



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT (1ST CYCLE) ON
PENYUAN FPMU (LPF0018) FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FPMC 0004
Date of First Certification: 21 October 2016
Audit Date: 10-12 October 2017
Date of Public Summary : 15 May 2018**

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1 EXECUTIVE SUMMARY

This surveillance 1 audit on the Penyuan LPF0018 Forest Plantation Management Unit (hereafter referred as the Penyuan FPMU) was conducted on 10-12 October 2017 to assess the continued compliance of the overall forest management system of the Penyuan 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 Sarawak. The scope of this surveillance 1 audit was limited to the forest plantation management system and practices of the Penyuan FPMU.

This surveillance 1 audit was conducted by a 2-member team comprising Mohd Razman Salim (Lead Auditor) and Ismail Adnan Abdul Malek (Auditor). Dr. Paul Porodong participated in this surveillance 1 audit as technical advisor with Gan Boon Keong and Benardos Anak Bingkang as observers.

Based on the findings of this surveillance 1 audit, it was found that Penyuan FPMU had continued to comply with the requirements of the MC&I Forest Plantation.v2. This surveillance 1 audit had resulted in the issuance of three (3) major and five (5) minor Non Conformity Reports (NCRs). In addition, four (4) Observation for Improvements (OFIs) were raised.

This public summary contains the general information on the Penyuan FPMU, the findings of the surveillance audit, NCRs raised as well as the decision on the continued certification of the FPMU.

2 INTRODUCTION

2.1 Name of FPMU
Penyuan FPMU (LPF0018)

2.2 Contact Person and Address

Name: Ling Ee Khai
Designation: Plantation Controller
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Phone #: 085 6566 99 ext. 648
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E-mail: ekling@shinyang.com.my

2.3 General Background on the Penyuan FPMU

The Penyuan FPMU is managed by the Shin Yang Forestry Sdn Bhd. The company has signed a Licensed Planted Forests LPF0018 with the Sarawak State Government on 19th November 1999 to establish and maintain a forest plantation in the LPF/0018 - Penyuan for a period of 60 years from 19th November 1999 to 18 November 2059. Shin Yang Forestry is committed in the management of the FPMU on a sustainable basis.

The FPMU covers an area of 15,261 ha, which is part of the 155,930 ha of total area of LPF0018. The FPMU is located in the Belaga District, Kapit Division, Sarawak. The certified area covers five (5) coupes; namely, Coupe AT1, AT2, AT3, AT4(I) and AT4(II). The area is also adjacent to Asap Resettlement which is about 49km northwest and Bakun HEP at 31km downstream from the southwest of the site.

The plantation is managed under a Forest Plantation Management System on a 10-year rotation period on a *sustainable* basis. The forest plantation was started in 2005 with *Acacia mangium* and *Paraserianthes falcataria* and followed by other fast growing quality timber species such as *Neolamarckia cadamba* and *Eucalyptus spp.* A Forest Management Plan (FMP) covering the period from 2017 to 2027 had been presented during the audit.

During this surveillance 1 audit, the Penyuan FPMU has remained unchanged in size at 15,261 ha.

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

2.4 Date First Certified

21 October 2016

2.5 Location of the FPMU

The Penyuan FPMU is located between latitudes approximately 02° 56.0'N to 03° 02.43' N and longitudes 114° 10.0' E to 114° 25.61' E.

2.6 Forest Management System

The Penyuan FPMU followed the principles of sustainable forest plantation management, on a 10-year harvest rotation, as per requirements of the Licence Agreement with the State government.

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

The Annual Cutting Area (ACA) within the certified area of the FPMU for a period of 5 years is 1,348.80 ha as stated in the FPMP.

2.8 Environmental and Socioeconomic Context

The FPMU practiced sustainable management on the plantation environment through compliance with the MC&I Forest Plantation.v2 standard. The management has conducted EIA, including measures on ERT species protection, provision for biological corridors, wildlife buffers, riparian buffers and various mitigation measures. Relevant guidelines on protection and conservation were complied with. Representative ecosystems were preserved and RIL procedures followed strictly.

The FPMU also had addressed on mitigation measures for Biodiversity Conservation which were endorsed by NREB as stated in the Forest Plantation Management Plan (FPMP) 2017 - 2027 Rev.004 which include (1) river buffer zones of 20-60 m wide, (2) riparian strip to serve as corridor, (3) prohibited hunting, (4) judicious use of chemicals and fertilizers to avoid water contamination and (5) 11.27% of the unplantable area will be left as green belts.

There was no further conversion of natural forest area into plantation forest since the establishment Penyuan FPMU LPF/0018 license in 1999. As to date, there was no conversion of forest plantation area to non-forest land uses.

On socioeconomic context, the FPMU also generates job opportunity with qualified local community given preference as plantation workers and for contract works. The plantation mainly produce logs which feed into the local wood-based industry. Presently there's no production on minor forest products.

Forest planning and management practices have considered and incorporated the results of social impact evaluations as evidenced in Forest Plantation Management Plan 2017-2027, Rev.4. The mitigation and enhancement measures on key social impacts were planned for implementation.

However the social impacts of harvesting and other operations and also the beneficial impact and impact on socio-cultural life were not gathered and updated since the stage 2 audit. A non-conformity was raised on this issue.

3. AUDIT PROCESS

3.1 Audit Dates

10-12 October 2017 (6 Auditor days)

3.2 Audit Team

- | | |
|-----------------------------|--------------------|
| 1. Mohd Razman Salim | (Lead Auditor) |
| 2. Ismail Adnan Abdul Malek | (Auditor) |
| 3. Dr. Paul Porodong | (Technical expert) |
| 4. Gan Boon Keong | (Observer 1) |
| 5. Benardos Anak Bingkang | (Observer 2) |

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 stakeholder notification was issued on September 2017 for a period of one month inviting relevant stakeholders to give comments on the FPMU. However, there was no comment received from the stakeholders on the FPMU during the period.

The audit team had also conducted an onsite consultation with the relevant stakeholders during the Surveillance 1 Audit. Details of the consultation are stated in the audit plan as well as in the Audit report under Principles 2 and 3. It was noted that there was no local and indigenous communities living in the certified area.

3.5 Audit Process

The audit was conducted primarily to evaluate the compliance of the FPMU's current documentation, SOPs and field practices in forest plantation management 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 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 overall compliance in the indicator and had decided whether or not to issue a NCR (minor or major) and 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 Sdn. Bhd. (SIRIM QAS International) of the proposed corrective actions taken within one month from the last date of the stage 2 audit. The corrective actions as notified by the FPMU shall be verified by the Audit Team Leader or a member of the audit team within three months 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 Plantation.v2

The FPMU is required to 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 must be verified at the next surveillance visit.

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 non-conformity. The closing of an OFI shall be made during the next surveillance audit.

The Audit Plan is shown in **Attachment 3**

4 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Surveillance 1 Audit, it was found that the Penyuan FPMU had continued to be managed in compliance with most of the requirements of the MC&I Forest Plantation.v2. This Surveillance 1 Audit had resulted in the issuance of 3 major, 5 minor NCRs and 4 OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 4**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Penyuan FPMU to address the 14 major NCR raised during the Stage 2 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out these major NCRs. The audit team had also reviewed and accepted the Penyuan FPMU's proposed corrective actions to address the 10 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the Penyuan FPMU to address the 10 Minor NCRs and 3 OFIs which were raised during the previous audit. The responses made by

the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in **Attachment 6**.

Based on the evidence gathered it can be concluded that Penyuan FPMU continue to conform to the requirements of the MC&I Forest Plantation.v2. All nonconformities have been closed out through verification of corrective action records.

Therefore, the assessment team recommends Penyuan FPMU to continue to be certified against MC&I Forest Plantation.v2.

The summary of the findings of the surveillance 1 audit on the Penyuan 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>Records and availability of up-to-date relevant federal and state laws, regulations and policies, as related to forest plantation management were available during audit at the Penyuan LPF0018 FPMU camp office. The forest plantation manager was aware of the laws and regulations related to management of forest plantations. To-date, no violation was recorded by the FPMU.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Penyuan LPF0018 FPMU camp office. The Annual Land Rent (ALR) and Annual License Fee (ALF) for 2016-2017 were also verified.</p> <p>The documents on all binding international agreements such as ASEAN Agreement on Transboundary Haze Pollution 2002, International Labour Organisations Conventions (ILO) and Convention of Biological Diversity (CBD) were available at the camp office. The forest plantation manager was aware of the Agreements and Conventions as related to forest management.</p> <p>There were no conflicts documented between laws and regulations with the MC&I Principles and Criteria. The FPMU management was also willing to participate in any process to resolve such conflicts.</p> <p>Shin Yang Forestry Sdn Bhd had signed an agreement with the Sarawak Government to manage the LPF0018 into a commercial forest plantation for a period of 60 years from 19 November 1999 to 18 November 2059.</p> <p>The FPMU had also conducted a dialog with local communities (15-18 October 2016) on the prevention of illegal encroachment in its area.</p> <p>A statement of commitment to forest management certification titled 'Policy of Commitment – MC&I Forest Plantation.v2' was available and widely displayed at the plantation office, workers' quarters, workshop and canteen and also in local community houses.</p>	<p>The audit found no evidence that the Labour Department of Sarawak approved the deduction of employee wages by the FPMU in the form of levy fee involving two Indonesian workers (Employee Nos: 019927 & 021 368). The Labour Department also rejected workers' permit renewal (24.3.2016) applied by the FPMU due to their wages being below the official minimum rate. A Major NCR MRS 01/2017 for Indicator 1.1.1 was thus raised by the auditor.</p>

<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>There was no local or indigenous community living within the FPMU area as confirmed during the audit. However, use rights of forest resources by the communities in the FPMU was documented in the report on water catchment area which was demarcated and protected from all forest activities.</p> <p>There was no legal land claim by the Penan and Kenyah Communities on the FPMU area as confirmed during the audit. However the use rights of forest resources within the FPMU was documented. Forest plantation managers supported legally recognized mechanisms for resolving land claims as documented in Conflict and Dispute Handling Procedure (SYF/PEFC/PRO-02).</p> <p>A standing complaint by the local Penan community on rights of sourcing natural water from the three rivers (Sg. Maleh, Sg. Seping and Sg. Jeik) within the LPF0018 area (later verified by an audit team on 11 October 2017) has been brought to the court for legal redress against Shin Yang Oil Palms (Sarawak) Sdn Bhd. Both sides still waiting for verdict The Penan longhouse and the rivers relevant to the case, are outside the scope of the present audit. The village is located more than three kilometres from the nearest boundary of certified area, Coupe AT2,</p> <p>The mechanism to resolve disputes over tenure claims and use rights in the FPMU is outlined in the document entitled Conflict and Dispute Handling Procedure (SYF/PEFC/PRO-02) as stated earlier (Indicator 2.2.1).</p>	<p>No weakness found for this Principle during audit.</p>
<p>Principle 3 Indigenous People's Rights</p>	<p>Indigenous community lands are located outside of the certified FPMU area and are under the control of the communities themselves. Meetings between Shin Yang Forestry Sdn Bhd and the relevant communities, on 16-18 October 2016, verified this. As such the issue on free, prior and informed consent from these communities does not arise. However, if any grievances or conflicts were to occur involving the local communities and the FPMU, these will be addressed through the mechanism documented in the Conflict and Dispute Handling Procedure (SYF/PEFC/PRO-02) stated earlier (Indicators 2.2.1, 2.3.1).</p> <p>The FPMU does not threaten or diminish, either directly or indirectly, indigenous resources or tenure rights since the indigenous lands are located outside of its area.</p> <p>The Penyuan FPMU does not use any traditional forest-related knowledge and practices of indigenous people. If any potential issues were to arise on this matter, the documented Procedure on Conflict and Dispute Handling (Refer procedure SYF/PEFC/PRO-02) shall provide the mechanism to address them.</p>	<p>Reference to minutes on meeting with local communities on 15-18 October 2016 (<i>Mesyuarat Bersama Masyarakat Tempatan and Dialog Bersama Komuniti Setempat</i>) however revealed that the consultation process conducted by the FPMU was incomplete since some communities were not included in the process. For this oversight Minor NCR MRS 02/2017 for Indicator 3.3.1 was raised.</p>

<p>Principle 4 Community Relations and Worker's Rights</p>	<p>A training programme for all FPMU workers (Internal Training Schedule for Tree Plantation Division Year 2017) was verified during the audit. The audit also verified that the management gave preference for employment and contract works to qualified people from communities living within or adjacent to the forest plantation area. The FPMU also did not employ nor was involved in the employment of illegal immigrants.</p> <p>Records of dissemination of up to-date safety and health information to forest workers were verified. Shin Yang Forest Sdn Bhd's policy on occupational safety & health, dated 9 September 2014, was displayed at camp office, quarters, workshop and canteen. A record of equipment and maintenance was also verified such as hose reel (24/8/2017), fire extinguishers (28 January 2016) and emergency alarm (15/7/2017). Safety and health meeting minutes dated 5/9/2017, 20/6/2017, and 31/3/2017 were verified. An annual accident report (JKKP 8) sent to DOSH dated 25/1/2017 was sighted. The FPMU management has complied with OSH (Use & standard of exposure of chemicals hazardous to health) regulations. Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials were found to be adequate. Management has also established guidelines for storage and handling of hazardous material in accordance with the requirements such as 'Handling of Chemicals (SYF/CSM/PRO-01)' and 'Internal Handlings of Scheduled Waste (SYF/WHM/PRO-02)' which were related with Environmental Quality (Scheduled Wastes) Regulations 2005 and Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000.</p> <p>Forest plantation workers were free to organise into union of their own choice in accordance with ILO Convention No. 87. The audit verified this through records on Awareness Training (PEFC Policy, Safety and Health Policy) on 28 March 2017 and internal memo dated 19 May 2015. The Training also informed workers on their rights to organize and undertake collective bargaining leading to agreements in accordance with ILO Convention No. 98. Appropriate procedures to address grievances raised by forest plantation workers and/or their organisations, and for conflict resolution was documented in SYF/PEFC/PRO-03 – Addressing Grievance, dated 1 November 2014.</p> <p>A report entitled Social Impact Assessment (SIA) Shin Yang Penyuan 0018, 2015 was completed in June 2015 based on surveys involving 10 Penan settlements conducted on 26-27 May 2015. Forest planning and management practices have considered and incorporated the results of the SIA as documented in Forest Plantation Management Plan LPF/0018,</p>	<p>The audit discovered that information on job vacancy in the FPMU did not reach several villages (Data Sengelang, Long Dulit Urun, Uma Pawa Long Urun and Long Apok) within and adjacent to the plantation although it was advertised in the local papers (Mingguan Sarawak and Sarawak Tribune). A Minor NCR MRS 03/2017 for Indicator 4.1.2 was accordingly raised for the non-compliance.</p> <p>Auditor also has raised an OFI for Indicator 4.2.4 related to two air compressors at the workshop which have been registered with DOSH and inspected by DOSH officer on 20/11/2016. However, the FPMU has yet to display the registration no. of both air compressors after receiving the certificate of fitness</p>
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	<p>2017-2027, Rev.4.</p> <p>The audit verified on the ground (village consultations at Data Sengelang, Long Dulit Urun, Uma Pawa Long Urun and Long Apok) that Measures were taken by the FPMU to prevent loss or damage affecting villagers' legal or customary rights, property, resources, or livelihoods. Appropriate mechanisms were employed to resolve grievances involving any loss if these were caused by forest plantation management operations as provisioned in the Procedure SYF/PEFC/PRO02 – Conflict and Dispute Handling.</p>	
Principle 5 Benefits From the Forest	<p>Investments and reinvestments has been made in administrative, nursery, planting, block maintenance, research and development (R&D), harvesting, conservation, social community and revenue from harvested log in the Penyuan LPF 0018 FPMU license area. The Annual Work Plan and Budget for Year 2017 for Penyuan LPF 0018 FPMU was presented and verified by the auditor. The budget enabled provision and management made by the Penyuan FPMU to maintain, restore or enhance the productive capacity and ecological function of the plantation area.</p> <p>The main product extracted from the Penyuan LPF 0018 FPMU forest was logs from coupe areas at a rate of 40 ha/month. The harvesting processes were in accordance with RIL guidelines. The General Harvesting Plan, and Detailed Harvesting Plan were followed by post harvesting activities (silviculture/maintenance). No minor forest produce has been extracted from the FPMU area.</p> <p>The FPMU followed RIL, roading and tree felling guidelines in harvesting operations to reduce and minimize impact of logging on soil compaction and damage to residual stands.</p> <p>The FPMU currently focused on the production and harvesting of timber products, particularly logs. There are future plan however to produce wood pallets from forest waste residues including branches and thinning.</p> <p>There are two guidelines (SYF/MC&I/P.06 and SYF/MC&I/P.11) established to identify and demarcate sensitive areas in the FPMU for the protection of soil and water, watercourses and wetlands, and also for conservation of genetic, species and ecosystem biodiversity. The auditor inspected and verified conservation areas such as riparian buffers, steep slopes and watershed stands which are protected from harvesting.</p> <p>In the FPMP (2017 – 2027, Rev.004) the proposed cutting cycle was for 10 years (based on area control) and the expected annual rate of harvest was 998.2 ha/year. No harvesting conducted in the Penyuan</p>	No weakness found for this Principle during audit.

	FPMU certified area. However, an SOP on COC entitled "Chain of Custody" (SYF/MC&I/P. 03) for future use was sighted.	
Principle 6 Environmental Impact	<p>A SEIA at the landscape level was conducted for Shin Yang Forest SB LPF/0018 in 2000. The assessment covered potential impacts on ERT fauna including Black Hornbill, Rhinoceros Hornbill and Hill Myna. Recommended mitigation measures for flora and fauna protection; the protection of ERT fauna and the conservation of indigenous flora were also suggested. In addition, the FPMP (2017 – 2027, Rev.004) also addressed mitigation measures for Biodiversity Conservation which were endorsed by NREB.</p> <p>Guidelines for identifying and protecting endangered, rare and threatened species of flora and fauna, including those with special biological features in the FPMU were documented in the Conservation of Genetic, Species and Ecosystem Diversity (SYF/MC&I/P.11). Guidelines for establishing representative conservation and protection areas such as buffer zones, were included in the SOPs entitled "Identification, Demarcation, mapping and Conservation (SYF/MC&I/p.06) and Conservation of Genetic, Species and Ecosystem Diversity" (SYF/MC&I/P. 11).</p> <p>Cooperation between forest plantation managers, and conservation organizations and regulatory authorities exists as verified through minutes of the relevant meetings conducted on 28-30 June 2017. The FPMU management has taken various efforts to control illegal hunting, fishing and collecting activities such as through dissemination of posters and monitoring access to plantation area. Forest workers and local communities were also made aware of endangered, rare and threatened (ERT) flora and fauna in the FPMU through briefings and training. Recoded minutes of meetings on 17 October 2016, regarding ERT species protection as conducted by management and Rumah Joseph Usang village head, were sighted.</p> <p>Guidelines to demarcate and protect natural forest and measures to enhance natural regeneration was available for the FPMU through the revised SOP on Conservation of Genetic, Species and Ecosystem Diversity (SYF/MC&I/P.11). Natural forest areas in the area were demarcated and conserved against impact of management operations especially harvesting. These included riparian reserves, slopes > 35° (Terrain IV), watershed, designated HCVF areas and designated wildlife corridors.</p> <p>The FPMU management has demarcated riparian vegetation in several areas, which are within the scope of audit, and mapped under Protection Areas within LPF/0018 Penyuan FPMU. These were verified in the</p>	<p>During the audit, two (2) containers of scheduled wastes for SW 410 (oil filter and rag) at the scheduled waste store were found not labelled and with their lids opened. A Major NCR MRS 04/20 17 for Indicator 6.7.1 was accordingly raised.</p>

	<p>audit. Appropriate protection and management activities for these areas were implemented as outlined in the SOPs and Guidelines documented in Identification, Demarcation, mapping and Conservation (SYF/MC&I/P.06) and in Conservation of Genetic, Species and Ecosystem Diversity (SYF/MC&I/P. 11). As verified by auditor through map and site review, there was no environmentally sensitive area adjacent to FPMU.</p> <p>The FPMU presented guidelines for road layout and construction (Procedure and Guidelines for Road Layout, Construction and Maintenance" (SYF/MC&I/P.07)) and reduced impact logging (Reduced Impact Logging (RIL) for Harvesting Operation' (SYF/MC&I/P.12)). The guidelines are in line with those produced by the Forest Department wherein soil protection from compaction and erosion during harvesting operations as well as provision for riparian buffer strips were addressed.</p> <p>Guidelines stipulated in the document, Handling of Chemicals, dated 21 April 2011, prepared in relation to Environmental Quality (Scheduled Wastes) Regulations 2005 and Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000, were available and implemented by the FPMU management. Interviewed forest workers were aware of the safety procedures on Chemical Handling and the use of appropriate PPEs when handling chemicals. Training record on chemical storage and handling was conducted on 9 May 2017 was verified.</p> <p>The auditor verified SOP for waste disposal of solid non-organic wastes entitled Scheduled Waste Management (SYF/WHM/PRO-01) produced by the FPMU.</p> <p>Biological control agents were not used in the FPMU.</p> <p>The FPMU used exotic species in the plantation i.e. <i>Paraserianthes falcataria</i>, <i>Acacia mangium</i>, <i>Eucalyptus pellita</i> and <i>Eucalyptus deglupta</i> with prior approval from the Plant Quarantine Division, Department of Agriculture, Sarawak. This was verified through documented import permits. The management also planned to plant additional exotic species (Rubber) in future planting.</p> <p>There was no further conversion of natural forest area into plantation forest since the establishment of this plantation area/certified area (15,621 ha) of Penyuan FPMU LPF/0018 license in 1999. To date, there was also no conversion of forest plantation area to non-forest land uses.</p>	
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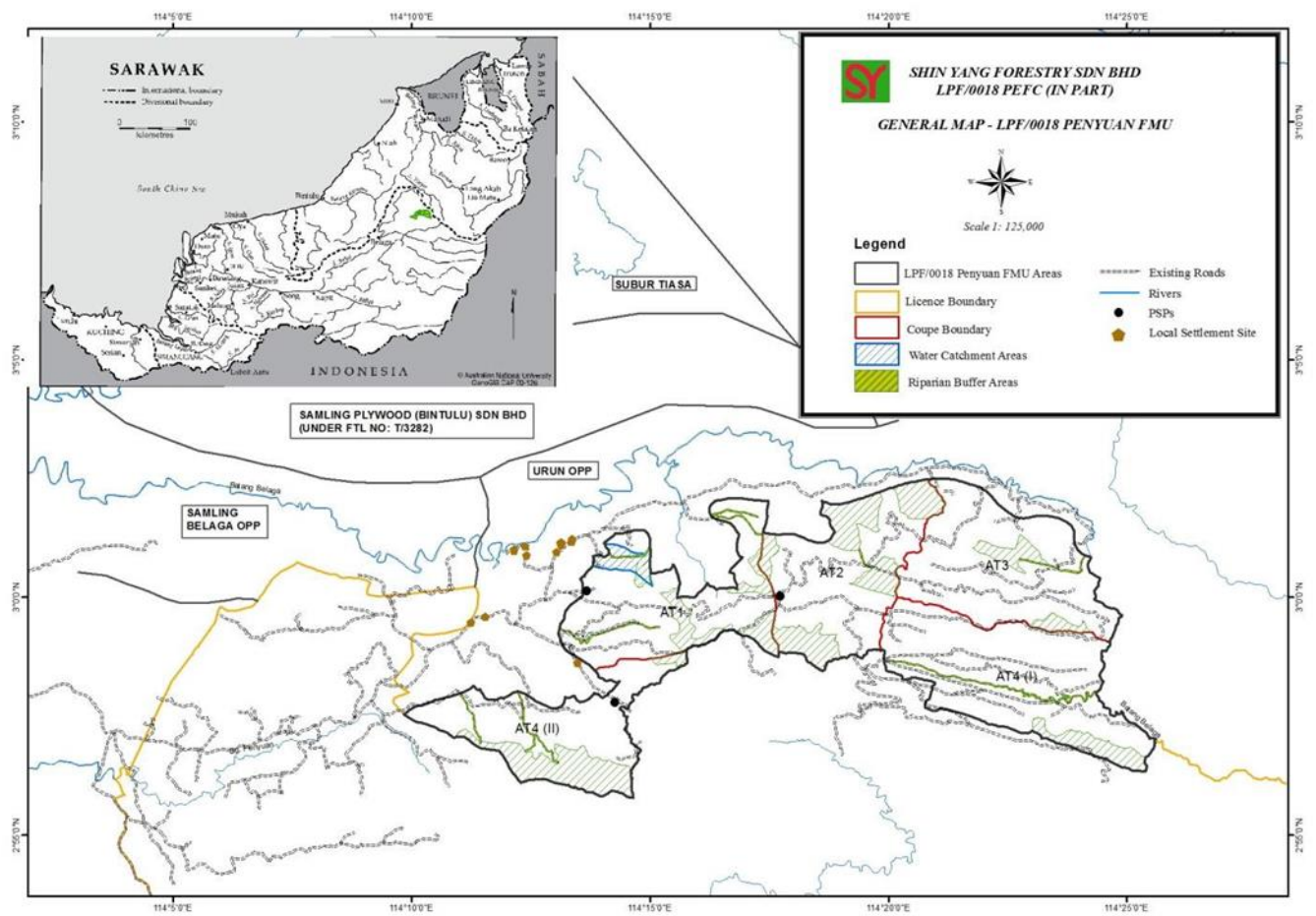
<p>Principle 7 Management Plan</p>	<p>The Forest Plantation Management Plan Version 2 dated 1 January 2015 to 31 December 2024 was approved on 22 June 2015 by the Executive Director. The FPMP was later updated and named LPF0018 Penyuan Forest Plantation Management Plan (2017-2027) Rev.4. The document together with other supporting documents were available and verified during the audit.</p> <p>The Forest Plantation Management Plan will be reviewed every five years. New scientific and technical information, such as the introduction of potential species (<i>Peronema canescens</i> (Sungkai)), pertinent to plantation management will be incorporated in the review.</p> <p>The list of training programmes conducted in 2017 (LPF0018: Internal Training Schedule for Tree Plantation Division) was sighted. The training covered various aspects of management such as Mobile Tower Yarder, Reduced and Low Impact Harvesting System and Pest & Diseases.</p> <p>A summary of the primary elements of the forest plantation management plan is publicly available at: https://www.shinyang.com.my/productservices/treeplantation/lpf0018-penyuan-estate.html.</p>	<p>The FPMP did not clearly state the coverage of certified areas, the annual allowable cut (AAC) and the establishment of permanent sample plots (PSPs). For this important flaw a Major NCR MRS 05/2017 for Indicator 7.1.1 was raised.</p> <p>Interview with workers found that their knowledge on PSP establishment/monitoring and also Forest Fire Emergency procedures were not satisfactory. A Minor NCR IAAM/SY1/17 for Indicator 7.3.2 was raised accordingly.</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>A comprehensive network of 35 Permanent Sample Plots (PSP) was required for the FPMU. Six PSPs presently were located in the certified area as mentioned in the Penyuan Forest Plantation Management Plan (FPMP) 2017 - 2027 Rev.004, Section 2.3. The auditor verified that the FPMU has implemented procedures for monitoring its operations including their impacts on social, ecological, environmental and economic aspects as per SOPs. This also included scheduled Forest Patrol. Records of the petrol (5 and 20 August 2017) and EMR report by a consultant (Ecosol Consultancy Sdn Bhd, for 2nd Quarter, April to June 2017) were verified. An Internal Audit was conducted by the FPMU on 1- 4 November 2016 to assess compliance with MC&I requirements. A Management Review meeting was also conducted on 26 November 2016 which discussed forest certifications, annual work plan, field audit and other activities.</p> <p>The FPMU had gathered information and monitored the items (a) to (e) as listed in Criterion 8.2. This was verified through its website: https://www.shinyang.com.my/products-services/treeplantation/lpf0018-penyuan-estate.html</p> <p>The FPMU management provided relevant documents for identifying the Chain of Custody (CoC) of all forest products leaving the planted area. The tagging system used provided relevant information such as species, grade, coupe and block. There was no harvesting</p>	<p>Ground auditing found that number of PSPs in the certified area did not tally with the number stated in the FPMP (five established as against the required six plots). A Minor NCR MRS 06/2017 for Indicator 8.1.1 was thus raised.</p> <p>The auditor also found that the relevant information for item (d), Social impacts of harvesting and other operations, as reported in the social impact assessment report (Rev.1 September 2015) was not updated since the Stage 2 audit. For this oversight a Minor NCR MRS 07/2017 for Indicator 8.2.1 was raised.</p>

	<p>operation in certified areas during the audit.</p> <p>As a response to an enquiry received with regard to the source of material used in the construction of the Olympics stadium in Japan, the auditors have also ascertained through the CoC records that Penyuan FPMU did not supply any log/material to Forescom Plywood Sdn Bhd and Shin Yang Plywood (Bintulu) Sdn Bhd between 2015-2017.</p> <p>Penyuan FPMU managers had incorporated results and findings of monitoring activities into the implementation and revision of the Penyuan Forest Plantation Management Plan (FPMP) 2017-2027 Rev.004.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2, was made publicly available; https://www.shinyang.com.my/products-services/treeplantation/lpf0018-penyuanestate.html</p>	
Principle 9 Maintenance of High Conservation Value (HCV)	<p>The FPMU had consulted with relevant stakeholders including local communities on potential HCV elements in its area. The auditor verified the list of stakeholders, the HCVF assessment report and a map on their locations in the FPMP (2017 - 2027 Rev.004).</p> <p>The list of relevant stakeholders consulted on HCV presence in the FPMU was verified by the auditor. The HCV sites were inspected on the ground and it was found that these sites were well demarcated with clear marked boundaries and signages.</p> <p>Information on the HCV areas were incorporated in the FPMP (2017 - 2027 Rev.004). These areas were protected and monitored by the management. The summary of measures taken on the HCV areas are publicly accessible via the website: www.shinyang.com.my/products-services/tree-plantation/lpf0018-penyuan-estate.html</p> <p>Monitoring procedures and records to assess the effectiveness of measures taken to manage the HCV areas were made available during audit. Records of Forest Patrols conducted on 5 and 20 August 2017 were also sighted. Relevant results and findings of HCV monitoring activities were incorporated into the revision of the FPMP (2017 - 2027 Rev.004).</p>	No weakness found for this Principle during audit.
Principle 10 Forest Plantation Development and Management	<p>The plantation management plan was clearly implemented with objectives including natural conservation and restoration. The Annual Work Plan & Budget for 2017 was verified.</p> <p>Documentation and maps showing areas managed and demarcated as natural forests in the FPMU (entitled HCV & Protected Area within Penyuan FPMU Area) in the FPMP (2017-2027, Rev.004) was verified.</p>	No weakness found for this Principle during audit.

	<p>A map (Distribution and Planting Pattern by Year of Planting), giving information on planted species (2003-2010) and their age classes, were also sighted in the management plan.</p> <p>Documents on quarantine and permit approvals for planting of exotic species in the FPMU (<i>Paraserianthes falcataria</i>, <i>Acacia mangium</i>, <i>Eucalyptus pellita</i> and <i>Eucalyptus deglupta</i>) were verified during the audit. Documents on planted area and age classes were made available at the FPMU office.</p> <p>Records on growth and performance of the planted species were documented in the "Permanent Sample Plot (PSP) Summary data". Information on soil was available from the SIA Report on the Proposed Shin Yang Forest Plantation dated 5 January 2000. Species-site matching analysis based on these information was also verified. Comparative advantages/benefits of using exotic species over native ones in the FPMU were stated in the FPMP. Comparison was made in the short term between 5-10 years after establishment. Growth and performance of the exotics in the PSPs were monitored every six months. Monthly patrolling reports which monitored disease and insect outbreak were also sighted.</p> <p>The management strategy, plans and programmes for monitoring progress for managing natural forest as forest restoration in the FPMU were stated in the FPMP (2017 - 2027 Rev.004). Documentation and maps of these areas were also included in the management plan.</p> <p>The FPMU followed several guidelines for site preparation and planting techniques, road and trail constructions and maintenance, and species selection that are protective of the soil and water in the long term. These documents were made available and verified during the audit. The appropriate techniques adopted by the management were included in the FPMP (2017-2027, Rev. 004).</p> <p>Guidelines for the control of outbreak of pests and diseases including forest hygiene practices, and fire management were available and verified. Forest patrolling records on fire incidence and on assessment of invasive plants were also sighted. The FPMU does not apply fertilizers in forest plantation establishment. Records of chemical usage up to May 2015 and no application of chemical after May 2015 until this surveillance audit. SOP entitled "Handling of Chemical" (SYF/CSM/PRO-01) were verified. No biological agents were used in the plantation.</p> <p>The implementation of programs to monitor the potential on-site and off-site ecological and social impacts of forest plantation establishment and</p>	
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	development were verified in EMR 2 nd Quarter Report, 2017 (April to June). Documents on nursery and field trials, including provenance trials, of selected species for forest plantation were included in the reports of the Planted Forest Research Programmes between Sarawak Forestry Corporation and Shin Yang Forestry Sdn Bhd (Progress Review August 2016).	
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Map of Penyuan FPMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas: Was attending and pass in the following training programmes: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. <ul style="list-style-type: none"> • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. • OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. • QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013. </p>
Ismail Adnan Malek	Assessment Team Member / Forester	<p>Academic Qualification: Master of Forestry, University of British Columbia, Canada</p> <p>Work Experience: One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing</p>

		<p>local/international seminars on Forestry areas. Published and presented research findings at seminars/conferences and journals. Currently as Auditor at the Food, Agriculture and Forestry /ion (FAF), SIRIM QAS International Sdn Bhd, since</p> <p>2016. Involved in conducting assessments on forest management certification</p> <p>MC&I (Natural Forest) & MC&I (Forest Plantations).</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> • Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2), 9th-10th July 2015, SIRIM QAS International Sdn Bhd • ISO 14001:2004 Lead Assessor Training, 23rd-27th Nov 2015, SIRIM Training Services Sdn. Bhd • Training on Auditing Techniques, 26th January 2016, SIRIM QAS International Sdn Bhd
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Surveillance 1 Audit Plan

DAY	TIME	PROGRAM	
		AUDIT TEAM LEADER (AUDITOR 1 & Technical expert)	AUDITOR (2)
Day 0 9 Oct 2017 (Monday)		<ul style="list-style-type: none"> Travel from Kuala Lumpur to Bintulu (MH2742; 08:25 – 10:45) Stakeholders consultation with <ul style="list-style-type: none"> Sarawak Forestry Department, Bintulu Sarawak Forestry Corporation, Bintulu Travel to Penyuan LPF 0018 – Seping Estate Base Camp Briefing by Audit Team Leader to audit team on the surveillance audit plan 	
Day 1 10 Oct 2017 (Tuesday)	8.00 am – 11.00 am	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU Evaluation of changes to the management of the FPMU Check on complaints, stakeholders comments and follow-up actions (if any) Evaluate on internal audit and management review Verification of NCRs raised during the previous audit. 	
	11.00 am – 5.00 pm	<u>Documentation Review</u> <ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 – Community Relations and Workers' Right Principle 7 – Management Plan 	<u>Documentation Review</u> <ul style="list-style-type: none"> Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value Forests
	5.00 – 5.30 pm	<ul style="list-style-type: none"> Briefing to representatives of FPMU on the progress of audit Review of Day 1 Findings by Audit Team Leader 	
Day 2 11 Oct 2017 Wednesday	8.00 am – 5.00 pm	<u>Site Visit</u> <ul style="list-style-type: none"> □ Consultation with local communities within and around the perimeter of the FPMU: <u>Penan community</u> <ol style="list-style-type: none"> Data Sengelang Long Apok Uma Penan Long Jeik <u>Kenyah community</u> <ol style="list-style-type: none"> Long Dulit Urun Uma Pawa Long Urun 	<u>Site Visit</u> <ul style="list-style-type: none"> HCVFs at Coupe AT2 Jungle palm Terrain IV Salt lick Riparian buffer in Coupe AT2 FPMU boundary and forest fire mechanism at Coupe AT2 Consultation with workers Permanent Sample Plot (PSPs) – AT1 Block 12 & AT4(II) Block 20
	5.00 – 5.30 pm	□ Review of Day 2 Findings by Audit Team Leader	

Day 3 12 Oct 2017 (Thursday)	8.00 am– 12.00 pm	<ul style="list-style-type: none"> • Nursery • Chemical store • Genset • Workshop • Schedule waste store 	<input type="checkbox"/> Documentation and records review <ul style="list-style-type: none"> ○ Principle 10 – Forest Plantation Development and Management
	2.00 – 4.00 pm	<ul style="list-style-type: none"> • Documentation and records review • Briefing to representatives of FPMU on the findings of audit • Preparation of audit report and finding (NCR) 	
	4.00 - 5.30 pm	<input type="checkbox"/> Closing Meeting	
	7.30 pm	<ul style="list-style-type: none"> • Travel to Bintulu • Overnight at New World Hotel 	
<input type="checkbox"/> Travel from Bintulu to Kuala Lumpur date 13 Oct 2017 (MH2743; 11:20 – 13:25)			

Details on NCRs and OFIs Raised During this Surveillance 1 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 1.1.1 NCR #: MRS 01/2017	Major	<p>Requirement : Indicator 1.1.1 - Records and availability of up-to-date relevant federal and state laws, regulations and policies, in particular those related to forest plantation management.</p> <p>Finding : There was no evidence of approval from Labour Department of Sarawak (Section 114, Labour Ordinance, 1952, Sarawak Cap. 76) to deduct employee wages such as for levy fee.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. The FPMU has deducted levy fee from workers salary as verified by auditor based on payslip in August 2017 of two Indonesian workers (Employee No.: 019927 & 021368). 2. The available permit to deduct workers wages presented during the audit was outdated (Permit was under the name of Forescom Plywood Sdn. Bhd. dated 11 June 2013) which stated Minimum Wages Order 2012 (No. Siri: JTKSWK/PL/018/13/(BTU)). 3. Official application for renewal of wage deduction permit on 24/3/2016 to Labour Department of Bintulu was rejected by the department due to document on minimum wages of workers attached was less than legal minimum wage rate. 	Permit to deduct workers wages will be re-applied to the Labour Department of Bintulu by 3-th December 2017.	<p>Corrective action plan was accepted.</p> <p>Evidence of implementation: Auditor has verified permit from Sarawak Labour Department dated 27 November 2017 (JTKSWK/PL/071/17/(B TU)) under name of Shin Yang Forestry Sdn. Bhd. where the FPMU can deduct worker wages for levy fee.</p> <p>Status: Closed.</p>
Indicator 3.3.1 NCR #: MRS 02/2017	Minor	<p>Requirement : Indicator 3.3.1 - 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</p>	<p>Corrective action plan: The said local communities will be added into Local Community Consultation Schedule for Year 2017. Consultation will be done by 13.12.2017</p>	<p>Corrective action plan was accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>

		<p>frameworks or by mutual agreement.</p> <p>Finding : Record of dialogue and consultation with surrounding communities of the FPMU did not cover all communities identified in the SIA report.</p> <p>Objective evidence : The FPMU has conducted dialogue and consultation with all communities located surrounding the FPMU as per meeting minutes entitled 'Mesyuarat Bersama Masyarakat Tempatan' and 'Dialog Bersama Dengan Komuniti Setempat' from 1518/10/2016. However, there was no evidence of meeting with Long Apok, Long Liten, Uma Badeng urun Asmidi Agau and Uma Pawa Long Urun.</p>		
<p>Indicator 4.1.2</p> <p>NCR #: MRS 03/2017</p>	Minor	<p>Requirement : Indicator 4.1.2 – Qualified people in communities living within, or adjacent to, the FMU are given preference or employment and contract works</p> <p>Finding : Qualified people in communities living within, or adjacent to, the FMU were not informed of job vacancies through distributed advertisements.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. During consultation with Tuai rumah (headman) and villagers at Data Sengelang, Long Dulit Urun, Uma Pawa Long Urun and Long Apok, it was found that the FMU did not distribute job vacancy advertisements to the local communities. 2. The FPMU only advertised the 300 vacant positions for planting, weeding, transferring the seedling and etc. through the newspapers – Mingguan Sarawak and Sarawak Tribune. 	<p>Root cause: The HR department has been advertising the job vacancy through the local newspaper but they miss to distribute the advertisements to the local communities.</p> <p>Corrective action plan: A memo will be issued to HR department to given priority for local communities to work for the FPMU if they are willing to work based on their qualification and expertise.</p>	<p>Corrective action plan was accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>
<p>Indicator 6.7.1</p> <p>NCR #: MRS 04/ 2017</p>	Major	<p>Requirement : Indicator 6.7.1 - Oil, fuel, containers, liquid and solid non-organic wastes, shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding : The management of scheduled waste was not according to procedures</p>	<p>Root cause: Inadequate training of store in-charge.</p> <p>Corrective action plan: Internal training will be given to the store in-charge by 23/11/2017 and this training will be carried out on yearly basis. Both scheduled waste containers will be labeled and covered all the time when not in use.</p>	<p>Corrective action plan was accepted.</p> <p>Evidence of implementation: The FPMU has conducted an internal training on management of scheduled waste on 23 November 2017.</p>

		<p>Objective evidence : Auditor has found that 2 containers of scheduled waste for SW 410 (oil filter and rag) at the scheduled waste store were not labelled. In addition, both containers were not closed.</p>		<p>Auditor also has verified scheduled waste container for SW311, SW305 & SW410 with correct label, date of generation, name of producer. All the SW containers is covered all the time when not in use.</p> <p>Status: Closed.</p>
<p>Indicator 7.1.1</p> <p>NCR #: MRS 05/2017</p>	Major	<p>Requirement : Indicator 7.1.1 - Implementation of forest plantation management plan covering items (a) to (i) in Criterion 7.1, and prepared in accordance with existing guidelines and the provisions listed in Principle 1.</p> <p>Finding : The the coverage of the certified area was not clearly indicated on the FPMP , including annual allowable cut (AAC) and establishment of permanent sample plots (PSPs).</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. The FPMU area as described in the FPMP is 11,646 ha (Table 1.1: Details of Penyuan FPMU area) 2. Table 3.4 Planned cutting cycle (harvesting) and next replanting cycle for the Penyuan FPMU was for 5 years (2018 - 2022). However, the proposed cutting cycle mentioned in the AAC is 10 years. 3. There was no evidence to prove that 6 PSPs as written the FMP is adequate to represent stand stocking of the FPMU area. 	<p>Corrective action plan:</p> <ol style="list-style-type: none"> 1. The FPMP will be revise to Rev. 05 by 09/01/2018. 2. Consultation with external researcher regarding with PSPs standard will be carry out by 09/01/2018. 	<p>Corrective action plans were accepted.</p> <p>Evidence of implementation: Auditor has verified the revised FPMP (Rev. 005) for Penyuan FPMU, where the FPMP stated:</p> <ol style="list-style-type: none"> 1. The FPMU area for this audit is 15,261 ha for coup AT1, AT2, AT3, AT4(I) and AT4(II). 2. Table 3.4 in the FPMP has stated clearly that the harvesting is within 10 years period; 5 coupe in the certified area and 5 coupe at uncertified area. The Annual Cutting Area (ACA) within the certified area for a period of 5 years is 1,348.80 ha. 3. The FPMU will establish a minimum of five PSPs, each 900 square metres (1525 stems per plot). <p>Status: Closed.</p>
<p>Indicator 7.3.2</p> <p>NCR #: IAAM/SY 1/17</p>	Minor	<p>Requirement : Indicator 7.3.2 Forest plantation workers shall be trained as to their respective roles in the implementation of the forest plantation management plan</p> <p>Finding : Understanding of the workers on PSP establishment/monitoring and also Forest Fire Emergency procedures were not satisfactory.</p> <p>Objective evidence :</p> <ol style="list-style-type: none"> 1. Training records on PSP establishment and monitoring which include theory and field Implementation were not available 	<p>Root cause: Insufficient training program for Surveyor and Emergency Response Team.</p> <p>Corrective action plan: Internal training will be given to all Surveyor Team and Emergency Response Team by 24 November 2017.</p>	<p>Corrective action plan was accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>

		2. Based on interview with forest fire emergency team, the understanding on the forest fire plan was not satisfactory.		
Indicator 8.1.1 NCR #: MRS 06/ 2017	Minor	<p>Requirement : Indicator 8.1.1 - Forest plantation managers shall implement a comprehensive network of permanent sample plots, appropriate to the scale and intensity of forest plantation management operations, to assess the health of the planted trees, forest ecosystem and the forest environment, growing stock conditions and increment</p> <p>Finding : The numbers of PSPs established on the ground does not tally with the number of PSPs written in the FPMP.</p> <p>Objective evidence : The FPMU has established 5 PSPs as verified by auditor on the ground. However, the FPMP in section 2.3 Establishment of Sample Plots stated that the FPMU required a minimum of 6 PSPs to monitor stand growth and yield.</p>	<p>Root cause: Inadequate training among the Surveyor Team.</p> <p>Corrective action plan: New PSPs plot will be set up and the numbers of PSPs plot will be following the recommendation from external researcher or articles on PSPs standard and FPMP will be revised by 9 January 2018.</p>	<p>Corrective action plan was accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>
Indicator 8.2.1 NCR #: MRS 07/ 2017	Minor	<p>Requirement : Indicator 8.2.1 - Forest plantation managers shall gather the relevant information, appropriate to the scale and intensity of the forest plantation management, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>Finding : The FPMU has not gathered the relevant information for items, (d) as below: d) Social impacts of harvesting and other operations.</p> <p>Objective evidence : The beneficial impact and impact on socio-cultural life as reported in the social impact assessment report (Rev.1 September 2015) was not updated since the stage 2 audit.</p>	<p>Corrective action plan: Social impact of harvesting and others operation will be carried out by Community Development Unit of Penyuan FPMU by 20/12/2017.</p>	<p>Corrective action plan was accepted.</p> <p>Status: The implementation and effectiveness of the corrective action plan will be verified during next audit.</p>
Indicator 4.2.4	OFI	<p>Two air compressors at the workshop have been registered with DOSH and inspected by DOSH officer on 20/11/2016. However, the FPMU has yet to display the registration no. of both air compressors after receiving the certificate of fitness.</p>	<p>Not required</p>	<p>Auditor will verify during next audit.</p>

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

Indicator	Specification Major/Minor/ OFI	Detail Nonconformances	Corrective Action Taken	Verification by Assessor
Indicator 7.1.1 NCR #: KN-1/2015	Major	<p>Indicator 7.1.1 Implementation of forest plantation management plan</p> <p>Finding: The specific maps describing the resources base including protected areas, planned management activities and landownership were not included in forest plantation management plan.</p> <p>Objective evidence: Maps describing the resources base including protected areas, planned management activities and landownership were not included in the FPMP.</p>	Provide accurate on ground information to Shin Yang Forestry mapping department so that they can produce specific maps (including protected areas, planned management activities and land ownerships) to include in FPMP	<p>During the verification audit on 21-23 Dec 2015, it was found the maps describing the resources base including protected areas, planned management activities and landownership were included in the FPMP</p> <p>Status: Closed</p>
Indicator 7.3.2 NCR #: KN-2/2015	Minor	<p>Indicator 7.3.2 Forest plantation workers shall be trained as to their respective roles in the implementation of the forest plantation management plan.</p> <p>Finding: Training for forest plantation workers as to their respective roles in the implementation of the forest plantation management plan was not sufficient</p> <p>Objective evidence: Specific trainings on Mobile Tower Yarder, Reduced and Low Impact Harvesting System, 1999 and Pest & Disease have yet to be conducted for forest plantation workers at Penyuan LPF/0018 FPMU.</p>	<p>Internal trainers from Shin Yang HQ will conduct Mobile Yarder and RIL Training for all related staff and workers</p> <p>Pest and disease training specific for surveyor team will be carried out in suitable time</p>	<p>Training on Mobile Tower Yarder, Reduced and Low Impact Harvesting System, 1999 and Pest & Disease have been conducted for forest plantation workers on 2 October 2017.</p> <p>Status: Closed</p>

<p>Indicator 7.4.1</p> <p>NCR #: KN-3/2015</p>	Major	<p>Indicator 7.4.1- A summary of the primary elements of the forest plantation management plan as prepared and implemented under Indicator 7.1.1 shall be made publicly available.</p> <p>Finding: Maps describing the resources base including protected areas, planned management activities and landownership were not publicly available in the FPMU company website.</p> <p>Objective evidence: Public summary specific to (h) Maps describing the resources base including protected areas, planned management activities and landownership for Penyuan LPF/0018 FPMU was not available at www.shinyang.com.my</p>	<p>Maps including protected areas, planned management activities and landownership will be prepared to include in Public summary</p>	<p>The maps publicly available in the summary; https://www.shinyang.com.my/productsservices/treeplantation/lpf0018penyuan-estate.htm</p> <p>Status: Closed</p>
<p>Indicator 9.1.1</p> <p>NCR#: KN-4/2015</p>	Major	<p>Indicator 9.1.1- Forest plantation managers shall conduct an assessment to identify High Conservation Value (HCV) areas 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: Report on the assessment and maps showing HCV area was not available.</p> <p>Objective evidence: Report on the assessment and maps showing HCV areas using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia was not available at Penyuan LPF/0018 FPMU.</p>	<p>HCVF Assessment has already conducted on April 2015. However the report yet to be finalized.</p> <p>To communicate with the consultant to getting the report within 2 months.</p>	<p>Report on the assessment and maps showing HCV areas was available. Report on the "High Conservation Value Forest (HCVF) Assessment of Selected Sites Within LPF/0018 Area for the programme for the Endorsement of Forest Certification (PEFC) dated December 2015 was verified.</p> <p>The HCVFs identified were;</p> <ul style="list-style-type: none"> • Salt Lick • Buffer Zone • Burial site of Penan (local communities) <p>Status: Closed</p>

<p>Indicator 9.2.1</p> <p>NCR #: KN5/2015</p>	Major	<p>Indicator 9.2.1 Forest plantation managers shall provide the assessors with a list of relevant stakeholders who have been consulted regarding the HCV area.</p> <p>Finding: The list of relevant stakeholders consulted regarding the HCV area was not sufficient.</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> • The list of relevant stakeholders consulted regarding HCV area did not include NGOs, government bodies, universities and/ or related local communities. • Evidence of consultation was not available at Penyuan LPF/0018 FPMU. 	<p>The consultant only consulted the local community during HCVF Assessment. To include the NGOs and Government agencies for HCVF assessment consultation.</p>	<p>List of stakeholder was updated including NGO, Government Agency, and Local communities. Minutes of meeting dated 16 December 2015 with attendance list was verified during the verification Audit.</p> <p>Status: Closed</p>
<p>Indicator 9.2.2</p> <p>Minor #: KN6/2015</p>	Minor	<p>Indicator 9.2.2 Forest plantation managers shall demonstrate that forest plantation management protect areas of high conservation value in forest plantation areas.</p> <p>Finding: Incorporation of protected HCV areas into the Forest Plantation Management Plan was not done</p> <p>Objective evidence: The protected HCV areas has yet to be incorporated of into the Forest Plantation Management Plan at Penyuan LPF/0018 FPMU.</p>	<p>Once the HCVF report received, the protected HCVF areas will be incorporated into the FPMP.</p>	<p>The protected HCV areas in the Penyuan LPF/0018 FPMU has been incorporated into the LPF 0018 Penyuan Forest Plantation Management Plan (FPMP) 2017 - 2027 Rev.4.</p> <p>Status: Closed</p>
<p>Indicator 9.3.1</p> <p>NCR #: KN7/2015</p>	Major	<p>Indicator 9.3.1 Measures to demarcate, maintain and / or enhance the HCV attributes are documented in the forest plantation management plan and effectively implemented.</p> <p>Finding: Measures to demarcate, maintain and / or enhance the HCV attributes have yet to be implemented.</p> <p>Objective evidence:</p>	<p>Once the HCVF report received, the measures to demarcate, maintain and enhance the HCVF attributes will be documented into the FPMP. Once the received, to attributes documented FPMP.</p>	<p>Procedure and Guidelines for Identification, Demarcation, Mapping, and Conservation (SYF/MC&I/P.06) dated 6.6.2015 and Guidelines for the Conservation of Genetic, Species and Ecosystem Diversity (SYF/MC&I/P.11) dated 6.6.2015 were verified.</p> <p>Site visit to salt lick at Block 22 and records on Burial site (Penan) Coupe AT4(i) demarcation was sighted.</p> <p>Status: Closed</p>

		<ul style="list-style-type: none"> The HCV areas have yet to be mapped and incorporated progressively into the Forest Plantation Management Plan and demarcated on the ground, where appropriate Management prescriptions to maintain and / or enhance HCV attributes, and reports on measures taken at Penyuan LPF/0018 FPMU have yet to be conducted 		
Indicator 9.4.1 NCR #: KN8/2015	Minor	<p>Indicator 9.4.1- 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.</p> <p>Finding: Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCV area were not available</p> <p>Objective evidence: Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCV area were not available at Penyuan LPF/0018 FPMU</p>	<p>Once received the HCVF report, the procedures of monitoring to access the effectiveness of the measures in the management of the HCVF areas will be prepared.</p> <p>Monitoring will be done and all the records will be well documented.</p>	<p>Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCV area were available at Penyuan LPF/0018 FPMU as evidenced by the availability of procedures for monitoring including;</p> <ol style="list-style-type: none"> 1. FPMU security (FPMU boundary monitoring, License encroachment) 2. Wildlife monitoring (Wildlife observation, Control of Illegal hunting) 3. Protected & HCV Area monitoring (HCV observation, Protected/HCV area monitoring). Records of Forest Patrols dated 5th and 20th August 2017 for Coupe AT2 Block 2127 and Coupe AT4(II), Block 8, respectively were also evidences of HCVF monitoring. <p>Status: Closed</p>
Indicator 10.2.1 NCR #: KN9/2015	Minor	<p>Indicator 10.2.1 Forest plantation design and layout shall promote the protection, restoration and conservation of natural forests.</p> <p>Finding: Documentation and maps depicting areas managed and demarcated as natural forests in the forest plantation areas were not clearly depicted in the Forest Plantation Management Plan.</p> <p>Objective evidence: Documentation and</p>	<p>Previously SYF operation mainly focus on forest plantation management. For natural forest, we just leave it undisturbed.</p> <p>To study and identify the existing natural forest.</p> <p>To demarcate and mapped the natural forest and clearly depicted into FPMP.</p>	<p>Documentation and maps depicting areas managed and demarcated as natural forests in the forest plantation areas were available in Appendix 7 entitled "HCV & Protected Area within Penyuan FPMU Area" in the Forest Plantation Management Plan (FPMP) 2017 - 2027 Rev.004.</p> <p>Status: Closed</p>

		maps depicting areas managed and demarcated as natural forests in the forest plantation areas were not clearly depicted in the Forest Plantation Management Plan LPF/0018 FPMU.		
Indicator 10.2.2 NCR #: KN10/2015	Minor	<p>Indicator 10.2.2 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 including demarcation and protection of such areas were not available in the Forest Plantation Management Plan at Penyuan LPF/0018 FPMU.</p>	<p>Lack of information on species planted for previous planting operation (2003 – 2010).</p> <p>The map of plantation age classes and protection areas will be prepared and depicted into FPMP.</p> <p>Table of the species planted and age classes will be prepared and present in the FPMP.</p>	<p>The Forest Plantation Management Plan (FPMP) 2017 - 2027 Rev.004. also provided information on species planted in previous planting operation (2003 - 2010) and Table of species planted and age classes. A map entitled "Distribution and Planting Pattern by Year of Planting" was also presented for audit.</p> <p>Status: Closed</p>
Indicator 10.3.2 NCR#: KN11/2015	Major	<p>Indicator 10.3.2 Availability of documentation of the size and spatial distribution of the established forest plantation areas.</p> <p>Finding: The extent of area planted by each species and by age classes and maps depicting the spatial distribution of the planted species was not available.</p> <p>Objective evidence: The extent of area planted by each species and by age classes and maps depicting the spatial distribution of the planted species was not available at Penyuan LPF/0018 FPMU.</p>	<p>Limitation of the current mapping systems to distinguish mix planting for previous planting operation</p> <p>Table that present species and age classes will be prepared.</p>	<p>The extent of area planted by each species and by age classes and maps depicting the spatial distribution of the planted species was updated and included in the FPMP.</p> <p>Map Appendix 5a – Age classes Appendix 5b – Planted Species in LPF/0018 Penyuan FPMU made available in the FMP.</p> <p>Status: Closed</p>

<p>Indicator 10.5.1</p> <p>NCR #: KN12/2015</p>	Minor	<p>Indicator 10.5.1 Provision and measures, appropriate to the scale of the forest plantation, to manage part of the forest plantation areas as natural forest.</p> <p>Finding: Documentation and maps depicting areas managed as natural forest in the forest plantation areas were not clear.</p> <p>Objective evidence: The documentation and maps depicting areas managed as natural forest in the forest plantation areas were not clear at Penyuan LPF/0018 FPMU.</p>	<p>SYF mainly focus on harvesting operation and overlook the management on natural forest in forest plantation. There is no specific map to show the areas managed as natural forest in the forest plantation areas.</p> <p>Map of existing natural forest will be prepared.</p> <p>To conduct monthly forest patrolling and keep the records</p>	<p>Documentation and maps depicting areas managed as natural forest in the forest plantation areas were available in Appendix 7 entitled "HCV & Protected Area within Penyuan FPMU Area" and verified.</p> <p>Status: Closed</p>
<p>Indicator 10.6.1</p> <p>NCR #: KN13/2015</p>	Major	<p>Indicator 10.6.1 Application of appropriate site preparation and planting techniques, road and trail construction and maintenance, and the selection of species for forest plantation areas that would not cause long term soil degradation or adverse impacts on water quality and quantity or substantial deviation from stream course drainage patterns.</p> <p>Finding: Appropriate site preparation and planting techniques, road and trail construction and maintenance, and the selection of species for forest plantation areas were not clearly stated in the Forest Plantation Management Plan</p> <p>Objective evidence: Appropriate site preparation and planting techniques, road and trail construction and maintenance, and the selection of species for forest plantation areas were not clearly stated in the Forest Plantation Management Plan at Penyuan LPF/0018 FPMU.</p>	<p>SYF mainly focus on harvesting operation and overlook the planting operation.</p> <p>An appropriate site preparation and planting techniques, road and trail construction and maintenance, and the selection of species for forest plantation areas will be included into FPMP.</p>	<p>Appropriate site preparation and planting techniques (Field planting procedures – SYF/PEFC/Pro-07 dated 1 Nov 2014), road and trail construction and maintenance Procedure and Guidelines for Road Layout, Construction and Maintenance" SYF/MC&I/P.07 dated 6.6.2015., and the selection of species for forest plantation areas (FMP page 16) were stated in the Forest Plantation Management Plan (FPMP LPF/0018 Penyuan (in-Part) FPMU 1st November 2015 – 1st November 2025, Rev 3)</p> <p>Site visit at Block 3 was confirmed the road and trail construction and maintenance of side drain, cross drain and silt trap has been conducted.</p> <p>Status: Closed</p>

<p>Indicator 1.5.2</p> <p>NCR #: MRS1/2015</p>	Minor	<p>Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p>Finding: Management did not meet the requirement</p> <p>Objective evidence: Demarcation of plantation boundaries was not evident at the visited sites, Coupe A3-07 and AT1.</p>	<p>Not in time to maintain the boundaries</p> <p>To plan and schedule the boundaries marking activities.</p> <p>All the boundaries will be demarcated on site following the planned schedule.</p>	<p>Coupe boundary between Coupe AT4(II) and AT5 (II) at Coordinates N 2° 51.63 and E 114° 35.6' were inspected. They were clearly marked with red paint with adequate signage in accordance with SOP. The boundary between FPMU (certified area) and uncertified area within the LPF 0018 license was also inspected at Coordinates N 2° 57' 58.7" and E 114° 14' 6.9". They were also found clearly marked with pink paint with adequate signages</p> <p>Status: Closed</p>
<p>Indicator 4.2.4</p> <p>NCR #: MRS2/2015</p>	Major	<p>Indicator 4.2.4 - Forest plantation managers shall maintain up-to-date safety records in compliance with all applicable laws and/or regulations covering health and safety of forest plantation workers.</p> <p>Finding: Management did not comply with these laws: 1. OSH (Use & standard of exposure of chemicals hazardous to health) Regs. 2000 – Reg. 27 (1) 2. Factories and Machineries Act 1967 (Steam Boiler & Unfired Pressure Vessel) Regulations, 1970 – Reg. 19.</p> <p>Objective evidence: 1. Management has sent sprayers (Employee No.: 24594) for medical check-up to registered OHD (DOSH Reg. JKPP KES 127/669/1(229)) dated 6 November 2014 as suggested in CHRA report. However, content of pesticide was not reported in the medical assessment report. 2. Medical check-up for welder (Employee No.: 080040) also was not available. 3. Certificate of fitness for one unit of air compressor (Ref. No.: 0530610-RTNAC05) at workshop was not available.</p>	<p>SYF sent sprayers for medical check-up but not aware the content of pesticide shall include in their medical report</p> <p>Penyuan workshop developed on 2014, SFY not yet sent the welder for medical checkup</p> <p>Lack of knowledge on Factories and Machineries Act 1967, Regulation 19.</p> <p>Sprayers and welders will sent for medical checkup annually by registered OHD and the medical report will include content of pesticide</p> <p>To apply certificate of fitness from DOSH for one unit of air compressor located at Penyuan workshop.</p>	<p>Verification audit on 21-23 Dec 2015 was conducted and found ;</p> <ol style="list-style-type: none"> 1. Worker # A1327125- Medical Report dated 1.10.15, Liver function (Cholinesterase) 12598 reference value 5400-13200) by NIOSH registered Dr Yek Hock King. 2. Medical Checkup dated 28.9.2015- Employee No.: 080040 confirmed by same Doctor. 3. No. Kelulusan; JKPP 127/453/2200922507 Inspection 4.11.2015 DOSH (Muhd Hafiz). Book verified. <p>Status: Closed</p>

Indicator 5.3.1 NCR #: MRS3/2015	Minor	<p>Indicator 5.3.1 – Availability and implementation of guidelines for reduced/low impact logging to minimise damage to other forest resources and wastage</p> <p>Finding: Management did not meet the requirement</p> <p>Objective evidence: There was no guidelines for reduced/low impact logging to minimize damage to other forest resources.</p>	Guidelines of “Reduced Impact Logging (RIL) minimise damage to other forest resources” will be prepared	<p>The Penyuan LPF 0018 FPMU management has adopted the SOPs entitled "Reduced Impact Logging (RIL) - Harvesting Operation" (SYF/MC & I /P.12), "Road Layout, Construction and Maintenance"(SYF/M C&I/P. 07) and "Chainsaw Tree Felling" (SYF/MC&I / P.16) in harvesting operations which prescribed the measures to protect soil from compaction and reduced/low impact of logging to minimize damage to other forest resources</p> <p>Status: Closed</p>
Indicator 5.6.1 NCR #: MRS4/2015	Major	<p>Indicator 5.6.1 - Rate of harvest shall be in accordance with the Forest Plantation Management Plan.</p> <p>Finding: The rate of harvest and prescribed cutting cycle were not clearly defined in the Forest Plantation Management Plan.</p> <p>Objective evidence: The rate of harvest and prescribed cutting cycle were not clearly defined in the Forest Plantation Management Plan LPF/0018 Version 21st January 2015 – 31st December 2024.</p>	<p>AAC calculated based on actual harvest volume for coupe A3, but it not match with the result from PSP</p> <p>Since there is no limits of tree harvested volume for approved coupe, the AAC will be controlled based on approved area in certain time</p> <p>Proposed cutting cycle will be done</p>	<p>LPF 0018 Penyuan Forest lantation Management Plan (FPMP) 2017 - 2027 Rev.004 had addressed the item on the rate of Harvest in the Penyuan LPF 0018 FPMU in Para 3.7.1 (Chapter 3). The proposed cutting cycle was for 10 years (based on area control) and the expected annual rate of harvest was 998.2 ha/year.</p> <p>Status : Closed</p>
Indicator 6.2.1 NCR #: MRS5/2015	Minor	<p>Indicator 6.2.1 - Availability and implementation of guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest, such as seed trees, nesting and feeding areas, in the forest plantation areas.</p> <p>Finding: Management did not meet the requirement</p> <p>Objective evidence: Guidelines for identify and protect endangered, rare and threatened species of flora and fauna, including features of special biological features such as seed trees, nesting and feeding areas, in the</p>	<p>Existing guideline do not specifically mention ERTs species and special biological features including seed trees, nesting and feeding areas.</p> <p>Guidelines for identify and protect endangered, rare and threatened species of flora and fauna, including features of special biological features such as seed trees, nesting and feeding areas will be prepared</p>	<p>Guidelines for identifying and protecting endangered, rare and threatened species of flora and fauna, including features of special biological features such as seed trees, nesting and feeding areas, in the Penyuan LPF 0018 FPMU were available in "Conservation of Genetic, Species and Ecosystem Diversity" (SYF/MC&I/P. 11).</p> <p>Status : Closed</p>

		Penyuan LPF 0018 were not available.		
Indicator 6.3.1 NCR #: MRS6/2015	Minor	<p>Indicator 6.3.1 - 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: Management did not meet the requirement</p> <p>Objective evidence: Guidelines to demarcate and protect natural forest and measures to enhance natural regeneration were not available at Penyuan LPF 0018.</p>	<p>Guidelines for natural forest is not enough because our existing guidelines only include buffer zone conservation and biodiversity conservation.</p> <p>Guidelines to demarcate and protect natural forest and measures to enhance natural regeneration will be Prepared.</p>	<p>Guidelines to demarcate and protect natural forest and measures to enhance natural regeneration was available at Penyuan LPF 0018 FPMU through the revised SOP on; "Conservation of Genetic, Species and Ecosystem Diversity" (SYF/MC&I/P. 11)".</p> <p>Status : Closed</p>
Indicator 6.4.1 NCR #: MRS7/2015	Major	<p>Indicator 6.4.1 - 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: Management did not meet the requirement</p> <p>Objective evidence: The Penyuan LPF 0018 FPMU has demarcated and protected Sg. Penyuan as buffer zone. However, location of buffer zone in the 24,946.7 ha was not appropriately marked in the map.</p>	<p>Confusing due overlapping of zone mark and boundaries on map.</p> <p>Mapping prepare separate for buffer zone to buffer coupe department maps.</p>	<p>FMP – Appendix 6: Protection Areas within LPF/0018 Penyuan FPMU.</p> <p>HCV Assessment – Survey & Identification of HCVFs in Shin Yang Penyuan Forest Plantation under LPF/0018 in Kapit Division.</p> <p>Site visit to Sg. Penyuan found the buffer boundary was marked with signboard and pole painted in blue 20m from riparian river.</p> <p>Status: Closed</p>
Indicator 6.5.1 NCR #: MRS8/2015	Major	<p>Indicator 6.5.1 - Availability and implementation of forest plantation establishment and harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations.</p> <ul style="list-style-type: none"> Guidelines for Forest Road Layout and Construction, 1999, Sarawak Forest 	To revise the procedures "Forest Road Construction and Maintenance"	<p>Procedure on "Forest Road Construction and Maintenance" was changed to "Procedure and Guidelines for Road Layout, Construction and Maintenance" SYF/MC&I/P.07.</p> <p>Communication records with (Daiken Sarawak) dated 12.11.2015 to harvest diameter from 10 to 30 cm (Trial Purchase). Site visit also found the wastage was reduced.</p> <p>Site visit to Block 3 found the side</p>

		<p>Department</p> <ul style="list-style-type: none"> Guidelines/Procedures for Reduced and Low Impact Harvesting Systems, 1999, Sarawak Forest Department <p>Finding: Management did not address some of the requirements in their procedure 'Forest Road Construction and Maintenance - SYF/PEFC/GDL-04'</p> <p>Objective evidence: Listed requirements were not addressed in the management procedure :</p> <ol style="list-style-type: none"> 1. Debris and earth material from the road construction shall be deposited in stable area and in such a manner so that they will not enter the waterways 2. Adequate side drains, culverts and sediment traps are to be installed to prevent scouring 3. Adequate drainage is to be provided during construction by maintaining a good road shape and camber 4. Roadside vegetation is to be trimmed regularly to ensure visibility and safety for road users. 5. Culvert inlets and outlets and sediments traps are to be cleaned periodically to prevent clogging of culverts and formation of stagnant ponds 6. Skidding across or along the water ways is to be avoided. If unavoidable, crossing should be done at a site where there is a rock or gravel bed. 	<p>drains, culverts and sediment traps has been installed to prevent scouring.</p> <p>Site visit to active harvesting area found the side drain and sediment traps being constructed and maintained along the secondary road</p> <p>It was verified along the feeder roadside vegetation was trimmed.</p> <p>Maintenances of the sediment traps could be verified during the next audit.</p> <p>Penyuan FPMU used log fisher to reduce the skid road. There is no any skid trail crossing the buffer found during the verification audit.</p> <p>Status: Closed</p>
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<p>Indicator 6.5.2</p> <p>NCR #: MRS9/2015</p>	Major	<p>Indicator 6.5.2 – Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements.</p> <p>Finding: Management did not address some of the requirements in their procedure ‘Reduced Impact Logging (RIL) – Tractor Harvesting Operation (SYF/PEFC/GDL-05)’</p> <p>Objective evidence: Listed requirements were not addressed in the management procedure :</p> <ol style="list-style-type: none"> 1. On the blading of the soil off the main skid trail and side cutting should be avoided 2. Trees should be felled away from water ways and buffer zones 3. The width of the skid trail must not be wider than the width of the tractor blade 4. Maximum grade for the skid trail should generally not exceed 15 degrees except for short distances of up to 20 meters 5. No skid trails are to be planned within buffer zones and conservation areas. 	<p>To revise the procedure “Reduced Impact Logging (RIL) – Tractor Harvesting Operation”.</p>	<p>Procedure on “Reduce Impact Logging (RIL) for Harvesting Operation” SYF/MC&I/P.12. Para 1(b).</p> <p>Procedure on “Guideline for Identification, Demarcation, Mapping and Conservation” SYF/MC&I/P.06, Para 4 (ii) C (a).</p> <p>“Procedure and Guidelines for Road Layout, Construction and Maintenance” SYF/MC&I/P.07. para 4</p> <p>Status: Closed</p>
<p>Indicator 6.5.3</p> <p>NCR #: MRS10/2015</p>	Major	<p>Indicator 6.5.3 - Availability and implementation of guidelines for conservation of buffer strips along streams and rivers.</p> <p>□ Guidelines for Forest Road Layout and Construction, 1999, Sarawak Forest Department</p> <p>Finding: Management did not address some of the requirements in their procedure ‘Conservation of Buffer Strip (SYF/PEFC/GDL-07)’</p> <p>Objective evidence: Listed requirements were not addressed in the management procedure :</p>	<p>To revise the procedure “Conservation of Buffer Strip”. This is due to miss look the requirement in Guidelines for Forest Road Layout and Construction.</p>	<p>Procedure on “Reduce Impact Logging (RIL) for Harvesting Operation” SYF/MC&I/P.12</p> <p>Procedure on “Guideline for Identification, Demarcation, Mapping and Conservation” SYF/MC&I/P.06.</p> <p>Procedure on ‘Forest Road Construction and Maintenance’ was changed to “Procedure and Guidelines for Road Layout, Construction and Maintenance” SYF/MC&I/P.07.</p> <p>Status: Closed</p>

		1. Marking of boundaries for buffer zones 2. Tractors and other ground based harvesting equipment are not permitted to enter the buffer zone		
Indicator 4.4.1 NCR #: LHF1/2015	Major	<p>Indicator 4.4.1 - Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</p> <p>Finding: The local communities directly affected by the forest operations did not have access to information on the results of the social impact evaluations.</p> <p>Objective evidence: Assessment visits and discussions with villagers of local settlements (Long Telepei, Data Sengelang, Long Tengah 1, Long Balau/Long Perah/Long Ketuat/Long Tengah 2) showed that villagers had no access to information on the results of the social impact evaluations.</p>	<p>The SIA was done on 26-27 May 2015, and the report come out on mid of June 2015. MC&I audit on end of June 2015. There is limited time for us to brief the results for local community</p> <p>To conduct survey for another 5 Kenyah villages</p> <p>To compile the results and brief to the local community</p>	<p>Visit conducted on 22 Sep-6 October 2015. All total 15 villages provided confirmation of acceptance of the SIA Impact evaluation report. The SIA Notification to Local Community report dated 10 October 2015 was verified during verification audit.</p> <p>Status: Closed</p>
Indicator 3.3.1 OFI #: 1	OFI	<p><u>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.</u></p> <p>Procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to indigenous peoples could be improved by stating the involvement of local community in identifying the sites.</p>	Not applicable	<p>The procedures for identifying and protecting sites of special cultural, ecological, economic or religious significance to indigenous peoples titled 'Procedure and Guideline for Identification, Demarcation, Mapping and Conservation' has mentioned on the involvement of local community in identifying the sites.</p> <p>Status: Closed</p>

<p>Indicator 4.2.3</p> <p>OFI #: 2</p>	<p>OFI</p>	<p><u>Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the work place.</u></p> <ol style="list-style-type: none"> 1. Records of equipment and maintenance of first aid box, chain saw and air compressor were not made available. 2. Medical kit in the First Aid Box was not sufficient and did not follow the content list such as handyplast, scissor, acriflavine solution etc. 3. First Aid Kit Box also was not available at harvesting area 	<p>Not applicable</p>	<ol style="list-style-type: none"> 1. A record of equipment and maintenance was verified such as hose reel (24/8/2017), fire extinguishers (28 January 2016), emergency alarm (15/7/2017), water pump (24/8/2017), water tank (24/8/2017), generator (10/8/2017), first aid box (1/10/2017), chain saw (15/9/2017) and air compressor (1/8/2017) were made available. 2. Medical kit in the First Aid Box also was sufficient and followed the content list. 3. First Aid Kit Box also was made available at workshop and nursery. <p>Status: Closed</p>
<p>Indicator 4.2.5</p> <p>OFI #: 3</p>	<p>OFI</p>	<p><u>Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</u></p> <p>Container for contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical, mineral oil or scheduled wastes (SW408) was not available at workshop</p>	<p>Not applicable</p>	<p>During site visit at workshop, container for contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical and mineral oil were made available.</p> <p>Status: Closed</p>