



**PUBLIC SUMMARY  
STAGE 2 AUDIT ON  
LANA REFORESTATION FOREST PLANTATION MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00116  
Date of First Certification: 12 May 2017  
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## TABLE OF CONTENTS

	Page No.
<b>1. EXECUTIVE SUMMARY</b>	<b>3</b>
<b>2. INTRODUCTION</b>	<b>3</b>
2.1 Name of FPMU	3
2.2 Contact Person and Address	3
2.3 General Background on the Lana Reforestation FPMU	3
2.4 Date First Certified	4
2.5 Location of the FPMU	4
2.6 Forest Management System	4
2.7 Annual Allowable Cut/ Annual Harvest Under the Forest Management Plan	4
<b>3 AUDIT PROCESS</b>	
3.1 Audit Dates	4
3.2 Audit Team	4
3.3 Peer Reviewers	4
3.4 Standard Used	4
3.5 Stakeholder Consultations	4
3.6 Audit Process	4
<b>4. SUMMARY OF AUDIT FINDINGS</b>	<b>5</b>
<u>Attachments:</u>	
1 Map of the Lana Reforestation FPMU	14
2 Experiences and Qualifications of Audit Team Members	15
3 Stage 2 Audit Plan	18
4 Comments From Peer Reviewers and Responses by Audit Team Leader	20
5. Details on NCRs and OFIs Raised During this Stage 2 Audit and Responses by Audit Team on Corrective Actions Taken and Final Status of NCRs and OFIs	29

## 1.0 EXECUTIVE SUMMARY

This Stage 2 Audit on the Lana Reforestation Forest Plantation Management Unit (hereafter referred as the Lana Reforestation FPMU) was conducted on 17-19 January 2017 to assess the compliance of the overall forest management system of the Lana Reforestation 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 stage 2 audit was limited to the forest plantation management system and practices on the Lana Reforestation FPMU.

This stage 2 audit was conducted by a 3-member team comprising Mr. Khairul Najwan Ahmad Jahari (Lead Auditor), Mr. Razman Salim (Auditor) and Dr. Lim Hin Fui (Sociologist).

Based on the findings of this Stage 2 Audit, it was found that the Lana Reforestation FPMU had complied with the requirements of the MC&I Forest Plantation.v2. This Stage 2 Audit had resulted in the issuance of 2 (two) and 5 (five) major and minor Non Conformity Reports (NCRs) respectively. One of the major NCRs was the result of an upgrading of a minor NCR during the peer review process. In addition, 1 (one) Observation for Improvements (OFI) was also raised.

This public summary contains the general information on the Lana Reforestation FPMU, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FPMU.

## 2.0 INTRODUCTION

### 2.1 Name of FPMU

Lana Reforestation Forest Plantation Management Unit

### 2.2 Contact Person and Address

Zakaria Hamzah  
Plantation Manager  
Wisma Samling, Lot 296  
Jalan Temenggong Datuk Oyong Lawai Jau  
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### 2.3 General Background on the Lana Reforestation FPMU

Samling Reforestation (Bintulu) Sdn Bhd (Samling Reforestation Bintulu) had signed an agreement with the Sarawak State Government on 8 December 1998 to establish and manage the License for Planted Forests (LPF) 0006 (Lana Reforestation FPMU) for a period of 60 years (until December 2058).

The Lana Reforestation FPMU covers an area of 9,393 hectares (ha). It is part of the total 81,900 ha of the LPF/0006 located in Belaga and Kapit in Sarawak. The FPMU borders the Bah-Sama Protected Forest and the Batang Rajang River, about 30 km to the south-east of the FPMU.

The forest plantation areas covered during this stage 2 audit were confined to Coupes 2A, 17A, 19A and Parts of Coupes 1, 3, 4A, 5A, and 18A of the LPF/0006. Other areas within this FPMU were not included in this Stage 2 Audit as they had been established after 2010 which disqualify them for certification under indicator 6.10.1 of the MC&I Forest Plantation.v2.

The plantation was established in June 2007. To-date, fast growing quality tree of *Acacia mangium* (57%), *Eucalyptus pellita* (27%) *Falcataria moluccana* (9%) and *Gmelina arborea* (5%) had been planted. A harvesting rotation of 8 to 12 years was planned to ensure efficient timber production. As 50% of the total plantation area had been planted, the forest operations also involved activities such as slashing, pruning and herbicide spraying.

#### 2.4 Date First Certified

12 May 2017

#### 2.5 Location of the FPMU

The Lana Reforestation FPMU is located between longitudes of approximately 113° 10' 0" E to 113° 30' 0" E and at latitudes between 2° 35' 0" N to 2° 27' 0" N.

#### 2.6 Forest Management System

The Lana Reforestation FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the Sarawak State Government. A Forest Plantation Management Plan (FPMP) Edition 1 for the period 1 December 2016 to 30 November 2026 was presented during this audit.

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

The annual rate of harvest or the annual allowable cut (AAC) for the Lana Reforestation FPMU has yet to be determined. The calculation to determine the ACC based on the data collected from the Permanent Sample Plots (PSPs) which had been established in the FPMU but was still on progress.

### 3. AUDIT PROCESS

#### 3.1 Audit Dates

17-19 January 2017 (9 auditor days)

#### 3.2 Audit Team

Khairul Najwan Ahmad Jahari (Lead Auditor)  
Mohd Razman Salim (Forester)  
Dr. Lim Hin Fui (Sociologist)

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 Planation.v2) using the verifiers stipulated for Sarawak.

### 3.5 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning 15 December 2016 to solicit feedback from stakeholders on the compliance of the Lana Reforestation FPMU against the requirements of the MC&I Forest Plantation.v2. However, there were no comments received from any stakeholder.

### 3.6 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Lana Reforestation FPMU's 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.

The audit team had conducted onsite consultations with the relevant stakeholders during this Stage 2 Audit. Consultations were held with the local communities of Kampung Punan Bah and Kampung Punan Biau which are located outside the Lana Reforestation FPMU, members of the Community Relations Committee (*Jawatankuasa Perhubungan Masyarakat*) which had been established by Samling Reforestation Bintulu for resolving conflicts 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 Samling Reforestation Bintulu.

The coverage of this Stage 2 Audit is as shown in the Stage 2 Audit Plan in **Attachment 3**.

Samling Reforestation Bintulu 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. The audit team had prepared an interim Stage 2 Audit report and sent it to Samling Reforestation Bintulu for comment. A second draft Stage 2 Audit report, which had incorporated the comments received from Samling Reforestation Bintulu was then prepared and sent to two peer reviewers for independent reviewing. A final recertification audit was prepared after incorporating the comments from peer reviewers.

## 4.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Stage 2 Audit, it was found that Samling Reforestation Bintulu had managed the Lana Reforestation FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This audit had resulted in the issuance of 2 major and 5 minor NCRs and 1 OFI. The details on the NCRs/OFI raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by Samling Reforestation Bintulu to address the 2 major NCRs raised during this Stage 2 Audit. The audit team was satisfied that the corrective actions had been effectively implemented and had therefore closed out the two major NCRs. The audit team had also reviewed and accepted Samling Reforestation Bintulu's proposed corrective actions to address the 5 minor NCRs. However, these corrective actions shall be verified by the audit team during the next surveillance audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFI are as in **Attachment 5**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings of the Community Relation Committee. However, it was observed that some villagers in Kampung Punan Bah had filed a court case pertaining to legal or customary tenure at the Sibu Civil Court (Civil Suit No.SBW-22NCvC-2/2-2015). Samling Reforestation Bintulu was named as one of the nine defendants. This civil suit was still pending. However, Samling Reforestation Bintulu had cooperated and supported the legal mechanism to resolve the issue by giving explanations in court.

As the major NCRs 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 Lana Reforestation FPMU.

The summary of the findings of the Stage 2 audit on the Lana Reforestation FPMU against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
<p><b>Principle 1 Compliance With Laws and Principles</b></p>	<p>The FPMU had maintained a legal register and records of all relevant national and local laws and regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the <i>MC&amp;I Forest Plantations.v2</i> fundamental for the FPMU management were available in the meeting room, Lana Camp office.</p> <p>The FPMU had maintained a list of all legally prescribed fees. Auditor had also verified annual land rental (ALR) &amp; annual license fee (ALF) payment dated 9 June 2016. Since there are no logging activities in the FPMU, royalty haven't been imposed for the FPMU yet. However, the royalty rate for <i>Acacia mangium</i> is made available as stated in DF Circular No. 2/2012.</p> <p>It was observed that the forest managers had demonstrated awareness of all the binding international agreements such as International Labour Organizations (ILO) Conventions, Convention of Biological</p>	<p>During a site inspection, the auditor had found that the boundary pegs for the licensed area were painted in red while the signage for river buffer zones (RBZ) was in blue. However, based on the Bulletin Reforestation (No. GM008/2016; dated 16 November 2016) entitled 'Signboard &amp; Boundary Marking of SMZ and RBZ', the lettering of the signage for special management zones (SMZ) and river buffer zones (RBZ) should be in black with the background in red colour while for block boundaries the lettering should be in blue. An OFI 1 was therefore raised.</p>

Principle	Strengths	Weaknesses
	<p>Diversity (CBD), International Tropical Timber Agreement 1994, Convention on Wetlands of International Importance Especially as Waterfowl Habitat 1971, United Nations Framework Convention on Climate Change (UNFCCC) and Convention of International Trade of Endangered Species (CITES) which Malaysia is a signatory.</p> <p>The forest managers had expressed willingness to participate in resolution of conflicts if they arise. A Community Relation Committee (CRC) had been initiated with the local communities.</p> <p>The FPMU was aware and followed a legal requirement on establishment and protection in the forest plantation as required by Sarawak Forest Department (SFD) based on DF Circular 6/99 titled 'Conservator of Wildlife in Forest Timber Licensed Areas' dated 30 April 1999.</p> <p>Monitoring record on control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities in the forest plantation management unit was made available.</p> <p>A written policy/statement of commitment to forest plantation management practices dated 1 December 2014 was available.</p>	
<p><b>Principle 2 Tenure and Use Rights and Responsibilities</b></p>	<p>Samling Reforestation Bintulu had signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8 December 1998 to establish and maintain a planted forest in the LPF/0006 for a period of 60 years until 7 December 2058.</p> <p>Documents on legal or customary tenure or use rights of local communities within the relevant federal and state legal frameworks and customary laws for the forest plantation areas were available.</p> <p>A Community Relations Committee (CRC) is used as the mechanism to resolve disputes over tenure claims and use rights.</p>	<p>There were no negative findings.</p>

Principle	Strengths	Weaknesses
	<p>This committee held its meetings twice a year.</p>	
<p><b>Principle 3 Indigenous People's Rights</b></p>	<p>Documentation on the customary rights of indigenous peoples' land was made available. A total of 1,855 ha of Shifting Agriculture (SA) land outside the certifiable FPMU area (9,393 ha) but within the overall LPF area (81,900 ha) had been allocated by Samling Reforestation Bintulu for use by the residents of Kg. Punan Bah.</p> <p>With regards to civil court case, records of disputes over tenure and use rights were being maintained. Some villagers in Kg. Punan Bah had filed a court case pertaining to legal or customary tenure at the Sibul Civil Court. This civil suit was still pending.</p> <p>There were procedures for identifying and protecting sites of cultural, ecological, economic or religious significance to the indigenous people and provisions for rights of access to these sites.</p> <p>Guidelines on conflict resolution dated 1 July 2013 (GL006) was available. The guidelines outlines the formation of Community Relations Committee, which is the mechanism to resolve any conflict and grievance. The guidelines comprise three categories of representatives, namely community, women and FPMU. This committee includes two representatives from the Punan community, located at Kg. Punan Bah</p> <p>The FPMU manager had not made use any indigenous traditional forest-related knowledge and practices in the forest plantation operations.</p>	<p>There were no negative findings.</p>
<p><b>Principle 4 Community Relations and Worker's Rights</b></p>	<p>Employment record had shown that 14 (11%) of a total of 130 employees in the Lana Reforestation FPMU were indigenous peoples from Kg. Punan Bah.</p> <p>The FPMU had not employed any illegal immigrant.</p>	<p>Appropriate safety and operational equipment were not made available to the forest plantation workers in the following work places:</p> <p>(i) First Aid Kit was not available for the slashing team in Coupe 4A.</p> <p>(ii) Monsoon Drain at nursery</p>



Principle	Strengths	Weaknesses
	<p>The documentation on all the applicable laws and/or regulations covering health and safety specified under the Indicator had been updated by the Health and Safety Officer. Up-to-date information on safety and health forest workers had been briefed to the workers during toolbox briefings on 5 August 2016 and 1 September 2016.</p> <p>Occupational Safety and Health (OSH) Officer had been appointed. In addition, as required by the Occupational Safety and Health Act 1994, a Health and Safety Committee had also been established.</p> <p>There was no worker union in the FPMU. However, the workers were represented in the Joint Consultative Committee (JCC). This committee which meets twice a year had served as the mechanism to resolve conflicts/issues involving workers through consultations.</p> <p>A document entitled 'Guidelines on Conflict Resolution' dated 1 July 2013 was available. The guidelines describe the procedures on handling conflicts with local communities which are caused by the impact of the FPMU's forestry operations on the local peoples' legal or customary rights, property, resources, or their livelihoods.</p>	<p>was not fully covered.</p> <p>A minor NCR MRS 01/2017 was therefore raised against Indicator 4.2.3.</p> <p>The FPMU has yet to disseminate the assessment findings to the affected local communities. The people and groups directly affected by the forest plantation management operations have no access to information on the results of the social impact evaluations. This was confirmed during discussion with 18 villagers in Kg. Punan Bah and 13 villagers of Kg. Punan Biau on 18 January 2017. Thus, a minor NCR LMF 01/2017 was raised against Indicator 4.4.1.</p> <p>The FPMP (2016–2026) had merely stated the basic needs and cultural identities of local communities and it had not described the local land use and socio-economic conditions of the indigenous community. The results of a socio-economic evaluation was also not incorporated in the FPMP (2016-2026). Therefore, a minor NCR LMF 02/2017 was raised against Indicator 4.4.2.</p>
<p><b>Principle 5 Benefits From the Forest</b></p>	<p>The FPMU has yet to start its harvesting activities. As only trees had been planted, there would be no non-timber forest products to be harvested from the FPMU. All trees harvested would be utilized by local processing mills.</p> <p>The FPMP (2016 – 2026) had included specifications on the establishment of riparian buffer belts (para 4.4 Special Management Zones). There were also procedures on identifying and demarcating sensitive areas for the protection of soil and water.</p>	<p>The rate of harvest or the Sustainable Allowable Annual Cut (SAAC) and prescribed cutting cycle for LPF/0006 Lana Reforestation FPMU has yet to be determined in the FPMP. Therefore, a minor NCR KN 01/2017 was raised against Indicator 5.6.1.</p>

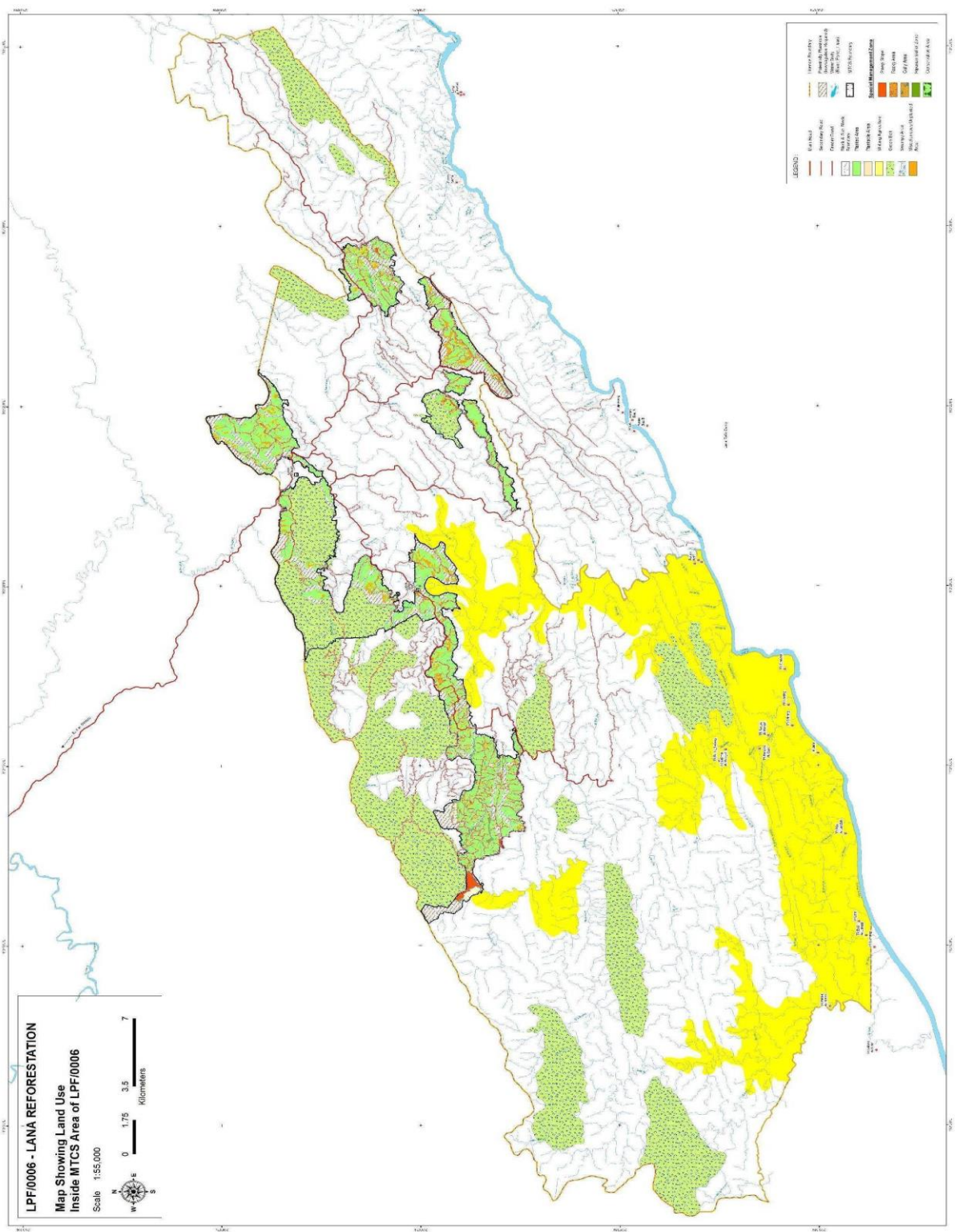
Principle	Strengths	Weaknesses
	<p>The harvested trees would be segregated for processing into wood chip, peeler and saw logs depending on their qualities. Thus, there would be a limited product diversification. However, in order to encourage potential use of non-timber products, the FPMU had planted a small plot with local fruit trees (durians and terap). The residual <i>Kompassia excelsa</i> (Tapang trees) left in the plantation were able to attract honey bees.</p>	
<p><b>Principle 6 Environmental Impact</b></p>	<p>Measures to mitigate environmental impacts caused by harvesting activities identified in the EIA report had been incorporated in the FPMP.</p> <p>The FPMU had used the guidelines established by Sarawak Forestry Corporation in 2014, for fauna conservation and ecosystem management in order to identify and protect rare, threatened and endangered species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the forest plantation areas.</p> <p>Representative areas of existing forest ecosystem consisting of riparian buffer belts, steep sites and residual forest had been demarcated and mapped for protection. Signage had been erected at site to demarcate these protected sites.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner. Procedures for disposing such materials and containers were prescribed in 'Guidelines on Disposal and Storage of Scheduled Wastes' and 'Guidelines on Storage and Handling of Hazardous Material'.</p> <p>The Lana Reforestation FPMU covers an area of 9,393.00 ha, which is part of the 81,900 ha of the Lana LPF/0006 areas. The certifiable plantation area only covers limited areas of Coupes 1 (part), 2A, 3</p>	<p>Training record of person in charge in the identification, handling, labelling, transportation, storage and spillage or discharge of scheduled wastes was not available during the audit. Therefore a minor NCR MRS 02/2017 was raised against Indicator 6.6.2.</p>

Principle	Strengths	Weaknesses
	(part), 4A (part), 5A (part), 17A, 18A (part) and 19A. Other compartments could not be certified as they were established after the year 2010 as stated in indicator 6.10.1 of the MC&I Forest Plantation.v2.	
<b>Principle 7 Management Plan</b>	<p>A FPMP for the Lana Reforestation FPMU LPF/0006 for period 1 December 2016 to 30 November 2026, edition 1, was made available during the audit. A review of the FPMP had indicated that it had addressed all issues and requirements of Criterion 7.1 items (a) to (i) as listed in Principle 7 of the MC&amp;I Forest Plantation.v2.</p> <p>Records of new scientific and technical information pertinent to the management of the planted area to be certified were also made available to the forest managers. Records of new scientific and technical information were covered in the FPMP.</p>	There were no negative findings.
<b>Principle 8 Monitoring and Assessment</b>	<p>The Lana Reforestation FPMU had established permanent sample plots (PSPs) to monitor forest growth and dynamics with one PSP for every 5 ha of planted forest. There are now 450 PSPs in the FPMU. New plots were being established, usually at two years of age. The PSPs were measured annually thereafter following internally developed measurement protocol. The growth characteristic, performance and management of the selected species for forest plantation establishment were being monitored in PSPs.</p> <p>Monitoring on the changes of flora and fauna had been initiated and the findings were presented in the 'HCVF report' and 'Quantity Survey Monthly Report'. Environmental monitoring would be conducted through the Environment Compliance Reports submitted to NREB once every 4 months. Costs, productivity and efficiency would be monitored when harvesting starts in 2017. Social impact monitoring on the FPMU's forest management operations was conducted</p>	<p>The establishment and monitoring of the PSPs had not been satisfactorily enumerated. During site inspections on the following PSPs, it was found that:</p> <ul style="list-style-type: none"> <li>• PSP No.01 at Coupe 05A – five (5) trees were missed out and had not been inventoried;</li> <li>• PSP No.02 at Coupe 05A – one (1) tree was missed out and had not been inventoried; and</li> <li>• PSP No05 at Coupe 04A – seven (7) trees had been incorrectly measured.</li> </ul> <p>In addition, the inventory equipment such as a Suunto Compass was damaged and a diameter tape was worn out and cannot be used for inventory activities.</p> <p>The audit team had previously raised this non-conformance against indicator 8.1.1 as a minor NCR KN 02/2017. However, during peer review process it was upgraded to a major NCR as the audit team had</p>

Principle	Strengths	Weaknesses
	<p>through the JCC and CRC meetings.</p> <p>Although logging activities has yet to commence, the FPMU had established a standard procedure on the movement of certified logs from their origin in a document entitled 'Work Instruction for Log Harvesting (Log Transportation) WI/OP/05/06'.</p>	<p>considered the comments received from one of the peer reviewers.</p> <p>There has yet to be appropriate monitoring procedures for assessing social and economic impacts of the FPMU's forestry operations. Therefore a minor NCR LHF 03/2017 was raised against Indicator 8.1.2.</p>
<p><b>Principle 9 Maintenance of High Conservation Value (HCV)</b></p>	<p>The FPMU had conducted an assessment to identify High Conservation Value Forests (HCVF) using the guidelines it had established. The assessment report entitled 'High Conservation Value (HCV) Assessment FMC Area Within Lana Reforestation LPF/0006, Sarawak' was made available.</p> <p>The status or information on the HCVF had been incorporated into the FPMP.</p>	<p>There were no negative findings.</p>
<p><b>Principle 10 Forest Plantation Development and Management</b></p>	<p>The management objective of the plantation forest had been clearly defined in the FPMP. The objective was originally for the economic production of logs for supply to Samling Group of Companies' downstream processing activities, primarily for solid use, i.e., peeler logs and saw logs.</p> <p>Forest plantation design and layout had promoted the protection, restoration and conservation of natural forests. The plantation had protected all residual forest sites and riparian buffer belts.</p> <p>The establishment of the forest plantation had followed the natural landscape and considered 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>There were documentations on the choice of species that match the site conditions and the management objectives of the established forest plantation areas.</p> <p>The FPMU had applied appropriate site</p>	<p>There were no negative findings.</p>

Principle	Strengths	Weaknesses
	<p>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 prescribed in Chapter 10.3 of the FPMP. The guidelines for site preparation and planting techniques (SST/RP/OP/02) and Guidelines for forest road layout, construction and maintenance by SFC (GL003) were verified during this audit.</p>	

Map of the Lana Reforestation FPMU



## Experiences and Qualifications of Audit Team Members

Assessment Team	Role / Area of MC&I Requirement	Qualifications and Experiences
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p><u>Academic Qualifications:</u> B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p><u>Work Experience:</u> Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conducted and coordinated a research on 8th Malaysian Plan Project. Produced technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinated and participated in field works, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd (SIRIM QAS International) since 2009. Involved in conducting assessments on forest management certification (MC&amp;I and FSC P&amp;C), MYNI of RSPO P&amp;C and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p><u>Training:</u> Attended and passed the following training programmes:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] organized by MTCC, 30 March - 2 April 2009.</li> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</li> </ul>
Mohd Razman Salim	Auditor / Forester / Safety Auditor	<p><u>Academic Qualifications:</u> B.Sc. of Forestry (Forest Production), Universiti Putra Malaysia.</p> <p><u>Work Experience:</u> Five years as Research Officer at the FRIM since 2007 in various areas such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (Selective Management System). Participated in organizing committee member, division level activities and projects. Coordinated and collaborated a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local &amp; international) and NGOs. Published and presented research findings at the seminars and</p>

		<p>conferences. Currently as Auditor at the FAF Section, SIRIM QAS International, since 2013. Involved in conducting assessments on forest management certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p><u>Training:</u>  Attended and passed the following training programmes:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> </ul>
Dr. Lim Hin Fui	Auditor / workers' & community issues and related legal issues	<p><u>Academic Qualifications:</u>  Dr. Lim Hin Fui is a Senior Research Officer (Sociologist) at FRIM). He graduated in 1983 with a B.A. Honours in Anthropology and Sociology from the Universiti Kebangsaan Malaysia (UKM), Master Degree in Social Science from University Sains Malaysia and PhD from University Malaya. He was the Research fellow at Institute of Advance Studies, University Malaya from 1983 to 1987.</p> <p><u>Auditing Experience:</u></p> <ul style="list-style-type: none"> <li>• Evaluation of Perak State Forest Management Unit (FMU) against the Malaysian Criteria, Indicators, Activities and Standards of Performance (MC&amp;I) for Forest Management Certification (Forest Management Unit Level), Peninsular Malaysia (Malaysia-The Netherlands Ad-Hoc Working Group) - [conducted by SGS Malaysia Sdn Bhd (SGS Malaysia) in 2001];</li> <li>• Member of the audit team to field test the Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] in the Perak State FMU, 1-6 March 2004;</li> <li>• Member of the audit team in the Second Surveillance Audit for forest management certification on the Perak State FMU, conducted by SIRIM QAS International in 2005;</li> <li>• Member of the audit team in the assessment of Pahang Forest Management Unit (FMU) against the MC&amp;I (2002) conducted by SGS Malaysia, 17-21 April and 24-25 April 2006;</li> <li>• Member of the audit team in the assessment on the Kubaan Puak FMU for forest management certification, conducted by SIRIM QAS International, 11-16 March 2007;</li> <li>• Member of the audit team in the assessment of the Perak State FMU for forest management certification against the MC&amp;I (2002) conducted by SIRIM QAS International, 12-16 November 2007;</li> <li>• Member of the audit team in the assessment of the Selangor FMU for forest management certification against the Malaysian</li> </ul>



		<p>Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS Malaysia, 7-11 January 2008;</p> <ul style="list-style-type: none"> <li>• Member of the audit team in the assessment of the Terengganu State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS Malaysia, 23-27 March 2008;</li> <li>• Member of the audit team in the assessment of Carotino Sdn Bhd, Pahang against RSPO Requirement, conducted by SGS Malaysia, 2-5 September 2008;</li> <li>• Member of the audit team in the assessment of Carotino Sdn Bhd, Pahang against RSPO Requirement, conducted by SGS Malaysia, 11-15 May 2009;</li> <li>• Member of the audit team in the assessment of the Johor State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS Malaysia, 22-26 June 2009;</li> <li>• Member of the audit team in the assessment of the Negeri Sembilan State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SIRIM QAS International, 27-31 July 2009; and</li> <li>• Member of the audit team in the assessment of the Perak State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SIRIM QAS International, 26 October-2 November 2009.</li> </ul>
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## Stage 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1	AUDITOR 2	AUDITOR 3
Day 0 16.1.2017	11.15 am – 1.00 pm	All Auditors travelling from KLIA to Bintulu on 16 January 2017 Flight MH 2742, ETD-08:30, ETA-10:40		
	2.00 pm – 6.00 pm	Stakeholder Consultations with; <ul style="list-style-type: none"> <li>• Sarawak Forestry Department Bintulu</li> <li>• NREB Bintulu</li> <li>• Travel to Lana Camp site</li> </ul> <p>Briefing by Audit Team Leader on the stage 2 audit plan</p>		
Day 1 17.1.2017	8.30 am – 1.00 pm	<ul style="list-style-type: none"> <li>• Opening Meeting with representatives of FPMU</li> <li>• Briefing session by Forest Manager of the FPMU</li> <li>• Q&amp;A Session</li> <li>• Follow up on issues of concern from Stage 1</li> <li>• Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> <li>○ Local Communities</li> <li>○ Government agencies</li> <li>○ NGOs</li> </ul> </li> <li>• Evaluate on internal audit and management review</li> <li>• Documentation and records review</li> </ul>		
	2.00 pm – 5.30 pm	<ul style="list-style-type: none"> <li>• Principle 5 – Benefits from the forest</li> <li>• Principle 7 – Management Plan</li> <li>• Principle 10 – Forest Plantation Development and Management</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 1 – Compliance with Laws and Principles</li> <li>• Principle 6 – Environmental Impact</li> <li>• Principle 8 – Monitoring and Assessment</li> <li>• Principle 9 – Maintenance of High Conservation Value (HCV)</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 - Community Relations and Worker's Right <ul style="list-style-type: none"> <li>○ Consultation with contractors and workers</li> </ul> </li> </ul>
	Review of Day 1 Findings by Audit Team Leader			
Day 2 18.1.2017	7.30 am – 1.00 pm	<u>Site visit</u> <ul style="list-style-type: none"> <li>• Inspection of forest plantation area</li> <li>• Buffer zone areas</li> <li>• Stumping site</li> </ul>	<u>Site visit</u> <ul style="list-style-type: none"> <li>• Inspection of forest plantation area</li> <li>• Tree planting / slashing activities</li> <li>• Boundary of FPMU</li> <li>• HCV area</li> </ul>	<u>Site visit</u> <ul style="list-style-type: none"> <li>• Consultation with Kg Punan Bah and Kg Punan Biau</li> </ul>

DAY	TIME	PROGRAM		
		AUDITOR 1	AUDITOR 2	AUDITOR 3
	2.00 pm – 5.30 pm	<ul style="list-style-type: none"> <li>• PSP plots</li> <li>• Consultation with workers operating in plantation area</li> </ul>	<ul style="list-style-type: none"> <li>• Check on workshop, nursery and chemical store</li> <li>• Inspection of staff quarters</li> </ul>	
		<ul style="list-style-type: none"> <li>• Review of Day 2 Findings by Audit Team Leader</li> </ul>		
<b>Day 3</b> <b>19.1.2017</b>	8.30 am – 1.00 pm	<ul style="list-style-type: none"> <li>• Documentation and records review</li> </ul>		
	2.00 pm – 3.00 pm	<ul style="list-style-type: none"> <li>• Preparation of audit report and finding</li> <li>• Briefing to representatives of FPMU on the findings of audit</li> </ul>		
	3.00pm	<ul style="list-style-type: none"> <li>• Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> <li>• Adjourn Closing Meeting</li> <li>• Travel back to Bintulu</li> </ul>		
All Auditors travel back to Kuala Lumpur on 20 January 2017, Flight MH2743, ETD-11:15, ETA-13:20				

## Comments from Peer Reviewers and Responses by Audit Team Leader

Peer Reviewer 1

No	Item	Comments	Responses by Auditor
1.	Comprehensiveness and quality of reporting	<p>All aspects in the evaluation process are covered in the report. It observes the level of compliance of FPMU's current documentation and field practices in the management of forest according to <i>MC&amp;I Forest Plantation v.2</i>.</p> <p>The report was comprehensively written and of good quality.</p>	Noted.
2.	Has the audit been conducted objectively and professionally?	Yes. All indicators were professionally checked objectively.	Noted.
3.	Has each Principles and Criterion been adequately addressed? Please include comments on each principles and Criterion	<p>All the ten (10) principles and criteria under them were satisfactorily addressed by the audit team. These are reviewed below:</p> <p><b>Principle 1: Compliance with Laws and Principles</b></p> <p>1. There was no problem with all the indicators under criteria 1.1, 1.2, 1.3, 1.4 and 1.6. Appropriate documents and records were made available for the audit team. The management was aware and knowledgeable on all policies and regulations related to the certification requirements.</p> <p>2. <b>An OFI for Indicator 1.5.2</b> was raised by the auditor who found that the boundary pegs for licensed area was painted with red colour, meanwhile the signage for river buffer zones (RBZ) was in blue colour. This did not tally to what was documented in the Bulletin Reforestation (No. GM008/2016 dated 16<sup>th</sup> November, 2016) on 'Signboard &amp; Boundary Marking</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p>of SMZ and RBZ'. The signage for special management zones (SMZ) and river buffer zones (RBZ) should be black paint lettering on red paint background. Blue paint was used for SMZ and block boundaries.</p> <p>This mix-up should have never happened. However, there was no negative implication being reported during the audit visit on the forest management. The management had instructed through the Bulletin Reforestation (No. GM001/2017) for the refinement on the documentation on "Signboard and Boundary Marking" which was in progress. This would be checked in the next audit. <b>(OFI 1)</b></p> <p><b>Principle 2: Tenure and User Rights and Responsibilities</b></p> <p>3. The criteria under this principle were fulfilled by the FPMU. No indigenous people were living within the FPMU. However, claims had been made on the land by a minority of the residents living in Kg. Punan Bah. The matter was still under the legal mechanism process at the Sibu Civil Court (Civil Suit No. SBW-22NCvC-2/2-2015). There were well-documented procedures and forms to resolve such disputes over tenure claims and use rights.</p> <p>The 1,855ha land outside FPMU area had been legally allocated to the people of Kg. Punan Bah. The audit team had checked the records on consultations and actions to be taken to protect traditionally used and sites of significant importance.</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p><b>Principle 3: Indigenous Peoples' Rights</b></p> <p>4. FPMU complied with Criteria 3.1, 3.2, 3.3 and 3.4 on Indigenous Peoples' Right to own, use and manage their lands, territories, and resources. This was also explained in the objective evidences under Principle 2: Tenure and Use Rights and responsibilities.</p> <p><b>Principle 4: Community Relations and Worker's Rights</b></p> <p>5. PFMU was found to be in compliance with Criteria 4.1 (opportunity for employment, training and other services), 4.3 (worker's rights) and 4.5 (mechanisms for resolving grievances), but the audit team had observed some inconsistencies in <b>Criteria 4.2</b> (health matters) and <b>4.4</b> (incorporating results of social impact evaluation in planning and operation).</p> <p>6. <b>Indicator 4.2.3</b> calls for appropriate safety and operational equipment to be made available to forest plantation workers in the work place. During on-site inspection, the auditor had found two non-compliances i.e. (1) First Aid Kit was not available at the slashing team in Coupe 4A; and (2) The monsoon drain at nursery was not fully covered. The <b>Minor NCR MRS 01 2017</b> raised for this Indicator, was valid.</p> <p>The camp management responded and was supposed to provide each gang in the field with first-aid kit by</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p>end of February 2017. The management was unaware of the requirement to cover the monsoon drain. They promised to cover the monsoon drain by end of April, 2017. These corrective actions were accepted by the auditors. The effectiveness of the action taken would be verified during the next surveillance audit <b>(Minor NCR 01)</b>.</p> <p>7. <b>Indicator 4.4.1</b> requires forest plantation managers to evaluate the social impact of forest plantation management operations directly affecting the local communities. The people and groups directly affected by the forest plantation management operations however were not informed or given access on the results of the social impact evaluations. This was discovered when the auditors discussed with 18 villagers in Kg. Punan Bah and 13 villagers in Kg. Punan Biau on 18<sup>th</sup> January, 2017. The <b>Minor NCR LMF01/2017</b> issued was therefore acceptable.</p> <p>The SFC HCV report findings presented with the T.R. and others at the stakeholder meeting in Bintulu did not fulfil the requirement of Indicator 4.4.1. The management would meet the villagers of Kg. Punan Bah and Kg. Punan Biau to brief and discuss on the social impact evaluation which had been conducted. This would be done before 30<sup>th</sup> June 2017. This corrective action was accepted and the effectiveness of the action taken would be verified during the next surveillance audit. <b>(Minor NCR 02)</b></p> <p>8. Related to the above, it is also</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p>required under <b>Indicator 4.4.2</b> for forest plantation planning and management practices to consider and incorporate results under the (socio-impact) evaluations. This was not done. The FPMP (2016–2026) had only stated the basic needs and cultural identity of local communities and it did not describe the local land use and socio-economic conditions of the communities. There was no output of the socio-economic evaluation which therefore had not been incorporated in the FPMP.</p> <p>A <b>Minor NCR LMF 02/2017</b> was correctly issued by the auditor for this non-conformity. The management thought that there was only a very small demand for what might be called purely recreational activities (in the form of hunting) by the villagers and the Lana Reforestation FPMU area was not fundamental in meeting the basic needs for the locals. A Social Impact Assessment as required would be compiled before 31<sup>st</sup> December 2017. This action to be taken was acceptable and its effectiveness would be verified during the next surveillance audit. <b>(Minor NCR 03)</b></p> <p><b>Principle 5: Benefits from the Forest</b></p> <p>9. All the ten (10) indicators under 5 criteria related to forest benefits were verified by the audit team. Except one, all the other indicators were in compliance with the requirements for MC&amp;I (<i>Forest Plantation</i>) V2.</p> <p>10. The non-compliance was on the</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p>



No	Item	Comments	Responses by Auditor
		<p> criterion related to sustainable harvesting rate of forest products (Criterion 5.6) verified for <b>Indicator 5.6.1</b>. The rate of harvest need to be in accordance with the prescribed cutting cycle as in the FPMP. This was not found in the FPMP (Edition 1). A Major <b>NCR KN1/2017 (Major NCR 02)</b> issued by the auditor was therefore correct. </p> <p> The rate of harvest as shown to the auditor in the form of draft Excel file has yet to be finalized as the FPMP was still being prepared. The management had determined and submitted the Sustainable Allowable Annual Cut (SAAC) before 19<sup>th</sup> April 2017. The auditors were satisfied with the actions taken and had verified the evidences of actions taken to address this major NCR. The rate of harvest and prescribed cutting cycle had been defined in the FPMP at 254ha/year for harvesting with an expected volume of 30,472 m<sup>3</sup>/year (120m<sup>3</sup>/ha harvested). The prescribed cutting cycle is 8.9 years. The closing of <b>Major NCR KN1/2017</b> was therefore very much supported. </p> <p> <b>Principle 6: Environmental Impact</b> </p> <p> 11. Environmental impact assessment has been carried out and mitigation measures incorporated in the FPMP of the FPMU. Guidelines were made available on ways to identify and protect endangered, rare and threatened species of flora and fauna; to demarcate and protect natural forest and measures to enhance natural </p>	<p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p>regeneration; control erosion, minimize forest damage during plantation establishment and harvesting. Ecological functions and values were intact and restored, with representative samples of existing ecosystems being protected.</p> <p>12. The management however had failed to ensure that forest plantation workers were aware of the procedures on the use of approved chemicals in forest plantation areas, as verified under <b>Indicator 6.6.2</b>. The auditor found no record on training for the employee in charge on the identification, handling, labelling, transportation, storage and spillage or discharge of scheduled wastes. Issuance of a <b>Minor NCR MRS 02 2017</b> was therefore necessary.</p> <p>The management admitted that there was no formal training for personnel to handle waste at Samling's Segan camp. They would send two personnel for training before 30<sup>th</sup> June, 2017. This corrective action was accepted and would be verified during the next audit. <b>(Minor NCR 04)</b></p> <p><b>Principle 7: Management Plan</b></p> <p>13. The auditor had no comment as the FPMU had complied with all the four (4) criteria under the principle on management plan. However, the public summary of the forest management plan given below could not be retrieved from the given URL:  <a href="http://www.samling.com.my/sic_pubsummary.php">http://www.samling.com.my/sic_pubsummary.php</a>.</p>	<p>Noted.</p> <p>The website can be reached at URL:  <a href="http://www.samling.com/sic_publicsummary.php">http://www.samling.com/sic_publicsummary.php</a></p> <p>More specific URL can be accessed as below;  <a href="http://www.samling.com/doc/Lana%20FPMP%20PUBLIC%20SUMMARY%20%20%20DEC%2016.pdf">http://www.samling.com/doc/Lana%20FPMP%20PUBLIC%20SUMMARY%20%20%20DEC%2016.pdf</a></p>

No	Item	Comments	Responses by Auditor
		<p><b>Principle 8: Monitoring and Assessment</b></p> <p>14. The FPMU had conformed to all (5) except one criterion of Principle 8 on monitoring and assessment of the forest plantation. Two non-conformities under Criterion 8.1 (frequency and intensity of monitoring) were observed as follows:</p> <ul style="list-style-type: none"> <li>• The establishment and monitoring of Permanent Sample Plots (PSP) were not satisfactorily enumerated as verified for <b>Indicator 8.1.1</b>. Observation made on 3 PSPs revealed that 5 trees were missed out and not inventoried; a tree was missed out and not measured; and 7 trees were incorrectly measured.</li> <li>• Suunto Compass and diameter tape (inventory equipment) inspected were found damaged/worn out and not fit for height / diameter measurement. The audit team had therefore correctly issued the minor <b>NCR KN 02/2017</b>.</li> </ul> <p>15 In response, the management gave the PSP crew leader and assistant a 'Show Cause Letter'. Both had resigned before the audit. All field work outputs by them were discarded. New PSP crews would be recruited and equipment be replaced. The effectiveness of these corrective actions would be verified during the next audit. <b>(Minor NCR 05)</b>.</p> <p>16. The auditor had concluded that</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No	Item	Comments	Responses by Auditor
		<p>there was no appropriate socio-economic monitoring procedure on the impacts of forest plantation management operations as requires for <b>Indicator 8.1.2</b> (4<sup>th</sup> verifier). The issuance of the <b>Minor NCR LMF 03/2017</b> was therefore valid.</p> <p>These findings on social impact assessment (SIA) would be addressed upon the completion of the corrective action taken which should be in the form of methodology used in the SIA study document (report). This would be verified during the next audit. <b>(Minor NCR 06)</b></p> <p><b>Principle 9: Maintenance of High Conservation Value Forests</b></p> <p>17. The maintenance and management of HCVFs by the management was carried out according to proper procedures, assessment, documentation and the input of stakeholders. The seven indicators under this principle had been effectively verified.</p> <p><b>Principle 10: Forest Plantation Development and Management</b></p> <p>18. All the 14 indicators under this principle were checked and verified by the auditor. The management had handled the development and management of the FPMU according to criteria set by MTCC.</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p>
4.	Are the conclusions of the findings appropriate?	Yes. The conclusions made were appropriate and based on all the indicators verified.	Noted.

No	Item	Comments	Responses by Auditor
5.	Agreement/Disagreement with the NCRs raised by the Audit Team	Yes. I agree with all the NCRs raised by the audit team.	Noted.
6.	Are the recommendations by the audit team appropriate?	I concur with the audit team decision to close one (1) Major NCR, and the recommendation for Samling Reforestation (Bintulu) Sdn. Bhd – LPF/0006 – Lana Reforestation FPMU be certified against the MC&I Forest Plantation.v2.	Noted.
7.	Areas where additional information is required?	No.	Noted.
8.	Others	LPF/0006 - Lana Reforestation FPMU has undergone a detail auditing process and inspected to the level that allow them to improve in all aspects needed for the sustainable management of the forest plantations. The audit team is acknowledged for making this improvement process possible.	Noted.

### **Peer Reviewer 2**

No.	Item	Comments	Responses by Auditor
1.	Comprehensiveness and quality of reporting	<p>The audit report was comprehensive with good quality reporting.</p> <p>The audit team had reviewed and evaluated the level of compliance and conformance of the current documentation and field practices in forest plantation management of the forest plantations (9,393 ha) at Coupe 1 (part), 2A, 3 (part), 4A (part), 5A (part), 17A, 18A (part) and 19A in part of the LPF/006 – Lana Reforestation PFMU in Belaga, Kapit, Sarawak, against all the Criteria and Indicators of the</p>	Noted.

No.	Item	Comments	Responses by Auditor
		MC&I Forest Plantation. v2.	
2.	Has the audit been conducted objectively and professionally?	<p>The audit has been conducted objectively and professionally.</p> <p>The audit team had spent 4 days doing the auditing including documents review, interviewing and consultations with the stakeholders, management and workers of the FPMU. They had visited the forest plantation areas, buffer zones, HCV areas, nurseries, permanent sampling plots and riparian zones.</p>	Noted.
3.	Has each Principles and Criterion been adequately addressed? Please include comments on each principles and Criterion	<p>Each Principles and Criterion had been adequately addressed.</p> <p>They raised 1 Major NCR, 6 minor NCRs and 1 OFI against the requirements of the MC&amp;I (Forest Plantation)</p> <p><b>Principle 1, Criterion 1.5</b></p> <p><b>OFI against Indicator 1.5.2 –</b> Control of encroachment, illegal harvesting, hunting and settlement, and other unauthorized activities.</p> <p><b>Principle 4, Criterion 4.2</b></p> <p><b>Minor NCR was raised against Indicator 4.2.3 -</b> Appropriately safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the workplace.</p> <p><b>Principle 4, Criterion 4.4</b></p> <p><b>Minor NCR was raised against Indicator 4.4.1 –</b> 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</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No.	Item	Comments	Responses by Auditor
		<p>operations shall have access to information on the results of the social impact evaluations.</p> <p><b>Principle 4, Criterion 4.4</b></p> <p><b>Minor NCR was raised against Indicator 4.4.2</b> – Forest Plantation planning and management practices shall consider and incorporate the results of such evaluations</p> <p><b>Principle 6, Criterion 6.6</b></p> <p><b>Minor NCR was raised against indicator 6.6.2</b> – Forest plantation workers shall be aware of the procedures on the use of approved chemicals in forest plantation areas.</p> <p><b>Principle 8, Criterion 8.1</b></p> <p><b>Minor NCR was raised against Indicator 8.1.1</b> – 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><b>Principle 8, Criterion 8.1</b></p> <p><b>Minor NCR was raised against Indicator 8.1.2</b> – Forest plantation managers shall identify and implement appropriate monitoring procedures, in accordance with scale and intensity of the forest plantation management operations, for assessing social, ecological, environmental and economic impacts.</p>	<p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p>

No.	Item	Comments	Responses by Auditor
		<p><b>Principle 5, Criterion 5.6.1</b></p> <p><b>Major NCR was raised against Indicator 5.6.1</b> - Rate of harvest shall be accordance with prescribed cutting cycles as in the Forest Plantation Management Plan</p> <p>However, there are few things in the report that I want to raised here</p> <p>1. <b>In Criterion 8.1, in Objective evidence,</b></p> <p>The Permanent Sample Plots (PSPs) in the FPMU were inspected during the audit.</p> <p>My comment are as follows:</p> <p>How many PSP's were there, their distribution, the size of each PSP and what is the total size of PSPs for the whole certified areas?</p> <p>3 plots were audited and the auditors reported the establishment and monitoring of Permanent Sample Plots (PSPs) were not satisfactorily enumerated.</p> <p>PSP's are important in monitoring and assessing the health of the planted trees, forest ecosystem and the forest environment, growing stock conditions and increment. Therefore, I would have raised a <b>Major NCR</b> against <b>Indicator 8.1.1</b> instead of giving a <b>Minor NCR</b>.</p>	<p>The PSPs were explained in Indicator 10.4.3. As stated "The Permanent PSPs to monitor forest growth and dynamics were established one for every 5 ha planted. There are now 450 PSPs distributed over the FPMU. New plots were established, usually at two years of age. The PSP plots were measured annually thereafter following strict internally developed measurement protocol. The growth characteristic, performance and management of the selected species for forest plantation establishment were monitored in the PSPs.</p> <p>Agreed with peer reviewer comment. Minor NCR KN02/2017 Indicator 8.1.1 was upgraded to Major NCR KN02/2017.</p>
4.	Are the conclusions of the findings appropriate?	Conclusions of the findings are appropriate and based on the field observations, discussions with the auditees and available documentation.	Noted.
5.	Agreement/Disagreement with the NCRs raised by the Audit Team	I agree with the 1 major NCR, 5 minor NCR and 1 OFI raised by the audit team except 1 minor NCR against Criterion 8.1.	Noted and the minor NCR raised against criterion 8.1 was upgraded to a major NCR.



<b>No.</b>	<b>Item</b>	<b>Comments</b>	<b>Responses by Auditor</b>
6.	Are the recommendations by the audit team appropriate?	Recommendations by the audit team were appropriate.	Noted.
7.	Areas where additional information is required	None.	Noted.
8.	Others	None.	Noted.

**Attachment 5**

**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
1.5.2	OFI 1	<p>During a site inspection, the auditor had found that the boundary pegs for the licensed area were painted in red while the signage for river buffer zones (RBZ) was in blue. However, based on the Bulletin Reforestation (No. GM008/2016; dated 16 November 2016) entitled 'Signboard &amp; Boundary Marking of SMZ and RBZ', the lettering of the signage for special management zones (SMZ) and river buffer zones (RBZ) should be in black with the background in red colour while for block boundaries the lettering would be in blue.</p>	<p>New Instructions had been issued by the General Manager (GM) via Bulletin Reforestation (ref. No. GM001/2017 entitled 'Signboard and Boundary Marking'.</p>	<p>The implementation of the new instructions would be verified during the next surveillance audit.</p>
4.2.3	Minor NCR MRS 01/2017	<p>Appropriate safety and operational equipment were not made available to the forest plantation workers in the work place</p> <p>During site inspection, auditor has found numbers of non-compliance as stated below:</p> <ol style="list-style-type: none"> <li>1. First Aid Kit was not available at the slashing team in Coupe 4A.</li> <li>2. Monsoon Drain at nursery was not fully covered.</li> </ol>	<p>Management was not aware of the need to cover the whole monsoon drain.</p> <ol style="list-style-type: none"> <li>1. Camp management would provide each gang in the field with first-aid kit. All gang would be expected to have their first-aid kit by end of February 2017.</li> <li>2. Where there is nearby foot traffic the monsoon drain</li> </ol>	<p>Corrective action had been reviewed and accepted. The effectiveness of the actions taken would be verified during the next surveillance audit.</p>

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			would be covered by end of April 2017.	
4.4.1	Minor NCR LMF 01/2017	Discussions with 18 villagers in Kg. Punan Bah and 13 villagers in Kg. Punan Biau on 18 January 2017 had shown that they had yet to receive information on the findings of the social impact of the FPMU's forest plantation management operations directly affecting the communities.	<p>Management had assumed that the communication with T.R. and others at the stakeholders' meeting in Bintulu where the findings of the SFC HCV report were presented would fulfil this requirement.</p> <p>Briefings and discussions with the villagers in Kg. Punan Bah and Kg. Punan Biau would be conducted and completed by 30 June 2017.</p>	Corrective action had been reviewed and accepted. The effectiveness of the actions taken would be verified during the next surveillance audit.
4.4.2	Minor NCR LMF 02/2017	<p>Management planning and practices have yet to incorporate the results of a socio-economic evaluation.</p> <p>The FPMP (2016–2026) had merely stated the basic needs and cultural identities of local communities and it had not described the local land use and socio-economic conditions of the indigenous community. It had also not incorporated the results of a socio-economic evaluation.</p>	Section 3.5 - HCV 5 - of the SFC's HCV assessment had addressed these issues. Both the HCV report and FPMP had stated that there was only a very small demand for what might be called purely recreational activities (in the form of hunting) in the certified area, and indeed in the whole LPF. The FPMP, had indicated that "... there is now dependence on the forest products to	Corrective actions taken had been reviewed and accepted. The effectiveness of these actions would be verified during the next surveillance audit.

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			<p>be provided by the certified forest area..., and had further indicated that "... none of the [Lana certified] area is fundamental in meeting the basic needs of the locals". In addition, the certified forest area has no sites of cultural significance.</p> <p>A Social Impact Assessment (SIA) based on and expanding the section on HCV5 in the HCV assessment would be prepared in order to address the concern expressed in the finding (Section 1). This action taken would be completed before 31 December 2017.</p>	
5.6.1	Major NCR KN 01/2017	<p>The rate of harvest and prescribed cutting cycle has yet to be determined in the FPMP.</p> <p>The rate of harvest or the Sustainable Allowable Annual Cut (SAAC) and prescribed cutting cycle for LPF/0006 Lana Reforestation FPMU has yet to be determined in the FPMP.</p>	<p>The rate of harvest and prescribed cutting cycle had been defined in the FPMP- <i>Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006)</i>.</p> <p>The SAAC Calculation for Lana (LPF/0006) had projected 254 ha/year for harvesting and an expected volume of</p>	<p>The corrective actions taken by the FPMU had been reviewed, accepted and verified. This major NCR had therefore been closed out.</p>

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			30,472 m <sup>3</sup> /year, which was only 120 m <sup>3</sup> /ha harvested. The prescribed cutting cycle would be in 8.9 years.	
6.6.2	Minor NCR MRS 02/2017	<p>Scheduled wastes were sent to Samling Segan's camp from where they were disposed by a registered contractor. There has been no formal training for personnel to handle this waste.</p> <p>Training record of person in charge in the identification, handling, labelling, transportation, storage and spillage or discharge of scheduled wastes was not available during the audit.</p>	Two personnel from the Lana Reforestation FPMU would be trained. The management of the FPMU would send the names of candidates to the Headquarters office of the FPMU (HSE Dept). The training would be conducted before 30 June 2017.	Corrective action had been reviewed and accepted. The effectiveness of the action taken would be verified during the next surveillance audit.
8.1.1	<p>Major NCR KN 02/2017</p> <p>This was previously a minor NCR but was upgraded to a major after the audit team had considered the comments received from one of the peer reviewers.</p>	<p>The establishment and monitoring of Permanent Sample Plots (PSPs) had not been satisfactorily enumerated.</p> <p>During site inspections on the following PSPs, it was found that:</p> <ul style="list-style-type: none"> <li>• PSP No.01 at Coupe 05A – five (5) trees were missed out and had not been inventoried;</li> <li>• PSP No.02 at Coupe 05A – one (1) tree was missed out and had not been inventoried; and</li> <li>• PSP No05 at Coupe</li> </ul>	[a] As the previous PSP crew leader and the assistant had resigned before the conduct of this audit, following the issuance of a 'Show Cause letter', Lana Reforestation PFMU had recruited a new PSP crew as shown in the records of Logbook for April 2017 and Aubrey Logbook for April 2017, and also pictures of Offer Letter and Check roll.	The audit team had reviewed, accepted and verified the corrective actions taken by the PFMU to address this major NCR and had therefore closed it out.

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		<p>04A – seven (7) trees had been incorrectly measured.</p> <p>The inventory equipment such as a Suunto Compass was damaged and a diameter tape had been worn out and cannot be used for inventory activities.</p>	<p>[b] Except for those PSPs which had been checked all field work by the previous crew had been discarded.</p> <p>[c] The damaged and worn out inventory equipment had been replaced with a new DBH tape, Suunto Compass including Garmin GPS.</p>	
8.1.2	Minor NCR LMF 03/2017	There has yet to be appropriate monitoring procedures for assessing social and economic impacts of the FPMU's forestry operations.	This would be addressed in the SIA which would be completed before 31 December 2017.	Corrective action had been accepted and the effectiveness of the action taken would be verified during the next surveillance audit.