



**PUBLIC SUMMARY
STAGE 2 AUDIT REPORT (2018) ON
UIU TRUSAN FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00120
Date of First Certification: 19 December 2018
Audit Date: 26 February - 02 March 2018
Date of Public Summary: 07 January 2019**

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EXECUTIVE SUMMARY

The Stage 2 audit for forest management certification on the Syarikat Samling Timber Sdn Bhd – Ulu Trusan FMU was conducted from 26 February to 2 March 2018. This was an audit conducted following the Stage 1 audit which was conducted in 26-28 August 2017 on the overall forest management system and practices of the FMU against the requirements of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of the Syarikat Samling Timber Sdn. Bhd. by a three-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Hj Roslee Jamaludin, Puteri Arlydia Abdul and two observer Dr. Paul Prodong (SIRIM) and Haniff Salleh (MTCC).

In general, the findings of this stage 2 audit have indicated that the Ulu Trusan FMU had complied with most of the requirements of the MC&I (Natural Forest) despite the issuance of total three (3) Major and nine (9) Minor Non-Conformance Report (NCRs), against the requirements of the MC&I (Natural Forest).

The FMU had submitted a proposed corrective action plans to address the NCRs and OFI raised during the stage 2 audit via email on 27th March 2018 which has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCR was received on 29th June and 7th September 2018, and has been accepted and closed on 19th September 2018.

The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs shall be verified by the audit team during the next surveillance audit.

2 INTRODUCTION

2.1 Name of FMU Syarikat Samling Timber Sdn Bhd – Ulu Trusan FMU

2.2 Contact Person and Address

Name: David Marsden
Designation: Chief Forester
Address: Wisma Samling, Lot 296
Jalan Temenggong Datuk Oyong Lawai Jau
98000 Miri
Sarawak

2.3 General Background on the Bahau Kahei FMU

The Ulu Trusan Forest Management Unit (FMU) is the combination of Forest Timber Licence (FTL) No. T/9115 (Majulaba Sdn. Bhd.) and Forest Timber Licence (FTL) No. T/0280 (KTN Timor Sdn. Bhd.) and was issued to Syarikat Samling Sdn. Bhd. by the Sarawak Forestry Department to manage a total 92,751 ha of the forest, which is located within the Lawas District of Limbang Division, Sarawak. Both Forest Timber Licences were valid from 9th September 2005 to 8th November 2017 and 23rd June 1984 to 22nd June 2019 respectively.

The Ulu Trusan FMU covers an area of 92,751 ha of proposed Ulu Trusan Protected Forest (62,613 ha) and proposed Trusan-Kelalan Protected Forest (4,695 ha). The remaining area of the FMU is occupied by the respective local communities (9,579 ha). The forest area is situated approximately between Latitudes 40 35' 41" N to 40 11' 8" N and Longitudes 1150 29' 2" E to 1150 40' 7" E in the Lawas District of Limbang Division, Sarawak, about 70 km South from Lawas town and accessible by the logging roads constructed by the Samling Group.

The forest types in the FMU are Hill Mixed Dipterocarp Forest (MDF) (63%), Mixed Dipterocarp Forest (4%), Sub-Montane Forest (4.4%), Kerangas Forest scattered on sandy terraces (4.4%), and Secondary/Degraded Forest (10.1%). The rest of the forest is within the Ulu Sebuang Nature Reserve, Paya Maga Conservation Area and border zone (14.2%). The general landform of the FMU ranges from hilly to mountainous terrain with elevation between 300m to 1600m a.s.l. The FMU also within the Heart of Borneo Corridor (HoB)

Currently, the Ulu Trusan FMU has undertaken Detailed Harvesting Plan (DP) for Coupe 01/Block 07. Logging activities conducted at Block 05, 07,08 and 09.

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

2.4 Date First Certified

19 December 2018

2.5 Location of the FMU

The forest area is situated approximately between Latitudes 40 35' 41" N to 40 11' 8" N and Longitudes 1150 29' 2" E to 1150 40' 7" E in the Lawas District of Limbang Division, Sarawak, about 70 km South from Lawas town

2.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. A Forest Management Plan (FMP) (2017) to (2026) was presented during this audit.

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

The net operable area of forest in Timber Licence T/0280 and T/9115 estimated to be 55,406 ha. Assuming the production area is evenly distributed at the cutting cycle of 25 years, the AAC is set at 2,216 ha/yr, and for 30 years is set at 1,847ha the optimum sustained commercial harvesting volume was set at 25.16m³/ha - 30.10 m³/ha which projected the annual harvestable volume range between 55,591 m³ – 55,761 m³.

2.8 Environmental and Socioeconomic Context

A stakeholder notification was issued in 22 January 2018 for a period of one month inviting relevant stakeholders to give comments on the FMU. Four (4) comments received from the stakeholders on Ulu Trusan FMU during the period. The comments showed in Attachment 4

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 Stage 2 audit report in Principles 2, 3 and 4.

3. AUDIT PROCESS

3.1 Audit Dates

26 Feb – 2 March 2018

3.2 Audit Team

1. Khairul Najwan bin Ahmad Jahari (Lead Auditor)
2. Hj Roslee Jamaludin
3. Puteri Arlydia Abdul.
4. Dr. Paul Prodong (Observer)
5. Haniff Salleh (MTCC).(Observer)

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 (Natural Forest)[MC&I(Natural Forest)] using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A stakeholder notification was issued in 22 January 2018 for a period of one month inviting relevant stakeholders to give comments on the FMU. Four (4) comments received from the stakeholders on Ulu Trusan FMU during the period. The comments showed in Attachment 4

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 Stage 2 audit report in Principles 2, 3 and 4.

3.5 Audit Process

A total of total three (3) Major and nine (9) Minor Non-Conformance Report (NCRs were raised on the Ulu trusan FMU against the requirements of the MC&I (Natural Forest). The FMU had submitted a proposed corrective action plans to address the NCRs and OFI raised during the stage 2 audit via email on 27th March 2018 which has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCR was received on 29th June and 7th September 2018, and has been accepted and closed on 19th September 2018. The action plans as detailed in Attachment 3.

3. SUMMARY OF AUDIT FINDINGS

The summary on the findings of the Stage 2 on the Ulu Trusan FMU against the requirements of the MC&I(Natural Forest) are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	<p>The forest management had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&I (Natural Forest) fundamental for the FMU management were available in the office at the Merarap Base Camp Lawas District, Limbang Division, Sarawak. The list of documents was updated on 25 August 2017.</p> <p>Consultation with the forest manager and senior officer of the FMU showed that they had demonstrated an awareness and understanding of the federal, state and local laws and regulatory framework for forest management. Awareness training on MC&I was conducted on 30-31 January 2018.</p> <p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise. This was evidence by the establishment of “<i>Jawatankuasa Perhubungan Masyarakat (JPM) Peringkat Long Semadoh, Lawas (Hutan Asli)</i>” and “<i>Jawatankuasa Perhubungan Untuk Pengurusan Hutan Mampan (Hutan Asli)</i>”.</p> <p>A written policy entitled Sustainable Forest</p>	<p>During site inspection at Coupe 07A, it was found three (3) temporary structure house was being constructed, and two (2) trees of Meranti Kuning with size of 75cm dbh and 60cm dbh were illegally felled. Site inspection at Coupe 17A, it was found two (2) permanent structure house was constructed, and Six (6) trees (various species) with size from 30cm dbh to 80cm dbh (approximately) were illegall Thus, a Major NCR KN01/2018 Indicator 1.5.2 was raised.y felled in the Ulu Trusan FMU without the knowledge of the Ulu Trusan FMU management.</p>

Principle	Strengths	Weaknesses
	Management Policy was presented. This policy statement had included the commitment to undertake forest management certification under Malaysian Timber Certification Scheme for well-manage forest. The document was signed by the Chief Executive Officer of Samling Group of Companies on 1 st Mach 2017.	
Principle 2 Tenure and Use Rights and Responsibilities	<p>Documents entitled Forest Timber License (FTL) No. T/9115 (Majulaba Sdn. Bhd., valid from 9/09/2005 - 8/11/ 2017) and Forest Timber License (FTL) No. T/0280 (KTN Timor Sdn. Bhd., valid from 23/06/1984 to 22/06/2019) was issued to Syarikat Samling Sdn. Bhd. by the Sarawak Forestry Department and recently has been renew on annual basis whereby FTL No. T/9115 found to be valid up to 17/11/2018 FTL No. T/0280 valid up to 22/06/2019.</p> <p>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, Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87) has been made available at main office at Merarap Camp.</p> <p>Forest managers found to support legally recognised mechanisms for resolving land claims and has established the SFM/PR 001 Procedures on Land Claim Rev. 0 dated 15/03/2017 and SFM/GL 001 Guidelines on Conflict Resolution Rev. 0 dated 15/03/2017. The FMU also has set the Community Relation Committee (CRC) as a platform to cater shall any issue arise with local communities.</p>	There were no negative findings
Principle 3 Indigenous People's Rights	Documentation of the customary rights of indigenous peoples' lands was available. As described in Indicator 2.1.1 some area has been excluded from total certified area as per records; Native Communal (Agriculture) Reserve (No.33) Order 2011 on the area exclusive use by Lun Bawang community at Puneng Berayong, Lawas for agriculture purpose (23/04/2012) and Exclusion of Native Communal (Agriculture)	Minor NCR LYD01/2018 on Indicator 3.1.3 has been raised as implementation of resolving complaints arising from local communities / indigenous people found to be contradict with FMU SFM/PR 001 Procedures on Land Claim Rev. 0 dated

Principle	Strengths	Weaknesses
	<p>Reserve (No.33) Order 2011 for Native Community Reserve (NCR) land (24/04/2012, 12/11/2012, 25/03/2013, 8/04/2013)</p> <p>The FMU has established Strategic Forest Management Plan (2017-2026), approved by Forest Department of Sarawak. Forest management practices in indigenous people's lands recognised within relevant federal, state and local laws FMP- Chapter 12, Community Development, the FMU will not threaten or diminish, either directly or indirectly, their resources or tenure rights.</p> <p>Based on interview with FMU managers and stakeholder's consultation, no indigenous traditional forest-related knowledge and practices has been used by the FMU in forest operations.</p>	<p>15/03/2017 Section 2.0 Land Claim Flow Chart for the following cases:</p> <ol style="list-style-type: none"> 1. Yuhanis Rugu dated 9/1/2017 for KTN 3A part of Block 4&5 – missing record of claim, GPS location and operation status. Also noted that the area claim has yet to be updated in FMU map 2. Achang Lawai dated 9/1/2017 for KTN 3A block 2&3 - missing record of claim and operation status. Also noted that the area claim has yet to be updated in FMU map 3. Yahya @ Ballang Racha for KTN 3A block 5&6 missing record of claim, GPS location and operation status. Also noted that the area claim has yet to be updated in FMU map <p>Minor NCR LYD02/2018 on Indicator 3.2.2 has been raised as records of actions taken to prevent or mitigate adverse impact from logging operations that might threaten / diminish the resources / tenure rights of indigenous people as per required in Chapter 12 FMP has not been made available for the following:</p> <ol style="list-style-type: none"> 1. Annual monitoring at the water catchment (for indigenous people) inside FMU 2. Monitoring of cultural / historical / religious sites

Principle	Strengths	Weaknesses
Principle 4 Community Relations and Workers' Rights	<p>Qualified people in communities living within, or adjacent to, the FMU are given preference for employment and contract works. Records show that out of a total of 57 workers were employed in the FMU with 11 workers coming from Long Semadoh region, 2 from Ba'Kelalan region, 2 from Long Sukang region, 6 from Trusan area, 1 from Kg. Sahabat Baru Lawas, 1 Miri, 1 from Bintulu, 1 from Sabah.</p> <p>The FMU have been providing various assistances to Long Semadoh region community from time to time comprising road maintenance, supplying fuel, mechanical assistant for plowing at paddy field, donation for Christmas celebration etc.</p> <p>Health, Safety and Environment Policy dated 1/4/2016 had been displayed in the main office at Merarap Camp, workers camp, workshop and Central Stumping) and the concept has been discussed frequently during morning briefing (as per interview with workers). As a guideline, the FMU has also used <i>Garis Panduan Keselamatan & Kesihatan dalam Operasi Pembalakan</i> by MOHR. Personal Protective Equipment has been distributed to all workers comprising safety helmet, safety vest, cotton gloves, leather gloves, ear muff and goggle.</p> <p>Workers have been insured by Lonpac Insurance Bhd which covered on annual basis, based on date join in / employment date and renewal for sampled workers found to be valid to current audit, including foreign workers. For local, additional contribution through SOCSO (Social Security Organisation) has been made available as per <i>Peraturan-peraturan (AM) Keselamatan Sosial Pekerja 1971 (Per 44A)</i></p> <p><i>Person in charge as Safety and Health Officer (SHO) has been officially appointed by FMU are Mr. Hardy Rose bin Clement Buyut (JKKP 17/03/2017 – 16/03/2020). Safety Meeting has been held on 3/03/2017, and 12/06/2017. The next Safety Meeting on 28/09/2017 (no accidents) and 9/12/2017 (1 accident) has covered among others discuss on incidents details as agenda and thus previous IOC accepted for closing.</i></p>	<p>Minor NCR LYD03/2018 on Indicator 4.4.1 has been raised as the FMU has conducted SIA and the report of evaluation has been finalized and documented by Feb 2018. Hence, the CRC (Community Relation Committee) meeting conducted on 10/02/2018 has only attended by representative from Long Sukang Division/Region. Thus, the coverage of this social impact found to be inadequate.</p> <p>Minor NCR LYD04/2018 on Indicator 4.5.2 has been raised as during stakeholder consultation (SIRIM current audit) conducted with indigenous people from Long Semadoh Rayeh, Long Tuyo, Long Kerabangan, Forum Masyarakat Adat Dataran Tinggi Borneo (FORMADAT – comprising local community representatives) and CRC members, the audit team has gathered the following concern:</p> <ol style="list-style-type: none"> 1. Villagers have yet to receive information on the findings of the social impact of forest management operations directly affecting the communities. 2. Unclear demarcation of FMU area 3. Unclear status of

Principle	Strengths	Weaknesses
		<p>previous mutual agreement between villagers with FMU (previously known as KTN Timur Sendrian Berhad dated 26/12/1984. The villagers concern on FMU compliance against the TOR in the agreement e.g. – Article 2B – The company shall undertake to construct, maintain and repair the feeder roads leading to the said kampongs for the general used of all</p> <p>4. FORMADAT signage on local communities' protection area e.g. riparian area has been damaged during logging operations</p>
Principle 5 Benefits from the Forest	<p>Forest Management Plan (FMP) for the period of 2016 – 2026 has been presented during the audit. Chapter 2 of the FMP had detailed out the forest resource assessment for the FMU. For the assessment of timber resource, the FMU had established sampling units of 20m width and 240m length and systematic recording of field data and information are being carried out by the FMU. A minimum 123 of Sampling unit has been targeted to be established throughout the productive area of FMU, during the audit, 54 sampling unit has been completed.</p> <p>The FMU operating only for the production and harvesting of timber products particularly logs. The production mix of forest product including the utilization of non-timber forest products by local community enterprises was not available. The FMU has been zoned into three forest</p>	<p>Ulu Trusan FMU had prepared the annual budget for the duration from July 2017 to June 2018. This annual budget “Logging Operation Costing”, which includes budget for staff welfare & amenity, office expenses and general expenses were made available during the audit.</p> <p>However, the annual budget did not allocate for research, forest protection, and forest development. The FMU had marked 226 ha for silvicultural treatment for 2018 and 2019 in coupe 1A of</p>

Principle	Strengths	Weaknesses
	<p>function: Protection zone that has been marked includes water catchment, SA. Terrain IV, Kerangas and Payeh Mega conservation area for the lively hood of the local community.</p> <p>Protection Areas of terrain IV, watershed area, shifting cultivation area, low density mix dipterocarp forest, Kerangas were excluded from logging and were demarcated on the map was verified during the audit</p>	<p>Ulu Trusan FMU as stated in the FMP. Therefore, a Minor NCR RJ01/2018 for Indicator 5.1.1 was raised.</p> <p>Implementation of tree tagging for harvesting did not follow the “RIL Guidelines for Pre-F Inventory Covering 100% Tree Enumeration, Marking and Tagging of Trees to be Harvested”. Thus, Minor NCR RJ02/2018 on Indicator 5.3.1 was raised.</p>
Principle 6 Environmental Impact	<p>Forest Management Plan had incorporated assessment of environmental impacts as seen in Chapter 7 of FMP. The EIA for The Re-Entry Hill Logging Under Timber Licence No. T/0280 at the Batang Trusan – Sg Tengoa – Sg Lopeng, Lawas District and Miri Divisions, Sarawak and The EIA Report for Re-entry Hill Logging Under Timber Licence No. T/9115 for Majulaba at Sg. Berayong – Sg Pasia were conducted for the FMU as required under item 2(i) of the First Schedule of the said Order under Section 11A (1) of the Natural Resources and Environmental Ordinance. The EIA reports were approved by Natural Resources and Environment Board (NREB) on 26th May 2010 for FTL T/0280 and 8th June for FTL T/9115</p> <p>The guidelines to establish representative conservation and protection areas, in accordance with existing forest ecosystems were stated in ‘Procedures for Pre-Felling Inventory’ (by SFC). The guidelines were including the List of Protected Species and List of Totally protected Species (First and Second Schedule, Wildlife Protection Ordinance, 1998 (Cap. 26)</p> <p>Existence of cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities as listed below;</p>	<p>Road construction, layout, log landings and drainage requirement were following the guidelines. Inspections of the main access road and secondary roads showed that the appropriate drainage system was maintained with road surfaces well compacted. However, during the site inspection at Block 14 Coupe 1A, it was found that skid trail at MT- 4 has been constructed at F-1-1-3 which is a different location as approved by Sarawak Forestry Corporation. The approved location was at S-1-1. The relocation of the skid trail was without the permission of Sarawak Forestry Corporation. Therefore, a Major NCR RJ04/2018 for indicator 6.5.1 was raised.</p> <p>Earth bunds/ water bar to reduce the impact of rain</p>

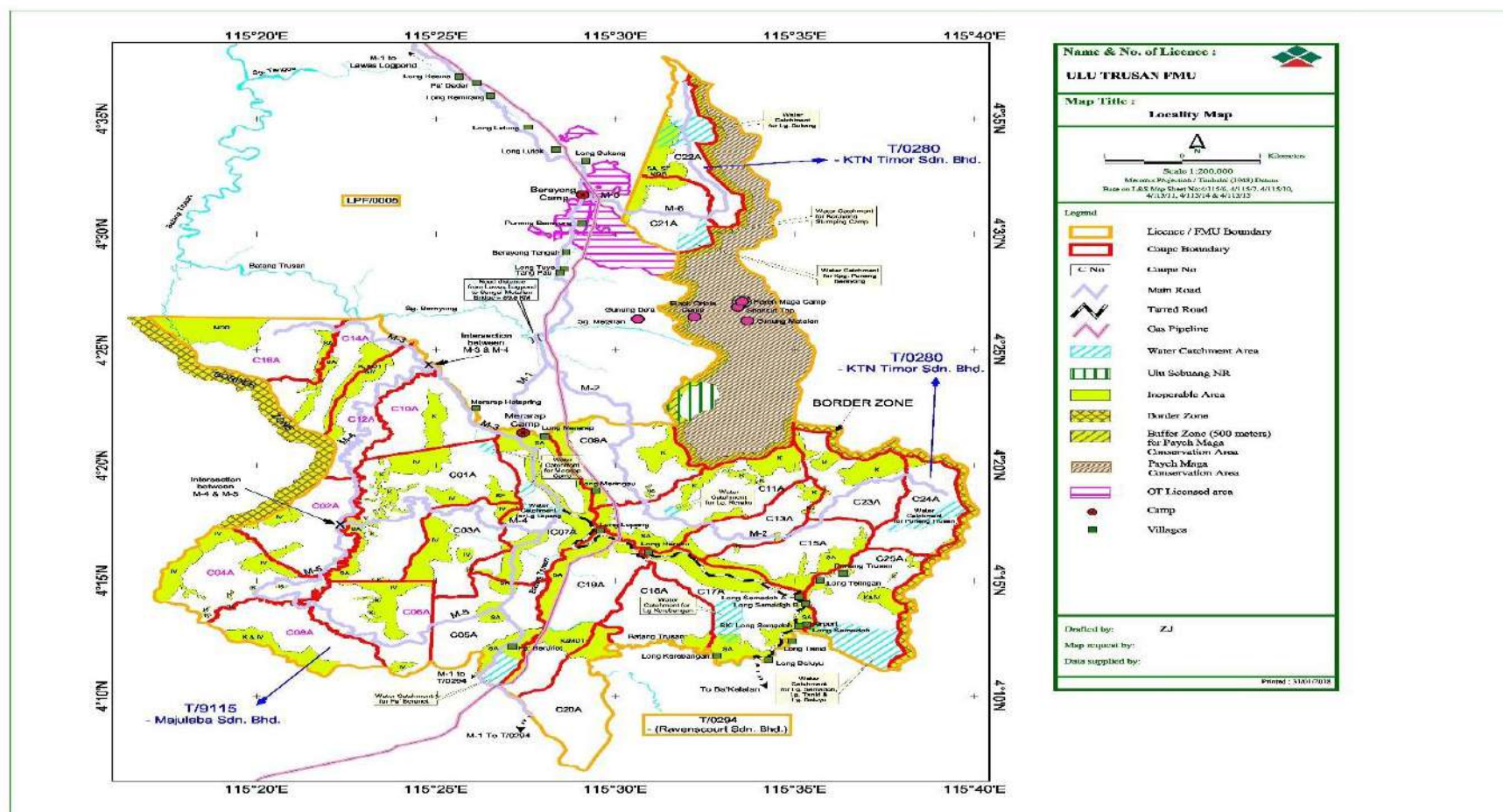
Principle	Strengths	Weaknesses
	<ul style="list-style-type: none"> Assessment on Bird Diversity at Payeh Maga Highland Conservation Project, Long Tuyo, Lawas, Sarawak- Collaboration with Department of Forestry Sarawak and University Putra Malaysia Bintulu Sarawak Campus. Tree Diversity at Payeh Maga, Lawas collaborative project Forestry Department Sarawak and University Putra Malaysia, Bintulu Sarawak Campus. <p>Harvesting was designed taking into consideration the need for the conservation of biological corridors and buffer zones of Sg Pasia and tributaries for features of special biological interest for wildlife as depicted in Detail Harvesting Plan: SF&C 628.64 (1)-45 dated 16th July 2015.</p> <p>There was no plan for converting the forest area to plantations. Conversion of natural forest into non-forest land use had not occurred within the FMU.</p>	<p>water along slopes were constructed across the skid trails immediately after the harvesting operation was completed. These bunds were observed at MT 5 & MT4 in active Block 14 of Coupe 1A. However, during the site visit to the active areas in Block 14 Coupe 1A at MT-5 and ST-5-1, it was found that tree No.0001 (Kepayang) 50cm dbh and tree No. 0106 (Kelempayan) 45cm dbh were felled into the marked buffer zone at Sungai Ulu Selibang. Thus, a Major NCR RJ03/2018 for indicator 6.5.4 was raised.</p> <p>Ulu Trusan FMU has request extension period from DOE on 31st January 2018 for disposing scheduled waste due to difficulties to have frequent visit by the scheduled waste contractor. The request status is still pending and thus the effectiveness of the implementation of disposing of schedule waste are subject to be verified during next audit. An OFI was raised on this Indicator 6.7.1</p>
Principle 7 Management Plan	<p>The Forest Management Plan for Forest Timber Licences FTL No. T/9115 and FTL No.T/0280, Ulu Trusan Forest Management Unit for period 2017 to 2026, dated February 2018, was made available during the audit.</p> <p>Records of new scientific and technical information pertinent to the management of the</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>area to be certified were also available to the forest managers. Records of new scientific and technical information and from monitoring activities were covered in the FMP as cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities for assessment on Bird Diversity at Payeh Maga Highland Conservation Project, Long Tuyu, Lawas, Sarawak- Collaboration with Department of Forestry Sarawak and University Putra Malaysia Bintulu Sarawak Campus, and Tree Diversity at Payeh Maga, Lawas collaborative project Forestry Department Sarawak and University Putra Malaysia, Bintulu Sarawak Campus.</p> <p>The summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 were made available in http://www.samling.com/uto_pubsummary.php</p>	
Principle 8 Monitoring and Assessment	<p>Sarawak Forestry Corporation has conducted harvesting monitoring as per 'Procedures for the inspection of harvesting areas, 1999'. Pre-felling inspection on coupe boundaries and buffer zone area has been conducted on 14 November 2016. Logging road inspection for feeder roads and skid trails was carried out on 9 January 2017.</p> <p>Logs leaving the logged stand to stumping area are issued with a Transit Bill prepared by the FMU where the log production number, LPI No., species, log length, diameter, and net volume were documented, including the block number, coupe/license number, stumping point, name of recorder, property mark, date and vehicle number. From stumping area to Lawas Log Pond, SFC will issue a Removal Pass where coupe No., Licence No., name of licensee, date of issue and date of expiry were documented.</p> <p>The relevant results of monitoring activities to be incorporated into the periodic review as prescribed in the Forest Management Plan for Forest Timber Licencees FTL No. T/9115 and FTL No. T/0280, Ulu Trusan Forest Management Unit</p>	<p>Procedures to Monitor Social, Ecological, Environmental and Economic Impacts (Procedures to monitor on impacts of harvesting operation was made available in Procedures: SFM/PR-009, Rev:0, dated 1st October 2017 was verified during the audit.</p> <p>However, the monitoring report for assessing social, ecological, environmental and economic impacts for forest management operations was not available. Therefore, Minor NCR KN02/2018 on Indicator 8.1.2 was raised</p> <p>Composition and observed changes in the flora (PSP Baseline Data year 2018) and fauna (Wildlife Monitoring Record dated October 2017</p>

Principle	Strengths	Weaknesses
	<p>for period 2017 to 2026, dated February, at every five years.</p> <p>Auditor has verified summary of the results of monitoring in Indicator 8.2.1 at the Samling's website. A summary of the monitoring results for (a) Yield of all forest products harvested, (c) Composition and observed changes in the flora and fauna, and (e) Costs, productivity and efficiency of forest management was verified in the public summary titled 'Public Summary – Forest Management Plan for Ulu Trusan Forest Management Unit for the period 2017 - 2026' at the Samling's website: http://www.samling.com/uto_pubsummary.php</p>	<p>to February 2018) were verified during the audit</p> <p>However, during the site inspection of Permanent Sample Plots, it was found;</p> <ol style="list-style-type: none"> 1. PSP No.0001 at Coupe 09A; <ol style="list-style-type: none"> a. one (1) tree size >30cm dbh were miss out and not inventoried and b. the measurement of the plots (length and width of the plots) were not corrected based on clinometer slope reading (correction table), and c. three (3) trees were incorrectly measured 2. PSP No.06 at Coupe 22A; <ol style="list-style-type: none"> a. the measurement of the plots (length and width of the plots) were not corrected based on clinometer slope reading (correction table) 3. (e) Costs, productivity and efficiency of forest management as required by the standards were not available. <p>The establishment and monitoring of Permanent Sample Plots were not satisfactorily enumerated and Costs, productivity and efficiency of forest management as required by</p>

Principle	Strengths	Weaknesses
		the standards were not available. Thus, Minor NCR KN02/2018 was raised for Indicator 8.2.1.
Principle 9 Maintenance of High Conservation Values	<p>The report on assessment, identification and management of High Conservation Value Forests Guidelines for Ulu Trusan FMU had been completed. The assessment report titled 'High Conservation Value (HCVF) Assessment Report Ulu Trusan FMU, dated February 2018 by Sarawak Forestry Corporation Sdn Bhd' was presented. Demarcation on Maps of HCVF has been verified in "Map of Summary of High Conservation Value Assessment (HCVA) at Ulu Trusan FMU, dated 24.2.2018".</p> <p>The assessment report titled 'High Conservation Value (HCVF) Assessment Report Ulu Trusan FMU, dated February 2018 by Sarawak Forestry Corporation Sdn Bhd' had prescribed management and monitoring recommendations for HCVF area. All the identified sites in the report had been protected as conservation area and riparian buffer belts. The HCVF's areas was demarcated on maps in the FMP in "Map of Summary of High Conservation Value Assessment (HCVA) at Ulu Trusan FMU, dated 24.2.2018".</p> <p>Public Summary on HCVF with measures was included as verified during the audit in the Forest Management Plan for Ulu Trusan Forest Management Unit for the period 2017 – 2026, at the Samling's website: http://www.samling.com/uto_pubsummary.php.</p>	<p>The FMU has established monitoring procedure to assess the effectiveness of the measures in the management of the HCVFs titled "Procedures for Monitoring the High Conservation Value (HCV) Management Measures, Procedures: SFM/PR 007, Revision:0, dated 1st August 2017', and had clearly recommended monitoring activities. However, the time line or frequency of monitoring to assess the effectiveness of the HCVFs measures were not stated in any procedures. Thus, Minor NCR KN04/2018 on indicator 9.4.1 was raised.</p>

Map of Ulu Trusan FMU



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:</p> <p>B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience:</p> <p>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.</p> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>

Hj.Roslee Bin Jamaludin	Auditor/ Forester	<p>Academic Qualification:</p> <p>B.Sc of Forestry (Forest Management), University Putra Malaysia.</p> <p>Diploma of Forestry, Mara Institute of Technology , Malaysia.</p> <p>Work Experience:</p> <p>A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat , Johore. Forest Plantation Officer in Johore and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular to further improved the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a fasilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Training / Research Areas:</p> <p>NA</p> <p>Attended training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015</p> <p>EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</p>
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		<p>Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri& Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agr & Forestry Section) 26 Jan 2016.</p>
Puteri Arlydia Abdul	Auditor	<p>Academic Qualification:</p> <p>Work Experience:</p> <p>February 2012 – April 2015 Intertek Certification International Sdn Bhd Business Assurance / Management Certification Audit Certification Administration Executive / Auditor Assist in RSPO P&C, RSPO SCC, RSPO RED, PEFC COC, ISSC DE, ISSC EU (Contract, Audit preparation, Certificate, Etrace) Conduct ISO 9001 Audits</p> <p>May 2011 - January 2012 Transparency International Malaysia Non-Government Organisation (NGO) / Forest Governance Integrity Awareness Program Project Research Officer Assist in Forest governance integrity awareness programs / event November 2008 – January 2011 Forest Plantation Development Sdn Bhd Government Link Company (GLC) / Special Purpose Vehicle by Government to Provide Softloan and Monitor Forest Plantation Program Project Officer / Forester Audit Forest Plantation Against MC&I - Forest Plantation for government grant approval</p> <p>Training / Research Areas: ISO 9001: 2008 Lead Auditor Course dated 19-23 March 2012 & Training on ISO 9001:2015 (final version) dated 21 Sep 2015 Specialisation: Silviculture, Forest Ecology, Agroforestry. Latest research: Mapping and Assessment of Present and Future Potential Carbon Storage in Malaysian Forest: Soil Carbon, Woody Debris and Vegetation. RUGs, UPM, 2009-2011</p>

Comments Received from Stakeholders and Responses by Audit Team Leader

Stakeholder	Stakeholders Comment	Auditors Comment
Undisclosed Comment received: 5.3.2018	<p>Pihak Pengurusan FMU tidak pernah berbincang dengan penduduk kampung mengenai FMU Ulu Trusan</p> <p>FMU menjejaskan alam sekitar dan pelbagai biologi di Kawasan kami</p> <p>Penduduk kampung bergantung 100% hasil hutan</p>	<p>This comment is valid, and two Minor NCRs was raised during the audit as below;</p> <ol style="list-style-type: none"> 1) Indicator 3.2.2 (LYD02/2018) on “records of actions taken to prevent or mitigate adverse impact from logging operations that might threaten / diminish the resources / tenure rights of indigenous people as per required in Chapter 12 FMP has not been made available” 2) Indicator 4.5.2 (LYD04/2018) on “local community consultation conducted through CRC meeting dated 10/02/2018 found to be insufficient”. <p>The corrective action plan has been accepted and the effectiveness of the action taken to be verified with affected communities during the next surveillance audit.</p>
Peter Anak Buga, Management Executive, Sarawak Forestry Corporation Comment received: 18.2. 2018	<p>There is only one valid permit to Enter Coupe issued to T/0280 namely T/0280/17/01A dated 3.8.2015. The PEC formerly known as T/0280/15/04AR. The Coupe consist of 51 hill blocks whereby out of these 51 blocks, 2 blocks are currently under harvesting operation namely blocks No. 005, 007-010, 011-018, 023, 026-028, 034-036, 038 and 047</p>	<p>The latest records on PEC as Detail Harvesting Plan – “Detail Harvesting Plan (DP)/Road Plan for Coupe 4A (2015 Coupe Year) of Licence No. T/0280 (2nd Submission) Approved by SFC on 16th July 2015 (Ref.SF&C628.64(I)-45) and re-naming of PEC REF.: T0280/15/04AR to PEC REF.: T0280/17/01A by SFC dated 16th January 2017 (Ref. SFC.MRO.SF&C(T/0280)(V)-83) was verified during the audit.</p>
Undisclosed	<p>Mesyuarat Bersama Sirim dengan orang kampung pada 1 Mac 2018 diwakili Penghulu Denis Yahya dan</p>	<p>Consultation with local community of Long Merarap (near Merarap River) Long Semadoh Rayeh, Long Tuyoh, Puneng Berayong, Long Kerabangan,</p>

Comment received: 23.2.2018	Ketua Kampung Agung serta komuniti CRC	Long Semadoh B (Naseb), and Forum Masyarakat Adat Dataran Tinggi Borneo FORMADAT were conducted by auditor from 27 Feb – 1 March 2018.
Undisclosed Comment received: 28.2.2018	<p>Saya telah dimaklumkan bahawa pihak Puan sedang membuat Audit Peringkat 2 untuk pensijilan pengurusan hutan di FMU Ulu Trusan yang diuruskan oleh Syarikat Samling Timber Sdn Bhd bersama penduduk kampung di Long Semadoh.</p> <p>Saya selaku wakil Orang Asal kawasan Sungai Adang dan Ulu Limbang ingin memaklumkan kepada pihak Puan bahawa pihak kami tidak pernah diberitahu atau dijemput ke mesyuarat Audit Peringkat 1 dan 2 itu.</p> <p>Saya sendiri telah membuat laporan terhadap kegiatan pencerobohan dan pembalakan haram oleh Syarikat Ravenscourt Sdn Bhd (Lesen T/0294) iaitu anak syarikat kepada Syarikat Samling Timber Sdn Bhd didalam kawasan Ulu Trusan kepada mantan YAB Ketua Menteri Sarawak pada 6hb Julai 2015 dan 17hb Ogos 2016.</p> <p>Saya juga akan menghantar laporan kepada YAB Ketua Menteri Sarawak sekarang ini mengenai isu yang sama dimana kami tetap dengan keputusan kami untuk memohon kepada YAB Ketua Menteri Sarawak supaya lesen T/0294 itu DIBATALKAN dengan segera.</p> <p>Pihak kami akan menghantar surat kepada pihak Puan mengenai bantahan terhadap Pensijilan Pengurusan Hutan ini kepada Syarikat Samling Timber Sdn Bhd kerana syarikat ini telah pun beroperasi selama 30 tahun dan</p>	<p>The issues which has been highlighted by the complainant, in the report titled <i>“Laporan Pencerobohan dan Pembalakkan Haram oleh Ravenscourt Sdn. Bhd. (Licensee T/0294) dan Samling Timber Sdn Bhd di dalam kawasan Ulu Limbang (Ulu Trusan)”</i> have been brought to the attention of the new management of the FMU. It was noted that the consultation process between the two parties had begun on 1st May 2018 and would be carried out on an ongoing and continuous basis over a period of time. In addition, the FMU had recorded minutes of meeting and had responded to some issues highlighted and the minutes of meeting was agreed and signed by both parties.</p> <p>Referring to the clause in the MC&I (Natural Forest) Indicator 2.2.2, <i>the forest managers shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws, in activities that may affect such right</i>, it is concluded that FMU has complied to the Indicator 2.2.2.</p> <p>This conclusion is based on consultations with the complainants, and immediate actions taken by FMU including meetings with the complainants and agreed minutes of meetings between the two parties. Thus, the Audit Team Leader after consultation with team members recommends the Ulu Trusan FMU to be certified against the MC&I (Natural Forest)</p>

	<p>kebanyakan kawasan hutan tempat beroperasi itu sangat teruk diceroboh, sungai-sungai yang terkenal dengan spesis ikan SEMAH dan EMPURAU tercemar teruk dan merosakkan alam sekitar.</p> <p>Saya mohon agar pihak Puan akan mengambil tindakan terhadap aduan atau komen daripada kami ini nanti. Kerjasama daripada pihak Puan di dalam perkara ini amatlah kami hargai.</p>	
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Stage 2 Audit Plan

DAY	TIME	PROGRAM	
		(AUDITOR 1, 2 & Observer 2)	AUDITOR (3 & Observer 1)
Day 0 25.2.18	6:00 am - 8:00pm	<p>All Auditors travelling from KLIA to Miri on 25th Feb 2018 Flight KUL to MYY- MH2574, ETD - 10:25, ETA - 12:40</p> <p>Continue travelling from Miri to Lawas, Flight MYY to LWY- MH3516, ETD – 14:50, ETA – 15:35</p> <p>Travel to Ulu Trusan Camp Camp site / Merarap Camp</p> <p>Briefing by Audit Team Leader on the stage 2 audit plan (auditors only)</p>	
Day 1 26.2.18	<p>7.30 am 8.30 am – 1.00 pm</p> <p>2.00 pm – 7.30 pm</p>	<ul style="list-style-type: none"> Travelling to Ulu Trusan Office Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on issues of concern from Stage 1 <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 <p>Documentation and records review 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 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 (HCV)</p> <ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader 	
Day 2 27.2.18	7.30 am – 1.00 pm	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting area in Block 14, Coupe 1A, MT5, S1-1, MT-4, F1-1-3 	<p>Site visit</p> <ul style="list-style-type: none"> Consultation with workers and worker’s representative Inspection of staff quarters

	2.00 pm – 6.30pm	<ul style="list-style-type: none"> • Inspection of Buffer Zone in • Tagging Block 17, Mt-1, S1-1 • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. • Post Harvesting Block 5, Coupe 1A • Water Catchment Merarap Camp, Block 3, Coupe 1A • Inspection of Coupe 1A Boundary • Inspection of North West of external license boundary with Kanaya LPF/0005 • Inspection of West of external license boundary with STIDC (Lee Ling Timber Sdn Bhd T/9161 • Inspection of West of external license boundary with Brunei International Buffer Zone Boundaries • PSP plots No. 01, at Coupe 09A 	<ul style="list-style-type: none"> • Inspection of Workshops and Schedule Waste Store in Merarap Camp
		<ul style="list-style-type: none"> • Review of Day 2 Findings by Audit Team Leader 	
Day 3 28.2.18	7.30 am – 1.00 pm	Site visit <ul style="list-style-type: none"> • PSP plots No. 07, at Coupe 02A • Consultation with workers operating in active logging area, Excavator operator and supervisor at Block19, Coupe 01A. • Inspection of HVCF Salt Lick at Coupe 02A • Inspection of HVCF Salt Lick at Pa' Berunot, Coupe 12A • Inspection of South FMU Licenses Boundaries with Ravenscourt T/0294 	Site visit <ul style="list-style-type: none"> • Consultation with Local Communities of Long Sukang, Long Merarap, • Travel back to Ulu Trusan Camp
	2.00 pm – 6.30pm	<ul style="list-style-type: none"> • Review of Day 3 Findings by Audit Team Leader 	

Day 4 1.3.18	7.30am – 1.00 pm 2.00pm – 6.30pm	<ul style="list-style-type: none">• HCVF area of Salt Lick No.1, for Long Rereku at Coupe 14• PSP No. 6, Coupe 22A• PSP No. 8, Coupe 15A• Inspection of Coupe 22A	<ul style="list-style-type: none">• Consultation with Indigenous peoples in Long Semadoh and FORMADAT• Consultation with Indigenous peoples in Long Kerabangan
Day 5 2.3.18	8.30 am – 1.00 pm 2.00pm-3.00 pm 3.00pm	<ul style="list-style-type: none">• Documentation and records review• 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• Adjourn Closing Meeting• Travel back to Lawas, check-in at Seri Malaysia Hotel.	
<p>All Auditors travel back to Kuala Lumpur on 3rd March 2018,</p> <p>Flight LWY to MYY- MH3541 ETD - 11:25, ETA - 12:10.</p> <p>Connecting Flight MYY to KUL – MH2575, ETD – 13:30, ETA – 15:50</p>			

Stage 2 Audit Findings and Corrective Action Taken

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 1.5.2 NCR: KN01/ 2018	Major	<p>Requirement: Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities in the FMU.</p> <p>Finding: The control of encroachment, illegal harvesting and settlement, and other unauthorised activities in the FMU was not sufficient.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> During site inspection at Coupe 07A, it was found; <ol style="list-style-type: none"> Three (3) temporary structure house was being constructed, and two (2) trees of Meranti Kuning with size of 75cm dbh and 60cm dbh were illegally felled During site inspection at Coupe 17A, it was found; 	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> FDS has been informed these illegal activities via letter dated 15 March 2018 Assistance of FDS has been sought to investigate and advise on the control over such illegal activities by the villagers <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> The corrective plan shall be based on the findings and recommendations of FDS The FMU management has also proposed that FDS to give awareness talk on the use rights of forest resources by the villagers and their responsibilities, too Completion date: May 2018 	<p>A letter to Limbang Divisional Forest Officer (SST/CORR/18/4) dated 15th March 2018 regarding the encroachment and un-authorized felling of trees in Coupe 07A and 17A was verified</p> <p>Evidences dated 2 August 2018 was referred.</p> <p>Letter from Sarawak Forestry Department No. (1) PHBL/600-3/7/101/JLD.1 dated 25 July 2018 noted the investigation process were in progress. The letter was including map of encroached area. The briefing to local were conducted by the Forestry Department.</p> <p>The control the encroachment, illegal harvesting and settlement, and other un-authorized activities</p>

		<p>a. Two (2) permanent structure house was constructed, and</p> <p>b. Six (6) trees (various species) with size from 30cm dbh to 80cm dbh (approximately) were illegally felled.</p>		<p>were done by regular patrolling. Patrolling Schedule on every two-weeks and patrolling report dated 19 July 2018, 6 July 2018, 6 June 2018 and 22 June 2018 was verified</p> <p>Status: Closed</p>
<p>Indicator 6.5.1</p> <p>NCR: RJ04/2018</p>	Major	<p>Requirement: Indicator 6.5.1 - Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations</p> <p>Finding: Construction of skid trail was carried out without official permission from Sarawak Forestry Corporation (SFC).</p> <p>Objective evidence: During site inspection at Block 14 Coupe 1A, it was found that skid trail at MT- 4 has been constructed at F-1-1-3 which is a different location as approved by Sarawak Forestry Corporation. The approved location was at S-1-1. The relocation of the skid trail was without the permission of Sarawak Forestry Corporation.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Skid trail MT-4 was relocated to join F-1-1-3 on order to facilitate skidding of the felled trees instead of using the proposed and approved skid trail alignment joining S-1-1 • Log fisher operator had decided that it was better to re-locate the skid trail than use the one approved, but he failed to discuss this idea with his supervisor Richard who was not working that day. He was correct in principle and it was a sensible idea, but he should have waited for instruction from supervisor Richard. The operator knew that only approved and numbered skid trails as shown on the Harvest Map can be used for extraction, but he just went ahead and re-located the skid trail. Had Richard been working that day he would have decided whether or not to use the 	<p>A letter to Miri Regional Office, Sarawak Forestry Corporation (SFC) (KTN/C1A/18-04) dated 14th March 2018 requesting an approval for relocating of skidding trail No.MT4, including map of the location and RILP Summary was verified</p> <p>A letter of approval by Forest Officer from SFC (SFC600-1/1/50.2(44) dated 26 March 2018 was verified</p> <p>Evidences on tool box talks to all tractor & log fisher operators as a refresher training was conducted on 20 March 2018. Attendance list and training report was verified.</p> <p>Status: Closed</p>

			<p>approved skid trail or to call SEU to survey the suggested re-location.</p> <ul style="list-style-type: none"> Log fisher operator failed to wait for the return of his supervisor who would have decided the best course of action – instead he just went ahead and re-locate the skid trail. <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> Application letter dated 14/03/2018 has been submitted to SFC for their endorsement and approval of the relocation of MT-4 It is important to note that retrospective approval was given by SFC in the letter already referred to: meaning that having requested re-location of the skid trail and subsequently receiving SFC's approval for the relocation, there was no further issue on this matter as far as SFC was concerned. A tool box talks to all tractor & log fisher operators as a refresher to help avoid such issues re-occurring. A copy of the toolbox talk will be obtained from Merarap camp. 	
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<p>Indicator 6.5.4</p> <p>NCR: RJ03/ 2018</p>	<p>Major</p>	<p>Requirement: Indicator 6.5.4 - Availability and implementation of guidelines for conservation of buffer strip along streams and river.</p> <p>Finding: The implementation of the buffer strips was not followed the "Forest Road Layout and construction, 1999".</p> <p>Objective evidence: Site visit to active areas in Block 14 Coupe 1A at MT-5 and ST-5-1, it was found that tree No.0001 (Kepayang) 50cm dbh and tree No. 0106 (Kelempayan) 45cm dbh were felled into the marked buffer zone at Sungai Ulu Selibang.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • A river buffer zone, marked with blue paint, was in place at the time of the audit. But the blue paint mark was on the sides of the trees i.e. facing along the RBZ boundary and was therefore not easily seen when looking directly – perpendicularly - at the RBZ from the harvest block. • The chainsaw operators are aware that a) no trees shall be felled within the RBZ (even if trees have been tagged by mistake by the 100% inventory crew); and b) when felling trees near the RBZ every effort must be made to directional fell so that the crown of the tree falls outside of the RBZ. Where the operator is not confident that the crown of the tree will not fall outside the RBZ then the tree will be left standing. • The chain saw operator did not follow instruction to take appropriate care when felling trees near RBZs. • The skid trail and the river buffer zone are being re-tracked to reconfirm the GPS location with respect to the skid trail map 	<p>Evidences (report) on 5m buffer zone map (RIL Map Coupe 01A, Block 14) and buffer zone pictures was verified.</p> <p>The Buffer Zone Rehabilitation was conducted on 24 March 2018 to the affected area. Pictorial report was verified by the auditor.</p> <p>Evidences on tool box talks to all tractor & log fisher operators as a refresher training was conducted on 20 March 2018. Attendance list and training report was verified.</p> <p>Status: Closed</p>
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			<ul style="list-style-type: none"> The river width was found to be 5m and there is no obstruction to the flow of water which remain clear <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> The river buffer zone shall be re-demarcated accordingly The disturbed area of the river buffer zone shall be rehabilitated by planting wildings collected from nearby area Completion date: May 2018 	
Indicator 8.1.2 NCR: KN02/2018	Minor	<p>Requirement: 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>Finding: The monitoring report for assessing social, ecological, environmental and economic impacts were not available</p> <p>Objective evidence: Monitoring report for assessing social, ecological, environmental and economic impacts for forest management operations was not available.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> Log production summary, wildlife sighting, major/minor accident & near miss record and patrolling record are available. All these records shall be consolidated as monthly monitoring report Environmental monitoring and Silviculture treatment shall commence every quarterly Data on forest regeneration, forest condition and flora changes shall be collected one a year PSP re-assessment is to be carried out once every 2 years. 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: Accepted</p>

			<p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> Monthly Monitoring Report (i.e April 2018, May 2018, etc.), Quarterly Monitoring Report (i.e. as at April 2018, as at July 2018, etc.) and Annual Monitoring Report (i.e. as December 2018) shall be prepared commencing from the month of April 2018. 	
Indicator 8.2.1 NCR: KN03/2018	Minor	<p>Requirement: Indicator 8.2.1 - Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>Finding: The establishment and monitoring of Permanent Sample Plots were not satisfactorily enumerated and Costs, productivity and efficiency of forest management as required by the standards were not available.</p> <p>Objective evidence: During the site inspection of Permanent Sample Plots, it was found; 4. PSP No.0001 at Coupe 09A;</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> Review of the problematic PSP shall be carried out Data on the logging operation costing are available <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> Re-establishment of PSP No. 001 and 006 shall be done and completed in May 2018 A refresher training of the Forest Resources Assessment/PSP survey crew shall be conducted in June 2018 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: Accepted</p>

		<ul style="list-style-type: none"> a. one (1) tree size >30cm dbh were miss out and not inventoried and b. the measurement of the plots (length and width of the plots) were not corrected based on clinometer slope reading (correction table), and c. three (3) trees were incorrectly measured <p>5. PSP No.06 at Coupe 22A;</p> <ul style="list-style-type: none"> a. the measurement of the plots (length and width of the plots) were not corrected based on clinometer slope reading (correction table) <p>6. (e) Costs, productivity and efficiency of forest management as required by the standards were not available.</p>	<ul style="list-style-type: none"> • Logging Operation Costing Report (Private and Confidential) shall be made available for perusal on request. 	
Indicator 9.4.1 NCR: KN04/2018	Minor	<p>Requirement: Indicator 9.4.1 - Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU.</p> <p>Finding: The HCVFs monitoring procedure was not sufficient.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Procedure SFM/PR-007 shall be reviewed. • Time line or frequency of monitoring of HCVFs shall be set in the Procedure and be incorporated into FMP 	<p>The Corrective action plan has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>

		<p>Objective evidence: “Procedures for Monitoring the High Conservation Value (HCV) Management Measures, Procedures: SFM/PR 007, Revision:0, dated 1st August 2017’, and had clearly recommended monitoring activities. However, the time line or frequency of monitoring to assess the effectiveness of the HCVFs measures were not stated in any procedures or management plan</p>	<p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> The procedure and the FMP shall be updated by May 2018 	
Indicator 5.3.1 NCR: RJ02/2018	Minor	<p>Requirement: Indicator 5.3.1 - Implementation of guidelines for reduced/low impact logging to minimize damage to residual stand.</p> <p>Finding: Implementation of tree tagging for harvesting did not follow the “RIL Guidelines for Pre-F Inventory Covering 100% Tree Enumeration, Marking and Tagging of Trees to be Harvested” Under para 3.3 “Trees for protection” of the guideline, Potential crop tree (PCT) under para (b) stated that all PCTs located within (a) the skid trail corridor (width not wider than the length of the tractor blade - 4meters taking into consideration that the width of the standard blade for a caterpillar D6 tractor is 3.2 meters) and (b) cleared width of the logging road alignments (as specified in the Guidelines for Forest Road Layout and Construction) are allowed to be</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> It should be noted that verifier in the MC&I (Natural Forest) is: Guidelines/Procedures on Reduced and Low Impact Harvesting Systems, 1999. In this document Sections 2.7 - Tagging of trees for harvesting & Section 2.8 -Tree felling, make no mention of tag colour at all, only the requirement that trees to be harvested will be tagged. It is in Section 2.7 (renamed marking of harvestable trees) of the Second Edition 2014 that tag colours are stated namely: harvestable trees are tagged with white colour, potential crop trees with orange colour and mother tress and protected trees with blue colour. 	<p>The Corrective action plan has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>

		<p>felled & extracted. All these PCT must be measured & tagged with single section of white plastics tag during the pre- felling inventory stage.</p> <p>Objective evidence: During the site visit to MT-1 at S-1-1 Block 17 of Coupe 1A, it was found Potential Crop Trees (PCT) was tagged with more than one plastics tag during the pre- felling inventory stage as below;</p> <ol style="list-style-type: none"> 1. PCT No. 1 (Benu) 32cm dbh tagged with orange tag and white tag no BB7553 (whole section), 2. PCT No. 2 (Medn) 34cm dbh tagged with orange tag and white tag no BB 7554 (whole section), 3. PCT No. 3 (Aras) 36cm dbh tagged with orange and white tag no.BB7555 (whole section) and, 4. PCT No. 4 (Benu)35cm dbh tagged with orange tag and white tag no. BB 7556 (whole section). 	<p>But the 2014 edition is not the MC&I verifier.</p> <ul style="list-style-type: none"> • However, SFC require the colour coded tagging as above. It seems from the draft of the SFC RIL Guidelines, July 2017 that this will change again: the PCTs will be marked (it does not say how) or flagged with plastic tape. It then goes on to say (Section 5(b) pages 11 and 12) that PCTs within in the skid trail may be harvested "... all such PCTs must be measured and tagged with a single section of white plastic tag...". • From the above it is easy to see where confusion might arise. • the final version of the Guidelines has still to be distributed (STA – 4 Sep 2018 - advise that it is only now being printed). It is hoped that it will be distributed by SFC at the time of the two SFC RIL training course to be held in Miri 19-20 September 2018 which many of Samling staff will be attending. • Block 17 of Coupe 1 was one of the earlier blocks to be 100% enumerated. Both SFC and Samling were on learning curves. Initially PCTs were tagged <i>orange</i>. Then SFC required PCTs that were within the skid trial and which were to be felled and extracted to have a <i>white</i> tag. Logically the orange tag 	
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			<p>should have been removed at the time when the white tag was attached. But this was not done. Hence PCTs could be found on the skid trail with both <i>orange</i> and <i>white</i> tags.</p> <ul style="list-style-type: none"> initially there was no clear direction from SFC and then there were also changes as to the requirements. This gave rise to the duplicate tagging. The orange tags should have been removed, but obviously, they were not. <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> The orange tags have been removed and the trees in question have been harvested. This problem only occurred in 5 or 6 blocks all of which have been harvested now. There should be no more confusion on this matter as there is more clarity Responsibility for the 100% enumeration comes under SEU for both in-house and contract. Training on RIL Guidelines is scheduled for the survey crews as refresher course on tree enumeration and tagging in April 2018 	
Indicator 5.1.1 NCR:	Minor	Requirement: Indicator 5.1.1 - Investment and reinvestment are made in forest management, including for forest	Result of investigation and determination of root cause:	The Corrective action plan has been accepted and the

RJ01/2018		<p>administration, research, human resource, development, protection, economic, conservation, environmental and social aspect, consistent with the tenure of the FMU.</p> <p>Finding: The annual budget and expenditure for forest management does not include the silvicultural treatment.</p> <p>Objective evidence: The Annual budget (July 2017 – June 2018) does not include the budget for the silvicultural treatment, as Ulu Trusan FMU has identified 226 ha of areas in coupe 1A as shown in Table 9.1 of Forest Management Plan (2017-2026).</p>	<ul style="list-style-type: none"> The manpower and budget for the Forest Resources Assessment (FRA) Unit shall be apportioned for the silvicultural works <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> The silvicultural treatment of the proposed areas of 226 ha (comprising of 4 blocks as trials) shall commence in April 2018 and shall complete by January 2019 	<p>effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>
Indicator 3.1.3 NCR: LYD01/ 2018	Minor	<p>Requirement: Indicator 3.1.3 – availability of appropriate mechanism to resolve any conflict and grievances between parties involves, and FMU SFM/PR 001 Procedures on Land Claim Rev. 0 dated 15/03/2017 Section 2.0 Land Claim Flow Chart</p> <p>Finding: Implementation of resolving complaints arising from local communities / indigenous people found to be contradict with FMU SFM/PR 001 Procedures on Land Claim Rev.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> Achang Lawai and Yahya have duly received their compensation on logs extracted from their lands The status of Yuhanis land claim was disputed by Achang Lawai and hence the compensation was withheld Penghulu of Long Semadoh confirmed that Achang Lawai is the rightful owner of Block 4 and 5 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: Accepted</p>

		<p>0 dated 15/03/2017 Section 2.0 Land Claim Flow Chart</p> <p>Objective evidence: Implementation of resolving conflicts arising from local communities / indigenous people found to be contradict with FMU SFM/PR 001 Procedures on Land Claim Rev. 0 dated 15/03/2017 Section 2.0 Land Claim Flow Chart for the following cases:</p> <p>4. Yuhanis Rugu dated 9/1/2017 for KTN 3A part of Block 4&5 – missing record of claim, GPS location and operation status. Also noted that the area claim has yet to be updated in FMU map</p> <p>5. Achang Lawai dated 9/1/2017 for KTN 3A block 2&3 - missing record of claim and operation status. Also noted that the area claim has yet to be updated in FMU map</p> <p>6. Yahya @ Ballang Racha for KTN 3A block 5&6 missing record of claim, GPS location and operation status. Also noted that the area claim has yet to be updated in FMU map</p>	<ul style="list-style-type: none"> • The area maps of the claim blocks are being prepared and to be updated in the FMP map • The contradiction in implementation of the procedure shall be reviewed <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> • Penghulu of Long Semadoh has been consulted and he would produce the statement of fact to close the case • The FMP map shall be updated accordingly • The contradiction in the process of implementation shall be revise accordingly • Completion date: May 2018 	
Indicator 3.2.2 NCR: LYD02/ 2018	Minor	<p>Requirement: Indicator 3.2.2 – Actions shall be taken to prevent or mitigate adverse impact</p>	<p>Result of investigation and determination of root cause:</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p>

		<p>Finding: Records of actions taken to prevent or mitigate adverse impact from logging operations that might threaten / diminish the resources / tenure rights of indigenous people as per required in Chapter 12 FMP has not been made available</p> <p>Objective evidence: Records of actions taken to prevent or mitigate adverse impact from logging operations that might threaten / diminish the resources / tenure rights of indigenous people as per required in Chapter 12 FMP has not been made available for the following:</p> <ol style="list-style-type: none"> 3. Annual monitoring at the water catchment (for indigenous people) inside FMU. 4. Monitoring of cultural / historical / religious sites 	<ul style="list-style-type: none"> • Signage has recently been installed to indicate the location of the water catchments inside the FMU • The monitoring of the catchment shall be done jointly with the CRC once a year • The monitoring report shall be submitted to the FMU management and SFM Liaison Committee • The monitoring of cultural/historical/religious sites has to be done jointly by the local Community/CRC/FORMADAT and the Sarawak Museum as required by the Sarawak Cultural Heritage Ordinance, 1993 <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> • A join inspection of the status of the water catchment shall be arranged. Completion date July 2018 • The Sarawak Museum has its own preservation plan for the local community with respect to cultural heritage of ethnic group of Sarawak. 	<p>Status: Accepted</p>
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Indicator 4.4.1 NCR: LYD03/ 2018	Minor	<p>Requirement: Indicator 4.4.1 – forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to the information on the results of the social impact evaluations</p> <p>Finding: Access to information on the results of the social impact evaluations found to be inadequate.</p> <p>Objective evidence: The FMU has conducted SIA and the report of evaluation has been finalized and documented by Feb 2018. Hence, the CRC (Community Relation Committee) meeting conducted on 10/02/2018 has only attended by representative from Long Sukang Division/Region</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Copies of power point presentation were requested by the CRC Long Sukang during the CRD Meeting • CRC Long Semadoh Central was invited but was unable to attend due to logistic problem and bad weather <p>Correction and Corrective action plan including completion date:</p> <ul style="list-style-type: none"> • Copies of the power point presentation shall be extended to CRC Long Sukang by April 2018 • A sharing session of SIA Report with its findings with CRC Long Semadoh Central shall be scheduled in June 2018 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: Accepted</p>
Indicator 4.5.2 NCR: LYD04/ 2018	Minor	<p>Requirement: 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>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. CRC Long Semadoh Central (comprising of Long Semadoh Rayeh and Long Tuyu), Long Kerabangan (of CRC Long Semadoh), FORMADAT and its members were absent from the meeting of CRC Long Semadoh on 10/2/2018 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Evidences on a sharing session of the SIA Report and its findings was conducted for the villagers at CRC Long Semadoh Rayeh, Long Kerabangan, FORMADAT,</p>

		<p>Finding: FMU – local community consultation conducted through CRC meeting dated 10/02/2018 found to be insufficient.</p> <p>Objective evidence: FMU – local communities conducted through CRC meeting dated 10/02/2018 found to be insufficient.</p> <p>During stakeholder consultation (SIRIM current audit) conducted with indigenous people from Long Semadoh Rayeh, Long Tuyu, Long Kerabangan, Forum Masyarakat Adat Dataran Tinggi Borneo (FORMADAT – comprising local community representatives) and CRC members, the audit team has gathered the following concern:</p> <ul style="list-style-type: none"> • Villagers have yet to receive information on the findings of the social impact of forest management operations directly affecting the communities. • Unclear demarcation of FMU area • Unclear status of previous mutual agreement between villagers with FMU (previously known as KTN Timur Sendrian Berhad dated 26/12/1984. The villagers concern on FMU compliance against the TOR in the agreement e.g. – Article 2B – The company shall undertake to construct, maintain and 	<p>2. Unclear demarcation of FMU boundary;</p> <p>The General Plan (GP) for Ulu Trusan was on show at the ‘sharing meetings’ held in mid-2017. The GP shows the FMU boundary and at these meetings the boundary was pointed out on the GP together with some explanation. Furthermore, the FMU boundary is also demarcated on the ground and most people are, or should be, aware of this.</p> <p>Many people are involved in this FMU and not all attended these meetings. This means that there will be pockets of ignorance and misunderstanding. An auditor might well interview 4-5 people all of whom claim to be unclear – but this is a result of their failing to attending the meetings.</p> <p>3. Unclear status of previous mutual agreement between villagers with FMU (previously known as KTN Timur Sendrian Berhad dated 26/12/1984. The villagers concern on FMU compliance against the TOR in the agreement e.g. – Article 2B – The company shall undertake to construct, maintain and repair the feeder roads</p>	<p>Pa’Adang and its members on 13-16 July 2018 and scanned Borneo Post clipping and the Samling response to the JKR Letter of Intent was verified.</p> <p>Status: Accepted</p>
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		<p>repair the feeder roads leading to the said kampongs for the general used of all</p> <ul style="list-style-type: none"> • FORMADAT signage on local communities' protection area e.g. riparian area has been damaged during logging operations 	<p>leading to the said kampongs for the general used of all.</p> <p>The villagers were expressing their concern at a time (March 2018) when Samling had just commenced the upgrade of the Lg Luping to Ba'kelalan road and the associated kampong feeder roads. The scanned Borneo Post clipping and the Samling response to the JKR Letter of Intent clearly shows that these concerns were to be addressed. This is a major undertaking and 40% has now been completed</p> <p>Understandably at that time, March 2018, the local people were not all aware of the start-up of the road upgrade project and what it entailed.</p> <p>4. FORMADAT signage on local communities' protection area e.g. riparian area has been damaged during logging operations;</p> <p>Onsite inspection revealed no damage to the riparian areas as a result of logging operations. Furthermore, there are no logging operations near the rivers that pass by these communities where the vegetation is SA or temuda.</p>	
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Indicator 6.7.1	OFl	<p>Indicator 6.7.1 - Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p>The organisation has request extension period from DOE-31.1.2018 for disposing scheduled waste due to difficulties to have frequent visit by the scheduled waste contractor. The request status is still pending and thus the effectiveness of the implementation of disposing of schedule waste are subject to be verified during next audit</p>	<p>A meeting with DOE, the licensed scheduled waste contractor has been fixed in mid-June 2018 to resolve this issue</p>	Accepted