



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT (1ST CYCLE) ON
MASAMA FPMU (LPF 0019)
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 0003
Date of First Certification: 12 August 2016
Audit Date: 18-20 July 2017
Date of Public Summary: 6 August 2018**

Certification Body:

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EXECUTIVE SUMMARY

The Surveillance 1 audit for forest management certification on the Shin Yang Forestry Sdn. Bhd. - Masama FPMU LPF/0019 was conducted from 18-20 July 2017. 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 6-10 July 2015.

The audit was conducted with the full cooperation of the Shin Yang Forestry Sdn. Bhd. by two-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor) and Ismail Adnan Abdul Malek.

The Standard used was *MC&I (Forest Plantation) V 2* and the scope of audit was the Management of Forest Plantation Management Unit (FPMU) in the Licensed Planted Forest LPF/0019 – Masama. Tatau District, Bintulu (11,946 ha) covering Coupes 1 to 5 only. The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the relevant indigenous settlements near to FPMU.

In general, the findings of this Surveillance 1 audit have indicated that the LPF/0019- Masama FPMU had complied with most of the requirements of the MC&I Forest Plantation.v2 despite the issuance of total two (5) Major Non-Conformance Report (NCRs) on the LPF/0019 - Masama 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/0019 - Masama FPMU for 5 Major and 15 Minor Non-Conformance Report (NCRs).

The Audit Team Leader after consultation with team members recommends that certification of Shin Yang Forestry Sdn. Bhd. LPF/0019 - Masama 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 5 Major NCRs within three (3) months from the date of the Surveillance 1 Audit.

Masama FPMU had submitted a proposed corrective action plans to address the NCRs raised during the audit by via email on 22nd August 2017 which has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCR was received on 27th January 2018, and has been accepted and closed on 29th January 2018.

2 INTRODUCTION

2.1 Name of FMU

Shin Yang Forestry Sdn. Bhd.- Masama FPMU (LPF 0019)

2.2 Contact Person and Address

Mr. Wong Kiing Hing
Forest Manager
Address: Shin Yang Forestry Sdn. Bhd.
Lot 515, Jalan Datuk Edward Jeli,
Piasau Industrial Estate,
98000 Miri, Sarawak

2.3 General Background on the Lana Reforestation FPMU

The FPMU is under Licensed Planted Forest (LPF) 0019 which is valid from 19 November 1999 to 18 November 2059. The whole FPMU covers an area of 25,730 ha and it is divided into 10 coupes. For the purpose of this certification, only the first five coupes covering an area of 11,946 ha that were cleared for planting prior to December 2010 including 1,979ha under protection within Coupe 5 were audited. The Standard used was *MC&I (Forest Plantation) V 2* and the scope of audit was the Management of Forest Plantation Management Unit (FPMU) in the Licensed Planted Forest LPF/0019 – Masama. Tatau District, Bintulu (11,946 ha) covering Coupes 1 to 5 only.

Masama Forest Plantation Management Unit (FPMU) is part of Masama Estate which had been granted a Licence for Planted Forest LPF/0019 and is managed by Shin Yang Forestry Sdn. Bhd. (SYF) commencing from 19 November 1999 to 18 November 2059. Currently, Masama FPMU covered only 11,946 ha from Coupe 1 until Coupe 5 from the total area of Masama Estate. Out of 11,946 ha, only 8,421 ha could be considered for planting. This forest plantation area was covered mainly by logged over hill mixed Dipterocarp forest.

A large portion of the forest plantation area could be subjected to NCR claims because of shifting cultivation by 21 local communities within or along the boundary of the forest plantation and several longhouses located along the main rivers. Much of the cultivated sites or temuda at Masama (Tatau Area) were found to be along the river as well as along logging roads because both provided means of transport for the local people to access the interior areas and cleared for hill padi farming. Most of these settlements had existed for many years and the settlement people had cultivated the land near to their respective settlement for hill padi and other annual crops. The Forest Plantation Management Plan Version 2 1st April 2015 to 31st December 2025 approved on 1st April 2015 by Executive Director was made available. As the forest area had been severely harvested the FPMU management had decided to plant medium-sized fast-growing trees with mix of tree species both exotic and indigenous species with an average cropping cycle of 7-10 years or more.

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

2.4 Date First Certified

12 August 2016

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 Masama FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. Masama FPMU rev.005 January 2017 – January 2027 approved on 1st January 2017 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 Masama (LPF/0019) had projected volume of 62,600 m³/year. The prescribed cutting cycle will be in 10-12 years.

2.8 Environmental and Socioeconomic Context

An EIA report Environmental Impact Assessment Report for the Proposed Selangau-Tatau Forest Plantation Located in Mukal and Tatau had been completed in July 2000. The EIA report had indicated an absence of endangered, rare and threatened species of flora and fauna within the plantation area owing to the intensity of logging conducted. The FPMP had incorporated measures to mitigate environmental impacts. The FPMU is operating in the area prescribed by the *License for Planted Forests no. LPF/0019* with specified conditions. However, within the licensed area, the management had excluded areas used as Shifting Agriculture (SA) by local communities from the forest plantation activities. In addition, local communities were allowed to manage areas important to them (such as areas of cultural significance, water catchment and areas with specific importance. During consultation with the local communities (Rumah Medan, Rumah Dilang, Rumah Nyaton and Rumah Wan), it was informed that there was no objection from the management of the FPMU for local communities to access their traditional use land.

3. AUDIT PROCESS

3.1 Audit Dates

18-20 July 2017

3.2 Audit Team

1. Khairul Najwan Ahmad Jahari (Lead Auditor)
2. Ismail Adnan Abdul Malek

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 18 June 2017 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There was comment received from the stakeholders on LPF/0019 Masama during the period.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Stage 2. Details of the consultation with the stakeholders are showed in the audit plan as well as in the 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 Sarawak, 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 Surveillance Audit the Masama 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 Masama FPMU 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>There was no negative findings</p>

Principle	Strengths	Weaknesses
	<p>Masama FPMU has not violated any law and therefore no compound or penalty imposed by the relevant authorities.</p> <p>Policies or statements of commitment to forest plantation management practices consistent with the <i>MC & I (Forest Plantation) Version 2</i> Principles and Criteria were available in the Forest Plantation Management Plan. The statements are also publicly available from the website (url: www.shinyang.com.my/plantation).</p>	
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>The rights for forest use by the Masama FPMU were provided in the <i>License for Planted Forests License no. LPF/0019</i> issued to Shin Yang Forestry Sdn Bhd (19th November 1999 to 18th November 2059).</p> <p>The FPMU management supports legally recognized mechanisms for resolving land claims. This was evidenced by the FPMU excluding areas of Shifting Agricultural (SA) used by the local communities from its planting, harvesting and development activities.</p> <p>A Masama FMU Liaison Committee Member Organization structure was available and presented in the Forest Plantation Management Plan. The Liaison Committee had engaged with local communities as evidenced by the minutes from the meetings with longhouses communities.(Rumah Nyaton, Rumah Sempurai,, Rumah Wan, Rumah Mancha, Rumah Anai, , Rumah Enteri.)</p>	<p>There were no negative findings</p>
<p>Principle 3 Indigenous People's Rights</p>	<p>The area of customary use land for the use of the local communities had been excluded from FPMU activities. These areas were under the control of the respective long houses located within/vicinity of the FPMU. Consultations had been conducted by the Liaison Committee team to discuss land and other issues including HCV and Wildlife.</p> <p>Traditional forest-related knowledge and practices of the indigenous people was not used in Masama PFMU forest operations.</p> <p>Procedures for identifying and protecting such sites and provisions for rights of access to special cultural, ecological, economic or religious significance to indigenous peoples</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>were available as in “<i>Procedure for Monitor Social, Ecological, Environmental and Economic Impacts</i>” (SYF/MC&I/P.05). The “<i>WWF: HCVF Toolkit for Malaysia</i>” was also used for identifying and protecting sites of Special Cultural, Ecological Economic/Religious importance to indigenous people.</p>	
<p>Principle 4 Community Relations and Workers’ Rights</p>	<p>Masama FMU had provided support for training, retraining, local infrastructure, facilities and social programs in forest plantation management operations</p> <p>Qualified people in the surrounding communities were given preference with employment opportunities whenever possible. Advertisement on employment opportunities and information of job openings had been distributed to local longhouses within the FPMU.</p>	<p>A procedure on mechanism to resolve grievances involving loss or damage affecting the local people’s legal or customary rights, property, resources, or their livelihoods entitled “<i>Mechanism to Resolve Local Communities Issues</i>” was available.</p> <p>However, during consultation with Tuai Rumah (Headman) and villagers in Rh. Nyaton, Rh. Wan and Rh. Medan, the feedback received was that there was no follow up action on grievances and requests discussed from the last FMU Liaison Committee/Local communities meeting hence, the flowchart of processes in the SOP was not fully implemented. Hence a Major NCR (IAAM(SY) 01/2017) is raised</p>
<p>Principle 5 Benefits from the Forest</p>	<p>The harvesting process conducted by the LPF/0019 – Masama FPMU was in accordance to the SOP <i>Reduced Impact Logging (RIL) Harvesting Operation rev 2</i>, dated 6.6.2015. The harvesting operations prescribed measures to protect soil from compaction and erosion and reduced wastage. Site inspection of Block 5, 14, and 11 in Coupe 5 and Block 3, 4, 8 and 9 in Coupe 1 found the harvesting operation was following the SOP. The skid trails were found to be on minimal soil blading.</p> <p>Management had followed the guidelines for establishing representative conservation and protection areas such as buffer zone along the common river with the Procedures for Identify and Demarcate Sensitive Areas for the Protection of Soil and Water 1999. In addition, the Procedure and Guidelines for Identification, Demarcation, Mapping and Conservation, rev 2.0, Dated 23.11.2016 were made available.</p>	<p>The annual operating and development budget was documented in the <i>Annual Work Plan & Budget for Year 2017</i> which was inspected during the audit. Investments and reinvestments were allocated for administrative, nursery, planting, block maintenance, research and development (R&D), harvesting, conservation, social community with revenue from harvested logs. However, the annual operating and development budget in the Forest Plantation Management Plan for LPF/0019: Masama FPMU, Rev.005, January 2017 – January 2027 (FPMP) were not available. Thus, Minor NCR KN01/2017 on Indicator 5.1.1 was raised.</p>

Principle	Strengths	Weaknesses
		<p>During visit to Coupe 1, it was found there no harvesting in Block 1 and in Block 8, 9, 10, there were no planting activities. These were not in accordance to harvesting and planting schedules documented in the Forest Plantation Management Plan for LPF 0019 (2017 – 2027). This is confirmed by Tree Planting Report for year 2015, 2016 and 2017. The management did not maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability. The management activities not following schedule in Forest Plantation Management Plan. Thus, Major NCR KN02/2017 indicator 5.1.2 was raised</p>
<p>Principle 6 Environmental Impact</p>	<p>An EIA report <i>Environmental Impact Assessment Report for the Proposed Selangau-Tatau Forest Plantation Located in Mukal and Tatau</i> had been completed in July 2000. This report had considered on-site impacts as well as at landscape level. This report was submitted and approved by Natural Resources and Environmental Board (NREB).</p> <p>Posters on the protection of plants and wildlife were displayed at junctions of main roads. Lists and posters of protected species of flora and fauna were also displayed at the Pahlawan camp and the Makop nursery. Promotion of awareness of endangered, rare and threatened species to the local communities had been planned for this year.</p> <p>There were guidelines on the implementation to maintain, enhance and restore the natural forest for genetic biodiversity, regeneration and natural cycle of forest ecosystem. These included guidelines for protection of natural forest Guidelines for Identification and Management of Protection Area Rev no 01 and. Guidelines for the Conservation of Genetic, Species and Ecological Diversity 1 April 2015 were made available during the audit. Protected sites included Terrain IV, water catchment, stream bank forest reserve which could also serve as wildlife corridors. Out of the 11,946 ha for certification, only 8,421 ha had</p>	<p>During site visit to Block 11, Coupe 2, it was found the planting area was encroached and planted with Paddy and Oil Palm seedling, and it was recorded by Monitoring Team since 15 April 2017. However, there is no any measures to prevent unauthorized activities taken by the FPMU. Therefore, Minor NCR KN03/2017 on indicator 6.2.4 was raised</p> <p>The guidelines for forest road layout and construction, including log landings and drainage requirements as stated in Procedure and Guidelines for Road Layout, Construction and Maintenance, rev 1, dated 6.6.2015 was verified. However, the Harvesting Plan for Compartment BT2, approved on 24.10.2012 by Sarawak Forestry Corporation (SFC) was provided with black and white Photostat copies with A4 size. Thus, it will give negative impact on the implementation due to unclear coupe layout, road network, boundaries, conservation areas, etc. Therefore, Minor NCR KN04/2017 on Indicator 6.5.2 was raised.</p>

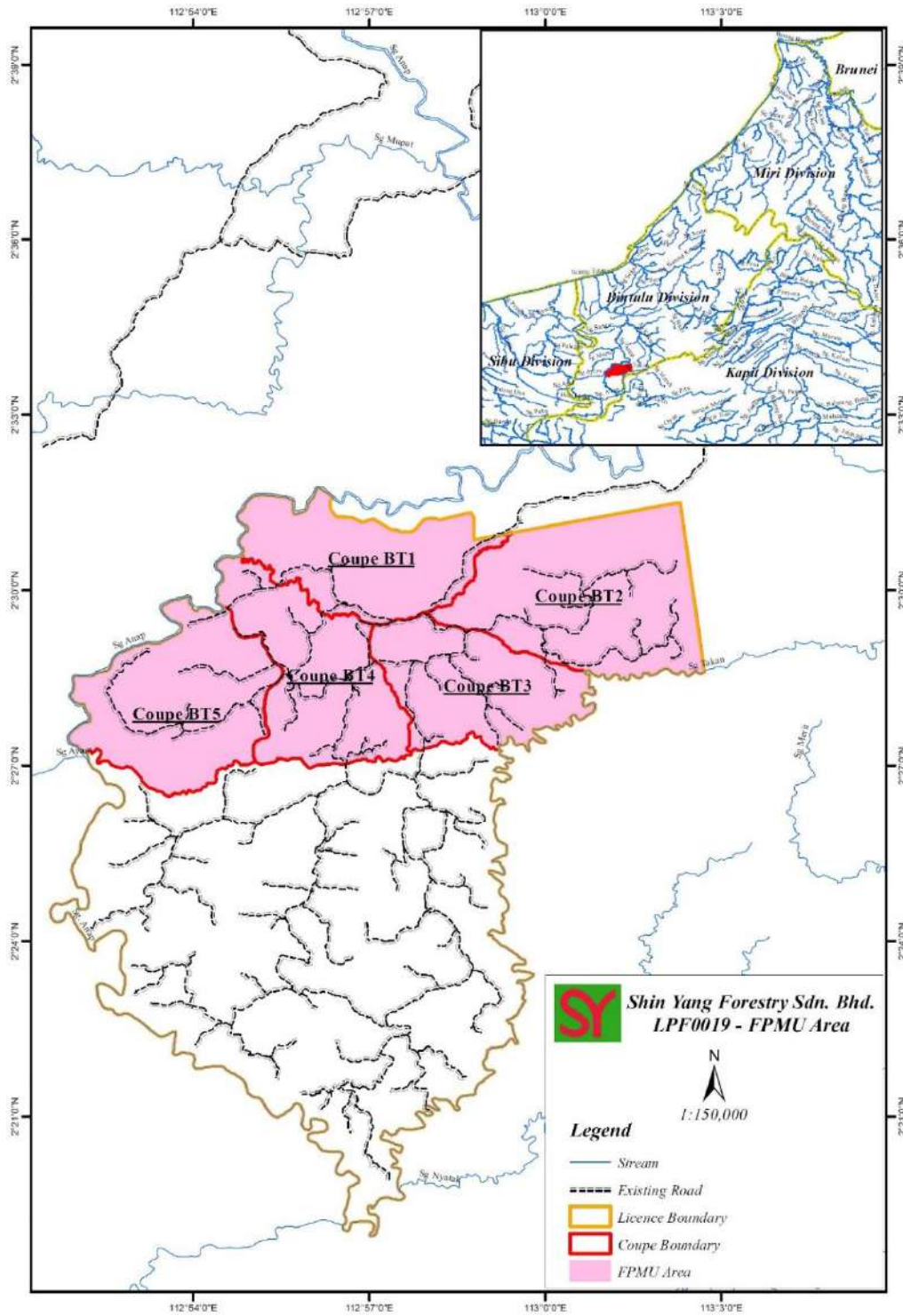
Principle	Strengths	Weaknesses
	<p>been established with plantation trees leaving 3,525 ha for protection. The protected areas included Terrain IV, buffer belts, wildlife corridor and Shifting Agriculture Area</p>	<p>The Procedure and Guideline for Identification, Demarcation, Mapping and Conservation ver. 2 dated 23.11.2016 (SYF/MC&I/P.06) was verified during the audit. The buffer zone inspected were marked with green paint and no activities shall have permitted within the area.</p> <p>However, during the site inspection at;</p> <ul style="list-style-type: none"> • Block 5, Coupe 2, it was found the skid trail was encroaching the buffer zones. The tree debris also was pushed into buffer zone along the boundaries. The marking trees were also disturbed. • Block 6, Coupe 2 found no sediment traps installed at the newly constructed bridge. The soil also was pushed into the waterways. • Makop Nursery at Block 7, Coupe 4 found the waterways was blocked by concrete dam and the buffer zone mark along the waterways was not evident <p>Therefore, Major NCR KN05/2017 on Indicator 6.5.3 was raised.</p>
<p>Principle 7 Management Plan</p>	<p>Periodic review had been prescribed in the Forest Plantation Management Plan chapter 3.9 – Amendment/revision of Management Plan and scheduled on every 5 years, depending to the results of monitoring, major policy changes, new information and changes in downstream planning or requirements.</p> <p>A summary of the primary elements of the forest management plan was made available to the public in the web page <i>shinyang.com.my</i>. All the items listed in Criterion 7.1. were included. These included (b) Information on description of the forest resources (c), description of silvicultural (d) rationale for rate of annual harvest and species selection were available.</p> <p>As the public summary in the company web</p>	<p>In review of the Forest Plantation Management Plan for LPF/0019: MASAMA FPMU Rev.005 (January 2017 – January 2027) during the audit, it was found;</p> <ul style="list-style-type: none"> • All maps provided were small (inappropriate scale) and not updated. • Map on slopes of more than 35 degrees (Terrain IV) was not available. • There is no map on planned management activities on; <ul style="list-style-type: none"> ○ Planting schedule ○ Harvesting schedule <p>Maps for the forest resource base including protected areas, planned</p>

Principle	Strengths	Weaknesses
	<p>page www.shinyang.com.my did cover all the primary elements of the forest plantation management plan a Minor NCR KN2/2015 was closed.</p>	<p>management activities and land ownership were not updated, therefore Major NCR IAAM02/2017 on Indicator 7.1.1 was raised</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>Documented that PSPs be established in LPF 0019 to monitor the health and growth conditions of the plantations. To-date, ten PSPs had been established with additional seven PSPs established after the Stage I audit. The size of each plot was 30m by 30m.</p> <p>A SOP on the process of controlling the movement of logs from the plantation to the gate according to the Chain of Custody (CoC) process had been developed. and available at Masama FPMU. The “CoC” process flowchart in the SOP was presented to the audit team. Since relevant documentation and mechanism on the transportation of the forest products from the plantation forest to the logpond/mills were available and verified, the Minor NCR EC 3/2015 raised during last audit is therefore closed.</p> <p>The revised Forest Plantation Management Plan for Masama Revision 5 had incorporated the latest findings of monitoring activities. Periodic review had been prescribed in the Forest Plantation Management Plan to update the Plan with result of obtained through monitoring.</p>	<p>During the audit, Standard Operating Procedure (SOP) describing tasks and procedures to monitor social, ecological, environmental and economic impacts from FMU operations and monitoring reports were not available. Thus, Minor NCR IAAM03/2017 Indicator 8.1.2 was raised.</p> <p>The forest plantation manager had gathered information as specified in Criterion 8.2. However, the monitoring on the items (d) Environmental and social impacts of harvesting and other operations as listed in Criterion 8.2. was not available, which is monitoring on social impacts of harvesting and other operations at Coupe 1 and Coupe 2 were not conducted. Therefore, Minor NCR KN06/2017 Indicator 8.2.1 was raised</p>
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>A report on the assessment of High Conservation Value Area Assessment in Shin Yang Masama Tree Plantation Coupe 1-5 of LPF 0019 (T4212) Tatau, Bintulu, Sarawak, Dated October 2015 within the FPMU using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia had been presented during the audit. Records of consultations with relevant stakeholders and experts were also available. Therefore, Major NCR KN 3/2015 was closed.</p> <p>The minutes of the consultative meeting with stakeholders held on 11 November 2015 was presented. The list of stakeholders had also been revised to include Malaysian Nature Society, UPM, Forest Department and the local communities. Thus, Major NCR KN04/2015 was closed.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>The Plan had included in Chapter 11 Identification and Management of High Conservation Value (HCV) Area. The section included map showing the HCV sites and demarcation on ground was inspected. Management and monitoring of HCV areas were also presented in that chapter. The Major NCR KN6/2015 was therefore closed.</p> <p>The revised publicly available summary of the FPMP https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html has included measures of HCV plan and verified during the audit. Major NCR KN 7/2015 closed</p> <p>Relevant results and findings of HCV monitoring activities had been incorporated into the revision of the Forest Plantation Management Plan on the yearly basis as indicated in Chapter 3.8 (amendment or revision) of FPMP. Hence, a Major NCR KN8/2015 was closed</p>	
<p>Principle 10 Forest Plantation Development and Management</p>	<p>Planting records verified showed that almost 60,100 seedlings were planted in Coupes BT8 and BT6 (both non-certified areas) involving 54.63 hectares.</p> <p>Masama FPMU management had established relevant guidelines and SOPs i.e. (1) “Instruksi Kerja – Penyediaan Tempat Tanam” (SYPB/EMS/WI/FIE.01)’, (2) Reduced Impact Logging Operation (SYF/MC&I/P.12) and (3) Guideline for Road Layout Construction and Maintenance (SYF/MC&I/P.07). to protect soil from compaction and erosion in forest plantation establishment. The Environment Management Reports (EMR) for 4th Quarter 2016 for LPF0019 from Ecosol Consultancy Sdn. Bhd was also verified. Apart from water quality, other environmental parameters including biodiversity and protected areas, socio economic and domestic waste management were also reported. The results of water quality analysis at LPF0019 showing Class II B rivers were within acceptable limit.</p> <p>Environmental monitoring requirements of the DOE which include water quality, impacts of plantation establishment, socio economic and conditions at the base camps were done at quarterly interval. The monitoring reports for</p>	<p>During the audit and visit to harvesting area in Coupe 1, Block 4 and Block 8, the map of planting pattern and locations for the planted area was found not updated. Similarly, demarcation of protected area was also not updated. This was a Minor NCR KN9/20 Indicator 10.2.2 raised in the last audit, hence, upgraded to a Major NCR (IAAM04/ 2017) in this audit.</p>

Principle	Strengths	Weaknesses
	<p>2016 carried out by Ecosol Consultancy Sdn Bhd were inspected. These documents were submitted to NREB by Masama FPMU on schedule. A Liaison Committee team had also been established to consult with the different longhouses located within and bordering the plantation area to discuss social and environmental issues affected by forest plantation establishment. These monitoring plans were included in the Annual Work Plan & Budget for 2017 for LPF 0019. FPMU.</p> <p>Collaborative studies between Shin Yang Sdn Bhd and SFC relevant to LPF 0019 were also verified. They include Pruning and Thinning studies for <i>Eucalyptus pellita</i> and <i>Falcataria moluccana</i> (verified from SFC dated 11th July 2017) and Thinning study (verified from SFC email dated 6th June 2017). The independent study conducted by Shin Yang Sdn Bhd was "A Site Fertilizer Planting Study "on 4th March 2017.</p>	

Map of Licence Planted Forest LPF/0019 - Masama



Details of the Auditors and their Qualification

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate a research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate 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, since 2009. Involved in conducting assessments on forest management certification (MC&I and FSC P&C), MYNI of RSPO P&C and other management system on ISO 9001, 14001 and OHSAS 1800</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 (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
Ismail Adnan	Auditor/ Forester	<p>Academic Qualification: Master of Forestry, University of British Columbia, Canada</p> <p>Work Experience: One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management</p>

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

DAY	TIME	PROGRAM	
		(AUDITOR 1)	AUDITOR (2)
Day 0	12:00-19:30	All Auditors travelling from KLIA to Bintulu on 17 th July 2017 Flight MH 2742, ETD-08:25, ETA-10:45 Travel to Masama Camp site Briefing by Audit Team Leader on the audit plan	
Day 1 18.7.17	8.00 am – 8.45 am	<ul style="list-style-type: none"> • Opening Meeting with representatives of FPMU • Briefing session by Forest Manager of the FPMU • Q&A Session • Follow up on findings from Stage 2 Audit <ul style="list-style-type: none"> • Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> ○ Local Communities ○ Government agencies ○ NGOs • Evaluate on internal audit and management review 	
	9.00 am – 12.00pm	<ul style="list-style-type: none"> • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. • Boundaries of FPMU with SA • Inspection of active harvesting at Coupe 2, block 5 • Tree planting/maintenance activities Coupe 2, block 11 • Encroachment area at Coupe 2, block 11 • PSP#1 at block 11, Coupe 2 • Buffer Zone at Coupe 2 • External/license boundaries • Coupe boundaries 	
	1.00 pm - 5.30 pm	Site visit <ul style="list-style-type: none"> • Makop Nursery at Coupe 4 • Buffer zone • Post harvesting Coupe 1, block 3. • Land Dispute Area at Block 4, 5, and 8, Coupe 1 • Coupe boundaries 	Site visit <ul style="list-style-type: none"> • Consultation with Aborigines Settlement of Rh Nyatun, Rh. Dilang, Rh Medan and Rh. Wan
Day 2 19.7.17	8.30 am – 12.00 pm	Documentation and records review Principle 5 – Benefits from the forest*	Documentation and records review Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities

	1.30 pm – 5.00pm	Principle 6 – Environmental Impact* Principle 7 – Management Plan*	Principle 3 – Indigenous Peoples’ Right Principle 4 - Community Relations and Worker’s Right Site visit Log Pond at Sg Mina (Camp B)
		<ul style="list-style-type: none"> Review of Day 2 Findings by Audit Team Leader *Blackout due to Generator set breakdown	
Day 4 20.7.17	8.30 am – 1.00 pm	<ul style="list-style-type: none"> Documentation and records review Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV) Principle 10 – Forest Plantation Development and Management	
	2.00pm-3.00 pm	<ul style="list-style-type: none"> Preparation of audit report and finding Briefing to representatives of FMU on the findings of audit Closing Meeting and presentation of findings of audit and discussion on follow-up activities 	
	4.00pm	Adjourn Closing Meeting <ul style="list-style-type: none"> Travel back to Bintulu, check-in at New World Hotel. 	
All Auditors travel back to Kuala Lumpur on 21 st July 2017, Flight MH2743, ETD-11:20, ETA-13:25			

Surveillance Audit Findings and Corrective Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Minor NCR KN01/2017	<p>Indicator 5.1.1 - Investments and reinvestments shall be made in forest plantation management, including for forest plantation administration, research, human resource development, environmental and social aspects consistent with the tenure of the forest plantation areas.</p> <p>The investments and reinvestments were not made available in forest plantation management plan</p> <p>There is no annual operating and development budget in the Forest Plantation Management Plan for LPF/0019: Masama FPMU, Rev.005, January 2017 – January 2027 (FPMP).</p>	<p>During the audit, the annual operating and development budget is available in annual work plan & budget for year 2017 but not incorporate into Forest Plantation Management Plan for LPF/0019: Masama FPMU Rev.006</p> <p>The 10 years' operating and development budget including forest plantation administration, research, human resources development, environmental and social aspects will be incorporated into FPMP for LPF/0019: Masama Rev 006 by 28th September 2017</p>	<p>The effectiveness of the action taken to be verified during next audit</p> <p>Status: Accepted</p>
Minor NCR KN03/2017	<p>Indicator 6.2.4 - Hunting, fishing and collecting activities shall be controlled and unauthorised and/or inappropriate activities prevented in forest plantation areas.</p> <p>During site visit to Block 11, Coupe 2, it was found the planting area was encroached and planted with Paddy and Oil Palm seedling, and it was recorded by Monitoring Team since 15 April 2017. There are no any measures to prevent unauthorized activities taken by the FPMU.</p>	<p>The finding on this indicator during audit was due to lack of awareness on the part of local communities about the existing regulations and company's policy</p> <p>The Corporate Community Relations team will hold a meeting with the relevant communities and explain the existing regulations and company's Policy to them</p>	<p>The effectiveness of the action taken to be verified during next audit</p> <p>Status: Accepted</p>
Minor NCR KN04/2017	<p>Indicator 6.5.2 – Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements</p> <p>The implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements was not adhered to</p> <p>Harvesting Plan for Compartment BT2 (Coupe 2), approved on 24.10.2012 by Sarawak Forestry Corporation (SFC) was</p>	<p>During the audit, the said map was provided in black and white due to less prepared by the person-in charge</p> <p>An AO size and clear map showing the coupe boundaries, road network, location of conservation areas will be provided to ground staff to ensure practices runs smoothly.</p>	<p>The effectiveness of the action taken to be verified during next audit</p> <p>Status: Accepted</p>

	provided in black and white (photostat A4 size copies). Thus, it will give negative impact on the site management due to unclear plan of coupe boundaries, road network, conservation areas locations etc.	Completion date: 7 th Sep 2017	
Minor NCR IAAM03/2017	<p>Indicator 8.1.2. Forest Managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</p> <p>During the audit, Standard Operating Procedure (SOP) describing tasks and procedures to monitor social, ecological, environmental and economic impacts from FMU operations and monitoring reports were not available.</p>	<p>Result of Investigation and determination of root cause</p> <p>The SOP for monitor Social, Ecological, Environmental and Economic Impacts was available during the audit (Ref. No.: SYF/MC&I/P/05), but monitoring of social impact is not included into the SOP</p> <p>Correction and corrective action plan</p> <p>The SOP will be amended and revised to Rev.02 by 25th August 2017</p>	<p>The effectiveness of the action taken to be verified during next audit</p> <p>Status: Accepted</p>
Minor NCR KN06/2017	<p>Indicator 8.2.1 - Forest plantation managers shall gather the relevant information, appropriate to the scale and intensity of the forest plantation management, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>The monitoring on the items (d) Environmental and social impacts of harvesting and other operations as listed in Criterion 8.2. was not conducted</p> <p>Monitoring on social impacts of harvesting and other operations at Coupe 1 and Coupe 2 were not conducted</p>	<p>Monitoring on social impacts of harvesting was not conducted at Coupe 1 and 2 due to lack of knowledge among the certification team</p> <p>Certification team will carry out social impact monitoring of harvesting activities at Coupe 1 and Coupe 2 and the report of monitoring will be available by 18th Oct 2017</p>	<p>The effectiveness of the action taken to be verified during next audit</p> <p>Status: Accepted</p>
Major NCR IIAM01/2017	<p>Indicator 4.5.2 – Appropriate mechanisms are employed to expeditiously resolve grievances, and provide fair and equitable compensation for any loss or damage affecting the local communities’ legal or customary rights, property, resources, or their livelihoods, caused by forest operations</p> <p>Appropriate mechanisms were not employed to expeditiously resolve grievances, and provide fair and equitable compensation for any loss or damage</p>	<p>The issue was passed to the management representative and further discussion with executive director had been carried out, but there is no minute of meeting with executive director</p> <p>The corporate community relation team will review all the written request from the local communities and will respond to their request. The liaison officer will hold a</p>	<p>Minutes of meeting dated 5.1.2018 attended by Tr Wan, Tr Nyaton, and Tr Medan was verified. All related issues were discussed in the meeting</p> <p>Status: Closed</p>

	<p>affecting the livelihoods of the local communities.</p> <p>During consultation with Tuai Rumah (Headman) and villagers in Rh. Nyaton, Rh. Wan and Rh. Medan, feedback received was that there was no follow up action from the FMU Liason Committee (Minute of meeting dated 10.9.2016) on several local communities' grievances and requests.</p> <p>The flowchart for the "Mechanism to Resolve Local Communities Issues" in the SOP (SYF/MC&I/P.09) was not fully implemented.</p>	<p>meeting with the relevant local communities and explaining to the complainant the expected process and timeline for further review on their grievances by 13th October 2017</p>	
<p>Major NCR IAAM02/2017</p>	<p>Indicator 7.1.1. Implementation of Forest Plantation Management Plan</p> <p>Maps for the forest resource base including protected areas, planned management activities and land ownership were not updated</p> <p>In review of the Forest Plantation Management Plan for LPF/0019: MASAMA FPMU Rev.005 (January 2017 – January 2027) during the audit, it was found;</p> <ul style="list-style-type: none"> • All maps provided were small (inappropriate scale) and not updated. • Map on slopes of more than 35 degrees (Terrain IV) was not available. • There is no map on planned management activities on; <ul style="list-style-type: none"> ○ Planting schedule ○ Harvesting schedule 	<p>During the audit, map terrain IV, planting schedule and harvesting schedule is not available and some maps is not up to date due to lack of communication between the ground staff and mapping department</p> <p>All the said map will be updated and incorporated into Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28th September 2017),</p>	<p>The revised Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28th September 2017), chapter 3.5.4 – Planting, and chapter 3.5.4.1 – Planting Schedule was verified</p> <p>Map D: Proposed 1st Cycle Harvesting and 2nd Cycle Planting Plan for LPF0019: Masama FPMU, with planting and harvesting schedule was verified.</p> <p>The Map on slopes of more than 35 degrees (Terrain IV) was made available in Map F: HCVs & Conservation Area within Masama FPMU.</p> <p>Status: Closed</p>
<p>Major NCR KN02/2017</p>	<p>Indicator 5.1.2 - Provisions and management are made to maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability</p> <p>The management did not maintain, restore or enhance the productive capacity and</p>	<p>During the audit, there is no harvesting in block 1 and no replanting was carried out in block 8-10 due ti the said areas had land dispute issue and still under negotiation with the complainant</p>	<p>The revised Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28th September 2017), chapter 3.5.4 – Planting, and chapter</p>

	<p>ecological function of the forest plantation areas to ensure its economic viability. The management activities not following schedule in Forest Plantation Management Plan</p> <p>During visit to Coupe 1, it was found there no harvesting in Block 1 and in Block 8, 9, 10, there were no planting activities. These were not in accordance to harvesting and planting schedules documented in the Forest Plantation Management Plan for LPF 0019 (2017 – 2027). This is confirmed by Tree Planting Report for year 2015, 2016 and 2017</p>	<p>The harvesting and planting schedule will be amend and the Forest Plantation Management Plan for LPF/0019: Masama FPMU will be revised to Rev.006 by 28th September 2017</p>	<p>3.5.4.1 – Planting Schedule was verified</p> <p>Status: closed</p>
<p>Major NCR KN05/2017</p>	<p>Indicator 6.5.3 - Availability and implementation of guidelines for conservation of buffer strips along streams and rivers</p> <p>The implementation of guidelines for conservation of buffer strips along streams and rivers were not adhered to.</p> <p>During the site inspection at;</p> <ul style="list-style-type: none"> Block 5, Coupe 2, it was found the skid trail had encroached into the buffer zones. Debris from felled trees found in the buffer zone at the boundary. The trees marking the buffer were also damaged. Block 6, Coupe 2 found no sediment traps installed at the newly constructed bridge. The soil was also pushed into the waterways during the construction activities. Makop Nursery at Block 7, Coupe 4 found the waterways was blocked by a concrete dam and the buffer zone marking along the waterways was not available 	<p>Lack of employee awareness even the related training was given to them on annual basis</p> <p>Re-training will be given to the harvesting team and a warning letter will be issued to them as company enforcement action. The concrete dam in Makop nursery will be demolished and surveyor team will mark stream buffer zone by 21 September 2017</p>	<p>A warning letter dated 24 September 2017 has been issued to 4 workers in Block 5 and 6.</p> <p>Pictorial report on installed sediment trap at block 6, buffer zone marking at block 5 and demolished concrete dam in Makop nursery was verified.</p> <p>Status: Closed</p>
<p>Major NCR IAA04/2017</p>	<p>Indicator 10.2.2. - Forest plantation establishment shall, appropriate to the scale of the operation, follow natural landscape and take into account the need for wildlife corridors, buffer strips for permanent streams and rivers, as well as a mosaic of stands of different age classes.</p> <p>Map of planting pattern in the forest plantation areas was not updated.</p>	<p>The map of planting pattern and locations for the area of Coupe 1 Block 4 and Block8 was not updated due to surveyor team did not provide latest information of the said area to mapping department</p> <p>The surveyor team will define and measure the said area,</p>	<p>Map C: Planting Distribution by Year for LPF LPF0019: Masama FPMU (revised on September 2017) with year pattern on each block was verified</p> <p>Status: Closed</p>

	<p>During the audit and visit to harvesting area in Coupe 1, Block 4 and Block 8, the map of planting pattern and locations for the area was found not updated. Demarcation of protected area was also not updated.</p> <p>NCR KN9/2015 upgraded to Major NCR IAAM 04/2017</p>	<p>and then mapping department will interpret geographic information in order to create and update the map by 19th October 2017</p>	
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Verification on Stage 2 Audit Findings and Corrective Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p>NCR No.: EC1/2015 Minor</p>	<p>Indicator 6.2.5 - Forest plantation workers shall be aware of endangered, rare and threatened species of forest flora and fauna found in the forest plantation areas. Such awareness shall be promoted among local communities</p> <p>Finding: Promotion of awareness of endangered, rare and threatened species to the local communities was not done.</p> <p>Objective evidences: Posters on the protection of endangered, rare and threatened species were displayed at junctions of main roads. Records of regular briefings to forest plantation workers and local communities on the awareness of endangered, rare and threatened species to the local communities were not available.</p>	<p>Masama staff would conduct training during meeting with the local communities on 17 to 21 August. The records of the training would be referred in Minit Mesyuarat Mesyuarat Bersama Masyarakat Tempatan 17 to 21 August 2015.</p>	<p>Records of awareness activities with local communities were conducted during Annual Visit. Minutes of meeting “<i>Program Lawatan Tahunan dan Dialog Bersama Komuniti Setempat</i>” dated 10.9.2016 to Rh Nyaton, Rh Sempurai, Rh Wan, Rh Mancha, Rh Anai, Rh Enteri was verified. Awareness activities for workers was conducted on 6.4.2016. attendance list and training material was verified by the auditors. Posters on the protection of endangered, rare and threatened species were displayed at junctions of main roads. Records of regular briefings to forest plantation workers and local communities on the awareness of endangered, rare and threatened species to the local communities were sighted.</p> <p>Status: Closed</p>
<p>NCR No. : EC2/2015 Minor</p>	<p>Indicator 6.3.3 - Harvesting of forest plantation is designed taking into consideration the need for biological corridors and buffer zones for wildlife.</p> <p>Finding: The need for biological corridors for wildlife had not been incorporated into the land clearance for planting process.</p> <p>Objective evidences: The FPMU had yet to prepare a holistic map on the establishment of biological corridors and residual forested sites within the forest plantation. There was no clear indication on the linkage of areas of Class IV terrains with river buffer zones that had been identified. These sites were not all demarcated on the ground for protection.</p>	<p>Surveyors will mark and track the existing buffer zones to reassess the linkage of the buffer belts. Maps of biological corridor will be established after the tracking process scheduled to be completed in October 2015.</p>	<p>It was found that the FPMU had prepared a map on the establishment of biological corridors and residual forested sites within the forest plantation. There was a clear indication on the linkage of areas of Class IV terrains with river buffer zones that had been identified. These sites were demarcated on the ground for protection. The Map D on Biological Corridor was made available in the FPMP.</p> <p>Status: Closed</p>
<p>NCR No. : EC3/2015</p>	<p>Indicator 8.3.1 - Forest plantation managers shall provide relevant</p>	<p>Flow chart for the COC process will be revised and improved.</p>	<p>A SOP on the process of controlling the movement of logs from the</p>

<p>Minor</p>	<p>documents for identifying all forest products leaving the planted area to be certified so that their origin could be easily determined.</p> <p>Finding: A SOP on the process of controlling the movement of logs from the plantation to the gate according to the CoC process had not been developed.</p> <p>Objective evidence: The flow chart for the CoC presented during the audit did not provide detailed procedures on the relevant documentation and mechanism on the transportation of the forest products from the plantation forest to the log pond.</p>	<p>The procedure for chain of custody was revised on 6 September 2015.</p>	<p>plantation to the gate according to the Chain of Custody (CoC) process had been developed. and available at Masama FPMU. The “CoC” process flowchart in the SOP was presented to the audit team. Since relevant documentation and mechanism on the transportation of the forest products from the plantation forest to the log pond/mills were available and verified.</p> <p>Status: Closed</p>
<p>NCR No. : EC4/2015 Minor</p>	<p>Indicator 10.4.3 - Assessment of forest plantations established with exotic species through monitoring of permanent sample plots to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p> <p>Finding: The monitoring process of pests and diseases maintained did not provide information for control and treatment.</p> <p>Objective evidence: The monthly monitoring maintained at the FPMU did not provide comprehensive data on the presence of pests and diseases for subsequent mitigation measures.</p>	<p>Procedure to control and treatment for the spread of massive exotic species will be established. Internal training on pests and diseases will be given to surveyors and this was conducted on 19 September 2015.</p>	<p>Justifications for choices of species were provided in Table 2.1; “Growth categories for range species”, in Chapter 2 of the Masama FPMP. The report from “Soil survey of Sungai Muput Kiba Area, Model Forest Management Area (Anap F.R) (ITTO Project PD 14/95 rev 2(F) – Model Forest Management Area (Phase II) which provided soil types in Masama FPMU was also used for species/site matching. In tandem, information from PSP data analysis (MAI, Volume, Height, Survival etc.) also assist in species choice decision. The monitoring report verified did include Part 5: “Monitoring of Exotic Species” on possible spreading of the planted species to assess their invasive characteristics. In addition, section on Monitoring of disease/pest attacks was also included in the report with recommendations on invasive species control.</p> <p>Status: Closed</p>
<p>NCR No: KN 1/2015 Minor</p>	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to</p>	<p>The air compressor (Ref. No. SWAN-MFG 8801050) will be made obsolete because of incomplete documents from the supplier. It had been</p>	<p>New units air compressor including CF was available and displayed above the equipment was verified during inspection at the workshop.</p>

	<p>forest plantation workers in the work place.</p> <p>Finding: The operation of equipment in the base camp did not comply fully with the Factories and Machineries Act 1967 (Steam Boiler & Unfired Pressure Vessel) Regulations, 1970 – Reg. 19</p> <p>Objective evidence: Application for the Certificate of fitness for one unit of air compressor (Ref. No.: SWAN-MFG 8801050) at workshop to DOSH was not available.</p>	<p>replaced with new units and application for CF was in progress. The inspection by JKKP Bintulu was done on 1 October 2015.</p>	<p>The inspection by JKKP Bintulu was done on 1 October 2015.</p> <p>Status: Closed</p>
<p>NCR No: KN 2/2015 Minor</p>	<p>Indicator 7.4.1 - A summary of the primary elements of the forest plantation management plan as prepared and implemented under Indicator 7.1.1 shall be made publicly available.</p> <p>Finding: The public summary in the company web page did not cover all the primary elements of the forest plantation management plan.</p> <p>Objective evidence: The publicly available summary of the forest management plan (shinyang.com.my) did not include all the listed elements in Criterion 7.1.1. Information on (b) description of the forest resources (c) description of silvicultural and/or other management system (d) and rationale for rate of annual harvest and species selection were not available</p>	<p>The public summary would be updated upon completion of the revised version 3 of the Forest Plantation Management Plan by October 2015.</p>	<p>A summary of the primary elements of the forest management plan was made available to the public in the web page https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html All the items listed in Criterion 7.1. were included. These included (b) Information on description of the forest resources (c), description of silvicultural (d) rationale for rate of annual harvest and species selection were available.</p> <p>Status: Closed</p>
<p>NCR No: KN 3/2015 Major</p>	<p>Indicator 9.1.1 - Forest plantation managers shall conduct an assessment to identify High Conservation Value (HCV) areas in accordance with relevant guidelines, appropriate to scale and intensity of management for forest plantation areas, and in consultation with relevant stakeholders and experts.</p> <p>Finding : There was an agreement with SFC to conduct a HCVF study within the FPMU. Report on the assessment and maps showing HCV areas was not available.</p>	<p>The FPMU management would follow up with Sarawak Forestry Corporation which was preparing the HCVF report. Maps of the HCVF sites would also be prepared by October 2015.</p>	<p>The <i>High Conservation Value Area Assessment in Shin Yang Masama Tree Plantation Coupe 1-5 of LPF 0019 (T4212) Tatau Bintulu Sarawak</i> dated October 2015 was presented during the verification audit on December 2015.</p> <p>A report on the assessment of High Conservation Value Area Assessment in Shin Yang Masama Tree Plantation Coupe 1-5 of LPF 0019 (T4212) Tatau, Bintulu, Sarawak, Dated October 2015</p>

	<p>Objective evidence: Report on the assessment of HCVF sites at LPF/0019 Masama (in part) FPMU and maps showing these areas using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia were not available.</p>		<p>within the FPMU using guidelines, such as the High Conservation Value Forest (HCVF) Toolkit for Malaysia had been presented during the audit. Records of consultations with relevant stakeholders and experts were also available.</p> <p>Status: Closed</p>
<p>NCR No: KN 4/2015 Major</p>	<p>Indicator 9.2.1 - Forest plantation managers shall provide the assessors with a list of relevant stakeholders who have been consulted regarding the HCV area.</p> <p>Finding: The list of stakeholders consulted regarding the HCV sites did not include all relevant stakeholders.</p> <p>Objective evidence : The list of relevant stakeholders consulted did not include environmental NGOs and research institutions.</p>	<p>The UPM Bintulu would be included in the stakeholders list and consultations would be carried out. Appointments had been made with WWF. Consultations with all stakeholders including SFC would be conducted once the HCVF report had been completed. (List of participants and minutes of meeting attached)</p>	<p>The minutes of the consultative meeting with stakeholders held on 11 November 2015 was presented. The list of stakeholders had also been revised to include Malaysian Nature Society, UPM, Forest Department and the local communities.</p> <p>Status: Closed</p>
<p>NCR No: KN 5/2015 Minor</p>	<p>Indicator 9.2.2 - Forest plantation managers shall demonstrate that forest plantation management protect areas of high conservation value in forest plantation areas.</p> <p>Finding : The Forest Plantation Management Plan had not incorporated HCVF sites.</p> <p>Objective evidence : HCV sites had not been identified and incorporated into the Forest Plantation Management Plan at Masama LPF/0019 FPMU</p>	<p>The HCVF sites and their locations would be incorporated into the FPMP upon the completion of the report.</p>	<p>The protected HCV areas was incorporated of into the Forest Plantation Management Plan in revised FPMP version 004 Chapter 11 – Identification and Management of HCVA at Masama LPF/0019 FPMU</p> <p>Status: Closed</p>
<p>NCR No: KN 6/2015 Major</p>	<p>Indicator 9.3.1 - Measures to demarcate, maintain and / or enhance the HCV attributes are documented in the forest plantation management plan and effectively implemented.</p> <p>Finding : Measures to demarcate, maintain and / or enhance the HCV attributes have yet to be developed.</p> <p>Objective evidence :</p>	<p>The HCVF sites would be mapped and demarcated once identified in the HCV assessment report.</p> <p>Measures to enhance the HCV attributes would be established once the report had been completed in October 2015.</p>	<p>The revised <i>Forest Plantation Management Plan for Shin Yang Forestry Sdn. Bhd. LPF/0019: Masama (in part) FPMU 21st October to 31 December 2025</i> Revision No. 004 was verified</p> <p>The Plan had included in Chapter 11 Identification and Management of High Conservation Value (HCV) Area. The section included map showing the HCV sites and</p>

	<ul style="list-style-type: none"> •The HCV sites had yet to be mapped and incorporated into the Forest Plantation Management Plan and not all the sites had been demarcated on the ground., •Management prescriptions to maintain and / or enhance HCV attributes, and reports on measures taken at Masama LPF/0019 PFMU have yet to be developed 		<p>demarcation on ground was inspected. Management and monitoring of HCV areas were also presented in that chapter.</p> <p>Status: Closed</p>
<p>NCR No : KN 7/2015 Major</p>	<p>Indicator 9.3.2 - These measures shall be included in the forest plantation management plan summary made publicly available.</p> <p>Finding : Public summary of the forest plantation management plan did not include HCV measures.</p> <p>Objective evidence : The public summary of the forest plantation management plan available in the shinyang.com.</p>	<p>The public summary would be updated once the HCV study had been completed.</p>	<p>The revised publicly available summary of the FPMP https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html has included measures of HCV plan and verified during the audit.</p> <p>Status: Closed</p>
<p>NCR No. : KN8/2015 Major</p>	<p>Indicator 9.4.1 - Forest plantation managers shall conduct, appropriate to scale and intensity of forest plantation management, annual monitoring to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas.</p> <p>Finding : Annual monitoring procedures to assess the effectiveness of the measures in the management of the HCV area were not developed.</p> <p>Objective evidence : Monitoring procedures to assess the effectiveness of the measures in the management of the HCV area was not available in Masama LPF/0019 FPMU</p>	<p>An internal audit would be established to monitor the HCV sites identified.</p> <p>A SOP for conducting internal audit including HCV sites was attached. Procedure for Internal Audit including determination of the effectiveness of the measures in the management of the HCV area was written.</p> <p>An audit plan for 2015 V 2 was prepared which had included assessment of HCV areas. The MC&I Forest Plantation V2 Internal Audit Report dated 1 October 2015 was completed. (documents attached)</p>	<p>Monitoring procedures and records to assess the effectiveness of the measures in the management of the HCV area were available at Masama FPMU LPF/0019 FPMU, as stated in Procedure for Internal Audit SYF/MC&I P.01 rev 1 dated 6.6.2015. the latest monitoring was conducted during internal audit on 20-23 Sept 2016.</p> <p>Relevant results and findings of HCV monitoring activities had been incorporated into the revision of the Forest Plantation Management Plan on the yearly basis as indicated in Chapter 3.8 (amendment or revision) of FPMP.</p> <p>Status: Closed</p>
<p>NCR No. : KN9/2015 Minor</p>	<p>Indicator 10.2.2 - Forest plantation establishment shall, appropriate to the scale of the operation, follow natural landscape and take into account the need for wildlife corridors, buffer strips for permanent streams and rivers, as</p>	<p>Map of planting patterns will be produced with the update of the FPMP. The surveyors will track and map the buffer zones for wildlife corridors by October 2015.</p>	<p>During the audit and visit to harvesting area in Coupe 1, Block 4 and Block 8, the map of planting pattern and locations for the planted area was found not updated. Similarly, demarcation of</p>

	<p>well as a mosaic of stands of different age classes.</p> <p>Finding : Records and maps of planting patterns in the forest plantation areas including demarcation and protection of such areas were not available in the Forest Plantation Management Plan</p> <p>Objective evidence : Records and maps of planting patterns in the forest plantation areas to indicate wildlife corridors and mosaic of stands were not available in the Forest Plantation Management Plan at Masama LPF/0019 FPMU</p>		<p>protected area was also not updated. This was a Minor NCR KN9/20 Indicator 10.2.2 raised in the last audit, hence, upgraded to a Major NCR (IAAM04/ 2017) in this audit</p> <p>Status: Upgraded</p>
<p>NCR No: KN10/2015 Minor</p>	<p>Indicator 10.3.2 - Availability of documentation of the size and spatial distribution of the established forest plantation areas.</p> <p>Finding : The extent of area planted by each species and maps depicting the spatial distribution of the planted species was not available</p> <p>Objective evidence : The extent of area planted by each species and maps depicting the spatial distribution of the planted species was not available at Masama LPF/0019 FPMU</p>	<p>Planting distribution map will be produced by October 2015.</p>	<p>Documents on the extent of area planted in the at LPF/0019 Masama FPMU areas by each species, number of seedlings, and locations were available and verified.</p> <p>Status: Closed</p>
<p>NCR No: KN 11/2015 Minor</p>	<p>Indicator 10.7.1 - Availability and implementation of guidelines and/or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant introductions, if any, for forest plantation areas.</p> <p>Finding : A Forest Fire Management Plan was not available</p> <p>Objective evidence : A Forest Fire Management Plan had not been formulated in Masama LPF/0019 FPMU.</p>	<p>Action taken to develop a forest fire management plan by August 2015. The Forest Fire Management Plan for LPF/0019 Masama Estate was completed in August 2015.</p>	<p>A Forest Fire Management Plan for Masama FPMU Rev. No. 001 was available.</p> <p>Status: Closed</p>
<p>NCR No: SK 1/2015 Minor</p>	<p>Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other</p>	<p>Internal training regarding forest patrolling will be given to the surveyors. This training will be conducted at least once</p>	<p>Monthly patrols were conducted to control encroachment and Forest Patrol Records were presented to the audit team. The</p>

	<p>unauthorized activities</p> <p>Finding : Monthly patrols were conducted and Forest Patrol Record Forms were inspected. There were no details on the results of inspection to reflect the condition of the sites inspected.</p> <p>Objective evidence : The monthly Forest Patrol Record Forms had only one entry on licence encroachment which did not include details of the sites inspected and there was consultation with local communities on illegal entries from the Anap river.</p>	<p>a year. The Forest Patrol Form would be improved.</p>	<p>Monitoring records include FMU security i.e. Part 1 (Boundary and Encroachment); Part 2 (Forest Fire); Part 3 (Wildlife monitoring); Part 4 (HCV and Protected areas) and Part 5 (Monitoring of Exotic species). Entries from records dated 16th June 2017 and 16th May 2017 showed incidences of encroachment in Coupe 2, Block 10 and 11; their locations and extents.</p> <p>Status: Closed</p>
<p>NCR No: SK 2/2015 Minor</p>	<p>Indicator 1.6.1 - Availability of policies or statements of commitment to forest plantation management practices consistent with these Principles and Criteria</p> <p>Finding : Policies or statements of commitment to forest plantation management practices consistent with these Principles and Criteria was not stated in the forest plantation management plan and was only stated in the general statement in the public summary of Shin Yang Forest Plantation public summary.</p> <p>Objective evidence : There was no statement of commitment to forest plantation management practices consistent with the MC & I (Forest Plantation) Version 2 Principles and Criteria in the Forest Plantation Management Plan and the publicly available summary.</p>	<p>The policy on commitment to MC&I (Forest Plantation) would be included in the Forest Plantation Management Plan to be revised by October 2015.</p>	<p>Policies or statements of commitment to forest plantation management practices consistent with the <i>MC & I (Forest Plantation) Version 2</i> Principles and Criteria were available in the Forest Plantation Management Plan. The statements are also publicly available from the website https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html</p> <p>Status: Closed</p>
<p>NCR No: SK 3/2015 Minor</p>	<p>Indicator 2.2.2 - Forest plantation managers shall collaborate with holders of duly recognised legal or customary</p> <p>Finding : A Masama FMU Liaison Committee Member Organization structure was presented to the audit team. However, there was no documented consultation or meetings conducted with the stakeholders.</p> <p>Objective evidence :</p>	<p>The Masama FPMU Liaison Committee would be conducting a meeting with 6 long houses within the FMU scheduled on 17 to 21 August 2015. Minutes of meetings would be prepared. For Rumah Anai the meeting was scheduled on 19 August, Rumah Enteri on 17 August, Rumah Mancha on 16 August, Rumah Nyatoh on 21 August,</p>	<p>A Masama FMU Liaison Committee Member Organization structure was available and presented in the Forest Plantation Management Plan. The Liaison Committee had engaged with local communities as evidenced by the minutes from the meetings with longhouses communities dated (Rumah Nyaton, Rumah Sempurai, 10th September 2016), Rumah Wan, Rumah Mancha, Rumah Anai, 11th September 2016), (Rumah</p>

	A Masama FMU Liaison Committee Member Organization structure had been presented in the Forest Plantation Management Plan but there was no evidence of meetings organized with local communities.	Rumah Sempurai on 20 August and Rumah Wan on 21 August.	Enteri, 13 th September 2016). Minutes as evidence of the meetings were available, Status: closed
NCR No: SK 4/2015 Minor	Indicator 2.3.1 - Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights. Finding : There were no established mechanisms for the resolution of disputes over tenure claims and use rights. Objective evidence : A flow chart on ad hoc responses to requests from local communities had been prepared but there was no standard operating procedure for resolution of conflicts.	Standard Operating Procedure for the resolution of conflicts would be written and consultation to be conducted with local communities. The SOP was revised on 22 September 2015.	Appropriate mechanisms to resolve disputes over tenure claims and use rights were available. The SOP (Ref. No. SYF/MC&I/P.09) providing A <i>Chart Mechanism to Resolve Local Issues</i> dated 22 nd September 2015) was available showing a flowchart for the process of any tenure claims and requests for assistance. A structured mechanism for the resolution of such requests and disputes had been established. The procedure involves a consultative process with the local communities. Meetings with longhouses communities had been conducted in 2016. Records of meetings in the consultative process with the local communities were available (as provided in Indicator 2.2.2 above). Status: Closed
NCR No: SK 5/2015 Minor	Indicator 3.3.1 - Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal and state legal frameworks or by mutual agreement. Finding : Although consultation had been reported on the identification of sites of significant importance there was no record of such consultations. Objective evidence : There was no documentation for identifying and protecting such sites and consultation conducted with local communities on the identification of sites of cultural or religious importance.	Results on consultation will include HCV assessment report. The HCV report was to be completed in October 2015.	Records of direct consultation with local communities were evidenced from the minutes of Liaison Committee meetings with local long houses dated 10 th to 13 th September 2016. The mechanism available for resolution of conflict between indigenous people and the FPMU is provided in the <i>SOP (SYF/MC&I/P.09: "Mechanism to Resolve Local Communities Issues")</i> and verified Status: closed