



**PUBLIC SUMMARY
STAGE 2 AUDIT REPORT (2019) ON
ENTULU-MELATAI FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

Certificate Number: FMC – FMC-NF 00128
Date of First Certification: 24th July 2020
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Certification Body:

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EXECUTIVE SUMMARY

The Stage 2 audit for forest management certification on the Interglobal Empire Sdn. Bhd. – Entulu-Melatai FMU was conducted from 23 to 27 November 2019. The present audit was conducted following the Stage 1 audit which was carried out from 14 to 16 May 2019 covering 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)] and using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of the Interglobal Empire Sdn. Bhd. by a three-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Ismail Adnan Abdul Malik, and Mohd Annas Amin Bin Haji Omar.

The Entulu-Melatai FMU covers an area of 55,112 ha, being part of the Baleh Protected Forest with another component of 8,778 ha separate from the FMU for the purpose of inundated reservoir serving the Baleh Hydroelectric Power (HEP). The forest area is situated approximately between Latitudes 1°13' 00" N to 1°31' 70" N and Longitudes 113°24' 65" E to 113°42' 30" E in upper reaches of the Batang Baleh within the Kapit Division, Sarawak, about 76km Southeast from Kapit town. The Entulu–Melatai FMU is served by public express boat and complemented with logging road. The administrative center of the FMU is located at Sapphire 99 Camp, 102 Km from Nanga Gaat Logpond, reachable by express boat.

The audit involved the verification of documents and field visits and inspections. There were also consultations being held with the Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC) and Natural Resources Environmental Board (NREB).

The general findings of this Stage2 audit indicated that the Entulu-Melatai FMU had complied with most of the requirements of the MC&I (Natural Forest) despite the issuance of a total six (6) Major, five (5) Minor Non-Conformance Report (NCRs), and three (3) OFIs against the requirements of this standard.

The audit team had also verified issues of concern undertaken by the FMU to address all the findings previously raised in the Stage1 audit.

The Audit Team Leader in consultation with team members recommended that certification of Entulu-Melatai FMU against the MC&I (Natural Forest) be issued conditional upon acceptance of corrective action plans within one (1) month from the date of the Stage2 audit and subject to comments by peer reviewers.

The FMU had submitted a proposed corrective action plan to address the NCRs and OFIs raised during the Stage2 audit sent in by e-mail on 24 December 2019 and this has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCRs were received on 24 February 2020 and was accepted and the audit formally closed on 13 March 2020.

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.

1 INTRODUCTION

1.1 Name of FPMU

Entulu-Melatai FMU

1.2 Contact Person and Address

Name: Ling Kwong Hung
Designation: Head of Resources Planning and Operations.
Address: Bangunan Hung Ann,
No. 1, Jalan Bujang Suntong,
96000 Sibul,
Sarawak.

1.3 General Background on the Entulu-Melatai FMU.

The Forest Timber Licence (FTL) No. T/3476 was issued to Interglobal Empire Sdn Bhd by the Sarawak Forestry Department on 6 December 2006 to 5 December 2011 to manage a total 63,890 ha of the part of the Baleh Protected Forest, which is located within the Kapit Division, Sarawak for an initial period of five (5) years. It was subsequently renewed on 17 October 2007 until 5 December 2022. Interglobal Empire Sdn. Bhd. manages the area known as Entulu-Melatai Forest Management Unit (FMU).

The FMU covers an area of 55,112 ha being a component of the Baleh Protected Forest. A remaining area of 8,778 ha was excluded from the FMU for an inundated reservoir to serve the Baleh Hydroelectric Power (HEP). The forest area is situated approximately between Latitudes 1° 13' 00" N to 1° 31' 70" N and Longitudes 113° 24' 65" E to 113° 42' 30" E in upper reaches of Batang Baleh within the Kapit Division, Sarawak, about 76km Southeast from Kapit town. Entulu – Melatai FMU is served by public express boat and followed by logging road. The administrative center of Entulu – Melatai FMU is located at Sapphire 99 Camp, 102 Km from Nanga Gaat Logpond, reachable by express boat.

The FMU is predominantly Mixed Dipterocarp Forest (MDF) and has a terrain of about 81% under terrain Class III (Mountainous) and 19% under terrain Class IV (Steep Mountainous).

Currently, the FMU has completed tree tagging exercises at Block 17 and 19 for Coupe 1A. No logging activities were conducted at the time of audit.

A map of the FMU is attached in **Attachment 1**.

1.4 Date First Certified

24th July 2020

1.5 Location of the FPMU

The forest area of the Entulu-Melatai FMU is situated approximately between Latitudes 1° 13' 00" N to 1° 31' 70" N and Longitudes 113° 24' 65" E to 113° 42' 30" E in upper reaches of the Batang Baleh within the Kapit Division, Sarawak.

1.6 Forest Management System

The FMU followed the principles of sustainable forest management (SFM) in its management practice. A Forest Management Plan (FMP) 2018-2043, was presented during this audit.

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

The Annual Allowable Cut (AAC) was calculated at 72,439 m³/year (6,037 m³ per month) for the FMU on average for the next 25 years within the harvestable cycle.

1.8 Environmental and Socioeconomic Context

The FMU practiced sustainable management through compliance with the MC&I standards. The management has conducted EIA including measures on ERT species protection, provision for biological corridors, riparian buffers and various mitigation measures. Relevant Sarawak Forestry Commission guidelines on protection and conservation were complied with. Residual forest stands were protected and preserved and RIL procedures followed strictly. Pest management used the non-chemical approach.

The FPMU also generates job opportunity with qualified local community given preference as for contract works. The FMU exclusively produce logs which feed into the local wood-based industry.

2 AUDIT PROCESS

2.1 Audit Dates

23-27 Nov 2019 (15 auditor days)

2.2 Audit Team

1. Khairul Najwan bin Ahmad Jahari (Lead Auditor)
2. Ismail Adnan Abdul Malik (Forester)
3. Mohd Annas Amin Bin Haji Omar (Forester)

The details on experiences and qualifications of the audit team members are as in **Attachment 2**.

2.3 Standard Used

The Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] was used as the standard together with the verifiers stipulated for Sarawak, Malaysia.

2.4 Stakeholder Consultations

A stakeholder notification was issued in 22 October 2019 for a period of one month inviting relevant stakeholders to give comments on the FMU. However, there was no comment received from the stakeholders on Entulu-Melatai FMU during the period. Peer group reviews on the audit report were also obtained and these are presented, together with the auditors' response, in **Attachment 3**.

The audit team had also conducted onsite consultations with the relevant stakeholders during the Stage2. Details of the consultations with the stakeholders are showed in the audit plan as well as in the Stage2 audit report in Principles 2, 3 and 4.

2.5 Audit Process.

The audit was conducted primarily to evaluate the level of compliance shown by the FMU, current documentation, Standard Operating Procedures (SOPs) and field practices in forest management in accordance with the details as listed in the MC&I (Natural Forest), together with the use of verifiers stipulated for Sarawak, Malaysia.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU or stakeholders or field audit or a combination of these methods. The auditors had reviewed and verified the degree of the overall compliance on the indicator before a finding on non-compliance was raised, if any, either as a nonconformity (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. It 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 FMU.

The FMU 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 FMU 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 FMU to the MC&I.

The FMU shall respond in writing to SIRIM QAS International within one month from the last date of audit detailing the actions to be taken to address all minor NCRs. The effectiveness of the resulting actions taken by the FMU 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.

The Surveillance Audit Plan in **Attachment 4**.

3 SUMMARY OF AUDIT FINDINGS

A total of six (6) Major [Indicator 1.1.1, 4.3.4, 5.3.2, 6.7.1, 7.1.1 and 9.4.1], five (5) Minor [Indicator 2.3.1, 6.2.4, 8.1.2, 7.3.1 and 8.2.1] Non-Conformance Report (NCRs) and three (3) [Indicator 1.5.2, 3.3.1 and 3.4.2] Opportunities for Improvement (OFIs) were raised on the Entulu-Melatai FMU against the requirements of the MC&I (Natural Forest). The audit team had examined all the proposed corrective action plans to address the NCRs and OFI raised during the Stage2 audit by e-mail on 24 December 2019 which has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCRs was received on 24 February 2020 and has been accepted and closed on 13 March 2020.

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

The FMU had shown their overall commitment to address the non-conformities by establishing corrective action plans as detailed in **Attachment 5**.

The summary of the findings of this Stage 2 Surveillance audit on Entulu-Melatai FMU against the requirements of the MC&I (Natural Forest) standard, 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 operation room in Camp Sapphire 99 office. The list of updated documents, dated September 2019, was sighted. Consultation with the forest manager and executives 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. To-date the FMU has not violated any law and no forest offences were recorded during the audit. This was confirmed during consultation with the Forest Department Sarawak and Sarawak Forestry Corporation.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at Camp Sapphire 99. The current list of all legally prescribed fees, royalties, taxes, and other charges were verified. Records were kept for all payments made. There were no Liquidated Damages paid since harvesting has not started audit year. This was verified and confirmed with the SFC.</p> <p>The forest managers were aware of all the binding international agreements including the ILO, CBD, UNFCCC and CITES. The documents were sighted at the Berkakap Base Camp.</p> <p>Documentation of any conflicts between laws, regulations and the Principles and Criteria was made available in 'Declaration of Management Statement on Resolution of Conflicts' dated July 2019. The forest managers expressed their willingness to participate in resolution of such conflicts if they were to arise. There was no permanent local settlement in the FMU.</p> <p>Legal provisions were available for the establishment and protection of the Forest Management Unit. The Forest Timber License ((FTL) No. T/3476) was issued by the Forest Department Sarawak. Documents governing the legal establishment and protection of the FMU were made available in the office in Entulu-</p>	<p>Based on available evidence the management however did not seek permission from the Labour Department on salary deduction of workers nor on the accumulation of rest days as required in the employment contract. For this infringement the Major NCR ISMA01/2019 was issued against Indicator 1.1.1 was raised.</p> <p>The boundary demarcation process can be improved upon with a time schedule plan including adequate signage. An OFI was raised on Indicator 1.5.2 to facilitate this.</p>

Principle	Strengths	Weaknesses
	<p>Melatai Camp. Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorized activities in the FMU was verified. These included signages, posters, boundary demarcation and marking. Two staff members were trained as honorary wildlife rangers by the FSC.</p> <p>A written policy entitled 'Sustainable Forest Management Policy' (2018) was presented during the audit. This policy statement included commitment to undertake forest management certification under the Malaysian Timber Certification Scheme for well-managed forest. The policy statement was prominently displayed within the FMU and communicated throughout the organization to all staff on 16 July 2019.</p>	
Principle 2 Tenure and Use Rights and Responsibilities	<p>The Forest Timber Licence (FTL) No. T/3476 (with revision), issued by the Forest Department Sarawak as mentioned earlier, established the legal status of the FMU. There is no permanent local settlement within the Entulu-Melatai FMU. The nearest settlement to the FMU is about 30 km distance. A survey conducted by Mesra Alam Consulting (2016) showed no evidence of forest use by local communities within its boundary. The management however had stated their willingness to support legally recognized mechanisms for resolving land claims if necessary.</p> <p>As mentioned above (Criterion 2.1) there's no local community settlement in the FMU or evidence their use of the forest.</p>	<p>A legally recognized mechanism for resolving tenure and use rights was established through the SOP 'Conflict Resolution Process Flow Chart'. The audit however established that the procedure was inappropriate to resolve potential disputes. The Minor NCR KN01/2019 was thus raised against Indicator 2.3.1.</p>
Principle 3 Indigenous People's Rights	<p>There is no existing local community settlement in the FMU (Refer Criterion 2.1). This was further confirmed by Ecosol Consultant Sdn Bhd in their SIA Report dated January 2019.</p> <p>Management impact on local community within the FMU does not arise. Further, stakeholder consultation conducted during the audit established that existing practices do not threaten or diminish, either directly or indirectly, the resources or tenure rights of local communities outside the FMU.</p> <p>Appropriate procedures within current administrative processes for identifying and protecting sites of special cultural, ecological,</p>	<p>The SOP can be further improved with clarification provided to explain each step involved. The OFI on Indicator 3.3.1 was raised to facilitate the suggestion.</p> <p>The SOP 'Conflict Resolution Process Flow Chart' provides the mechanism for compensation of traditional forest-related knowledge and practices of the local community. However further clarification on this role is necessary. OFI</p>

Principle	Strengths	Weaknesses
	<p>economic or religious significance, including conflict resolution, are provisioned in the FMP. In addition, a SOP ‘Conflict Resolution Process Flow Chart’, mentioned above (Criterion 2.3), also provide procedures to identify and protect such sites.</p> <p>Since indigenous traditional forest related knowledge is not used in FMU forest management practices, specific mechanism and compensation for the commercial utilization of traditional knowledge is not established.</p>	<p>against Indicator 3.4.2 was raised to address this.</p>
<p>Principle 4 Community Relations and Worker’s Rights</p>	<p>Qualified persons among the local communities living adjacent to the FMU are given preference for employment and contract works. Records on such employment from surrounding longhouses were verified. The FMU document ‘Annual Training Plan (Internal and external)’ outlines training for 2019. Information on safety and health were dispensed to forest workers by the Malaysian Red Crescent.</p> <p>Management policies addressing occupational safety and health of forest workers and their families in accordance with current legislation and/or regulations are available. The document ‘Health, Safety and Environment Policy’ (2017) was available and widely displayed in the FMU. Appropriate safety and operational equipment in good working condition were provided including first aid kits which were provided to all persons-in-charge who were also appointed as Safety and Health Officers (SHO). Proper safety procedures were displayed and safety equipment (PPE) were maintained in good working conditions. Field workers were aware of PPE requirement. A Safety and Health Committee was established with regular meetings conducted as verified by the audit. With one exception, no accident was recorded since the SHOs were appointed in September 2019. Good practices verified included work instruction, hazard identification, site inspection, response to fire occurrence, inflammables storage with proper labeling and signage.</p> <p>The workers were aware of their rights to form/join union of their own choice, as mentioned in the Memo on ‘Kebebasan untuk Menyertai Kesatuan Sekerja’ (The rights to enroll</p>	<p>Consultation with general workers and employee committee members revealed ineffective procedure to address worker grievances since no record was available. Their understanding of such procedure was also not adequate. For this oversight the Major NCR KN03/2019 was raised against Indicator 4.3.4.</p>

Principle	Strengths	Weaknesses
	<p>in Trade Unions) dated 6 May 2019. However there was no union in the FMU, except for the Employer-Employee Committee for Melatai FMU, formed on 6 May 2019. Documents related to ILO (ILO Convention No. 87 & No.98) were available to staff members for information on labour rights including labour unions. Local labour laws including Labour Ordinance (Sarawak Cap 76), Employees Provident Fund Act 1991 and Employees' Social Security Act 1969 were also available.</p> <p>I</p> <p>As mentioned earlier (Criterion 2.1 there are no presence of local community settlement nor their use of resources within the FMU. This was confirmed by the SIA survey report (January 2019) by Ecosol Consultant Sdn Bhd. Further, the GP Map by the Forest Department Sarawak (Ref. No. (35) JHS/600-3/102-Jld.2 , 30 May 2019) showed absence of local community activity within the area, such as shifting cultivation.</p> <p>The Social Impact Assessment (SIA) Report (2019) by Ecosol Consultant Sdn Bhd on the FMU indicated no local community settlement or activity within the area (see Criterion 4.4).</p>	
<p>Principle 5 Benefits From the Forest</p>	<p>Guidelines for reduced and low impact logging issued by the Forestry Department Sarawak were implemented to reduce damage to residual stand. The documents, Forest Management Certification (Natural Forest) Area (RIL) 1999, and its revised second edition (2014), were sighted. These documents together with communications for approval with Forest Department of Sarawak were verified. Field audit inspected site activities and verified tree tagging, cutting limit, and provision for mother, seed and protected trees. Detailed harvesting plans to guide harvesting operations and minimize wastage, damage and site degradation in the coupe areas, were approved by the Sarawak Forestry Corporation. Field inspection verified that former skid trails were reused in order to minimize forest opening. The SOPs for RIL implemented by the management were sighted.</p> <p>Entulu-Melatai had implemented both External and Internal training on RIL for its staff and employees. Training record for 2019 covering both external and internal training was verified.</p>	<p>Field audit in a harvesting block (Block 19) found some discrepancies; two tagged production trees were undersized and one tag erroneously numbered in the Inventory Summary Sheet. A Major NCR (ANS01/2019) against Indicator 5.3.2 was raised.</p>

Principle	Strengths	Weaknesses
	<p>The staff interviewed showed that they were aware of and fully understood RIL objectives and requirements.</p> <p>Beside timber production Entulu-Melatai FMU has no plan for production of mixed commercial forest product including the utilisation of non-timber forest products. At present, there is no issue on local communities entering the FMU to gather forest produce for their own consumption. The FMU will however be receptive to such activities in the future if the need arises.</p> <p>Sensitive areas were demarcated and protected for soil and water, watercourses and wetlands in HCVF areas. These were verified in document review and site visit. Documents on protection of HCVF areas were sighted. Sensitive areas were demarcated in maps and their management strategies given in the Entulu-Melatai Forest Management Plan. Stream Bank Reserve (SBR) was inspected in the field and boundary marking and signage verified.</p> <p>As indicated in the Entulu-Melatai FMP, the rate of harvest does not exceed the estimated regrowth of the residual stand based on permanent sample plots assessments within a pre-defined 25 year of cutting cycle. The AAC was calculated based on the standard approach combining area, Mean Annual Increment (MAI) and safety factor. The AAC has two controls comprising use of the Annual Cutting Area (ACA) and the MAI for projecting volume and determine harvesting cycle. Volume harvest was not available during audit since logging operation has not yet commenced.</p>	
Principle 6 Environmental Impact	<p>The FMP incorporated the need for assessment of environmental impacts (Chapter 6). The EIA report for re-entry hill forest logging, approved by the Natural Resources and Environment Board (September 2013) was sighted. The FMP had also incorporated an assessment of environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna (ERT), and the need for biological corridors in the FMU. Recommended mitigation measures, best management practices and management strategies were also incorporated. The mitigation measures of the potential impacts</p>	

Principle	Strengths	Weaknesses
	<p>on ERT flora and fauna, and the need for biological corridors were included in the HCV Assessment Report.</p> <p>The guidelines to identify and protect ERT flora and fauna species, including features of special biological interests are documented in the “Guidelines to Identify Endangered, Rare, Threatened or Protected Forest Tree Species in Sarawak” (October 2013, SFC). The document together with the SFC Guidelines ERT Species (September, 2014) were available during audit. The guidelines to establish representative conservation and protection areas, in accordance with existing forest ecosystems were incorporated in ‘Procedures for Pre-Felling Inventory’ (by SFC). Cooperation between forest managers, and conservation organizations and regulatory authorities exists in implementing conservation and management activities. The survey, ‘Herpetological survey of the Entulu-Melatai at Ng Gaat Kapit’ will be conducted in November 2019 together with UNIMAS. Hunting, fishing and collecting activities and inappropriate activities were prohibited in the FMU, monitored and controlled by trained FMU Honorary Wildlife Rangers. There was no encroachments or illegal logging activities in the FMU as verified from Satellite imaginaries maps surveillance conducted on November 2019. The FMU has planned for awareness activities to be conducted annually and this year it was held on 1 October 2019. Posters and leaflets on Endangered Species and Totally Protected Animals of Sarawak, Protected Animals of Sarawak and Totally Protected Plans of Sarawak, were posted/distributed at various locations to raise awareness among workers.</p> <p>There was no silvicultural treatment at the time of audit, since the FMU has just initiated the Forest Management System. The audit was informed that analysis of change of forest stand/species composition in relation to the pre-felling inventories was in progress. The guidelines for the conservation of genetic, species and ecosystem diversity in the FMU were made available in Chapter Ten (10) – Identification and Management of Protection Areas. Harvesting was designed to take into consideration the need for conservation of biological corridors and buffer zones of tributaries and features of special</p>	

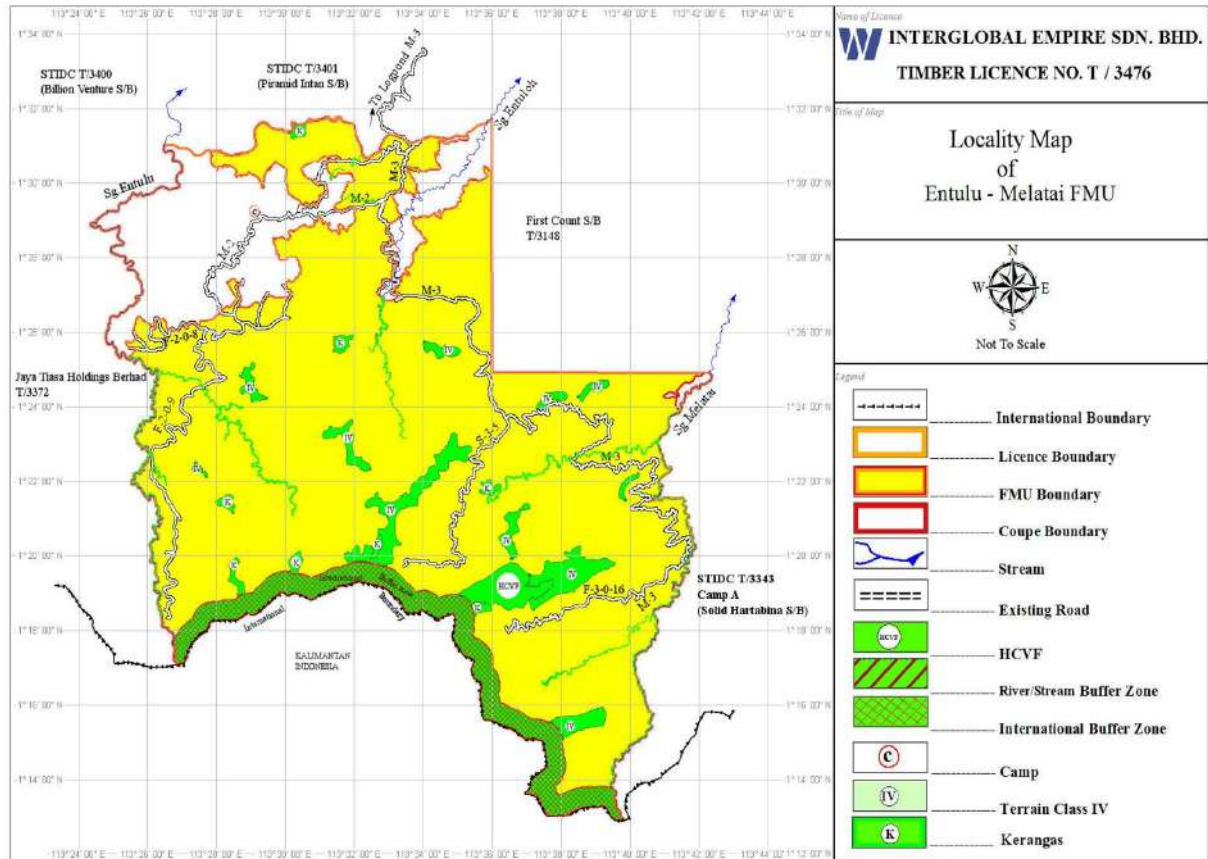
Principle	Strengths	Weaknesses
	<p>biological interest for wildlife as incorporated in the 'Detailed Harvesting Plan (November 2019)'.</p> <p>Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations, identified and selected under Indicator 6.2.2, were protected in their natural state and demarcated in the Locality Map. Field visit to HCV 1 verified that the area was intact, and with proper signage and boundary marking.</p> <p>Road layout and construction, log landings and drainage requirement followed the prescribed guidelines. Site inspection of main access road and secondary roads showed appropriate drainage system and road surfaces well compacted. Harvesting guidelines for soil protection from heavy machinery and erosion were included in the documents; 'RIL Guidelines for Ground Based Harvesting Systems, Part 1 and RIL Guidelines for Ground-Based Harvesting System part 2', and 'Procedures for Identifying and Demarcating Sensitive Areas for the Protection of Soil and Water'. The FMU has developed a proper plan to reduce impact of harvesting to the environment. The Detailed Harvesting Plan including Road Plan for harvest coupe, with SFC approval (November 2019) was verified. The Environmental Monitoring Report (EMR) by Ecosol Consultancy Sdn Bhd for 1st and 2nd quarters 2019 was sighted.</p> <p>The Environmental Management Policy Number 9: Pesticide Use in Natural Forest Management (July 2019) promote environmentally friendly non-chemical methods of pest management. The 'Guidelines on Storage and Handling of Hazardous Materials' on the use of chemicals in the forest and approved by relevant regulatory authorities, were implemented in the FMU. There was no application of biological control agents in the FMU.</p> <p>Site visit to the Entulu-Melatai FMU verified that no exotic species were planted in the forest.</p> <p>There was no plan for converting the forest area to plantations and there was no conversion of natural forest into non-forest land use within the FMU.</p>	

Principle	Strengths	Weaknesses
Principle 7 Management Plan	<p>The Forest Management Plan (2018) for Forest Timber Licences FTL No. T/3476, of the Entulu-Melatai Forest Management Unit, for period 2018 to 2043, was made available during the audit. A review of the FMP found that the plan had addressed all issues and requirements of Criterion 7.1., for items (a) to (i).</p> <p>Periodic review as prescribed in the FMP will be conducted for every five years. Satellite imaginary maps to monitor encroachment or illegal logging activities in the FMU were sighted. Such new technique shall be incorporated in future review.</p> <p>The FMU provides classroom facility and training was scheduled as per Annual Training Programme Plan for Entulu-Melatai Forest Management Unit T/3476 (Internal) 2019. Records of training and certificates issued confirmed that all personnel were trained accordingly to their roles within respective forest operations.</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 https://www.ie.wtkfmu.com/summaries/</p>	
Principle 8 Monitoring and Assessment	<p>The FMU monitoring procedure complied with the Sarawak Forest Department's, 'Instructions for the Inspection of Logging Areas 1982' and 'Procedures for the Inspection of Harvesting Areas 1999' which were implemented at Entulu-Melatai FMU. Monitoring procedures are also outlined in the Entulu-Melatai FMP. The forest manager shall identify and implement monitoring activities to assess the social, ecological, environmental and economic impacts from forest management operations. The monitoring report will be available at the end of 2019.</p> <p>The Entulu-Melatai FMU management has appropriately included all relevant information needed to monitor items listed in (a) to (e) of Criterion 8.2. Field verification on the indicators 8.2 included the 'Mosaic Planting' of natural species and tree tagging in pre-harvest area. These were conducted in compliance with the guidelines.</p>	

Principle	Strengths	Weaknesses
	<p>The areas visited were confirmed on the maps, boundaries and tie points were properly established, and boundary trees were adequately tagged and measured.</p> <p>The chain of custody (COC), of logs leaving the certified area, was verified through selected records and the relevant documents sighted. However, since the logging operation has not yet commenced, documents of the COC process was thus not available.</p> <p>The FMP (2017-2032) will be reviewed in a 5 year cycle. The revision shall include results of PSP monitoring and measurements (2-3 year interval) and FRA research plots analysis. This was confirmed by the forest manager. The plan sighted has incorporated several indicators including yield, growth rates, regeneration, stand composition, harvesting impacts, management costs, productivity and efficiency.</p> <p>Public summary of the forest monitoring indicators (a) to (e) is available at the website: https://www.ie.wtkfmu.com/summaries/</p>	
Principle 9 Maintenance of High Conservation Value (HCV)	<p>The presence of the HCV attributes in the FMU is reported in 'High Conservation Values Forest (HCV1-HCV6) Assessment Report, Timber License No. T/3476', August 2016, conducted by Mesra Alam Consultancy (revised in 2019 by WTK Certification Team). The presence of the HCVFs was also stated in the FMP in Chapter 10, with four HCV attributes identified. The sites were demarcated and mapped. A further three additional HCVF sites were also included. Patrolling of forests which included wildlife areas were recorded in the 'Forest and Wildlife Patrolling Report for Entulu-Melatai FMU – by Wildlife Ranger Crew (July 2019)' which was sighted. HCVF assessment by relevant stakeholders was conducted in an earlier meeting on August 2019, by the WTK Certification Team ensuing review of the report "HCVF assessment report (HCVF1 – HCVF6) by Mesra Alam Consultancy dated August 2016". The stakeholders included government departments, timber association, NGO, local communities and the district office.</p> <p>The FMU has done consultative meetings with the relevant stakeholders and the relevant documents</p>	

Principle	Strengths	Weaknesses
	<p>were sighted. The forest managers have demonstrated that the proposed HCVs were to be considered in their forest operation and protected as explained in the FMP which included the 'Summaries of Management and Monitoring Recommendations for HCV'.</p> <p>Specific measures to demarcate, maintain and/or enhance the HCVF attributes were outlined in the FMP which included the relevant document and map, respectively the 'Summary of Management and Monitoring Recommendations' and 'HCV attributes Identified in Entulu-Melatai FMU, 2019'. Two Honorary Wildlife Rangers were appointed from FMU staff to assist the management and monitoring of HCVFs. These specific measures to manage the HCVF in the FMU are available in a public summary at https://www.ie.wtkfmu.com/summaries/. Site verification of the HCVFs and protected areas was conducted during audit. Boundaries were well marked and with adequate signage in accordance with the guidelines.</p> <p>The FMP clearly stated the management and monitoring recommendation for the HCVs to assess the effectiveness of the measures employed. The relevant document 'HCVF Assessment Report (HCV1 – HCV6) for Entulu-Melatai FMU' (Revised by WTK Certification Team) (August 2019) was available and presented during audit. The forest manager confirmed that results documented in the 'HCVF Assessment Report (HCV1 – HCV6) for Entulu-Melatai FMU: Forest Licence No. T/3476' (Revised by WTK Certification Team) August 2019, were incorporated into the current revised FMP (fourth revision, December 2019). Findings from the HCVF annual monitoring activities will also be incorporated into the subsequent revision of the FMP.</p>	

Map of Entulu-Melatai FMU



Details of Auditors and 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), MYNI of RSPO P&C and other management system on ISO 9001, 14001 and OHS 1800</p> <p>Training / Research Areas: Was attending and pass in the following training programmes: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (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 Abdul Malek	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</p>

		<p>Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing 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 (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> <p>Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2), 9th-10th July 2015, SIRIM QAS International Sdn Bhd</p>
Mohd Annas Amin Bin Haji Omar	Auditor/ Forester	<p>Academic Qualification:</p> <p>Diploma in Forestry, UPM</p> <p>B. Sc. In Forestry, UPM</p> <p>Work Experience:</p> <p>Six year as Assistant Forest Officer at Perak Forestry State Department in the year from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Also appointed to be Investigative Officer in Investigations into a case involved Ayer Chepam Forest Reserve and Cased Prosecuted in Court.</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> • Program of MTCS Training Course (MC&I) in Kuantan (9-12 July 2018) • Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 August 2018)

Peer Review Comments and Responses from the Audit Team

Peer Review 1 : Dr. Woon Weng Chuen

No	Item	Comments	Auditor Response
1.	Comprehensiveness and quality of reporting	The audit report was comprehensive and of acceptable quality.	Noted
2.	Has the audit been conducted objectively and professionally?	In my opinion the audit has been conducted in an objective and professional manner.	Noted
3.	Has each Principles and Criterion been adequately addressed? Please include comments on each principles and Criterion	All the Principles and Criterion have been adequately addressed by the Auditors.	Noted
4.	Are the conclusions of the findings appropriate?	All the conclusions of the findings were appropriately dealt with.	Noted
5.	Agreement/Disagreement with the NCRs raised by the Audit Team	I am in total agreement with all the NCRs raised by the Audit Team.	Noted
6.	Are the recommendations by the audit team appropriate?	The auditor's recommendation for the certification of Entulu-Melatai FMU against the MC&I (Natural Forest) is appropriate.	Noted
7.	Areas where additional information is required	The auditor is requested to tabulate the major NCRs first and in the ascending order by indicators (as in the main report Section 5.0 and 6.0). Then followed by Minor NCRs and again in ascending order by indicators before doing the same with OFI (Attachment 3)	Noted auditor has tabulate the major NCRs first and in the ascending order by indicators
8.	Others	It would be good to have at least 1 auditor who has a background on social forestry/social science in the Audit Team.	All auditor was trained and had fully experience in social forestry/social science. Furthermore, there was no communities in Entulu-Melatai FMU

Peer Review 2 : Dr. Hj. Nur Supardi bin Md Noor

No	Item	Comments	Auditor Response
1.	Comprehensiveness and quality of reporting	<p>The auditor reviewed the relevant documents, consulted/interviewed relevant personnel of the FMU or stakeholders, or make field visits, or the combination of the above methods. The auditing covered all levels of processes involved for continual compliance to the FMU's current documentation and field/operational practices of forest management in consistent with MC&I (<i>Natural Forest</i>).</p> <p>The quality of reporting is good.</p>	Noted
2.	Has the audit been conducted objectively and professionally?	The audit team made up of three (3) qualified and experienced members. The auditing was professionally and efficiently conducted following the set objectives.	Noted
3.	Has each Principles and Criterion been adequately addressed? Please include comments on each principles and criterion	<p>All the nine (9) principles and criteria under each principle were examined thoroughly under this Stage 2 Audit. These are summarized below:</p> <ol style="list-style-type: none"> 1. At the end of the audit ENTULU-MELATAI FMU was in compliance to all the criteria and indicators under Principles 3 only. 2. ENTULU-MELATAI FMU did not comply with some (11) of the indicators under the other eight (8) principles as required by the MC&I (<i>Natural Forest</i>) standards. 3. There were a total of six (6) Major [Indicator 1.1.1, 4.3.4, 5.3.2, 6.7.1, 7.1.1 and 9.4.1] Non-Conformance Report (NCRs) raised on the ENTULU-MELATAI FMU against the requirements of the MC&I (<i>Natural Forest</i>). 4. ENTULU-MELATAI FMU was issued five (5) Minor [Indicator 2.3.1, 6.2.4, 8.1.2, 7.3.1 and 8.2.1] against the requirements of the MC&I (<i>Natural Forest</i>). 5. The FMU was issued three (3) [Indicator 1.5.2, 3.3.1 and 3.4.2] Opportunities for Improvement (OFIs) by the audit team. 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
		<p>Principle 1: Compliance with Laws and Principles</p> <p>ENTULU-MELATAI FMU complied</p>	Noted

		<p>to 10 out of 12 indicators under this principle.</p> <p>There was a (1) Major NCR [Indicator 1.1.1] and one (1) [Indicator 1.5.2] OFI raised on the ENTULU-MELATAI FMU against the requirements of the MC&I (Natural Forest).</p> <p>Criterion 1 .1:</p> <p>1. The audit team observed ENTULU-MELATAI FMU had maintained the records of all relevant national, state and local laws and regulations and policies related to forest management (documents last listed in September 2019).</p> <p>Written permission from the Labour Department for salary deduction for employees (#1 and #23) was not available. Under terms and conditions of employment contract reviewed and from workers interviewed, the audit team discovered that employees were entitled for 5 accumulated rest days for every two months. There was however no evidence of such permission being applied to or granted from the Labour Department. The is the evidence for the raised of a Major NCR ISMA01/2019 against Indicator 1.1.1.</p> <p>ENTULU-MELATAI FMU sought opinions from their workers and confirmed that they wish to deduct personal telephone charges, petrol, canteen expenses and cash advance from their monthly salary. Letters of authorization for this direct deduction were as in 'Addendum to Existing Contract of Service' dated 16 Jan 2020 for Mechanics, Wildlife Officer, Safety Officer, Logging Truck Drivers and Surveyors.</p> <p>ENTULU-MELATAI FMU promised to ensure sufficient leave entitlement be given to the workers inclusive of rest days, public holidays and annual leaves (one (1) rest day for each week and utilize the four (4) consecutive rest days at once per month) according to labour law.</p> <p>The FMU had requested approval letter from Labour Department Kapit</p>	Noted
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		<p>(dated 10 January 2020). All evidences on contract service for and letter to the Labour Department were sighted and accepted by the auditor, hence the close of this Major NCR.</p> <p>2. Forest officers interviewed by the auditor were aware, understood and enforced the relevant national, state and local laws and the regulatory framework.</p> <p>3. ENTULU-MELATAI FMU had not violated any law, thus no compound or penalty was imposed by the relevant authorities. This was confirmed during consultation with Forest Department Sarawak (FDS) and Sarawak Forestry Corporation (SFC).</p> <p>Criterion 1.2:</p> <p>4. The auditor verified the lists (5 schedules) of all fees, royalties and taxes, including other charges, during document verification at Camp Sapphire 99.</p> <p>5. There was no record of payment for verification as no forest activities were conducted at the time of audit.</p> <p>Criterion 1.3:</p> <p>6. The forest managers were aware of all binding international agreements (6) which Malaysia is signatory to, and the main intentions on forest management. These documents were made available to the forest managers at the Berkakap Base Camp.</p> <p>Criterion 1.4:</p> <p>7. Documentation of any conflicts between laws, regulations and these principles and criteria was made available. if arise. There was no permanent local settlement within the ENTULU-MELATAI FMU. Due to it remote location, the FMU was not affected by any human activities, nor the timber harvesting operation in the FMU affecting the nearby people.</p> <p>8. On the process to resolve conflicts that may arise with the affected</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
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	<p>parties the forest managers expressed their willingness to participate in resolution of such conflicts,</p> <p>Criterion 1.5:</p> <p>9. It was observed that ENTULU-MELATAI FMU was legally protected. A Forest Timber License (FTL) No. T/3476 was issued to Interglobal Empire Sdn Bhd by the Forest Department Sarawak (FDS) on 6th December 2006 to 5th December 2011 and renewed until 5th December 2022. Five (5) documents were verified. Site visits to boundaries revealed that they were marked accordingly.</p> <p>10. Two staff of the FMU were trained as Honorary Wildlife Ranger by SFC. Certificate of completion were verified during the audit. Sign boards were available at wildlife conservation area indicating prohibition of hunting and selling of wildlife. Boundaries inspected had adequate signage. For better management, the audit team suggested the establishment and implementation of a time schedule plan for demarcation (inspection/control?) of license boundaries in the FMU. With respect to this, an OFI was raised for Indicator 1.5.2</p> <p>Criterion 1.6:</p> <p>11. A written policy on SFM was presented during the audit. The policy statements include the commitment to undertake forest management certification under Malaysian Timber Certification Scheme for well-manage forest.</p> <p>12. Policies or statements were communicated throughout the organisation and contractors, and were made available to the public. The policy statement was displayed at noticeable sites within the FMU.</p>	<p>Noted</p> <p>Correct <i>“establishment and implementation of a time schedule plan for demarcation inspection and control of license boundaries in the FMU”</i></p> <p>Noted</p>
	<p>Principle 2: Tenure and User Rights and Responsibilities</p> <p>ENTULU-MELATAI FMU abided to all but one (1) requirements of the principle as verified by the audit team on the five (5) indicators (3</p>	<p>Noted</p>

		<p>criteria).</p> <p>One (1) Minor [Indicator 2.3.1] Non-Conformance Report (NCR) was raised against the requirements of the MC&I (Natural Forest).</p> <p>Criterion 2.1:</p> <ol style="list-style-type: none"> 1. The Forest Timber License (FTL) No. T/3476 was issued by the FDS (6th December, 2006) to manage a total 63,890 ha of the part of the Baleh Protected Forest. It was renewed till 5th December, 2022. Documents checked indicated ENTULU-MELATAI FMU covers only an area of 55,112 ha. 8,778 ha inundated area was excluded. 2. The settlements nearest to the FMU belong to the two Iban communities located some 30 km away from the north-west part of the FMU boundary. The HCVF Assessment Report (HCV1-HCV6) dated August 2016, by Mesra Alam Consulting mentioned in Clause HCV5 – Basic need of Local Communities stated no evidence of forest use by communities within the FMU. In view of potential establishment of communities in future, ENTULU-MELATAI FMU forest managers had stated their willingness to establish and support legally recognized mechanisms for resolving land claims, if any. <p>Criterion 2.2</p> <ol style="list-style-type: none"> 3. There was no local community living within or vicinity of the FMU, no settlement area or 'Shifting Agriculture (SA) land'. The sighted GP Map Ref. No. (35) JHS/600-3/102-Jld.2 approved on 30 May 2019 by FDS showed no SA in ENTULU-MELATAI FMU. 4. Forest managers admitted to 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 rights, if they arise, in the future tenure of the FMU. <p>Criterion 2.3:</p> <ol style="list-style-type: none"> 5. In case in the future there are 	<p>Noted</p> <p>Noted</p> <p>Noted</p>
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		<p>communities established and may affect ENTULU-MELATAI FMU, their forest managers ascertained their willingness to resolve disputes over tenure claims and use rights. A document for resolving tenure and use rights was established with the title 'Conflict Resolution Process Flow Chart". When checked, the audit team found no mentioning on how to resolve disputes (not appropriately established), hence a Minor NCR KN01/2019 for Indicator 2.3.1 was raised.</p> <p>ENTULU-MELATAI FMU promised to improve their mechanism by modifying the flow chart of conflict resolution process to resolve dispute over indigenous claims. A Person In-Charge was assigned to take care on local issue. The targeted completion date was December 2019. The Audit team accepted this Corrective Action Plan. The effectiveness of the action taken will be verified during the next audit.</p>	
		<p>Principle 3: Indigenous Peoples' Rights</p> <p>ENTULU-MELATAI FMU kept to with all the nine (9) indicators assessed under the four (4) criteria. For betterment of the FMU, the audit team made suggestions for improvement on two (2) indicators [3.3.1 and 3.4.2].</p> <p>Criterion 3.1:</p> <ol style="list-style-type: none"> 1. There was no permanent local settlement within or in proximity to ENTULU-MELATAI FMU, as confirmed in a report by Ecosol Consultant Sdn Bhd (SIA Report; dated January 2019). 2. Socio economic impact affecting the local people due to the timber harvesting operation in the FMU was not an issue. 3. Comment on Indicator 2.3.1 (on page 5) is referred. There was a document 'Conflict Resolution Process Flow Chart". <p>Criterion 3.2:</p> <ol style="list-style-type: none"> 4. The forest management practices by ENTULU-MELATAI FMU (Forest 	<p>Noted</p> <p>Noted</p> <p>Noted</p>

		<p>Management Plan (FMP) 2018-2022) did not make use of indigenous people's lands outside the FMU area. The existing practices therefore did not threaten or diminish, either directly or indirectly, their resources or tenure rights. The stakeholders (villagers of Rh Gon) consulted on 18-02-2019 confirmed this.</p> <p>Criterion 3.3:</p> <p>5. There were appropriate procedures for identifying, protecting and provisions for rights of access to sites of special cultural, ecological, economic or religious significance. In the FMP (Chapter 11.4).</p> <p>6. Mechanism for identifying and protecting special/significance sites was established through SOP in 'Conflict Resolution Process Flow Chart' without much detail. Detail information of each step will make the mechanism much clear for implementation. An OFI was correctly raised on Indicator 3.3.1.</p> <p>Criterion 3.4:</p> <p>7. No documentation was established on compensation for the commercial utilization of traditional knowledge. This is because indigenous traditional forest related knowledge was used in FMU's forest management practices.</p> <p>8. The mechanisms for fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples in accordance with existing legislation or by mutual agreement established through SOPs in 'Conflict Resolution Process Flow Chart'. A much detail explanation related to this issue in the mechanism can be helpful. A OFI was raised against this indicator (3.4.2)</p>	<p>Noted</p> <p>Noted</p>
		<p>Principle 4: Community Relations and Worker's Rights</p> <p>ENTULU-MELATAI FMU was issued one (1) Minor NCR (Indicator 4.3.4) for this Principle during the Stage 2 Audit.</p>	<p>Noted</p>

		<p>Criterion 4.1:</p> <ol style="list-style-type: none"> 1. Qualified people in communities staying adjacent to the FMU were given preference for employment and contract works. There were some (2 each from Rh Gon and Rh Bansa) out of the 25 workers (working as Mandore and security, respectively). 2. ENTULU-MELATAI FMU had established training plan for forest workers in 2019 covering safety and health information (6-9 September 2019). <p>Criterion 4.2:</p> <ol style="list-style-type: none"> 3. The audit team observed that FMU provided first aid boxes that were checked every month (latest 11.1.2019). Proper safety procedures (Safe Working Instruction dated 28.8.2019) were displayed. PPE was found to be in good working conditions. 4. Workers (surveyors) attached to the tagging site at Coupe 1A interviewed by the audit team were found to be aware of the need for to use PPE while working. Person in-charge as Safety and Health Officer (SHO) was appointed by FMU on 5 September 2019. There was a Safety and Health Committee with members from all relevant operations. The committee meeting was conducted once in 3 months, as verified from minutes (dated 22-10-2019). 5. No accident was recorded. Appropriate safety and operational equipment were in good working condition. Operational procedures were made available to forest workers. Emergency Response Procedures had been established. Flammable materials identification labels and warning signs were stored at designated areas. 6. The audit team observed that hazard and warning signage were placed at strategic areas within the logging camps. Hazardous areas can clearly spotted by signage displayed at the workshop. The auditor verified records on safety briefings held on 22-11-2019 and 15-11-2019. 	<p>Noted</p> <p>Noted</p>
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		<p>Criterion 4.3:</p> <ol style="list-style-type: none"> The workers were aware of the freedom to form/join union as mentioned in Memo on "<i>Kebebasan untuk Menyertai Kesatuan Sekerja</i>" dated 6th May 2019. There was only a Employer-Employee Committee for Melatai FMU (?), formed on 6 May 2019. The second meeting was held on 8 November 2019. ILO Convention No. 87 entitled Freedom of Association and Protection of the Right to Organize Convention, and the document on Right to Organize and Collective Bargaining were verified by the audit team. Labour Ordinance (Sarawak Cap 76), Employees Provident Fund Act 1991 and Employees' Social Security Act 1969 and records on payment showing the deductions made on employee's provident fund and social security were made available. Consultation session was held with 12 general workers and employee committee member. Workers' understanding on the procedure was found inadequate. The audit team discovered that the grievance procedure was not effective as no record of grievances was found. A Major NCR KN03/2019 was therefore raised against Indicator 4.3.4. <p>The FMU management explained that their employee grievance resolution was designed in table format which was hard for the workers to understand. It was not displayed at FMU site office. They improved it with timeframe indication and prepared the SOP in English and Bahasa Malaysia for better understanding. The complaint form was revised to improve the record of grievance for more effective management purpose. The Employee Grievance Resolution Process was displayed at the site office (Entulu-Melatai FMU camp). Pictures were sent to the auditor. The corrections made completed December 2019.</p>	<p>The statement is correct</p> <p>There was no union established in Entulu-Melatai FMU. The employee has formed Employer-Employee Committee for Melatai FMU as a platform to voice their concern to management of FMU</p>
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		<p>The auditor also received and verified the training records (16 January 2020; include report, attendance list and pictures). This was accepted by auditor, hence the close of the NCR,</p> <p>Criterion 4.4:</p> <p>11. The GP Map Ref. No. (35) JHS/600-3/102-Jld.2 approved on 30 May 2019 by FDS showed no Shifting Agriculture (SA) in ENTULU-MELATAI FMU. Thus, impact on socio economic on the local people due to the timber harvesting operation was not an issue.</p> <p>Criterion 4.5:</p> <p>12. Based on the SIA report, it was found there was no permanent local indigenous settlement within the ENTULU-MELATAI FMU. There is no issue for Indicator 4.5.1 and 4.5.2.</p>	<p>Noted</p> <p>Noted</p>
		<p>Principle 5: Benefits from the forest</p> <p>All the twelve (12) indicators under the 6 criteria related to forest benefits were verified by the audit team. Indicator 5.3.2 was issued a Major NCR.</p> <p>Criterion 5.1:</p> <p>1. The “Budget and Cost Projection for FMC” 2018 – 2023) for ENTULU-MELATAI FMU was verified. Investments and reinvestments in forest management at the FMU included provisions for Camp forest administration, research, manpower training, protection and demarcation, logging operation, HCV, EMR and social aspects (CSR/compensation), and enrichment planting and nursery. Special budgets were provided for Human Resource Development and Forest Certification (MC&I). Documents on Budgeted and actual expenses were verified by the auditor during the Audit.</p> <p>2. Approved FMP for Forest Timber License No. T/3476 (2019-2043 was verified during this audit. The FMP had a main objective of ‘implementing sustainable forest management to ensure continuous</p>	<p>Noted</p> <p>Noted</p>

		<p>supply of timber, while providing employment opportunities and well-being of the people of Sarawak especially the local communities. The detailed objectives outlined included 'optimum utilization of resources', 'harvesting on a sustained yield basis', regeneration and improvement of the forest stocking', 'forest growth monitoring to ensure the harvested volume does not exceed the pre-assessment of the residual stand', 'adopting multiple uses of forest within estimated budget to achieve economic viability', 'treating the forest future cycle', 'protection of HCVF' and 'adhering to RIL'. The audit team observed that silvicultural treatment/ enrichment planting of badly degraded areas had been carried out (Block 8 and Block 11, Coupe 1A). The nursery at base camp was also inspected.</p> <p>Criterion 5.2:</p> <p>3. The forest resources description for ENTULU-MELATAI FMU is as in Chapter 2 of the FMP. The analysis of data collected from 20 PSPs provided a stand table volume projection for 25 years (Table 9 in the FMP; as in the report titled "Interglobal Empire Sdn Bhd. T/3476-Permanent Sample Plots) The AAC was calculated at 72,439 m³ per year. For more accurate Growth and Yield predictions, more PSPs will be laid out. The audit team checked and found that DBH, species and other collated parameters were accurate as recorded. But they also found inaccuracy in the measurement of tree parameters at PSP 34. A Minor NCR was raised for Indicator 8.2.1 (below).</p> <p>Criterion 5.3:</p> <p>4. Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest) Area (2nd edition, 2014) by FDS was implemented at ENTULU MELATAI FMU.</p> <p>5. 'Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest) Area (2nd edition, 2014) by</p>	<p>Noted</p> <p>Noted</p>
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		<p>FDS was implemented at ENTULU MELATAI FMU. Ten (10) SOPs had been established for RIL implementation at ENTULU-MELATAI FMU. The 'Basic Chainsaw Maintenance and Directional Felling', 1st Edition, October 2001 was also available and implemented.</p> <p>6. To minimise product wastage, degradation and foregone revenue opportunities, ENTUTU-MELATAI FMU had detailed Harvesting Plan (DP) for Coupe 1A (2019/2020) for a total 2,335 ha approved by SFC (4th November 2019). The auditor also sighted Detailed Harvesting Plan (DP) for Coupe 3AR (2016/2017) total 4,755 ha; Operation 5 for Blocks No. 008 to Block 012 under PEC; approval letter for the amendment; and new numbering for Coupe in ENTULU-MELATAI FMU (dated 13 May 2019) by FDS. During the site visits to two blocks Blocks 17 & 19 of Coupe 1A the audit team found tree tagging activities had been carried out. Inspection in Block 19 found diameter measurements and records during Pre-harvesting/tree tagging activity were incorrect. Trees No. A0084 and A0082 were measured below the cutting limit (for Dipterocarp $\geq 50\text{cm}$ DBH and Non-Dipterocarp $\geq 45\text{cm}$ DBH). Another tree with tree tag no. A0083 was incorrectly recorded as A0833 in the Inventory Summary Sheet. A major NCR (ANS01/2019) against Indicator 5.3.2 was raised.</p> <p>The FMU admitted that the mistakes made were due to negligence and carelessness done by their former forest surveyor. They will check, re-tagging (if necessary) and re-measure all trees including PCT trees for Block 19. The works started in early December 2019 and expected to complete January 2020.</p> <p>The auditor received and accepted the corrective action plan on 24 December 2019; and received the evidences to close the findings on 24 February 2020. The FMU had re-measured all trees including PCT trees for Block 19, as verified three (3) summary reports and two (2) sets of photos. These were reviewed</p>	
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		<p>and accepted by auditor. This Major NCR was therefore closed.</p> <p>7. ENTULU-MELATAI FMU implemented both external (3) and Internal (10) trainings on RIL for its staff and employees. The evidenced training summary record for 2019 is as listed in the Audit Report. Six (6) Interviewed workers and staff during site visit (Block 17, Coupe 01A) were aware and fully understood RIL objectives and requirements.</p> <p>Criterion 5.4:</p> <p>8. ENTULU-MELATAI FMU operates for log production and has no plan for production of mixed commercial forest product including the utilisation of NTFP. The FMU however will allow local communities to gather non – timber products for their own consumption.</p> <p>Criterion 5.5:</p> <p>9. From documentation reviews and site visits it was observed that sensitive areas were demarcated and secured for protection of soil and water, watercourses and wetlands, including buffers, Terrain IV, Water Catchments, International buffer zone, Kerangas forest and other HCVFs. The FMU had implemented procedures (4) on protection of sensitive areas. These forest services and resources and their protection strategies were explained in Chapters 10 and 2 of the FMP. There were 7,486 ha of Protection forest.</p> <p>10. The Stream Bank Reserve (SBR) at location N 1° 29' and E113° 33' and Terrain IV area at N 1° 25.6 and E 113° 35' were inspected to have adequate boundary markings (blue paint – 100m buffer) and with appropriate signage.</p> <p>Criterion 5.6:</p> <p>11. Based on cutting diameter limits of 50 cm and above for Dipterocarps and 45cm and above for Non-Dipterocarps, the Annual Coupe of Entulu-Melatai FMU was set to not more than 72,439 m³/year (6,037 m³ per month) (average annual coupe production area shall be 1,463 to</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
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		2,551 ha/yr).	
		12. As the logging operation is yet to commence, data on the quantity of the timber extracted is not available. The compliance of AAC and royalty paid could not be made.	
		<p>Principle 6: Environmental Impact</p> <p>ENTULU-MELATAI FMU conformed to 23 out of the 25 indicators (10 criteria) under this Principle. A total of one (1) Major [Indicator 6.7.1] and one (1) Minor [Indicator 6.2.4] Non-Conformance Report (NCRs) were raised by the audit team.</p> <p>Criterion 6.1:</p> <ol style="list-style-type: none"> 1. FMP incorporated the assessment of environmental impacts in Chapter 6. The EIA report for FTL T/3476 was approved by NREB (23-9-2013). 2. The FMP also incorporated specifically the assessment of environmental impacts (as stated in under Indicator 6.1.2 in Chapter 9.3.3, Chapter 7.3, Chapter 9.2, Table 32 and Table 33. Wildlife is covered in Chapter 9. Environmental Compliance Audit was conducted and verified as below: EECA (8/10/2019), EIECA (8/4/2019;22/10/2019). The water catchment areas in the FMU were demarcated on the ground and marked on the map. 3. Forest Management Plan Incorporated the assessment of environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna, and the need for biological corridors in the FMU as seen in Chapter 9– Wildlife Management, and Chapter 10– Identification and Management of Protected Areas of FMP. The mitigation measures of the potential impacts on endangered, rare and threatened species of flora and fauna, and the need for biological corridors as stated in Table 34: Summary of High Conservation Value (HCV) Assessment Report. 	<p>Noted</p> <p>Noted</p>

		<p>Criterion 6.2:</p> <ol style="list-style-type: none"> 4. The guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna were sighted in "Guidelines to Identify Endangered, Rare, Threatened or Protected Forest Tree Species in Sarawak dated October 2013 by SFC and SFC Guidelines ERT Species (September 2014) by SFC (Doc 015). The records and up-to-date list of the endangered, rare and threatened species of flora and fauna can be seen in Chapter 9 of FMP. 5. The guidelines to establish representative conservation and protection areas were stated in 'Procedures for Pre-Felling Inventory' (by SFC). The guidelines include the List of Protected Species and List of Totally protected Species. 6. The audit team observed there was cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities. Example: 'Herpetological survey of the Entulu-Melatai at Ng Gaat Kapit'(to start on November 2019 by (UNIMAS). 7. The activities on hunting, fishing and inappropriate activities were controlled by Honorary Wildlife Rangers. Satellite imaginaries maps surveillance on 8 November 2019, confirms that there was no encroachments or illegal logging activities being found within FMU. It was however noted that patrolling activities were conducted only once in two to three months ("Forest and Wildlife Patrolling Report for Entulu-Melatai FMU" dated July 2019). There was also no schedule on license boundary monitoring to control encroachment available. As this was insufficient, a Minor NCR KN02/2019 was raised against Indicator 6.2.4. <p>The FMU management admitted that they had not established proper recording systems to control hunting, fishing and collecting activities as well as no proper record on license</p>	<p>Noted</p>
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		<p>boundary monitoring. They plan to establish proper recording system for both control in hunting, fishing, collecting & inappropriate activities and monitoring of license boundaries; carry out patrolling and monitoring activities as scheduled; identify hot spots and high-risk areas and conduct spot checking in those areas besides routine monitoring as scheduled; record each patrolling, monitoring and spot-checking activities; carry out the field data collection on the demarcated boundary on map with distance and bearing record on a field book. The expected completion date is January 2020. These corrective action plans were accepted by the auditor, and the effectiveness of the action taken to be verified during the next audit.</p> <p>8. Awareness activity for the year was held 1 October 2019. In addition, posters and leaflets on Endangered Species and Totally Protected Animals of Sarawak, Protected Animals of Sarawak and Totally Protected Plans of Sarawak, were posted at various strategic locations.</p> <p>Criterion 6.3:</p> <p>9. There was no silvicultural treatment made as the FMU had just started the Forest Management System. The analysis on the change of forest stand/species composition in relation to the pre-felling inventories was in progress.</p> <p>10. The guidelines for the conservation of genetic, species and ecosystem diversity in the FMU were in Chapter 10.</p> <p>11. Harvesting was designed with biological corridors and buffer zones of tributaries for the conservation of special biological interest of wildlife.</p> <p>Criterion 6.4:</p> <p>12. Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations, identified and selected under 6.2.2, were protected in their natural state and demarcated in Locality Map – Forest Type, and Map of HCV, depicted</p>	<p>Noted</p> <p>Noted</p>
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		<p>HCV 1.1- Protected Areas, HCV 1.4- Critical Temporal Use, HCV 3.0- Ecosystem, HCV 4.1- Watershed, HCV 4.2 – Erosion Control 4.3- Barrier to Destruction, HCV 5.0- Basic Needs of Local Community and HCV 6.0- Cultural Identity of Local Communities. – HCV 6.0. Additional information on HCV Map.</p> <p>13. HCV 1 – Salt visited was found to be intact. Signboard was erected, and the boundary marked with blue paint 100m away surrounding the HCV area.</p> <p>Criterion 6.5:</p> <p>14. Inspections of the main access road and secondary roads showed that the appropriate drainage system was maintained with road surfaces well compacted.</p> <p>15. The Environmental Monitoring Report (EMR) for Entulu-Melatai FMU [Reference #: NREB/6-3/2F/70] by Ecosol Consultancy Sdn Bhd for 1st and 2nd quarters 2019 was sighted. The FMU has developed a proper plan to reduce the impact of harvesting to the environment.</p> <p>16. This Indicator was skipped by the audit team as FMU had just started the Forest Management System.</p> <p>Criterion 6.6:</p> <p>17. The auditor verified the use of environmentally friendly non-chemical methods of pest management as stated in the Environmental Management Policy Number 9.</p> <p>18. The 'Guidelines on Storage and Handling of Hazardous Materials' for the of chemicals in the forest was observed to be implemented in the FMU.</p> <p>19. The audit report however did not comment on the awareness of the workers on procedures in the use of approved chemicals in the forest.</p> <p>Criterion 6.7:</p> <p>20. The audit team found there was SOP available on scheduled waste</p>	<p>Noted</p> <p>Noted</p>
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		<p>disposal in the storage facilities; worker's knowledge of handling scheduled waste was not satisfactory; and there was no "date of generation" written on the label attached to the wastes (used batteries; used engine oil; and contaminated soil, debris or matter resulting from cleaning). The schedule wastes had not been properly disposed in an environmentally appropriate and legal manner. A Major NCR ANS02/2019 was correctly raised against indicator 6.7.1</p> <p>The FMU management admitted that their SOP was incomplete for the handling of schedule waste due to inexperience Safety and Health Officer who need to be trained further. The SOP was revised to include the proper way in handling the storage, labelling and disposal of wastes generated from the operation. The FMU continue to have TLM Tiasa Hijau Sdb Bhd and ZHA Environmental Sdn Bhd, (registered with Department of Environmental (DOE)).to disposed scheduled waste in legally manner. Workers to be trained on the SOP in handling scheduled waste to ensure better efficiency. The corrective action plan received on 24 December 2019 was accepted.</p> <p>The revised SOP '<i>Prosedur Operasi Standard dalam Mengendalikan Penyimpanan, Pelabelan dan Pelupusan Buangan Terjadual yang dihasilkan dari Operasi</i>' was verified to include the proper way in handling the storage [page 1-3], signage symbol [page 4-5], labelling [6-7] and SW codes [page 8-10]. In-house training on 'Handling of Scheduled Waste, storing, labelling dan disposal' was conducted on 4.2.2020 to PICs and related workers. Attendance list, pictures of training and corrected SW store were sighted and accepted by auditor. The evidences received 24 February 2020 was accepted by the auditor who declare the close of the NCR findings.</p> <p>Criterion 6.8</p> <p>21. There was no application of biological control agents in the FMU.</p>	<p>Noted</p> <p>Noted</p>
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		<p>Criterion 6.9</p> <p>22. The audit team found no exotic species planted in the forest of ENTULU-MELATAI FMU.</p>	Noted
		<p>Criterion 6.10</p> <p>23. The audit team observed that there was no conversion of natural forest into non-forest land use within the FMU.</p>	Noted
		<p>Principle 7: Management Plan</p> <p>ENTULU-MELATAI FMU complied with 5 out of 6 Indicators (4 criteria) under the 7th Principle. A (1) Major [Indicator 7.1.1], one (1) Minor [Indicator 7.3.1] Non-Conformance Report (NCRs) were raised.</p> <p>Criterion 7.1</p> <p>1. The FMP for period 2018 to 2043 was made available during the audit. It addressed all issues and requirements of Criterion 7.1. items (a) to (i) as listed under Principle 7. The audit team inspected Block 8, Coupe 1A and found the silvicultural work did not follow prescription in the FMP (enrichment planting done without reference to Post-F assessment. Description of silvicultural prescription in the FMP was lacking on planting technique, size of seedlings, and others. Technique used to determine locations of PSPs was found biased as PSPs located were found only to be in areas with high tree density only. This call for Major NCR ANS03/2019 on indicator 7.1.1.</p> <p>The FMU management explained that the surveyor had overlooked and wrongly clarified. The written prescription in the FMP was wrongly done by their Consultant, Mesra-Alam Consulting that set up the PSPs of size 50m x 50m. The FMU will rectify the existing approach of enrichment planting to ensure that the field application is consistent with the FMP. The SOP on the determination and establishment of PSPs will be revised (to use stratified sampling and re-stratify the PSPs location). They expect to complete the above by January</p>	<p>Noted</p> <p>Noted</p>

		<p>2020. The auditor received the corrective action plan received on 24 December 2019.</p> <p>The evidences to close the findings was received on 24 February 2020. These included revised of FMP (Chapter 8); revised SOP for Silviculture Treatment' dated December 2019 to rectify the existing approach of enrichment planting to ensure that the field application is consistent with the FMP; revised SOP for Establishment, Monitoring and re-assessment of PSPs'(determination and establishment of PSPs by using stratified sampling and to re-stratify the PSPs location); Waypoint List for Stratified Sampling for Permanent Sample Plots (PSPs); Revised Chapter 7 [Forest Research] of FMP; three (3) maps on PSPs locality, PSPs Progress; Forest Type 'B' Elevation for PSPs; and Growth Volume (m³) projection summary report for Post-F Inventory in Block 8 of Coupe 1A. These are accepted by the auditor, hence the close of this NCR findings.</p> <p>Criterion 7.2</p> <ol style="list-style-type: none"> 2. Periodic review of the FMP will be made. 3. Records of new scientific and technical information pertinent to the management of the area were also available to the forest managers. New scientific and technical information was on Satellite imaginary maps for monitoring the encroachment or illegal logging activities. <p>Criterion 7.3</p> <ol style="list-style-type: none"> 4. Based on site inspection by the audit team to PSP, Workshop and HCVF, it was found workers did not have adequate knowledge on procedure and working technique. Proposed training was not fully carried out for the year 2019 on PSP establishment and monitoring; HCVF / Flora / Fauna monitoring and awareness; and Scheduled Waste and Chemical Handling. A Minor NCR ANS04/2019 was rightly raised against Indicator 7.3.1. 	<p>Noted</p> <p>Noted</p>
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		<p>The FMU corrective action plan is emphasizing on worker's trainings which would include all aforementioned activities so as to ensure that all workers at our FMU have adequate knowledge on procedure and working technique in their related works. The Corrective action plan was accepted by the auditor and the effectiveness of the action taken to be verified during the next audit.</p> <p>5. Records of training and certificates confirmed all respective personnel had been trained accordingly to their roles within forest operation.</p> <p>Criterion 7.4</p> <p>6. A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 were made available in https://www.ie.wtkfmu.com/summaries/ (browsed by the peer reviewer)</p>	<p>Noted</p>
		<p>Principle 8: Monitoring and Assessment</p> <p>Six (6) indicators under five (5) criteria were thoroughly inspected. ENTULU-MELATAI FMU did not abide to two (2) requirements under this principle. The two Minor NCRs are for Indicator 8.1.2, and 8.2.1.</p> <p>Criterion 8.1</p> <p>1. The FMU monitoring procedure complied with the SFS's 'Instructions for the Inspection of Logging Areas 1982' and 'Procedures for the Inspection of Harvesting Areas 1999; and Entulu-Melatai FMP (Chapters 2 till 11).</p> <p>2. Report of monitoring activities shall be made available by the end 2019. The procedures in "HP12- Monitor Social, Ecological, Environment and Economic" did not mention on ways to monitor specific issues on aspects of social, ecological, environmental and economic impacts of forest operations. A Minor NCR (KN04/2019) issued against Indicator 8.1.2 by the auditor is therefore valid.</p> <p>The FMU management plan to establish proper recording system for both control in hunting, fishing,</p>	<p>Noted</p> <p>Noted</p>

		<p>collecting & inappropriate activities and monitoring of license boundaries. They will also carry out patrolling and monitoring activities as scheduled; identify hot spots and high-risk areas and conduct spot checking in those areas besides routine monitoring as scheduled; record each patrolling, monitoring and spot-checking activities; carry out the field data collection on the demarcated boundary on map with distance and bearing record on a field book.</p> <p>Completion date is targeted in January 2020. This corrective action plan has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Criterion 8.2</p> <p>3. Ten (10) documents were sighted and verified at the 'Mosaic Planting' of natural species in silviculture operation areas in Block 8 and Block 11, Coupe 1A, and nursery; and the tree tagging in Pre-harvest Area in Coupe 1A Block 17 along main trails MT-17A, MT-17D, skid trail MT-17D-1 and feeder trail FT-17D-1-1 and in Block 19. All were found to be in compliance to the guidelines. The visited areas were found to be as marked in the maps; boundaries and tie points properly established and boundary trees were adequately tagged and measured. However, the site audit of the PSPs No.34, Quadrat 34 of Coupe 5 found tree tagging, measurements and recordings of trees in the PSP plots were not conducted appropriately. The diameter of 15 trees was measured below DBH. Two (2) trees outside the sample plot boundaries were also measured (tag number 19088 and 19087). A Minor NCR (ANS05/2019) against Indicator 8.2.1 was correctly raised.</p> <p>The corrective action plan is to conduct checking on all PSPs established to make sure the tree tagging, measurements and recording of trees are properly done. This started in early December 2019 and is expected to complete in March 2020. The Corrective action plan has been accepted and the effectiveness of the action taken to be verified during the next</p>	<p>Noted</p>
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		<p>audit.</p> <p>Criterion 8.3</p> <p>4. As the logging operation was not in progress, documents in the “COC” process is not available for verification.</p> <p>Criterion 8.4</p> <p>5. ENTULU-MELATAI FMP is to be reviewed after 5 years’ time of implementation. Interviewed Forest manager confirmed that results of the monitoring are part of the items that will be reviewed and revised in the FMP.</p> <p>Criterion 8.5</p> <p>6. Public summary of the forest monitoring indicators a) to e) was as browsed by the peer reviewer at https://www.ie.wtkfmu.com/summaries/</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>
		<p>Principle 9: Maintenance of High Conservation Value Forests</p> <p>All the seven (7) indicators of the 4 criteria were checked by the audit team. One (1) Major [Indicator 9.4.1], was raised.</p> <p>Criterion 9.1</p> <p>1. The presence of the HCVF was stated in Chapter 10 of the FMP. The four HCVF attributes were HCV 1.4 - Salt Lick (10ha); HCV 4.1 – Water Catchment (21 ha); HCV 3.0 – Kerangas Forest (393 ha); and HCV 4.2 – Terrain IV (2,237 ha). “International buffer zone, Natural Forest, and Stream buffers” were also categorized as “Protected and HCV areas”. Report on the patrolling of forests which include wildlife was sighted. Participants of the HCVFs assessment meeting included representatives from FDS, NREB, Land and Survey Dept, STA, WWF Malaysia, Billion Venture, District Office, First Count S/B, local communities, STIDC, Interglobal Empire S/B and SFD.</p> <p>Criterion 9.2</p> <p>2. The FMU had consultative meetings with relevant stakeholders as</p>	<p>Noted</p> <p>Noted</p>

		documented in three (3) records (2 reports and a record of meeting).	Noted
		Criterion 9.3	
		3. Measures to demarcate, maintain and/or enhance the HCVF attributes were outlined in the Entulu-Melatai FMP for recognizing HCVF areas in Table 4.8, Page 54, and in map entitled "HCV attributes Identified in ENTULU-MELATAI FMU " in the FMP.	Noted
		4. The audit team verified the HCVFs. The boundaries of HCVFs and SBZ were marked with blue paint and having adequate signage. The vegetation within the boundary of the Water catchment area was observed to be intact and the boundary marked trees were according to the guidelines. The measures taken can be browsed the FMU public summary at https://www.ie.wtkfmu.com/summaries/	Noted
		Criterion 9.4	
		5. The relevant document on monitoring procedure as reviewed by the audit team lacked in the timeline or frequency of monitoring to assess the effectiveness of the HCVFs measures; and the needs to monitor the effectiveness of the measures. This calls for the raised of Major NCR (ISMA 02/2019) against Indicator 9.4.1.	Noted
		The FMU corrective action plan was to revise the existing SOP in monitoring all HCV areas to include the timeline or frequency. A checklist for monitoring all HCV areas had been designed to assess the effectiveness of the measures conducted for HCV areas. Completion Date: December 2019.	Noted
		The Corrective action plan received on 24 December 2019 has been accepted. The evidences to close the findings received on 24 February 2020 were verified: Revised SOP in monitoring all HCV Area' dated December 2019. The timeline was stated in Section 4, and the monitoring requirements were stated in Section 5. This includes checklist for monitoring all HCV areas as in	Noted

		<p>Appendix A. Monitoring report of HCV area dated 8.12.2019 were also verified by auditor. The ENTULU-MELATAI FMP, Chapter 10 [Identification and Management of Protection Areas] was revised/updated in accordance with the revised SOP. The Major NCR was therefore closed.</p> <p>6. Interviewed forest manager confirmed that information from the "HCVF Assessment Report (HCV1 – HCV6) for ENTULU-MELATAI FMU dated August 2019 had been incorporated into the current revised FMP (fourth revision dated December 2019). He also acknowledged that findings from monitoring activities shall be incorporated into the next revision of the FMP.</p>	Noted
4.	Are the conclusions of the findings appropriate?	Yes. The conclusions made are appropriate and were based on the verifiers for all the indicators audited and reviewed.	Noted
5.	Agreement/Disagreement with the NCRs raised by the Audit Team	Yes. I agree with all the eleven (11) NCRs raised by the audit team. The three (OFI) OFIs issued were also correctly made and will benefit ENTULU-MELATAI FMU . .	Noted
6.	Are the recommendations by the audit team appropriate?	I concur with the audit team decision to close the six (6) Major NCRs , and accept the corrective action plans for five (5) Minor NCRs . I agree to the recommendation for ENTULU-MELATAI FMU be certified against the MC&I (Natural Forest).	Noted
7.	Areas where additional information is required	None.	
8.	Others	<p>ENTULU-MELATAI FMU had experienced a detail auditing procedure. The FMU is yet to conduct forest harvesting where non-compliance can occur if not carefully implemented. ENTULU-MELATAI FMU should be well prepared for the next audit.</p> <p>Congratulation to the committed audit team members for the mission accomplished.</p>	<p>Noted</p> <p>Thank you</p>

Surveillance 2 Audit Plan

DAY	TIME	PROGRAM	
		AUDIT TEAM LEADER (AUDITOR 1 & Technical expert) (Ismail Adnan & Rahayu)	AUDITOR (2) (Khairul Najwan)
Day 0 14 May 2018 (Monday)		<ul style="list-style-type: none"> Travel from Kuala Lumpur to Bintulu (MH2742; 08:25 – 10:45) Stakeholders consultation with Sarawak Forestry Department, Bintulu Sarawak Forestry Corporation, Bintulu Travel to Penyuan LPF 0018 – Seping Estate Base Camp Briefing by Audit Team Leader to audit team on the surveillance audit plan 	
Day 1 15 May 2018 (Tuesday)	8.00 am – 11.00 am	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU Evaluation of changes to the management of the FPMU Check on complaints, stakeholders comments and follow-up actions (if any) Evaluate on internal audit and management review Verification of NCRs raised during the previous audit. 	
	11.00 am – 12.00 pm	<u>Documentation Review</u> <ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 – Community Relations and Workers' Right Principle 7 – Management Plan 	<u>Documentation Review</u> <ul style="list-style-type: none"> Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation on Value Forests Principle 10 -
	2.00 pm – 4.30 pm	Consultation with Uma Badeng (Jambatan Urun) – Kenyah community	
	5.00 – 5.30 pm	<ul style="list-style-type: none"> Briefing to representatives of FPMU on the progress of audit Review of Day 1 Findings by Audit Team Leader 	
Day 2 16 May 2018 Wednesday	8.00 am – 5.00 pm	<u>Site Visit</u> <ul style="list-style-type: none"> Consultation with local communities within and around the perimeter of the FPMU: <u>Penan community</u> <ol style="list-style-type: none"> Long Telepeh Long Sibau 	<u>Site Visit</u> <ul style="list-style-type: none"> Jungle palm HCVF Terrain IV HCVF Water catchment HCVF Riparian buffer in Coupe AT2 FPMU boundary and forest fire mechanism at Coupe AT2

		<div><div>3. Long Apok</div><div>4. Long Urun</div><div>5. Long Balau</div><div>6. Long Ketuat</div><div>7. Long Perah</div><div>8. Long Tengah (1)</div></div>	<div><div>• Consultation with workers</div><div>• Permanent Sample Plot (PSPs) – AT2</div></div>
	5.00 – 5.30 pm	<div><div>• Review of Day 2 Findings by Audit Team Leader</div></div>	
<div><div>Day 3</div><div>17 May 2018</div><div>(Thursday)</div></div>	8.00 am– 12.00 pm	<div><div>• Nursery</div><div>• Chemical store</div><div>• Genset</div><div>• Workshop</div><div>• Scheduled waste store</div></div>	<div><div>• Documentation and records review</div><div>• Principle 10 – Forest Plantation Development and Management</div></div>
	2.00 – 4.00 pm	<div><div>• Documentation and records review</div><div>• Briefing to representatives of FPMU on the findings of audit</div><div>• Preparation of audit report and finding (NCR)</div></div>	
	4.00 - 5.30 pm	<div><div>• Closing Meeting</div></div>	
	7.30 pm	<div><div>• Travel to Bintulu</div><div>• Overnight at New World Hotel</div></div>	
<div><div>• Travel from Bintulu to Kuala Lumpur date Friday: 18 May 2018 (MH2743; 11:20 – 13:25)</div></div>			

Surveillance 2 Audit Findings and Corrective Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Major NCR: ISMA01/ 2019	<p>Requirement: Indicator 1.1.1 - Records and availability of up-to-date applicable federal, state and local laws, and regulations and policies, in particular those related to forest management</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. No permission was obtained from Labour department to deduct workers salary for canteen, telephone expenses and other monetary advances. 2. No permission was obtained from labour department to accumulate the rest day for each week and utilize the accumulated rest days in future months <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Based on review of salary slips for Employee # 1 and Employee #23, salary deductions were made for Telephone, Petrol, Canteen expenses and Cash Advance in October 2019. However written permission from the Labour Department is needed to allow this. There was no evidence of such permission being granted. 2. Based on workers interview and review of terms and conditions of employment contract, it was stated that employees are entitled for 5 accumulated rest days for two months. However written permission from the Labour Department is needed to allow this. There was no evidence of such permission being granted. 	<p>Result of investigation and determination of root cause:</p> <p>We deducted canteen expenses, personal telephone charges and other monetary advance from workers' salaries by way of convenience for workers based on their requests. Due to remoteness of working station, it was inconvenient and burdensome for them to bring along too much cash</p> <p>The employee entitled for 5 accumulated rest days for two months is an exceptional case mistakenly taken as different and considered as "contract basis". In fact, all our workers were actually entitled for sufficient rest days, public holidays and annual leaves. We accumulated the rest days and public holidays for the convenience of our workers so that they can enjoy their entitlement of rest days and holidays with their families once a month</p> <p>Correction and Corrective action plan including completion date:</p> <p>We sought opinions from our workers and confirmed that they wish to deduct personal telephone charges, petrol, canteen expenses and cash advance from their monthly salary. We have received letter of authorization from those workers who wish to request for the direct deduction</p>	<p>The workers agreed to deduct their salaries for foods and amenities as in 'Addendum to Existing Contract of Service' dated 16 Jan 2020. This includes accumulated one (1) rest day for each week and utilize the four (4) consecutive rest days at once per month. Entulu-Melatai FMU had requested approval letter from Labour Department Kapit dated 10 January 2020</p> <p>All evidences on contract service for Mechanics, Wildlife Officer, Safety Officer, Logging Truck Drivers and Surveyors and letter to Labour Department were sighted and accepted by auditor</p> <p>Status: Closed</p>

		<p>We will ensure that sufficient leave entitlement is given to our workers inclusive of rest days, public holidays and annual leaves according to labour law</p> <p>Completion date: December 2019</p>	
<p>Major</p> <p>NCR: KN03/2019</p>	<p>Requirement: Indicator 4.3.4 - Availability of appropriate procedures to address grievance raised by workers and/ or their organisations and for conflict resolution.</p> <p>Finding: Procedure on employee grievance resolution is available but not appropriately executed</p> <p>Objective evidence: Consultation session with a total of 12 general workers and respective employee committee member found that available workers grievance procedure is not effective due to no record of grievance found. From the interview also, workers understanding on the procedure was found inadequate and not appropriate for general worker level of education.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Our existing employee grievance resolution designed in table format was too general and hard for our workers to understand 2. Another cause of non-effectiveness of employee grievance resolution was due to non-display of the Employee Grievance Resolution process at FMU site office <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. We improved the grievance resolution process with timeframe indicated and had prepared the SOP in both English and Bahasa Malaysia versions to enable better understanding for all levels of workers employed. 2. We revised the complaint form in order to improve the record of grievance for more effective management purpose. 3. We had displayed our Employee Grievance Resolution Process at our FMU site office <p>Completion date: December 2019</p>	<p>The Corrective action plan received on 24 December 2019 has been accepted and the evidences to close the findings received on 24 February 2020 was verified as below</p> <p>SOP "To Address Complaints and Grievance Raised by Workers" dated December 2019, simplified complaint flow chart (Appendix A) and complaint form were reviewed by auditor. Both SOP were in English and Bahasa Malaysia.</p> <p>Records on refreshment training was conducted on 16 January 2020 for all groups of workers was verified.</p> <p>The grievance procedure was posted at notice board in the Entulu-Melatai FMU camp, as evident in the pictures</p> <p>Training records on 16 January 2020 includes report, attendance list and pictures were verified and accepted by auditor.</p> <p>Status: Closed</p>

Major NCR: ANS01/ 2019	<p>Requirement: Indicator 5.3.2 - Log extraction operations to minimise product wastage, degradation and foregone revenue opportunities.</p> <p>Finding: Diameter measurements and records during pre-harvesting/tree tagging activity were incorrect.</p> <p>Objective evidence:</p> <p>1. Site visit to pre-harvesting area in Block 19 of Coupe 1A found two tagged trees for felling were under sized i.e. diameter below the cutting limit (for Dipterocarp ≥50cm DBH and Non-Dipterocarp ≥45cm DBH) as per the following:</p> <table><tr><th>Bloc k</th><th>Tree tag No.</th><th>Specie s code</th><th>Group</th><th>Inspe cted size (DBH)</th><th>Record ed size (DBH)</th></tr><tr><td>19</td><td>A008 4</td><td>MEDN</td><td>Non-Dipteroca rp</td><td>42.5 cm</td><td>45 cm</td></tr><tr><td>19</td><td>A008 2</td><td>MEDN</td><td>Non-Dipteroca rp</td><td>44 cm</td><td>50 cm</td></tr></table> <p>2. One tree with tree tag no. A0083 was incorrectly recorded as A0833 in the Inventory Summary Sheet</p>	Bloc k	Tree tag No.	Specie s code	Group	Inspe cted size (DBH)	Record ed size (DBH)	19	A008 4	MEDN	Non-Dipteroca rp	42.5 cm	45 cm	19	A008 2	MEDN	Non-Dipteroca rp	44 cm	50 cm	<p>Result of investigation and determination of root cause:</p> <p>The main cause of the mistakes was due to negligence and carelessness done by our former forest surveyor in carrying out measurement, recordings and entries during typing. Besides we found that the point of measurement (DBH) (1.3m high above the highest ground level) was wrongly done because they carried out the measurement by standing at the highest ground level</p> <p>Correction and Corrective action plan including completion date:</p> <p>Our corrective action plan is to check, re-tagging (if necessary) and re-measure all trees including PCT trees for Block 19. We started the checking of Block 19 in early December 2019 and re-measurement/pre-tagging of all trees in Clock 19 were in progress 100% enumeration data Block 19 will be submitted to Sarawak Forestry Corporation/Forest Department Sarawak before endorsement of felling operation</p> <p>Completion date: January 2020</p>	<p>The Corrective action plan received on 24 December 2019 has been accepted and the evidences to close the findings received on 24 February 2020 was verified as below</p> <p>The FMU had re-measured all trees including PCT trees for Block 19, as evidenced verified below:</p> <ul style="list-style-type: none">• Summary of Skid Trail Network & Trees to be Harvested for Individual Block (Appendix 8) dated 18.12.2019• RILP of Map Block 19-64ha, Coupe 1A, T/3476 dated 20.12.2019• Summary Report for Block 19 in Coupe 1A (63ha) – for Undersized Tree (along skid trail corridors)• Summary report for Block 19 in Coupe 1A (63ha)-100% Tree Enumeration Harvestable Trees• Photos of replacement of wrongly measured tree tags in Block No.19 of Coupe 1A• Photo of removed previous tree tags in Block No.19 <p>All evidences were reviewed and accepted by auditor</p> <p>Status: Closed</p>
Bloc k	Tree tag No.	Specie s code	Group	Inspe cted size (DBH)	Record ed size (DBH)																
19	A008 4	MEDN	Non-Dipteroca rp	42.5 cm	45 cm																
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Major NCR: ANS02/ 2019	<p>Requirement: Indicator 6.7.1 - Oil, fuel, tyres, containers, liquid and solid nonorganic wastes, shall be disposed of in an environmentally appropriate and legal manner</p> <p>Finding: Schedule wastes has not been properly disposed in an environmentally appropriate and legal manner</p>	<p>Result of investigation and determination of root cause:</p> <p>Our SOP was incomplete as it had not included the proper way in handling the schedule waste which is to be disposed in and environmentally appropriate and legal manner due to our inexperience Safety and Health Officer in</p>	<p>The Corrective action plan received on 24 December 2019 has been accepted and the evidences to close the findings received on 24 February 2020 was verified as below</p> <p>The revised SOP '<i>Prosedur Operasi Standard dalam Mengendalikan</i></p>																		

	<p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Inspection of workshop found no Standard Operating Procedure (SOP) available on scheduled waste disposal in the storage facilities. 2. Inspection of workshop found worker's knowledge of handling scheduled waste was not satisfactory. 3. Scheduled wastes, (used batteries (SW102), used engine oil (SW305) and Contaminated soil, debris or matter resulting from cleaning (SW408) in storage did not have "date of generation" written on the label attached to the wastes which did not follow guidelines. 	<p>handling scheduled waste. We just engaged him to replace the outgoing officer</p> <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To revise the SOP to include the proper way in handling the storage, labelling and disposal of wastes generated from the operation 2. We shall continue appointing TLM Tiasa Hijau Sdb Bhd and ZHA Environmental Sdn Bhd, both companies registered with Department of Environmental (DOE) with valid licences to collect SW102, SW110, SW305, SW306, SW307, SW408, SW409, SW410 and used tyres respectively at our FMU Workshop and to be disposed by both companies in legally manner 3. We need to send our Safety & Health Officer for more training stints 4. To conduct more training to our workers to ensure work efficiency by following the SOP in handling scheduled waste 	<p><i>Penyimpanan, Pelabelan dan Pelupusan Buangan Terjadual yang dihasilkan dari Operasi</i> has included the proper way in handling the storage [page 1-3], signage symbol [page 4-5], labelling [6-7] and SW codes [page 8-10].</p> <p>In-house training on 'Handling of Scheduled Waste, storing, labelling dan disposal' was conducted on 4.2.2020 to PICs and related workers. Attendance list, pictures of training and corrected SW store were sighted and accepted by auditor.</p> <p>Status: Closed</p>
<p>Major</p> <p>NCR: ANS03/ 2019</p>	<p>Requirement: Indicator 7.1.1 – Availability and implementation of Forest Management Plan.</p> <p>c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. The field application of silvicultural technique did not correspond to written prescription in the FMP and Silvicultural 2. Description of present silvicultural prescription in the FMP was found not comprehensive 3. The technique for determination of locations of 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The surveyor had overlooked and wrongly explained 2. This is a trail plot and there is no post logging in Coupe 1A. the written prescription in the FMP was wrongly done by our Consultant, Mesra-Alam Consulting 3. PSPs first set up and done by Mesra-Alam Consulting with 50m x 50m <p>Correction and Corrective action plan including completion date:</p>	<p>The Corrective action plan received on 24 December 2019 has been accepted and the evidences to close the findings received on 24 February 2020 was verified as below</p> <ul style="list-style-type: none"> • Revised Chapter 8 [Silviculture and Rehabilitation] of Entulu-Melatai FMP • Revised 'Standard Operating Procedures for Silviculture Treatment' dated December 2019 to rectify the existing approach of silvicultural prescription (enrichment

	<p>Permanent Sample Plots described in the FMP was found biased</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Site inspection of Block 8, Coupe 1A found silvicultural work did not follow prescription in the FMP i.e. enrichment planting was done without reference to Post-F assessment. 2. Description of silvicultural prescription in the FMP was also found not comprehensive (lacking planting technique, size of seedlings, etc) 3. Site visit to PSP No. 34 of Coupe 5 and PSP No. 10 of Coupe 1 found technique used to determine locations of PSPs was biased. PSPs located only in areas with high tree density only, as stated in Para 7.3.1, Page 70 of the FMP Entulu-Melatai. 	<ol style="list-style-type: none"> 1. To rectify the existing approach of silvicultural prescription (enrichment planting) to ensure that the field application is consistent with our FMP 2. To revise the SOP on the determination and establishment of PSPs by using stratified sampling and to re-stratify the PSPs location <p>Completion date: January 2020</p>	<p>planting) to ensure that the field application is consistent with our FMP</p> <ul style="list-style-type: none"> • The revised SOP 'Standard Operating Procedures for Establishment, Monitoring and re-assessment of Permanent Sample Plots (PSPs)' on the determination and establishment of PSPs by using stratified sampling and to re-stratify the PSPs location. • Waypoint List for Stratified Sampling for Permanent Sample Plots (PSPs) within Entulu-Melatai FMU, T/3476 • Revised Chapter 7 [Forest Research] of Entulu-Melatai FMP • Stratified Sampling for PSPs Locality Map using Satellite Image • Stratified Sampling for PSPs Progress Map • Forest Type 'B' Elevation for PSPs Map • This includes Growth Volume (m³) projection summary report for Post-F Inventory in Block 8 of Coupe 1A <p>Status: Closed</p>
Major NCR: ISMA02/ 2019	<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>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>The two Person In-Charges were fresh and just joined the company. We found and established one (1) new saltlick inside the FMU upon advised by WWF. We were rushing to get it done but incomplete.</p> <p>Correction and Corrective action plan</p>	<p>The Corrective action plan received on 24 December 2019 has been accepted and the evidences to close the findings received on 24 February 2020 was verified as below</p> <p>Revised SOP in monitoring all HCV of 'Standard Operating Procedures on Management and Monitoring of High</p>

	<p>1. The timeline or frequency of monitoring to assess the effectiveness of the HCVFs measures were not stated in the procedures “HP11-Management and Monitoring HCV”, and FMP for Entulu-Melatai FMU December 2018 (fourth revision), chapter 10.3 (b).</p> <p>2. There was no monitoring to assess the effectiveness of the measures conducted for HCVF area in Entulu-Melatai FMU</p>	<p>including completion date:</p> <p>Our corrective action plan is to revise the existing SOP in monitoring all HCV areas with different SOP required to include the timeline or frequency. We have designed a checklist for monitoring all HCV areas to assess the effectiveness of the measures conducted for HCV areas.</p> <p>Completion Date: December 2019.</p>	<p>Conservation Value (HCV) Area’ dated December 2019. The timeline was stated in Section 4, and the monitoring requirements were stated in Section 5. This includes checklist for monitoring all HCV areas as in Appendix A. Monitoring report of HCV area dated 8.12.2019 were also verified by auditor.</p> <p>The Entulu-Melatai FMP, Chapter 10 [Identification and Management of Protection Areas] were revised/updated in accordance with revised SOP.</p> <p>Status: Closed</p>
Minor NCR: KN01/ 2019	<p>Requirement: Indicator 2.3.1 - Availability of appropriate mechanisms to resolve disputes over tenure and use rights.</p> <p>Finding: The mechanisms to resolve disputes over tenure and use rights was not appropriately established.</p> <p>Objective evidence: Verification through SOP with titles; ‘Conflict Resolution Process Flow Chart” (undated) found the mechanism was not mention on how to resolve disputes over tenure and use rights</p>	<p>Result of investigation and determination of root cause:</p> <p>Our flow chart in conflict resolution process was not properly done by former Person In-Charge who had resigned from service.</p> <p>Correction and corrective action plan including completion date:</p> <p>We have improved our mechanism with complaint from and modified the flow chart of conflict resolution process to resolve dispute over indigenous claims. We have assigned the Person In-Charge to take care of local issue, if any. Completion date: December 2019.</p>	<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>
Minor NCR: KN02/ 2019	<p>Requirement: Indicator 6.2.4 - Hunting, fishing and collecting activities shall be controlled and inappropriate activities prevented in the FMU.</p> <p>Finding: Control on hunting, fishing and collecting activities and inappropriate activities prevented in the FMU was not sufficient</p>	<p>Result of investigation and determination of root cause:</p> <p>We had not established proper recording systems to control hunting, fishing and collecting activities as well as no proper record on licence boundary monitoring.</p>	<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: It was noted that patrolling activities were conducted once in two to three months, as stated in "Forest and Wildlife Patrolling Report for Entulu-Melatai FMU" dated July 2019. It was also found that no schedule on licence boundary monitoring to control encroachment available. The frequency of the monitoring was not sufficient</p>	<p>Correction and Corrective action plan including completion date:</p> <p>To establish proper recording system for both control in hunting, fishing, collecting & inappropriate activities and monitoring of licence boundaries. To carry out patrolling and monitoring activities as scheduled. To identify hot spots and high-risk areas and conduct spot checking in those areas besides routine monitoring as scheduled. To record each patrolling, monitoring and spot-checking activities. To carry out the field data collection on the demarcated boundary on map with distance and bearing record on a field book. Any schedule of boundary demarcating will be shown on map.</p> <p>Completion Date: January 2020.</p>	
<p>Minor NCR: ANS04/ 2019</p>	<p>Requirement: Indicator 7.3.1 - Availability of facilities and programs for training of forest workers for proper implementation of the forest management plan.</p> <p>Finding: Forest workers did not receive adequate training and supervision to ensure implementation of the forest management plan.</p> <p>Objective evidence: Based on site inspection at PSP, Workshop and HCVF it was found, workers did not have adequate knowledge on procedure and working technique. Training proposal was not fully implemented for the year 2019 for Entulu-Melatai FMU (T/3476) which did not include the following courses:</p> <p>1. PSP establishment and monitoring</p>	<p>Result of investigation and determination of root cause:</p> <p>No adequate training and the person was nervous in answering or response upon enquiries made by SIRIM Auditors</p> <p>Correction and Corrective action plan including completion date:</p> <p>Our corrective action plan is to emphasize on worker's trainings which would include all aforementioned activities so as to ensure that all workers at our FMU have adequate knowledge on procedure and working technique in their related works. Our training</p>	<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>

	2. HCVF / Flora / Fauna monitoring and awareness 3. Scheduled Waste and Chemical Handling 4. Patrolling and monitoring on inappropriate activities in FMU	programme shall include internal and external trainings	
Minor NCR: KN04/ 2019	<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 procedures to monitor social, ecological, environmental and economic impacts were not sufficient</p> <p>Objective evidence: Procedures to monitor social, ecological, environmental and economic impacts for forest management operations as in "HP12- Monitor Social, Ecological, Environment and Economic" was not sufficient. The procedure did not mention on how to monitor specific issues on aspects of social, ecological, environmental and economic impacts of forest operations.</p>	<p>Result of investigation and determination of root cause:</p> <p>Our present procedures to monitor social, ecological, environmental and economic impacts were insufficient due to the lack of enough training.</p> <p>Correction and Corrective action plan including completion date:</p> <p>We had sent Person In-Charges to attend necessary training course. We would review our procedures within six (6) months from December 2019.</p>	<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>
Minor NCR: ANS05/ 2019	<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: Tree tagging, measurements and recordings of trees in PSP plots were not appropriately conducted.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Site audit on the Permanent Sample Plots No.34, Quadrat 34 of Coupe 5 found measurement of diameter for all 15 trees were below Diameter Breast Height (DBH). 2. Site audit of Permanent Sample Plots No.34, Coupe 5, Quadrat 23, found two (2) trees located outside of 	<p>Result of investigation and determination of root cause:</p> <p>Our short Forest Surveyor had mistaken done the measurement at dbh (1.3m) by referring to his own breast height. He is only 1.4 m tall. Recording by mistakes.</p> <p>Correction and Corrective action plan including completion date:</p> <p>Our corrective action plan is to conduct checking on all PSPs established to make sure the tree tagging, measurements and recording of trees are properly done. We started the checking of all PSPs established in early December 2019.</p>	<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>

	sample plot boundaries were measured (Resak with tag number 19088 and Empenit tag number 19087)	Completion Date: March 2020.	
OFI 1.5.2	<p><u>Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorized activities in the FMU.</u></p> <p>Site inspection of license boundaries during the audit found, the boundaries were demarcated and with adequate signage. However, for improvement, a time schedule plan for demarcation of license boundaries in the FMU has to be established and implemented.</p>	Not required	Not required
OFI 3.3.1	<p><u>Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</u></p> <p>A legally recognized mechanisms for identifying and protecting such sites was established through SOP with titles; 'Conflict Resolution Process Flow Chart' (undated). Further clarification on each step in the mechanism can be helpful</p>	Not required	Not required
OFI 3.4.2	<p><u>Availability of appropriate mechanisms and fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples in accordance with existing legislation or by mutual agreement.</u></p> <p>The mechanisms and fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples in accordance with existing legislation or by mutual agreement established through SOPs with titles; 'Conflict Resolution Process Flow Chart' (undated). Further clarifications on each issue in the mechanism can be helpful.</p>	Not required	Not required