



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT REPORT (2018) ON
LANA REFORESTATION FPMU
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00116
Date of First Certification: 12 May 2017
Audit Date: 27 - 29 March 2018
Date of Public Summary: 6 September 2018**

Certification Body:

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

TABLE OF CONTENTS

	Page No.
1. EXECUTIVE SUMMARY	3
2. INTRODUCTION	4
2.1 Name of Lana Reforestation FPMU	4
2.2 Contact Person and Address	4
2.3 General Background on the Lana Reforestation FPMU	5
2.4 Date First Certified	5
2.5 Location of the FPMU	5
2.6 Forest Management System	5
2.7 Annual Allowable Cut/ Annual Harvest Under the Forest Management Plan	5
2.8 Environmental and Socioeconomic Context	5
 3 AUDIT PROCESS	 6
3.1 Audit Dates	6
3.2 Audit Team	6
3.3 Standard Used	6
3.4 Stakeholder Consultations	6
3.5 Audit Process	6
 4. SUMMARY OF AUDIT FINDINGS	 7
 Attachments	
1 Map of Lana Reforestation FPMU	14
2 Details of the Auditors and their Qualifications	15
3 Surveillance 1 Audit Plan	18
4 Surveillance 1 Audit (2018) Findings and Corrective Action Taken	20
Corrective Actions Taken	
5 Verification on Previous Stage 2 Audit (2017) Findings and Action Taken	24

EXECUTIVE SUMMARY

The Surveillance 1 audit for forest management certification on the Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU was conducted from 27-29 March 2018. This audit was conducted after the FPMU being certified for MC&I Forest Plantation.v2 standard using the verifiers stipulated for Sarawak during the Stage 2 audit from 17-19 January 2017 and also the Stage 1 audit from 2-3 August 2016.

The audit was conducted with the full cooperation of the Samling Reforestation (Bintulu) Sdn. Bhd. by two-member team comprising Mohd Razman Salim (Lead Auditor) and Dr. Lim Hin Fui.

The Forest Plantation Management Unit (FPMU) managed by Samling Reforestation (Bintulu) Sdn. Bhd. covers an area of 9,393 ha, which is part of the 81,900 ha of LPF/0006 - Lana Reforestation areas. The scope of the audit was limited to the forest plantation management system and practices of the Plantation Forest area within the Belaga, Kapit, Sarawak. The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the Sarawak Forestry Department and relevant indigenous settlements near to FPMU

In general, the findings of this Surveillance 1 audit have indicated that the LPF/0006 - Lana Reforestation FPMU had complied with most of the requirements of the MC&I Forest Plantation.v2 despite the issuance of total two (2) Major Non-Conformance Report (NCRs) on the LPF/0006 - Lana Reforestation FPMU, against the requirements of the MC&I Forest Plantation.v2.

During the Surveillance 1 audit, audit team had also verified on the implementation and correctives action taken by the LPF/0006 - Lana Reforestation FPMU for 2 Major and 5 Minor Non-Conformance Report (NCRs) including 1 Opportunities for Improvement (OFI) as raised during Stage 2 audit.

The Audit Team Leader after consultation with team members recommends that certification of Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU against the MC&I Forest Plantation.v2 to continue to be certified conditional upon acceptance of corrective action plans and evidence of implementation for 2 Major NCRs within three (3) months from the date of the Surveillance 1 Audit.

The FPMU had submitted proposed corrective action plans and evidence of implementation to address the NCRs raised during the Surveillance 1 Audit via email on 26 April 2018 and 20 June 2018 which has been accepted by the audit team leader. The evidences of corrective action taken for both Major NCRs have been accepted and closed on 22 June 2018.

2 INTRODUCTION

2.1 Name of FMU

Samling Reforestation (Bintulu) Sdn Bhd - Lana Reforestation FPMU

2.2 Contact Person and Address

Muhammad Syazwan Bin Abdullah
Plantation Manager
Wisma Samling, Lot 296, Jalan Temenggong Datuk Oyong Lawai Jau,
98000 Miri, Sarawak
Phone : 011-1405 7908 (Lana Refor Camp)
E-mail: syazwanaa@samling.com

2.3 General Background on the Lana Reforestation FPMU

Samling Reforestation (Bintulu) Sdn. Bhd. has signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8th December 1998 – 7th December 2058 with a total area of 81,900 ha to establish and maintain a planted forest in the LPF/0006 - Lana for a period of 60 years in accordance with the **Forests (Planted Forests) Rules 1997**.

The certified Forest Plantation Management Unit (FPMU) managed by Samling Reforestation (Bintulu) Sdn. Bhd. covers an area of 9,393 ha, which is part of the 81,900 ha of LPF/0006 - Lana areas in the Belaga, Kapit, Sarawak. Other compartments that not listed in the table were not certified due to conversion after year 2010 as compliance of indicator 6.10.1 in MC&I Forest Plantation.v2. The certified forest plantation area only covers limited areas as in Table 1 below:

Table 1: Areas covered in the audit

Forest Plantation Management Unit	Audit Scope	Area
LPF/0006 Lana Reforestation FPMU	Main Office of Samling Reforestation (Bintulu) Sdn Bhd	Wisma Samling, Lot 296, Jalan Temenggong Datuk Oyong Lawai Jau, 98000 Miri, Sarawak
	LPF/0006 Lana Reforestation	Coupe 1 (part), 2A, 3 (part), 4A (part), 5A (part), 17A, 18A (part) and 19A
	Settlement within FPMU	No settlement
	Village adjacent/near to the FPMU	1. Kg Punan Bah (40km from FPMU, about 2 hours travelling form Lana Camp) 2. Kg. Punan Biau (30 minutes, travelling by road from Kg. Punan Bah) 3. Kg. Punan Sama (40 minutes, travelling by river from Kg. Punan Biau)

For the certified area, the FPMU has classified ITP productive area (planted, plantable and potential area which cleared before 31 Dec 2010) and non-productive area such as conservation area, buffer zone, gully & steep, road line, etc. The area covered by both productive and non-productive area as in Table 2 below:

Table 2: Classification of productive and non-productive area in the certified area as at July 2016

Certified area classification	Area (ha)
ITP Productive area (planted, plantable and potential area which cleared before 31 Dec 2010)	6,442
Non-Productive area (conservation area, buffer zone, gully & steep, road line, etc)	2,951
Gross area	9,393

However for uncertified area of 72,507 ha, there are unplanted area, conservation area, gully area, steep area (> 35°), rocky area, oil palm plantation area and local community villages.

The plantation was started in June 2007. To date, fast growing quality timber species with *Acacia mangium* (57%), *Eucalyptus pellita* (27%) *Falcataria moluccana* (9%) and *Gmelina arborea* (5%) had been selected for the planting programs. Harvesting rotation of 8 to 12 years is planned to ensure efficient timber production as compared to natural forest harvesting. With tree planted area of 50% of the total area, the forest operations involved activities such as slashing, pruning, herbicide spraying and tree planting.

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

2.4 Date First Certified

12 May 2017

2.5 Location of the FPMU

The certified FPMU is located at the Nanga Merit area in the Nanga Merit Sub-district and Belaga District of Kapit Division at approximately latitudes 2° 25' 0" N to 2° 35' 0" N and longitudes 113° 10' 0" E to 113° 30' 0" E. The area is bordering with Bah-Sama Protected Forest and also adjacent to Batang Rajang which is about 30km to south east of FPMU.

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 State government. A Forest Plantation Management Plan (FPMP) 1st December 2016 to 30th November 2026, edition 1 was presented during this audit.

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

The Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006) had projected volume of 62,600 m³/year. The prescribed cutting cycle will be in 10-12 years.

2.8 Environmental and Socioeconomic Context

The EIA report for the FPMU titled 'Environmental Impact Assessment Report for the Lana Forest Plantation (LPF/0006) in Nanga Merit-Punan Bah Area, Kapit Division, Sarawak prepared in January 2003 as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994 had been examined during the audit. Measures to mitigate environmental impacts caused by harvesting activities identified in the EIA study had been incorporated in the FPMP. The mitigation measures as recommended in the Environmental Monitoring Report (EMR) and the EIA Report had been implemented. The report has concluded that no major impact to the environment.

Locals practice farming or smallholders (oil palm) or some working for forest plantation and oil palm companies in the region. Hill padi and fruit tree cultivation meets household subsistence needs and also generate income for households. Hunting was less important compared to the past. Fishing was conducted in the river. Villagers also collected non-timber forest products (rattan, bamboo, food, handicraft materials) from the nearby forests. A total of 32 locals were employed by the forest managers, of which 11 (34%) were from Kg. Punan Bah. Protection of burial sites and Kelirieng was carried out by forest managers with cooperation of villagers. The report also elaborated on formation of CRC and community development project.

A total of 1,855 ha Shifting Agriculture (SA) area outside the MTCS certified area (9,393 ha) but within LPF/006 area (81,900 ha) were allocated by Samling for use by the residents of Kg. Punan Bah. The SA areas were mapped in Plantation Base Map of LPF/006 Lana Reforestation titled

'Map A LPF/0006 Lana Reforestation' dated 20 May 2018. The LPF does not affect the NCR land which any native has prior to the issue of the licence, lawfully acquired under the Land Code.

3. AUDIT PROCESS

3.1 Audit Dates

27 - 29 March 2018

3.2 Audit Team

1. Mohd Razman Salim (Lead Auditor)

2. Dr. Lim Hin Fui

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 Management Certification MC&I Forest Plantation.v2 standard using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A stakeholder notification was issued in February 2018 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 Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU during the period.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Surveillance 1 audit. Details of the consultation with the stakeholders are showed in the audit plan as well as in the Surveillance 1 audit report in Principles 2, 3 and 4.

3.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the FPMU, current documentation, Standard Operating Procedures (SOPs) and field practices in forest management with the detailed of the listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sabah, Malaysia.

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 level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity (NCR) (minor or major) or opportunities for improvement (OFI).

An NCR raised during the audit and categorized by the audit team as either major or minor or is defined 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 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

The FPMU shall respond in writing to SIRIM QAS International within one months 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.

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 but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

4. SUMMARY OF AUDIT FINDINGS

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

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	<p>The FPMU maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest plantation management. Copies of all relevant laws, policies and regulations stipulated in the MC&I Forest Plantation.v2 fundamental for the FPMU management were available in the meeting room, Lana Camp office.</p> <p>Forest managers are aware and/or knowledgeable of the applicable federal, state and local laws, as well as the regulatory framework for forest management.</p> <p>Lana FPMU has not violated any law and therefore no compound or penalty imposed by the relevant authorities.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Lana Camp Office.</p> <p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise.</p>	There was no negative findings
Principle 2 Tenure and Use Rights and Responsibilities	Documentation of legal status, and established forest use rights of the land or forest resources was kept as evidenced from the availability of legal Documents such as The Constitution of the state of Sarawak, Land Code 1958 (Cap 81), Natives Court Ordinance 1992, Natives Customs (Declaration) 1996, Sarawak Cultural Heritage Ordinance 1993, Adat Iban 1993,	There is land claim dispute of substantial magnitude involving a significant number of interests. The land dispute was brought to Sibu Civil Court (Civil Suit No. SBW-22NCvC-2/2-2015) by three plaintiffs (Punan from Kg. Punan Bah) with Samling Reforestation (Bintulu) Sdn Bhd as one of the nine defendants.

Principle	Strengths	Weaknesses
	<p>Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87).</p> <p>The original villagers in the region belong to the indigenous Punan community (SIA Report 2017). Punan Bah (175 households) is the only Punan village located outside the non-MTCS certified area but within LPF/0006. While two other Punan villages namely Punan Biau (60 households), and Punan Sama (60 households) are located outside the non-MTCS certified area and outside LPF/0006 area. The MTCS certified FPMU area (9,393 ha) are currently claimed by indigenous people in Kg. Punan Bah and civil court case is currently on-going</p> <p>The manager supported the legal mechanism process to settle the issue by giving explanation in court. Samling's lawyers expect judgement be made in early April 2018. The Licensee also will exclude areas under genuine NCR claims as stated in the EIA Report.</p> <p>Records of consultations held with the indigenous local community was available. CRC meeting minutes dated 15 November 2017 discussed the protection of traditionally used and sites of significance, outside MTCS certified area but in SA area within LPF/0006 area, involving burial ground and cultural sites at Sungai Ayoh, Sungai Bah, Sungai Punan and Sungai Sematai. It was recorded that the sites were gazetted as cultural/customary sites by Jabatan Muzium Sarawak. The consultation was confirmed during local consultation with 34 villagers in Kg. Punan Bah on 28 March 2018.</p>	<p>The Trial for this Civil Suit commenced 23-25 May 2016 and continued on 13-15 July 2016, 24-28 October 2016 and 9-11 November 2016.</p> <p>According to the leader who brought the matter to court, a total of 43,000 ha (of which about 37,000 ha from Lana FPMU area) was claimed by the Punan community in Punan Bah.</p> <p>Assessment consultation with 34 villagers (comprising 26 males and 8 females), in Kg. Punan Bah on 28 March 2018 might indicate that there could be a substantial number of villagers representing the Punan community (173 households) in supporting the land claim of a large area via the court process.</p> <p>Hence a Major NCR LHF01/2018 for Indicator 2.3.1 was raised.</p>
Principle 3 Indigenous People's Rights	<p>Documentation of the customary rights of indigenous peoples' lands was available. A total of 1,855 ha Shifting Agriculture (SA) area outside the MTCS certified area (9,393 ha) but within LPF/006 area (81,900 ha) were allocated by Samling for use by the residents of Kg. Punan Bah.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>CRC is the mechanism to resolve any conflict and grievance. This committee includes seven representatives from the Kg. Punan Bah, comprising Tuai Rumah (village head), 2 women, and four villagers.</p> <p>The forest managers also took action to protect their burial ground and <i>kelirieng</i>. The forest management practices thus do not threaten or diminish, either directly or indirectly, their resources or tenure rights.</p> <p>Procedures for identifying and protecting sites of cultural, ecological, economic or religious significance to IP and provisions for rights of access to these sites were available</p> <p>The FPMU managers did not make use indigenous traditional forest-related knowledge and practices in forest plantation operations. As a result, a specific mechanism and compensation for the commercial utilization of traditional knowledge is not established.</p>	
Principle 4 Community Relations and Workers' Rights	<p>Available employment of indigenous peoples' records (January 2017) showed that out of a total of 130 employees in Lana Reforestation, 14 villagers (11%) from Kg. Punan Bah were employed in Lana Reforestation Project.</p> <p>Management policies addressing the occupational safety and health of forest plantation workers and their families with current legislation and/or regulations entitled 'Health, Safety (HSE) and Environment Policy dated 1 April 2016' were placed on notice board at the Lana Camp office, quarters, workshops and clinic.</p> <p>Occupational Safety and Health (OSH) officer had been appointed for the plantation. As required by the Occupational Safety and Health Act 1994 a Health and Safety Committee had been established.</p> <p>Provisions and measures taken to prevent loss or damage affecting the</p>	<p>Majority of villagers in Kg. Punan Bah have yet to have access to information on the results of the social impact evaluations.</p> <ol style="list-style-type: none"> 1) The briefing minutes on findings on the SIA Report was presented only to three representatives (village head and two villagers) of Kg. Punan Bah during the Social Impact Assessment Briefing 2017 held in Lana camp office on 15 November 2017. 2) Assessment local consultation with 34 villagers in Kg. Punan Bah on 28 March 2018 showed that villagers were aware of data collection in 2017 but they did not know the outcome of the findings. <p>Due to recurrence of the same issue as raised during Stage 2 Audit - Minor NCR LMF02/2017, audit team has agreed to upgrade this</p>

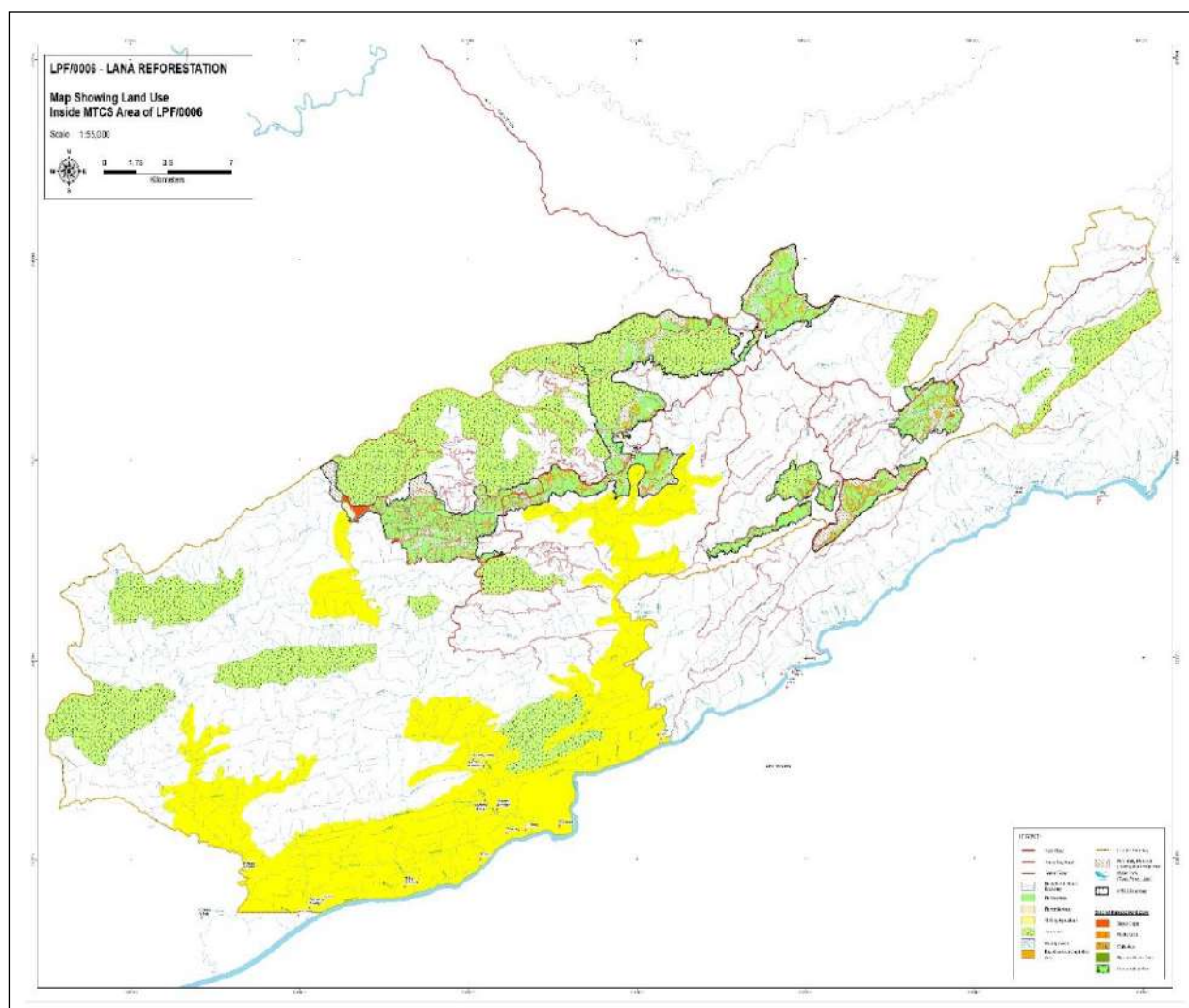
Principle	Strengths	Weaknesses
	local peoples' legal or customary rights, property, resources, or their livelihoods were documented in Guidelines on Conflict Resolution 2013. The guidelines address conflict occurrence with local communities due to impact of forest plantation development.	non-conformity to Major NCR LHF02/2018 for Indicator 4.4.1.
Principle 5 Benefits from the Forest	<p>The investments and reinvestments forest plantation management plan including for forest plantation administration, research (R&D), human resource development, environmental (operation) and social aspects (native compensation) can be seen in Camp Administrative Budget 2017/2018 was presented during the assessment.</p> <p>The FPMU has established and implemented guidelines for reduced/low impact logging to minimise damage to other forest resources and wastage.</p> <p>Special Management Zones (SMZ) with protected residual forest, which would contribute towards a protective function for soil and water, had been established. Procedures to identifying and demarcating sensitive areas for the protection of soil and water, by SFC (PR003) in the forest plantation areas was verified.</p>	There were no negative findings
Principle 6 Environmental Impact	<p>The EIA report for the FPMU titled 'Environmental Impact Assessment Report for the Lana Forest Plantation (LPF/0006) in Nanga Merit-Punan Bah Area, Kapit Division, Sarawak prepared in January 2003 as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994 had been examined during the audit.</p> <p>Assessment of environmental impacts are carried out, including the potential impacts on rare, threatened and endangered species of flora and fauna, and the need for biological corridors in forest plantation areas as reported in the EIA in Section 3.2 Biological Environment.</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>The FPMU has followed and implement a conservation guidelines titled 'Guidelines for the Conservation of Genetic, Species and Ecosystem Diversity' and 'Guidelines for Biological Corridors and Buffer Zone for Wildlife' as guidelines to demarcate and protect natural forests, and measures to enhance natural regeneration, where necessary, in forest plantation areas. Harvesting was not permitted in these designated protection areas.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner.</p> <p>8 exotic species (<i>Acacia hybrid</i>, <i>Acacia mangium</i>, <i>Eucalyptus pellita</i>, <i>Gmelina arborea</i>, <i>Khaya ivorensis</i>, <i>Melia dubia</i>, <i>Pinus caribea</i> and <i>Swietenia macrophylla</i>) were planted within the FPMU and list of all the species was presented in the Forest Plantation Management Plan. Establishment and silvicultural regimes were included in the management plan including careful monitoring of these species to avoid adverse ecological impacts.</p>	
Principle 7 Management Plan	<p>The Forest Plantation Management Plan for the MTCS Area within LANA LPF/0006 for period 1st December 2016 to 30th November 2026, edition 1, was made available during the audit.</p> <p>Trainings of forest plantation workers on their roles in the implementation of the forest plantation management plan were done through briefings conducted during the tool box briefing and regular on job training.</p>	There were no negative findings
Principle 8 Monitoring and Assessment	<p>The FPMU has established permanent sample plots (PSPs) to monitor growth characteristic, performance and management of the selected species for forest plantation.</p> <p>The FPMU has conducted environmental monitoring as verified through Environmental Monitoring Report (EMR) by quarterly (i) 4th Quarter 2017 (Oct – Dec 2017), 3rd</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>Quarter 2017 (July to September), 2nd Quarter 2017 (Apr – June 2017) & 1st Quarter 2017 (Jan – Mar 2017).</p> <p>Forest plantation managers will incorporate the results and findings of the monitoring activities such as from Permanent Sample Plot (PSP), social assessment and HCV monitoring into the implementation and revision of the forest plantation management plan during midterm review in 2021.</p>	
Principle 9 Maintenance of High Conservation Values	<p>The identification and management of High Conservation Value Forests Guidelines for LPF/0006 Lana Reforestation had been completed. The assessment report titled 'High Conservation Value (HCV) Assessment FMC area within Lana Reforestation LPF/0006, Sarawak' was presented.</p> <p>All HCVF area identified in the FPMU area as reported in the HCVF assessment report had been mapped titled 'Plantation Base Map of LPF/0006 Lana Reforestation' dated 14th March 2018 and 'Year of Planting (YOP) base map of LPF/0006 Lana Reforestation' dated 14th March 2018.</p> <p>The FPMU has established a monitoring procedures for HCV area titled 'Common Guidelines for the Management & Monitoring of High Conservation Values' to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas.</p>	There were no negative findings
Principle 10 Forest Plantation Development and Management	<p>Management objectives had been included in the forest plantation management plan. The forest management objective was originally for the economic production of logs for supply to Samling downstream.</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. The research unit of the FPMU had established a monitoring programme for pests and diseases in the plantation.</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>The FPMU has continuously assessed alternative species to achieve the species diversity necessary to mitigate risk from pest and disease attack.</p> <p>Exotic species were planted within the FPMU and a list of all the species was presented in the Forest Plantation Management Plan.</p> <p>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 were made available in the FPMP.</p> <p>Records of application of fertilizers in forest plantation establishment and development such as Multicote, Organic Agrobien & NPK Fertiliser was verified in Store Issue Voucher. The usage of chemical pesticides such as Agritox, Bencide, Dithane & Captan was verified in Nursery Production Report</p>	

Map of Lana Reforestation FPMU (LPF/0006)



Details of the Auditors and their Qualification

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Mohd Razman Salim	Audit Team Leader / Forester	<p>Academic Qualification:</p> <p>B.Sc. of Forestry (Forest Production), Universiti Putra Malaysia.</p> <p>Work Experience:</p> <p>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:</p> <p>Was attending and pass in the following training programmes:</p> <p>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.</p> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>
Dr. Lim Hin Fui	Auditor / workers' & community issues and related legal issues	<p>Academic Qualification:</p> <p>Dr. Lim Hin Fui is a Senior Research Officer (Sociologist) at Forest Research Institute of Malaysia, (FRIM). He graduated in 1983 with a B.A. Honours in Anthropology and Sociology from</p>

		<p>the 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>Training / Research Areas:</p> <p>Evaluation of Perak State FMU against the Malaysian Criteria, Indicators, Activities and Standards of Performance (MC&I) for Forest Management Certification (Forest Management Unit Level), Peninsular Malaysia (Malaysia-The Netherlands Ad-Hoc Working Group) - [conducted by SGS (Malaysia) Sdn Berhad 2001]</p> <p>Member of the audit team to field test the Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] in the Perak State FMU, 1-6 March 2004.</p> <p>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.</p> <p>Member of the audit team in the assessment of Pahang Forest Management Unit (FMU) against the MC&I (2002) conducted by SGS (Malaysia) Sdn Bhd, 17-21 April and 24-25 April 2006.</p> <p>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.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the MC&I (2002) conducted by SIRIM QAS International 12-16 November 2007.</p> <p>Member of the audit team in the assessment of the Selangor FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 7-11 January 2008.</p> <p>Member of the audit team in the assessment of the Terengganu State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 23-27 March 2008.</p> <p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 2-5 September 2008.</p>
--	--	---

		<p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 11-15 May 2009.</p> <p>Member of the audit team in the assessment of the Johor State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 22-26 June 2009.</p> <p>Member of the audit team in the assessment of the Negeri Sembilan State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SIRIM QAS International, 27-31 July 2009.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SIRIM QAS International, 26 October-2 November 2009.</p>
--	--	---

Surveillance 1 Audit Plan

DAY	TIME	PROGRAM	
		AUDITOR 1 Razman	AUDITOR 2 Dr. Lim Hin Fui
Day 0 Monday (26/03/2018)		<ul style="list-style-type: none"> All auditors travel from KLIA to Bintulu (MH2742; 0825 - 1045) Stakeholders consultation with Sarawak Forestry Department Bintulu (SFD) & Sarawak Forestry Corporation (SFC) All auditors travel to Lana Base Camp Briefing by Audit Team Leader on the surveillance 1 audit plan 	
Day 1 Tuesday (27/03/2018)	8.30 am – 12.30 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU on progress of forest activities Q&A Session Evaluation of changes to the management of the FPMU Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance Check on complaints, stakeholder comments and follow-up actions with Government agencies and NGOs Check on verification for closing NCRs raised during the previous audit Evaluate on internal audit and management review 	
	2.00 – 5.00 pm	Documentation and records review <ul style="list-style-type: none"> Principle 4 - Community Relations and Worker's Right (Criterion 4.2) Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 7 – Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value Forests Principle 10 – Forest Plantation Development and Management 	Documentation and records review <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 Worker's Right (Criterion 4.1, 4.3, 4.4 & 4.5)
		<ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader 	

Day 2 Wednesday (28/03/2018)	8.00 am – 5.00 pm	Site visit <ul style="list-style-type: none"> • PSP Plots – Coupe 4A • Inspection of harvesting and replanting area – Coupe 2A • Inspection of FPMU's boundary – Coupe 2A • HCVF area (residual forest sites and riparian buffer belts) • Interview with field workers at operating area • Verification on CoC process 	Site visit & consultations <ul style="list-style-type: none"> • Consultation with local communities and others significant local communities on land claim issue - Kg. Punan Bah
		<ul style="list-style-type: none"> • Review of Day 2 Findings by Audit Team Leader 	
Day 3 Thursday (29/03/2018)	8.00 am – 12.00 pm	<ul style="list-style-type: none"> • Nursery • Clinic • Workshop • Scheduled waste store 	<ul style="list-style-type: none"> • Interview with field workers (local and foreign workers) • Interview with union representatives
	2.00 – 5.00 pm	<ul style="list-style-type: none"> • Documentation and records review • Preparation of audit report and finding • Closing Meeting 	
	5.30 pm	<ul style="list-style-type: none"> • Travel to Bintulu • Stay at New World Suites Hotel, Bintulu 	
Friday (30/03/2018)		<ul style="list-style-type: none"> • Travel from Bintulu to KLIA (MH2743; 1120 - 1325) 	

Surveillance 1 Audit (2018) Findings and Corrective Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 2.3.1 NCR: LHF01/ 2018	Major	<p>Criterion 2.3 – Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. <u>Disputes of substantial magnitude involving a significant number of interests</u> will normally disqualify an operation from being certified.</p> <p>Indicator 2.3.1 - Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights.</p> <p>Findings: There is land claim dispute of <u>substantial magnitude involving a significant number of interests.</u></p> <p>Objective evidence:</p>	<p>Root cause:</p> <ol style="list-style-type: none"> 1. The present claim of 43,000ha that gave rise to the dispute is spurious. The area of alleged Native Customary Rights (NCR) that was surveyed jointly by the claimant & Samling in 2007 is only 1,855ha. This alleged <u>NCR area is not within the MTCS</u> (certified) area, as is clearly shown in the attached Map A. NB The alleged NCR area represents only 2.3% of the FPMU's total area. Furthermore, although <i>within</i> the FPMU's licence boundary the NCR land does not form <i>part</i> of the licence area that is available to be planted by the licensee. 2. It should be noted that landmark Federal court case of TR Sandah & others, given in December 2016, decided that <i>pemakai menoa & pulau galau are not recognized</i> as NCR in law. 3. The spurious claim is supported by only a <i>section</i> of the Punan Bah community (para. 4 Section 1) and <u>not by the whole community</u> (para. 3 of Section 1). 	<p>Audit team has received and reviewed corrective action plans and evidences on 26 April 2018.</p> <p>The court case on land claim issue is still in process since May 2016 with seven hearings and the last hearing was 27-29 March 2017. The court judgement was due on 6 April 2018 but has been adjourned. And no replacement date had been given. The audit team will follow up this issue until final decision from court.</p> <p>The FPMU has allocated 1,855 ha as a shifting agriculture area (SA) which located outside the MTCS certified area (9,393 ha) but within LPF/006 area (81,900 ha) for use by the residents of Kg. Punan Bah.</p> <p>The FPMU also has established a Communities Relation Committee (CRC) as the mechanism to enable actions to be taken to prevent loss or damage affecting the local peoples' legal or customary rights, property, resources, or their livelihoods. This CRC committee includes seven representatives from the Kg. Punan Bah, comprising Tuai Rumah (village head), 2 women, and four villagers.</p>

		<p>1) The land dispute was brought to Sibu Civil Court (Civil Suit No. SBW-22NCvC-2/2-2015) by three plaintiffs (Punan from Kg. Punan Bah) with Samling Reforestation (Bintulu) Sdn Bhd as one of the nine defendants.</p> <p>2) The Trial for this Civil Suit commenced 23-25 May 2016 and continued on 13-15 July 2016, 24-28 October 2016 and 9-11 November 2016.</p> <p>3) According to the leader who brought the matter to court, a total of 43,000 ha (of which about 37,000 ha from Lana FPMU area) was claimed by the Punan community in Punan Bah.</p> <p>4) Assessment consultation with 34 villagers (comprising 26 males and 8 females), in Kg. Punan Bah on 28 March 2018 might indicate that there could be a substantial number of villagers representing the Punan community (173 households) in supporting the land claim of a large area via the court process.</p>	<p>4. An appropriate mechanism for furthering the process of resolving the dispute has been employed in that the claim, despite its spurious nature, was brought to trial.</p> <p>5. The appropriate mechanism of the court has been in process since May 2016 with the last hearing being 27-29 March 2017. (The trial dates as listed above are incomplete: there were seven hearings.) Judgment was due on 6 April 2018 but has been adjourned. No replacement date had been given by the time this response was prepared.</p> <p>6. It is surely a reasonable assumption that the criteria of the MC&I are to be applied in the audit process in a manner which is fair and just to all parties concerned. In the Lana case there is spurious claim. An appropriate mechanism has been followed and the High Court's judgment is now awaited. Given that the court's judgment is still pending there is no avenue open to Samling to respond with a corrective action. However, SIRIM has a time frame for a response. Failure to comply with this time frame leads to suspension, and ultimately to termination, of the current certified status. This cannot be construed as either fair or just. Samling is being threatened with 'punishment'</p>	<p>Meeting minutes of CRC dated 29 June and 15 November 2017 did not record any loss or damage affecting the local peoples' legal or customary rights, property, resources, or livelihood of Kg. Punan Bah. Latest meeting with the Kg. Punan Bah villages was on 6 June 2018 and attended by 32 villagers.</p> <p>Status: Audit team has closed this NCR due to pending decision from the court on this land claim issue which was expected court judgement on 6 April 2018. However, the audit team will follow up this issue until final decision from court either it will affected the certification or not.</p>
--	--	--	---	--

			<p>without having been pronounced guilty!</p> <p>Corrective action plan: There is an appropriate mechanism in place for resolving the dispute. This must be given the necessary time to work and for a final judgment to be announced by the court. We request therefore that the status of the certification remains unchanged until the final judgment is made following which the certification status would be reviewed.</p>	
<p>Indicator 4.4.1</p> <p>NCR: LHF02/2018</p>	<p>Major (Upgraded from Minor to Major)</p>	<p>Indicator 4.4.1 – Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and <u>the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations.</u></p> <p>Finding: Majority of villagers in Kg. Punan Bah have yet to have access to information on the results of the social impact evaluations.</p>	<p>Root cause: 1) The objective evidence is substantially correct. 2) The root cause was an acute sensitivity on the part of Lana LPF management to the matter of the land claim. This resulted in the LPF manager being very cautious when discussing the land claim with the kampong people in general and so the briefings on the findings were presented only to three representatives (the village head and two villagers) of Kg. Punan Bah.</p> <p>Corrective action plan: 1) The Lana LPF manager will disseminate the findings of the SIA report by means of briefings in Punan Bah.</p>	<p>Audit team has received and verified the briefing report of the Social Impact Assessment report to 32 villagers from Kg. Punan Bah by Lana Reforestation Plantation Manager on 6 June 2018. The attendance list and photo of briefing at Kg. Punan Bah was verified.</p> <p>Status: Closed.</p>

		<p>Objective evidence:</p> <p>1) The briefing minutes on findings on the SIA Report was presented only to three representatives (village head and two villagers) of Kg. Punan Bah during the Social Impact Assessment Briefing 2017 held in Lana camp office on 15 November 2017.</p> <p>2) Assessment local consultation with 34 villagers in Kg. Punan Bah on 28 March 2018 showed that villagers were aware of data collection in 2017 but they did not know the outcome of the findings.</p> <p>3) The Minor NCR (LMF01/2017) raised during the Stage 2 audit in 2017 is now upgraded to Major NCR.</p>	<p>2) The meetings will be documented and attendance lists will be prepared.</p>	
--	--	--	--	--

Verification on Previous Stage 2 Audit (2017) Findings and Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 4.2.3 NCR: MRS01/2017	Minor Area/Location: Slashing team/Workshop	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the work place.</p> <p>Appropriate safety and operational equipment was not made available to 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"> 1. First Aid Kit was not available at the slashing team in Coupe 4A. 2. Monsoon Drain at nursery was not fully covered 	<p>Management was not aware of the need to cover the whole monsoon drain.</p> <ol style="list-style-type: none"> 1. Camp management will provide each gang in the field with first-aid kit. All gang is expecting to have their first-aid kit by end of February 2017. 2. Where there is nearby foot traffic the monsoon drain will be covered by end of April 2017. 	<p>As verified during this Surveillance 1 Audit, First Aid Kit was made available at all visited area such as harvesting area, nursery, workshop and scheduled waste store. And drain at nursery was fully covered.</p> <p>Status: Closed</p>
Indicator 4.4.1 NCR: LMF01/2017	Minor Area/Location: SIA	<p>Indicator 4.4.1 – Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations.</p> <p>The people and groups directly affected by the forest plantation management</p>	<p>Management had assumed that communication with the T.R. and others at the stakeholder meeting in Bintulu where the SFC HCV report findings were presented would fulfill this requirement.</p> <p>Briefing and discussion with Punan Bah and Punan Biau villagers are to be conducted. Expected completion date 30th June 2017.</p>	<p>Majority of villagers in Kg. Punan Bah have yet to have access to information on the results of the social impact evaluations.</p> <ol style="list-style-type: none"> 1) The briefing minutes on findings on the SIA Report was presented only to three representatives (village head and two villagers) of Kg. Punan Bah during the Social Impact Assessment Briefing 2017 held

		<p>operations have yet to have access to information on the results of the social impact evaluations.</p> <p>Audit discussion with 18 villagers in Kg. Punan Bah and 13 villagers of Kg. Punan Biau on 18 January 2017 showed that they have yet to receive information on the findings of the social impact of forest plantation management operations directly affecting the communities.</p>		<p>in Lana camp office on 15 November 2017.</p> <p>2) Assessment local consultation with 34 villagers in Kg. Punan Bah on 28 March 2018 showed that villagers were aware of data collection in 2017 but they did not know the outcome of the findings.</p> <p>Status: Due to recurrence of the same issue as raised during Stage 2 Audit - Minor NCR LMF02/2017, audit team has agreed to upgrade this non-conformity to Major NCR LHF02/2018 for Indicator 4.4.1.</p>
<p>Indicator 4.4.2</p> <p>NCR: LMF02/2017</p>	<p>Minor</p> <p>Area/Location:</p> <p>HCV</p>	<p>Indicator 4.4.2 - Forest plantation planning and management practices shall consider and incorporate the results of such (socio-impact) evaluations.</p> <p>Management planning and practices have yet to incorporate the results of socio-economic evaluation.</p> <p>The FMP (2016–2026) merely stated basic needs and cultural identity of local communities and it does not describe local land use and socio-economic conditions of indigenous community. It also does not incorporate the results of socio-economic evaluation.</p>	<p>Section 3.5 - HCV 5 - of SFC's HCV assessment addresses the above issues. Both the HCV report & the FPMP state that there is only a very small demand for what might be called purely recreational activities (in the form of hunting) in the MTCS area, & indeed from the whole LPF. The FPMP, quoting the HCV assessment, states that "... there is now dependence on the forest products provided by the MTCS area..."; and further, that "... none of the [Lana MTCS] area is fundamental in meeting basic needs for the locals...". And finally, the MTCS area has no sites of cultural significance..."</p>	<p>The FPMU has described local land use and socio economic conditions of indigenous community and also the results of socio-economic evaluation in the SIA report and FMP (2016-2026). These issues included water supply for local community, land claim and utilization, employment/training/health & safety of workers, management planning and practices.</p> <p>Status: Closed</p>

			An SIA (Social Impact Assessment) based on, and expanding, the HCV5 section in the HCV assessment, will be compiled in order to address the concern expressed in Finding (Section 1). Expected completion date is before 31 st December 2017.	
Indicator 5.6.1 NCR: KN01/2017	Major Area/Location: FPMP	<p>Indicator 5.6.1 - Rate of harvest shall be in accordance with the prescribed cutting cycle as in the Forest Plantation Management Plan.</p> <p>The rate of harvest and prescribed cutting cycle has yet to be determine in the Forest Plantation Management Plan.</p> <p>The rate of harvest (SAAC) and prescribed cutting cycle for LPF/0006 Lana Reforestation FPMU has yet to be determine in the Forest Plantation Management Plan, 1st December 2016 to 30th November 2026, Edition 1</p>	<p>The rate of harvest had been determined in draft Excel format and was shown and discussed with the auditor during the course of the audit but [a] harvesting is not due to start until later in 2017 and the rate - the SAAC - had not yet been finalised at the time of preparing the FPMP and so [b], it, the SAAC, was not stated in the FPMP.</p> <p>Determine and submit an SAAC. Before 19 April 2017</p>	<p>The rate of harvest and prescribed cutting cycle were defined in the Forest Plantation Management Plan - <i>Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006)</i>.</p> <p>The rate of harvest and prescribed cutting cycle were defined in the Forest Plantation Management Plan - <i>Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006)</i>. The Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006) had projected volume of 62,600 m³/year. The prescribed cutting cycle will be in 10-12 years.</p> <p>Status: Closed</p>
Indicator 6.6.2 NCR: MRS02/2017	Minor Area/Location: Nursery	<p>Indicator 6.6.2 - Forest plantation workers shall be aware of the procedures on the use of approved chemicals in forest plantation areas.</p> <ul style="list-style-type: none"> Conduct of training - Regulation 15, Environmental Quality (Scheduled Wastes) Regulations 2005. <p>No record of training for employee who handle scheduled waste</p>	<p>Scheduled wastes are sent down to Samling's Segan camp from where disposal by registered contractor is arranged. There has been no formal training for personnel to handle this waste.</p> <p>Two personnel from Lana refo camp will be trained. Camp management will send candidates name to HQ</p>	<p>Hands on trainings on the use of chemical handling and proper usage of chemicals was conducted on 16 March 2018 in Lana nursery. Training on scheduled waste management also has been conducted from 27-28 July 2017 on the identification, handling, labelling, transportation, storage and spillage or discharge of scheduled wastes as</p>

		Training records of person in charge involved in the identification, handling, labelling, transportation, storage and spillage or discharge of scheduled wastes was not available during the audit.	(HSE Dept). Expected completion date is before 30 th June 2017.	required by Regulation 15, Environmental Quality (Scheduled Wastes) Regulations 2005. Status: Closed
Indicator 8.1.1 NCR: KN02/ 2017	Major Area/Location: PSP This finding was upgraded from Minor NCR to Major NCR after Sirim QAS received a comment from peer review on 24 th April 2017.	<p>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>The establishment and monitoring of Permanent Sample Plots were not satisfactorily enumerated.</p> <p>During the site inspection of Permanent Sample Plots, it was found;</p> <ul style="list-style-type: none"> • PSP No.01 at Coupe 05A – five (5) trees were miss out and not inventoried • PSP No.02 at Coupe 05A – one (1) tree was miss out and not inventoried • PSP No.05 at Coupe 04A – seven (7) trees were incorrectly measured <p>The inventory equipment of Suunto Compass was damaged and diameter tape was worn out and not usable for inventory activities.</p>	<p>Below standard workmanship and supervision.</p> <p>[a] The PSP crew leader and the assistant had resigned, before the audit, following issue of a 'Show Cause letter'. New crew to be recruited.</p> <p>[b] Except for those PSPs which had been checked all field work by this crew has been discarded.</p> <p>[c] Equipment to be replaced: new DBH tape was already on site – but not taken by the worker accompanying the auditor</p>	<p>Currently, there are 159 plots distributed over the FPMU. The PSP plots will be measured annually – diameter and height. Auditor has verified the three (3) Permanent Sample Plot (PSPs) #Plot 1, #Plot 3 & #Plot 4 in Coupe 2 during the audit. All marked and measured trees in the PSP were inventoried as per SOP.</p> <p>The FPMU also has bought new inventory equipment such as Suunto Compass and diameter tape for inventory team. And auditor has verified during field visit that the inventory team has used the new inventory equipment.</p> <p>Status: Closed</p>

Indicator 8.1.2 NCR: LMF03/2017	Minor Area/Location: SIA	<p>Indicator 8.1.2 - Forest plantation managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest plantation management operations, for assessing social, ecological, environmental and economic impacts.</p> <p>There is yet to be appropriate monitoring procedures for assessing social and economic impacts.</p> <p>Audit showed that there are no appropriate socio-economic monitoring procedures on the impacts of forest plantation management operations.</p>	<p>An HCV assessment was conducted by SFC. The major positive impact of the plantation operation on the local population is identified is the quite substantial provision of employment. The road access provided from Punan Bah to the road that leads to Bintulu also has a significant and positive impact on the lives & well being of the local people.</p> <p>The Finding will be addressed in the above mentioned SIA which will be completed before 31 December 2017.</p>	<p>The FPMU has established a procedure for assessing social, ecological, environmental and economic impacts titled 'Procedures to Monitor Social, Ecological, Environmental and Economic Impacts'.</p> <p>Status: Closed</p>
Indicator 1.5.2 OFI: 1	OFI Area/Location:	<p><u>Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</u></p> <p>During the site inspection, auditor has found that boundary pegs for licensed area was painted with red colour, meanwhile the signage for river buffer zones (RBZ) was in blue colour. However, based on Bulletin Reforestation (No.: GM008/2016; Date: 16 November 2016) titled 'Signboard & boundary marking 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. And blue paint is used for SMZ and block boundaries.</p>	<p>Instruction was issued out by refo GM via Bulletin Reforestation (ref. No: GM001/2017) entitled Signboard and Boundary Marking. Rectification work is in progress.</p>	<p>During site inspection at river buffer in the harvesting area in Coupe 2A, auditor has found that buffer zone pegs was colored with blue paint and signage for river buffer zones (RBZ) was erected. The paint color and signage have followed the revised Bulletin Reforestation (No.: GM018/2017; Date: 23 November 2017) titled 'Signboard & Boundary Marking'.</p> <p>Status: Closed</p>