documented in the FPMP upon submission of the HCV report by October 2015.	The <i>Forest Plantation Management Plan SYF/MC&I/FPMP.01 Ver. 03 Nov 2015-Nov 2024. For The Shin Yang Forestry Sdn Bhd (LPF0017)</i> At Kejin Camp was presented during the verification audit. In Chapter 11 Management and monitoring recommendations were written. Management strategies, monitoring processes and responsible personnel were described. The Major NCR was closed.
Indicator 9.3.2	NCR No: SK 13/2015 Major	These measures shall be included in the forest plantation management plan summary made publicly available. Finding: Public summary of the forest plantation management plan did not include HCV measures to demarcate, maintain/or enhance the HCV attributes. Objective evidence: The public summary of the forest plantation management plan available in the shinyang.com.my did not include HCV measures.	The public summary would be updated upon the completion of the HCV report by October 2015.	In the updated public summary presented in the web page of Shin Yang the different HCVF sites had been identified and management practices prescribed. The Major NCR was closed.
Indicator 9.4.1	NCR No: SK 14/2015 Major	Forest plantation managers shall conduct, appropriate to scale and intensity of forest plantation management, annual monitoring to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas. Finding:	The monitoring and audit of the HCV areas would be initiated upon completion of the HCV report by October 2015.	The HCVF report was completed in November and incorporated into the revised FPMP. Monitoring procedures had been prescribed and will be implemented as scheduled. As the HCVF sites had just been identified, the results of monitoring,

		<p>Annual monitoring procedures to assess the effectiveness of the measures in the management of the HCV area were not developed.</p> <p>Objective evidence: Monitoring procedures to assess the effectiveness of the measures in the management of the HCV area was not available in LPF/0017 FPMU. Annual monitoring had not been conducted on the sites identified.</p>		would be assessed during the next audit. However, the major NCR is closed.
Indicator 1.5.2	<p>NCR No: SK1/2015</p> <p>Minor</p>	<p>Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities in the forest plantation management unit.</p> <p>Finding: Monitoring documentation in the form of patrol records only stated no encroachments without presenting the locations and extent of the area inspected during the patrols.</p> <p>Objective evidence: Monthly patrols were conducted and Forest Patrol Record Forms recording results of these patrols were presented to the audit team. Record in the section on encroachment did not indicate the locations and extent of the area inspected during the patrol.</p>	Forest Patrol Record form will be improved and be ready by 1 September 2015.	Action plan accepted and the forms will be reviewed during the next audit.
Indicator 2.3.1	<p>NCR No: SK2/2015</p> <p>Minor</p>	<p>Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights</p> <p>Finding : Mechanism to Resolve Local Issues dated 6 June 2015 had been prepared on the process of any tenure</p>	The mechanism for the resolution of requests and disputes with the local communities will be re-established to a consultative and long-term approach. The	Action plan accepted. The newly defined roles of the liaison committee would be examined in the next audit.

		<p>claims and requests for assistance. A structured mechanism for the resolution of such requests and disputes had been established. The role of the Liaison Committee was not included in the document. The response process was ad hoc without a consultative process with the local communities.</p> <p>Objective evidence: A structured mechanism for the resolution of such requests and disputes had been established. The role of the Liaison Committee was not included in the document. The response process was ad hoc without a consultative process with the local communities. There was no record of outcome of direct negotiation.</p>	<p>role of each committee member will be clearly defined. Expected to complete by October 2015.</p>	
Indicator 3.1.3	<p>NCR No: SK 3/2015</p> <p>Minor</p>	<p>Availability of appropriate mechanisms to resolve any conflicts and grievances between parties involved.</p> <p>Finding: An organization chart on the structure of Liaison Committee with the different units for resolution of conflicts was presented. The roles and function of each unit had not been clearly defined and meeting not held.</p> <p>Objective evidence: FMU Liaison Committee Member Organization structure had been presented in the Forest Plantation Management Plan but the roles and functions of each unit had not been defined. There was no evidence of meetings organized with local communities.</p>	<p>The liaison committee will be improved with clearly defined roles. Meeting records will be properly kept. Expected to complete by October 2015.</p>	<p>The action plan was developed and accepted.</p>

Indicator 3.3.1	NCR No: SK 8/2015 Minor	<p>Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal and state legal frameworks or by mutual agreement</p> <p>Finding: Procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples had been written in Procedure and Guideline for Identification, Demarcation, Mapping and Conservation dated 6 June 2015. Records of direct consultation as specified were not presented.</p> <p>Objective evidence: Procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples had been established. Records of direct consultation as specified were not presented.</p>	Meeting and consultation records will be kept by October 2015.	Action plan accepted. Records will be inspected during the next audit.
Indicator 4.4.1	NCR No: SK 8/2015 Minor	<p>Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations</p> <p>Finding:</p>	Other local communities will be included in the external stakeholders' list. Social impact audit will be carried out on schedule and expected completion by October 2015.	Action taken had been accepted and verification to be conducted next audit.

		<p>A base line survey of the two villages within the FPMU was conducted on 20 July 2015. A summary of Social Impact Assessment was completed. These documents did not include villages at the periphery of the FPMU.</p> <p>Objective evidence: A comprehensive social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations had not been completed. The issues of the impact of land use and resolution mechanism had not been discussed.</p>		
Indicator 5.6.2	<p>NCR No: SM 1/2015</p> <p>Minor</p>	<p>Records of quantity of timber and non-timber forest products harvested shall be maintained, taking cognisance of their sustainability in the long term</p> <p>Finding: Records of quantity of timber forest products harvested made available did not fully take into cognisance of their sustainability in the long term</p> <p>Objective evidence: The planned annual harvesting area for the FPMU had been determined in the Annual Work Plan. The timber from the plantation was to be utilized by its own plywood mill. However the total extent by species and estimated volume planned to be extracted yearly on a sustainable basis according</p>	<p>Comparison to be made on harvested log volume and harvested area with PSP growth data so as to determine average expected yield.</p>	<p>The action was accepted. Details of analysis of the growth data from PSPs will be inspected in the next audit.</p>

		to the mill capacity was not available.		
Indicator 6.1.1	NCR No: SM 2/2015 Minor	<p>Audit of environmental impact are carried out, including landscape level considerations, as well as the impacts of on-site processing facilities, appropriate to the scale and intensity of forest plantation management, prior to commencement of site-disturbing operations in the forest plantation areas.</p> <p>Finding: The report of the EIA had not been updated.</p> <p>Objective evidence: An EIA report for the "Environmental Impact Assessment Report for the Proposed Long Lama Forest Plantation in Long Lama Miri, March 2000 was available. The potential impacts and strategies to mitigate the impacts were written in this document. The EIA for the FMU is however outdated. It would have to be updated to take into consideration the changes to the environment within and adjacent the FMU since the last 15 years.</p>	The RIA would be updated in line with the LPF condition and situation. This would be completed in October 2015.	Action plan accepted and the revised EIA would be inspected during the next audit.
Indicator 6.3.1	NCR No: SM 3/2015 Minor	<p>Availability and implementation of forest plantation management guidelines to demarcate and protect natural forests, and measures to enhance natural regeneration, where necessary, in forest plantation areas</p> <p>Finding: Demarcation and mapping of natural forests within the FMU is inadequate.</p> <p>Objective evidence:</p>	Demarcation on the ground and clear mapping of these areas would be completed by October 2015	The action plan was accepted. Verification of the ground marking and maps would be conducted during the next audit.

		Management guidelines to demarcate residual natural forest sites were available in chapter 11 of the FPMP. These guidelines had been incorporated into the forest plantation management plan. However, the establishment of natural forest sites within the FMU had not been clearly demarcated and mapped.		
Indicator 6.4.1	NCR No: SM 4/2015 Minor	<p>Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest plantation operations, identified and selected under 6.2.2, are demarcated, mapped and protected in their natural state</p> <p>Finding: Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest plantation operations, have not been demarcated, mapped and protected in their natural state.</p> <p>Objective evidence: Representative areas of existing forest ecosystem within the FMU had not been demarcated and mapped for protection.</p>	Demarcation on the ground and clear mapping of these areas would be completed by October 2015	The action plan was accepted. Verification of the ground marking and maps would be conducted during the next audit.
Indicator 6.2.2	NCR No: SM 5/2015 Minor	<p>Availability and implementation of management guidelines to establish representative conservation and protection areas, in accordance with existing forest ecosystems, appropriate to the scale and intensity of forest plantation management</p> <p>Finding: Management guidelines to establish representative conservation and protection areas, in accordance with</p>	The guidelines will be implemented on site. Demarcation on ground and comprehensive mapping will be completed. The guidelines will be incorporated into the FPMP by October 2015.	The action plan was accepted. The guidelines were incorporated into the revised FPMP V. 4 during the verification audit.

		<p>existing forest ecosystems were not implemented.</p> <p>Objective evidence: Documents on the guidelines for the establishment of conservation areas within the existing forest ecosystem were not available or implemented. The Forest Plantation Management Plan had not included such guidelines. Orang Utan Strategic Action Plan and Trans-boundary Biodiversity Conservation Area were not available</p>		
Indicator 7.3.2	<p>NCR No: EC 2/2015</p> <p>Minor</p>	<p>Forest plantation workers shall be trained as to their respective roles in the implementation of the forest plantation management plan</p> <p>Finding: Training of forest workers was conducted but during consultations it was observed that the level of understanding the operation of the FPMP was not clearly understood.</p> <p>Objective evidence: Courses had not been undertaken to enhance the awareness of forest workers from all levels, on the requirements of the Forest Plantation Management Plan and MC&I (Forest Plantations). It was observed during consultations with these workers that they were not clear on the requirements of the FPMP.</p>	<p>Training and briefing would be repeated to improve the understanding. Evaluation and audit of the level of understanding by the foreign workers after the training will be conducted. This was scheduled to be completed by October 2015.</p>	<p>The action plan presented would be accepted. Evaluation of the workers on their comprehension of the FPMP would be done during the next audit.</p>
Indicator 7.4.1	<p>NCR No: SK5/2015</p> <p>Minor</p>	<p>A summary of the primary elements of the forest plantation management plan as prepared and implemented under</p>	<p>The public summary would be updated once the other documentation had been</p>	<p>The action plan was accepted and the revised public summary was presented during the verification audit</p>

		<p>Indicator 7.1.1 shall be made publicly available</p> <p>Finding: The summary available in the web page www.shinyang.com.my did not provide all the elements specified in Indicator 7.1.1.</p> <p>Objective evidence: Elements d, h and l were not included in the publicly available summary in the web page www.shinyang.com.my.</p>	completed by October 2015.	
Indicator 8.1.3	<p>NCR No: SK 6/2015</p> <p>Minor</p>	<p>Forest plantation managers shall undertake annual internal audit and management review of forest plantation management</p> <p>Finding: The forest management had not conducted an internal audit and a management review.</p> <p>Objective evidence: The forest management had not conducted an internal audit and a management review. These had been proposed to be conducted at the end of the year.</p>	The internal audit and management review had been rescheduled and completed by October 2015.	Action plan accepted and the records of the internal audit and management review would be inspected during the next audit.
Indicator 8.5.1	<p>NCR No : SK 7/2015</p> <p>Minor</p>	<p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made publicly available</p> <p>Finding: The summary available in the web page www.shinyang.com.my did not provide all the elements specified in Criterion 8.2</p> <p>Objective evidence: Yield of forest products harvested had not been included in the public</p>	Yield of harvested logs would be included in the public summary by October 2015.	Action plan accepted

		summary www.shinyang.com.my .		
Indicator 9.1.1	NCR No: SK10/2015 Minor	<p>Forest plantation managers shall conduct an audit to identify High Conservation Value Forests (HCVFs) in accordance with relevant guidelines, appropriate to scale and intensity of management for forest plantation areas, and in consultation with relevant stakeholders and experts</p> <p>Finding: A report on the assessment of HCVF within the FPMU using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia had been presented during the audit. Records of consultations with relevant stakeholders and experts were also not available</p> <p>Objective evidence: A HCVF report had been made available during the audit. The list of relevant stakeholders consulted including environmental NGOs and research institutions was not available.</p>	A meeting with stakeholders had been scheduled in September 2015.	Action plan accepted and the results of the consultation would be examined in the next audit.
Indicator 9.2.2	NCR No: SK 11/2015 Minor	<p>Forest plantation managers shall demonstrate that forest plantation management protect areas of high conservation value in forest plantation areas.</p> <p>Finding: The Forest Plantation Management Plan had not incorporated HCVF sites according to the specified attributes in the HCVF Toolkit.</p> <p>Objective evidence: HCV sites had not been identified and incorporated</p>	The list of HCVF sites protected would be updated and incorporated into the FPMP with the completion of the HCV report. This would be completed in October 2015	The action plan was accepted and the revised FPMP was presented during the verification audit.

		into the Forest Plantation Management Plan at Kejin Camp LPF/0017 FPMU in accordance to the specified attributes of HCVF Toolkit.		
Indicator 10.1.1	NCR No: EC 1/2015 Minor	<p>Implementation of forest plantation management plan with clear objectives, including natural forest conservation and restoration objectives.</p> <p>Findings: The silvicultural treatment was not implemented across the whole plantation.</p> <p>Objective evidence: The forest plantation stands in Coupes 2 and 3 were not in accordance to normal plantation silvicultural practices. Thinning of poor form trees not conducted and infestation of other species were observed.</p>	The forest manager will plan, schedule and implement forest plantation maintenance such as thinning, supply thinning and slashing. This would be completed in October 2015.	Action plan presented was accepted. The silvicultural treatment would be assessed in the next audit.
Indicator 10.2.2	NCR No: SK 15/2015 Minor	<p>Forest plantation establishment shall, appropriate to the scale of the operation, follow natural landscape and take into account the need for wildlife corridors, buffer strips for permanent streams and rivers, as well as a mosaic of stands of different age classes</p> <p>Finding: Records and maps of planting patterns in the forest plantation areas including demarcation and protection of such areas were not available in the Forest Plantation Management Plan</p> <p>Objective evidence: Records and maps of planting patterns in the forest plantation areas to indicate wildlife corridors and mosaic of stands were</p>	Records and maps would be updated and incorporated into the FPMP. Expected to complete by October 2015.	Action plan presented was accepted. Records and maps showing the biological corridors were presented during the surveillance.

		not available in the Forest Plantation Management Plan at LPF/0017 FPMU		
Indicator 10.4.1	NCR No: EC 3/2015 Minor	<p>Availability of documentation of choice of species that match the site conditions and the management objectives of the established forest plantation areas</p> <p>Finding: Documents showing the choice of species that match the site conditions were not available.</p> <p>Objective evidence: There were no evidences to show the choice of species that match the site conditions and the management objectives of the established forest plantation. Consultations conducted with the field staff of the plantation showed that there was no species and site matching study being carried out.</p>	<p>More research and development would be conducted. References will be made on research journals and publication. This would be completed by October 2015.</p>	<p>The action plan was accepted. The results of the data research would be examined during the next audit.</p>
Indicator 10.7.1	NCR No: EC 4//2015 Minor	<p>Availability and implementation of guidelines and/or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant introductions, if any, for forest plantation areas.</p> <p>Finding: There was no Forest Fire Management Plan presented during the audit.</p> <p>Objective evidence: There was no Forest Fire Management Plan developed for the FPMU.</p>	<p>Forest fire management plan would be completed in October 2015.</p>	<p>The forest management plan would be examined during the next audit. The action plan was accepted.</p>
Indicator 1.3.1	OFI: 1	<p>The field managers would have to develop a better awareness of international agreements binding to</p>	Not applicable	<p>To be verified during the next audit</p>

		Malaysia relevant to forest plantations		
Indicator 4.1.2	OFl: 2	Notices on the opportunities for employment distributed to the local communities could be improved with more details and dates.	Not applicable	To be verified during the next audit
Indicator 5.1.2	OFl: 3	A total 25 PSPs have been established in the FMU since 2004. Analysis had been conducted for 9 PSPs covering all species. A map showing the locations of the PSP's was available. The analysis for some of the plots particularly those with young plants showed that the volume increment was too high. The analysis would have to be validated.	Not applicable	To be verified during the next audit
Indicator 6.1.2	OFl: 4	The EIA had reported the absence of endangered, rare and threatened species of flora and fauna within the plantation area. References to Sarawak Plant Red List and Master Plan for wildlife in Sarawak 1996 had been made in the SOP 11. These aspects should be implemented when the EIA is updated.	Not applicable	To be verified during the next audit
Indicator 6.2.3	OFl: 5	Cooperative efforts in forest management with governmental agencies especially the Sarawak Forest Department, Sarawak Forestry Corporation were observed. Some projects on breeding and establishment of seed production areas were conducted. Efforts in conservation and management could be enhanced to involve	Not applicable	To be verified during the next audit

		universities, research institutions and non-governmental agencies		
Indicator 6.5.3	OFl: 6	The signage for riparian buffer belts could be labeled consistently and prominently displayed.	Not applicable	To be verified during the next audit.
Indicator 6.7.1	OFl: 7	The license for the compressor in the workshop had expired. And effort was made to renew the license. This would have to be followed up immediately.	Not applicable	To be verified during the next audit

-End Of Public Summary-