



**PUBLIC SUMMARY  
SURVEILLANCE 2 AUDIT (1<sup>st</sup> CYCLE) ON  
LANA FOREST PLANTATION MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00116  
Date of First Certification: 12 May 2017  
Audit Date: 2 - 4 April 2019  
Date of Public Summary: 22 June 2019**

**Certification Body:**

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## **EXECUTIVE SUMMARY**

The Surveillance 2 audit for forest management certification on the Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana FPMU was conducted from 2-4 April 2019. The audit was conducted with the full cooperation of the Samling Reforestation (Bintulu) Sdn. Bhd. by two-member team comprising Mohd Razman Salim (Lead Auditor), Hj.Roslee Jamaludin (Auditor) and Angelica Suimin Sinimis as Technical Expert (social).

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

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

In general, the findings of this Surveillance 2 audit have indicated that the LPF/0006 - Lana FPMU had complied with most of the requirements of the MC&I Forest Plantation.v2 despite the issuance of total five (5) Minor Non-Conformance Report (NCRs). The FPMU had submitted proposed corrective action plans and evidence of implementation to address the NCRs raised during the Surveillance 2 Audit via email on 13 April 2019 which has been accepted by the audit team leader.

The Audit Team Leader after consultation with team members recommends that certification of Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 – Lana FPMU against the MC&I Forest Plantation.v2 to continue to be certified.

This public summary contains the general information on the Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana FPMU, the findings of the surveillance 2 audit, NCRs raised as well as the decision on the certification of the FPMU.

## 1 INTRODUCTION

### 1.1 Name of FPMU

Samling Reforestation (Bintulu) Sdn Bhd - Lana FPMU

### 1.2 Contact Person and Address

Name : Pek Hing Lee

Designation: Senior Plantation Manager

Address : Wisma Samling, Lot 296,  
Jalan Temenggong Datuk Oyong Lawai Jau,  
98000 Miri, Sarawak

Phone # : 011-1405 7908 (Lana Refor Camp)

E-mail : pekhl@samling.com

### 1.3 General Background on the Lana FPMU

Samling Reforestation (Bintulu) Sdn. Bhd. has signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8th December 1998 – 7<sup>th</sup> December 2058 with a total area of 81,900 ha to establish and maintain a planted forest in the LPF/0006 - Lana for a period of 60 years in accordance with the Forests (Planted Forests) Rules 1997. The certified Forest Plantation Management Unit (FPMU) managed by Samling Reforestation (Bintulu) Sdn. Bhd. covers an area of 9,393 ha, which is part of the 81,900 ha of LPF/0006 - Lana areas in the Belaga, Kapit, Sarawak. Other compartments that not listed in the table were not certified due to conversion after year 2010 as compliance of indicator 6.10.1 in MC&I Forest Plantation.v2. The certified forest plantation area only covers limited areas as in Table 1 below:

Table 1: Areas covered in the audit

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

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

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

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

However for uncertified area of 72,507 ha, it includes unplanted area, conservation area, gully area, steep area (> 350 ), rocky area, oil palm plantation area and local community villages. The plantation was started in June 2007. To date, fast growing quality timber species with *Acacia mangium* (57%), *Eucalyptus pellita* (27%) *Falcataria moluccana* (9%) and *Gmelina arborea* (5%) had been selected for the planting programs. Harvesting rotation of 8 to 12 years is planned to ensure efficient timber production as compared to natural forest harvesting. With tree planted area of 50% of the total area, the forest operations involved activities such as slashing, pruning, herbicide spraying and tree planting.

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

1.4 Date First Certified  
12 May 2017

1.5 Location of the FPMU

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

1.6 Forest Management System

The Lana FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. A Forest Plantation Management Plan (FPMP) 1 st December 2016 to 30th November 2026, edition 1 was presented during this audit.

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

The Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006) had projected volume of 62,600 m<sup>3</sup> /year. The prescribed cutting cycle will be in 10-12 years.

1.8 Environmental and Socioeconomic Context

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

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

The FPMU managers did not make use indigenous traditional forest-related knowledge and practices in forest plantation operations.

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

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

## **2 AUDIT PROCESS**

### **2.1 Audit Dates**

2-4 April 2019 / 6 auditor day(s)

### **2.2 Audit Team**

Lead Auditor: Mohd Razman Salim

Auditor: Hj. Roslee Jamaludin

Technical expert: Angelica Suimin Sinimis

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

### **2.3 Standard Used**

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

### **2.4 Stakeholder Consultations**

A stakeholder notification was issued in March 2019 for a period of one month inviting relevant stakeholders to give comments on the FPMU. However, there was no comment received from the stakeholders on Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana FPMU during the period.

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

### **2.5 Audit Process**

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

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity (NCR) (minor or major) or opportunities for improvement (OFI).

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

- (i) A major NCR is a non-compliance deemed by the Auditor to be critical and is likely to result in an immediate hazard to the quality or standard of forest management system and practices in the FPMU.

The FPMU is requested to notify SIRIM QAS International Sdn Bhd (SIRIM QAS International) of the proposed corrective actions taken within one month from the last date of the audit. The corrective actions as notified by the FPMU shall be verified by the Audit Team Leader or a member of the audit team within three months from the last date of audit.

(ii) A minor NCR is a single observed lapse in compliance by the FPMU to the MC&I

The FPMU shall respond in writing to SIRIM QAS International within one 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 FPMU must be verified at the next surveillance visit.

(iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

The audit team had conducted onsite consultations with the relevant stakeholders during this surveillance 2 Audit. Consultations were held with the local communities of Kampung Punan Bah and Kampung Punan Biau which are located outside the Lana Reforestation FPMU, members of the Community Relations Committee (Jawatankuasa Perhubungan Masyarakat) which had been established by Samling Reforestation Bintulu for resolving conflicts as well as contractors and workers operating in the FPMU. The audit team had also held meetings with the officers and the field staff of the Samling Reforestation Bintulu.

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

The Lana reforestation FPMU had sent a corrective action plan to the audit team to address the minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim surveillance 2 audit report and sent it to the Lana FPMU for comment. A final surveillance audit report which had incorporated the comments received from the Lana FPMU was then prepared.

### **3 SUMMARY OF AUDIT FINDINGS**

Based on the findings of this surveillance 2 audit, it was found that the Lana FPMU had continued to manage the Lana FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This surveillance 2 audit had resulted in the issuance of 5 minor NCRs. The details on the NCRs/OFIs raised are shown in **Attachment 4**.

The audit team had reviewed and accepted the Lana FPMU's proposed corrective actions to address the 5 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The responses made by the audit team leader on these corrective actions and on the final status of previous audit are as in **Attachment 5**.

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

The audit team has recommended that the Certificate for Forest Plantation Management be awarded to the Lana Reforestation FPMU be maintained.

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

Principle	Strengths	Weaknesses
<b>Principle 1</b> <b>Compliance With Laws and Principles</b>	<p>The FPMU had maintained a legal register and records of all relevant national and local laws and regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&amp;I Forest Plantations.v2 fundamental for the FPMU management were available in the meeting room, Lana Camp office.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Lana Camp Office.</p> <p>Forest managers are aware and/or knowledgeable of the applicable federal, state and local laws, as well as the regulatory framework for forest management.</p> <p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise</p>	<p>Patrolling/monitoring of boundary of certified and uncertified MTCS area was not incorporate / carried out during this patrolling exercise.</p> <p>Therefore, a <b>Minor NCR MRS 01/2019 for Indicator 1.5.2</b> was raised.</p>
<b>Principle 2</b> <b>Tenure and Use Rights and Responsibilities</b>	<p>Samling Reforestation Bintulu had signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8 December 1998 to establish and maintain a planted forest in the LPF/0006 for a period of 60 years until 7 December 2058.</p> <p>Documents on legal or customary tenure or use rights of local communities within relevant federal and state legal frameworks and customary laws for the forest plantation areas were available</p> <p>The FPMU has established a Communities Relation Committee (CRC) as the mechanism to enable actions to be taken to prevent loss or damage affecting the local peoples' legal or customary rights, property, resources, or their livelihoods.</p> <p>Records of action to be taken to protect the above mentioned identified sites of significant importance were kept in Social Impact Assessment (SIA) Report dated November 2017. Actions taken involved demarcation of the burial ground or "Sengeliang", remains of Kelirieng (burial pillars) and sacred place where rituals during Gawai (Harvest Festival) are performed.</p>	<p>There were no negative findings.</p>



Principle	Strengths	Weaknesses
<b>Principle 3 Indigenous People's Rights</b>	<p>Documentation on the customary rights of indigenous peoples' land was made available. A total of 1,855 ha of Shifting Agriculture (SA) land outside the certifiable FPMU area (9,393 ha) but within the overall LPF area (81,900 ha) had been allocated by Samling Reforestation Bintulu for use by the residents of Kg. Punan Bah.</p> <p>With regards to civil court case, records of disputes over tenure and use rights were being maintained. Some villagers in Kg. Punan Bah had filed a court case pertaining to legal or customary tenure at the Sibu Civil Court. This civil suit was still pending.</p> <p>CRC was established as the mechanism to resolve any conflict and grievance. This committee includes seven representatives from the Kg. Punan Bah, comprising Tuai Rumah (village head), 2 women, and four villagers.</p> <p>There were procedures for identifying and protecting sites of cultural, ecological, economic or religious significance to the indigenous people and provisions for rights of access to these sites.</p> <p>The FPMU managers did not make use indigenous traditional forest-related knowledge and practices in forest plantation operations.</p>	<p>There were no negative findings.</p>
<b>Principle 4 Community Relations and Worker's Rights</b>	<p>Based on Lana LPF – Social and Economic Monitoring which has been updated on 25th March 2019 showed that out of a total of 100 employees in Lana Reforestation, 19 Sarawakian Local (11%) were employed in Lana Reforestation Project as staff and workers.</p> <p>Occupational Safety and Health (OSH) officer had been appointed for the plantation. As required by the Occupational Safety and Health Act 1994 a Health and Safety Committee had been established.</p> <p>The documentation on all the applicable laws and/or regulations covering health and safety specified under the Indicator was updated by the Health and Safety Officer.</p>	<p>Result of the interview with workers and workers representative of Joint Consultative Committee showed that they were not aware of the grievance procedure as stated in the "Grievance Procedure" in document PR 005. Therefore a <b>Minor NCR RJ 01/2019 for Indicator 4.3.3</b> was raised.</p> <p>During the consultation with the Punan Bah and Punan Biau community, showed that the community did not aware of the procedure on conflict resolution as in document GL 006, as they had not been briefed by the FPMU. Therefore, a <b>Minor NCR RJ 02/2019 for Indicator 4.5.2</b> was raised.</p>

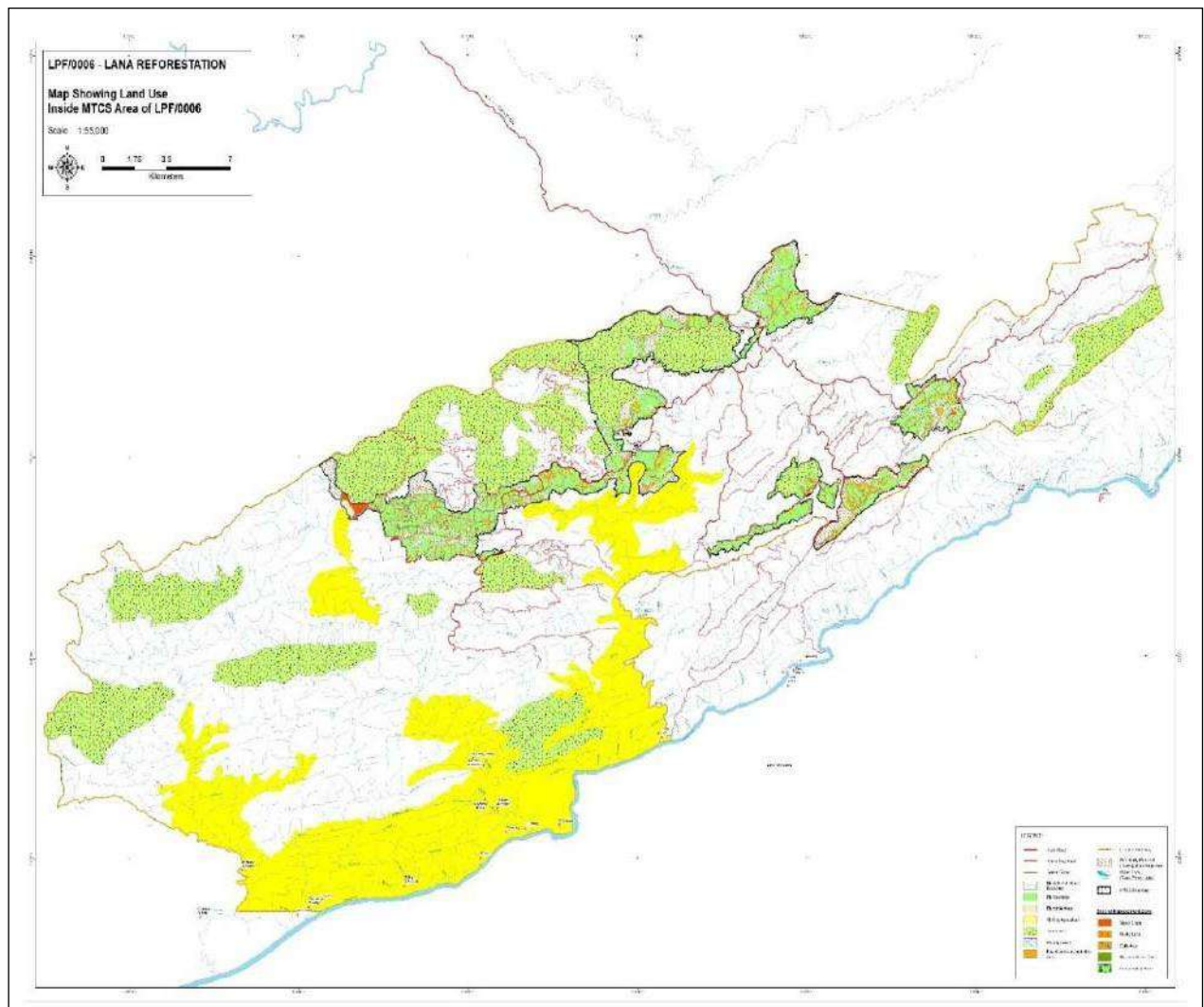
Principle	Strengths	Weaknesses
<b>Principle 5 Benefits From the Forest</b>	<p>The investments and reinvestments forest plantation management plan including for forest plantation administration, nursery, building and facilities maintenance, research (R&amp;D), harvesting, silviculture, workshop, CSR, training, environment, safety and can be seen in the Camp Administration Budget 2018 - 2019) was presented during the assessment.</p> <p>The FPMU has established and implemented guidelines for reduced/low impact logging to minimise damage to other forest resources and wastage.</p> <p>The FPMP (2016 – 2026) had included specifications on the establishment of riparian buffer belts (para 4.4 Special Management Zones). There were also procedures on identifying and demarcating sensitive areas for the protection of soil and water.</p>	<p>There were no negative findings</p>
<b>Principle 6 Environmental Impact</b>	<p>The EIA report for the FPMU titled 'Environmental Impact Assessment Report for the Lana Forest Plantation (LPF/0006) in Nanga Merit-Punan Bah Area, Kapit Division, Sarawak prepared in January 2003 as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994 was available.</p> <p>Measures to mitigate environmental impacts caused by harvesting activities identified in the EIA report had been incorporated in the FPMP.</p> <p>Hunting and fishing within the FPMU were not allowed. The FPMU has posted a conservation poster on wildlife at the entrance gate, office and worker's quarters.</p> <p>Representative areas of existing forest ecosystem consisting of riparian buffer belts, steep sites and residual forest had been demarcated and mapped for protection. Signage had been erected at site to demarcate these protected sites.</p> <p>There was no an environmentally sensitive area located adjacent to the FPMU.</p> <p>The FPMU has implemented the</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>Guidelines for forest road layout, construction and maintenance by SFC (GL003) for construction and maintenance of forest road in the harvesting area.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner.</p> <p>Biological control agents were not used in the FPMU area.</p> <p>The Lana Reforestation FPMU covers an area of 9,393.00 ha, which is part of the 81,900 ha of the Lana LPF/0006 areas. The certifiable plantation area only covers limited areas of Coupes 1 (part), 2A, 3(part), 4A (part), 5A (part), 17A, 18A (part) and 19A. Other compartments could not be certified as they were established after the year 2010 as stated in indicator 6.10.1 of the MC&amp;I Forest Plantation.v2.</p>	
<b>Principle 7 Management Plan</b>	<p>The Forest Plantation Management Plan for the MTCS Area within LANA LPF/0006 for period 1st December 2016 to 30th November 2026, edition 1, was available and the FPMP had addressed all issues and requirements of Criterion 7.1. items (a) to (i) listed in Principle 7.</p> <p>Records of new scientific and technical information pertinent to the management of the planted area to be certified were also made available to the forest managers. Records of new scientific and technical information were covered in the FPMP.</p> <p>The publicly available summary of the forest plantation management plan was presented in the web page.</p>	<p>The Annual Training Plan 2019 to 2020 was not included the following training program:</p> <ol style="list-style-type: none"> <li>1. Grievances mechanism briefing to workers</li> <li>2. HCV/conservation flora and fauna awareness briefing</li> <li>3. Company's policies briefing</li> <li>4. PSP training</li> <li>5. Mechanical site preparation (forest plantation)</li> <li>6. Nursery management</li> <li>7. Forest fire training/drill</li> </ol> <p>Therefore, a <b>Minor NCR MRS 02 2019 for Indicator 7.3.1</b> was raised.</p>
<b>Principle 8 Monitoring and Assessment</b>	<p>The FPMU has established permanent sample plots (PSPs) to monitor growth characteristic, performance and management of the selected species for forest plantation. There are 160 plots distributed over the FPMU.</p> <p>The FPMU has conducted environmental monitoring as verified through Environmental Monitoring Report (EMR) by quarterly (i) 1<sup>st</sup> Quarter 2019 (Jan – Mar 2019) (ii) 4<sup>th</sup> Quarter 2018 (Oct to Dec), 3<sup>rd</sup> Quarter 2018 (Jul – Sept 2018) &amp; 2<sup>nd</sup> Quarter</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>2018 (Apr – June 2018).</p> <p>The movement of harvested logs from stump to mill according to set procedures (Chain of Custody) was monitored by both SFC and Lana FPMU. All documents inspected were found to be in order.</p> <p>Forest plantation managers will incorporate the results and findings of the monitoring activities such as from Permanent Sample Plot (PSP), social assessment and HCV monitoring into the implementation and revision of the forest plantation management plan during midterm review in 2021.</p> <p>The indicators specified are included in the public summary of the revised FPMP. The public summary of the FPMP had been available to the public via the Samling website.</p>	
<p><b>Principle 9 Maintenance of High Conservation Value (HCV)</b></p>	<p>The identification and management of High Conservation Value Forests Guidelines for LPF/0006 Lana Reforestation had been completed. The assessment report titled 'High Conservation Value (HCV) Assessment FMC area within Lana Reforestation LPF/0006, Sarawak' was available.</p> <p>The list of relevant stakeholders consulted regarding the HCVFs was made available. Records of meetings/dialogues with relevant stakeholders and experts regarding the HCVFs had been initiated on 16 November 2016.</p> <p>Public summary on HCV was included in the Forest Plantation Management Plan at Section 12 - Conservation, Conservation Areas and High Conservation Values.</p> <p>The FPMU has established a monitoring procedures for HCV area titled 'Common Guidelines for the Management &amp; Monitoring of High Conservation Values' to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas. The FPMU has conducted monitoring activities for all HCV area. data collected would be incorporated into the revision of the management plan during midterm review in order to enhance the management decisions.</p>	<p>Records of meetings/dialogues with relevant stakeholders and experts regarding the HCV had been initiated. However, there was no record of consultation with stakeholders for any new HCV area inside MTCS area. Therefore, an <b>OFI for Indicator 9.2.1</b> was raised.</p> <p>The HCV attributes for riverine reserves in the map titled 'Map 2: Landuse in Lana Reforestation (LPF/0006) Area' in the HCV assessment report, November 2016 was not clearly demarcated. Therefore, a <b>Minor NCR MRS 03 2019 for Indicator 9.3.1</b> was raised.</p>

Principle	Strengths	Weaknesses
<p><b>Principle 10 Forest Plantation Development and Management</b></p>	<p>The plantation management plan had clearly implemented the forest management objectives, including natural forest conservation and restoration objectives.</p> <p>Forest plantation design and layout had promoted the protection, restoration and conservation of natural forests. The plantation had protected all residual forest sites and riparian buffer belts.</p> <p>The establishment of the forest plantation had followed the natural landscape and considered the need for wildlife corridors, buffer strips for permanent streams and rivers, as well as a mosaic of stands of different age classes.</p> <p>There were documentations on the choice of species that match the site conditions and the management objectives of the established forest plantation areas.</p> <p>Exotic species were planted within the FPMU and a list of all the species was presented in the Forest Plantation Management Plan.</p> <p>Application of appropriate site preparation and planting techniques, road and trail construction and maintenance, and the selection of species for forest plantation areas that would not cause long term soil degradation or adverse impacts on water quality and quantity or substantial deviation from stream course drainage patterns were made available in the FPMP.</p> <p>Records of application of fertilizers in forest plantation establishment and development such as Multicote, Organic Agrobien &amp; NPK Fertiliser was available in Store Issue Voucher. The usage of chemical pesticides such as Agritox, Bencide, Dithane &amp; Captan was available in Nursery Production Report. The latest record was in 22 February 2019.</p> <p>The FPMU had been implementing the mitigation measures as specified in the EIA Report.</p>	<p>There were no negative findings</p>

## Map of Lana Reforestation FPMU



**Experiences and Qualifications of Audit Team Members**

<b>Assessment Team</b>	<b>Role/Area of MC&amp;I Requirement</b>	<b>Qualification and Experience</b>
Mohd Razman Salim	Lead Auditor/ Forester/ Safety Auditor	<p>Academic Qualification: B.Sc. of Forestry (Forest Production), Universiti Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local &amp; international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OSHA 18001</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> <li>1. Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>2. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>3. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>4. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> </ol>
Hj.Roslee Jamaludin	Auditor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience: A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&amp;I for forest certification. A member of MAJURUS was appointed as an Internal Auditor for the MC&amp;I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Had Attended and Passed the following Training programmes:</p> <ol style="list-style-type: none"> <li>1. Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organised by MTCC, 9 – 10 July 2015</li> </ol>

		<ol style="list-style-type: none"> <li>2. EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</li> <li>3. Briefing on RSPO Principle &amp; Criteria (HCV) organised by SIRIM QAS ( Food ,Agri &amp; Forestry Section) 21 August 2015.</li> <li>4. Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food , Agri &amp; Forestry Section) 26 Jan 2016.</li> <li>5. FMC Workshop 28<sup>th</sup> -29<sup>th</sup> November 2017</li> </ol>
Angelica Suimin Slnimis	Technical Expert	<p>Currently, as independent consultant on Social Forestry, Corporate Social Responsibility, land use conflict mediation and Social Impact Assessment. She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resource Management (UM), a competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global Services. Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the forestry related industries both in Sabah and Sarawak (10 years) for 28 years in different capacities (e.g independent researcher, Rural Sociologist, Sr. Training and Administrator, Human Resources Executive, Emergency Medical Technician, Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia. Has done consultancy work in Malaysia and Papua New Guinea both for Forest and palm oil plantation since 2012.</p> <p>Has attended the following course:</p> <ol style="list-style-type: none"> <li>1. MTCC Forest certification standards for Forest Management and Plantation, 2013, SIRIM QAS</li> <li>2. FSC Forest certification standards for Forest Management and Control Wood, 2015, Nepcon</li> <li>3. Lead Assessor Course ISO 140001 (Exemplar Global Certified LEMS01), 2016, SIRIM QAS</li> <li>4. Diplomacy Training (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of Law, Uni New South Wales</li> <li>5. MC&amp;I Natural Forest and Plantation.v2 standars, 2017 – MTCC</li> <li>6. FSC Training – Forest Management and controlled wood in Bogor Indonesia by SCS Global, USA on Sept 2018.</li> </ol>



## Surveillance 2 Audit Plan

DAY	TIME	PROGRAM	
		AUDITOR 1 Razman	AUDITOR 2 Hj Roslee & Angelica
<b>Day 0 Monday (01/04/2019)</b>		<ul style="list-style-type: none"> <li>Razman &amp; Hj Roslee travel from KLIA to Bintulu (MH2742; 0825 - 1045)</li> <li>Angelica travel from Kota Kinabalu to Bintulu (AK6340; 0600 - 0710)</li> <li>Stakeholders consultation with Sarawak Forestry Department Bintulu (SFD) &amp; Sarawak Forestry Corporation (SFC)</li> <li>All auditors travel to Lana Base Camp</li> <li>Verification on CoC process at Lana Log pond</li> <li>Briefing by Audit Team Leader on the audit plan</li> </ul>	
<b>Day 1 Tuesday (02/04/2019)</b>	8.30 am – 12.30 pm	<ul style="list-style-type: none"> <li>Opening Meeting with representatives of FPMU</li> <li>Briefing session by Forest Manager of the FPMU on progress of forest activities</li> <li>Q&amp;A Session</li> <li>Evaluation of changes to the management of the FPMU</li> <li>Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</li> <li>Check on complaints, stakeholder comments and follow-up actions with Government agencies and NGOs</li> <li>Check on NCRs raised during the previous audit</li> <li>Check on internal audit and management review</li> </ul>	
	2.00 – 5.00 pm	Documentation and records review <ul style="list-style-type: none"> <li>Principle 4 - Community Relations and Worker's Right (Criterion 4.2)</li> <li>Principle 5 – Benefits from the forest</li> <li>Principle 6 – Environmental Impact</li> <li>Principle 7 – Management Plan</li> <li>Principle 8 – Monitoring and Assessment</li> <li>Principle 9 – Maintenance of High Conservation Value Forests</li> <li>Principle 10 – Forest Plantation Development and Management</li> </ul>	Documentation and records review <ul style="list-style-type: none"> <li>Principle 1 – Compliance with Laws and Principles</li> <li>Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>Principle 3 – Indigenous Peoples' Right</li> <li>Principle 4 - Community Relations and Worker's Right (Criterion 4.1, 4.3, 4.4 &amp; 4.5)</li> </ul>
		<ul style="list-style-type: none"> <li>Review of Day 1 Findings by Audit Team Leader</li> </ul>	
<b>Day 2 Wednesday (03/04/2019)</b>	8.00 am – 5.00 pm	Site visit <ul style="list-style-type: none"> <li>PSP Plots               <ul style="list-style-type: none"> <li>4A/50 P03 (<i>Gmelina arborea</i>)</li> <li>4A/51 P06 (<i>Eucalyptus pellita</i>)</li> </ul> </li> <li>Inspection of harvesting area – Coupe 2A, Block 25B</li> <li>Inspection of replanting area – Coupe 2A, Block 20A</li> <li>Inspection of FPMU's boundary               <ul style="list-style-type: none"> <li>Coupe 2A, Block 25A &amp; Block 11B</li> </ul> </li> <li>HCVF riparian buffer zone - Coupe 4A, Block 50</li> <li>Interview with field workers at operating area</li> </ul>	Site visit & consultations <ul style="list-style-type: none"> <li>Consultation with local communities               <ol style="list-style-type: none"> <li>Kg. Punan Bah</li> <li>Kg. Punan Biau</li> </ol> </li> <li>Inspection of FPMU's boundary               <ul style="list-style-type: none"> <li>Coupe 17A with Suasana Pertiwi (SPT/3670)</li> </ul> </li> </ul>
		<ul style="list-style-type: none"> <li>Review of Day 2 Findings by Audit Team Leader</li> </ul>	

<b>Day 3 Thursday (04/04/2019)</b>	8.00 am – 12.00 pm	<ul style="list-style-type: none"> <li>• Nursery</li> <li>• Clinic</li> <li>• Workshop</li> <li>• Scheduled waste store</li> <li>• Genset House</li> </ul>	<ul style="list-style-type: none"> <li>• Interview with field workers (local and foreign workers)</li> </ul>
	3.00 – 5.00 pm	<ul style="list-style-type: none"> <li>• Documentation and records review</li> <li>• Preparation of audit report and finding</li> <li>• Closing meeting</li> </ul>	
	5.30 pm	<ul style="list-style-type: none"> <li>• Travel to Bintulu</li> <li>• Stay at New World Suites Hotel, Bintulu</li> </ul>	
<b>Friday (05/04/2019)</b>		<ul style="list-style-type: none"> <li>• Travel from Bintulu to KLIA (MH2743; 1120 - 1325)</li> <li>• Travel from Bintulu to Kota Kinabalu (AK6341; 0735 - 0845)</li> </ul>	

## Details on NCRs and OFIs Raised During this Surveillance 2 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 1.5.2  NCR: MRS01/ 2019	Minor	<p><b>Requirement: Indicator 1.5.2</b> - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p><b>Finding:</b> The monitoring of certified area boundary yet to be conducted by the FPMU.</p> <p><b>Objective evidence :</b> Monitoring on wildlife, encroachment and forest road had been conducted and recorded in 'Plantation Monitoring and Patrolling' logbook. Latest monitoring was conducted at Coupe 2A, Block 10C (15 December 2018), Coupe 4A, Block 19B (7 January 2019), Coupe 5A, Block 52 (15 February 2019) and Coupe 2A (17 March 2019). However, patrolling/monitoring boundary of certified and uncertified MTCS area was not incorporate / carried out during these patrolling exercises.</p>	The Patrol Report form will be revised to help ensure that the Patrol teams observe and report on the MTCS boundaries in the course of their patrols and that relevant comment is incorporated into the Patrol Logbook	<p>Corrective action plan was accepted by audit team.</p> <p><b>Status: The effectiveness of implementation will be verified during next audit.</b></p>
Indicator 4.3.3  NCR: RJ01/ 2019	Minor	<p><b>Requirement: Indicator 4.3.3</b> - Availability of appropriate procedures to address grievances raised by forest plantation workers and/or their organizations and for conflict resolution.</p> <p><b>Finding:</b> Procedure on workers grievances had not been briefed to workers.</p> <p><b>Objective evidence :</b> Result of the interview with workers and workers representative of Joint Consultative Committee showed that they were not aware of the grievance procedure as stated in the "Grievance Procedure" in document PR 005.</p>	<p>[a] HR's attention has been drawn to this NCR and the root cause. This will be addressed future annual HR briefings.</p> <p>[b] In the meantime the FPMU will address this by giving an ad hoc briefing to the Joint Consultative Committee on the grievance resolution procedures set out in document PR 005 [Grievance Procedure].</p>	<p>Corrective action plan was accepted by audit team.</p> <p><b>Status: The effectiveness of implementation will be verified during next audit.</b></p>
Indicator 4.5.2  NCR: RJ02/ 2019	Minor	<p><b>Requirement : Indicator 4.5.2</b> - Appropriate mechanisms within relevant federal and state legal frameworks are employed to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods, caused by</p>	The FPMU will arrange for a formal briefing of the procedure on conflict resolution as set out in document GL 006.	<p>Corrective action plan was accepted by audit team.</p> <p><b>Status: The effectiveness of implementation will be verified during next audit.</b></p>

		<p>forest plantation management operations.</p> <p><b>Finding:</b> Procedure on “Guidelines on Conflict Resolution” had not been briefed to community.</p> <p><b>Objective evidence :</b> During the consultation with the Punan Bah and Punan Biau community, showed that the community did not aware of the procedure on conflict resolution as in document GL 006 ,as they had not been briefed by the FPMU.</p>		
<p>Indicator 7.3.1</p> <p>NCR: MRS02/ 2019</p>	Minor	<p><b>Requirement: Indicator 7.3.1 -</b> Availability of facilities and programs for training of forest plantation workers for proper implementation of the forest plantation management plan.</p> <p><b>Finding :</b> Certain training program yet to be included in the annual training plan.</p> <p><b>Objective evidence :</b> The Annual Training Plan 2019 to 2020 was not included the below training program:</p> <ol style="list-style-type: none"> <li>1. Grievances mechanism briefing to workers</li> <li>2. HCV/conservation flora and fauna awareness briefing</li> <li>3. Company's policies briefing</li> <li>4. PSP training</li> <li>5. Mechanical site preparation (forest plantation)</li> <li>6. Nursery management</li> <li>7. Forest fire training/drill</li> </ol>	The items listed have been included in the Refor Annual Training Program.	<p>Corrective action plan was accepted by audit team.</p> <p><b>Status: The effectiveness of implementation will be verified during next audit.</b></p>
<p>Indicator 9.3.1</p> <p>NCR: MRS03/ 2019</p>	Minor	<p><b>Requirement: Indicator 9.3.1 -</b> Measures to demarcate, maintain and/or enhance the HCV attributes are documented in the forest plantation management plan and effectively implemented.</p> <p><b>Finding:</b> HCV attributed was not clearly demarcated in the map.</p> <p><b>Objective evidence :</b> The HCV attributes for riverine reserves in the map titled ‘Map 2: Landuse in Lana Reforestation (LPF/0006) Area’ in the HCV assessment report, November 2016 was not clearly demarcated.</p>	It is suggested that under the above circumstances there is no practical correction to be made. When printed at full scale on A0 the wider RBZs will become visible.	<p>Corrective action plan was accepted by audit team.</p> <p><b>Status: The effectiveness of implementation will be verified during next audit.</b></p>

## Corrective Actions Taken and Final Status on NCRs and OFIs Raised Surveillance 1 Audit

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 2.3.1  NCR: LHF01/ 2018	Major	<p>Criterion 2.3 – Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. <u>Disputes of substantial magnitude involving a significant number of interests</u> will normally disqualify an operation from being certified.</p> <p>Indicator 2.3.1 - Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights.</p> <p><b>Findings:</b> There is land claim dispute of <u>substantial magnitude involving a significant number of interests</u>.</p> <p><b>Objective evidence:</b> 1) The land dispute was brought to Sibu Civil Court (Civil Suit No. SBW-22NCvC-2/2-2015) by three plaintiffs (Punan from Kg. Punan Bah) with Samling Reforestation (Bintulu) Sdn Bhd as one of the nine defendants. 2) The Trial for this Civil Suit commenced 23-25 May 2016 and continued on 13-15 July 2016, 24-28 October 2016 and 9-11 November 2016. 3) According to the leader who brought the matter to court, a total of 43,000 ha (of which about 37,000 ha from Lana FPMU area) was claimed by the Punan community in Punan Bah. 4) Assessment consultation with 34 villagers (comprising 26 males and 8 females), in Kg. Punan Bah on 28 March 2018 might indicate that there could be a substantial number of villagers representing the Punan community (173 households) in supporting</p>	<p><b>Root cause:</b> 1. The present claim of 43,000ha that gave rise to the dispute is spurious. The area of alleged Native Customary Rights (NCR) that was surveyed jointly by the claimant &amp; Samling in 2007 is only <b>1,855ha</b>. This alleged NCR area is not within the MTCS (certified) area, as is clearly shown in the attached Map A. NB The alleged NCR area represents only 2.3% of the FPMU's total area. Furthermore, although <i>within</i> the FPMU's licence boundary the NCR land does not form <i>part</i> of the licence area that is available to be planted by the licensee. 2. It should be noted that landmark Federal court case of TR Sandah &amp; others, given in December 2016, decided that <i>pemakai menoa &amp; pulau galau</i> <u>are not recognized</u> as NCR in law. 3. The spurious claim is supported by only a <i>section</i> of the Punan Bah community (para. 4 Section 1) and <u>not by the whole community</u> (para. 3 of Section 1). 4. An appropriate mechanism for furthering the process of resolving the dispute has been employed in that the claim, despite its spurious nature, was brought to trial. 5. The appropriate mechanism of the court has been in process since May 2016 with the last hearing being 27-29 March 2017. (The trial dates as listed above are incomplete: there were seven hearings.) Judgment was due on 6 April 2018 but has been adjourned. No replacement date had been given by the time this response was prepared. 6. It is surely a reasonable assumption that the criteria of the MC&amp;I are to be applied in the audit process</p>	<p>Audit team has received and reviewed corrective action plans and evidences on 26 April 2018.</p> <p>The court case on land claim issue is still in process since May 2016 with seven hearings and the last hearing was 27-29 March 2017. The court judgement was due on 6 April 2018 but has been adjourned. And no replacement date had been given. The audit team will follow up this issue until final decision from court.</p> <p>The FPMU has allocated 1,855 ha as a shifting agriculture area (SA) which located outside the MTCS certified area (9,393 ha) but within LPF/006 area (81,900 ha) for use by the residents of Kg. Punan Bah.</p> <p>The FPMU also has established a Communities Relation Committee (CRC) as the mechanism to enable actions to be taken to prevent loss or damage affecting the local peoples' legal or customary rights, property, resources, or their livelihoods. This CRC committee includes seven representatives from the Kg. Punan Bah, comprising Tuai Rumah (village head), 2 women, and four villagers.</p> <p>Assessment consultation with 41 villagers (comprising 30 males and 11 females), including the leader of the plaintiff, in Kg. Punan Ba on 4<sup>th</sup> April, 2019 indicated that court case judgement is still pending. It has been two years since the case was tried and no news received by the plaintiff from the court. It was confirmed by the District Forest Officer in Bintulu and the Samling</p>

		<p>the land claim of a large area via the court process.</p>	<p>in a manner which is fair and just to all parties concerned. In the Lana case there is spurious claim. An appropriate mechanism has been followed and the High Court's judgment is now awaited. Given that the court's judgment is still pending there is no avenue open to Samling to respond with a corrective action. However, SIRIM has a time frame for a response. Failure to comply with this time frame leads to suspension, and ultimately to termination, of the current certified status. This cannot be construed as either fair or just. Samling is being threatened with 'punishment' without having been pronounced guilty!</p> <p><b>Corrective action plan:</b> There is an appropriate mechanism in place for resolving the dispute. This must be given the necessary time to work and for a final judgment to be announced by the court. We request therefore that the status of the certification remains unchanged until the final judgment is made following which the certification status would be reviewed.</p>	<p>Reforestation (Bintulu) Sdn Bhd, Lana Reforestation Project management that there is no further information regarding the civil case to date.</p> <p><b>Status: Audit team has closed this NCR due to pending decision from the court on this land claim issue. However, the audit team will follow up this issue until final decision from court either it will affected the certification or not.</b></p>
<p>Indicator 4.4.1</p> <p>NCR: LHF02/2018</p>	<p>Major (Upgraded from Minor to Major)</p>	<p><b>Indicator 4.4.1 – Forest</b> plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and <b><u>the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations.</u></b></p> <p><b>Finding:</b> Majority of villagers in Kg. Punan Bah have yet to have access to information on the results of the social impact evaluations.</p> <p><b>Objective evidence:</b> 1) The briefing minutes on findings on the SIA Report was presented only to three representatives (village head and two</p>	<p><b>Root cause:</b> 1) The objective evidence is substantially correct. 2) The root cause was an acute sensitivity on the part of Lana LPF management to the matter of the land claim. This resulted in the LPF manager being very cautious when discussing the land claim with the kampong people in general and so the briefings on the findings were presented only to three representatives (the village head and two villagers) of Kg. Punan Bah.</p> <p><b>Corrective action plan:</b> 1)The Lana LPF manager will disseminate the findings of the SIA report by means of briefings in Punan Bah. 2)The meetings will be documented and attendance lists will be prepared.</p>	<p>Audit team has received and verified the briefing report of the Social Impact Assessment report to 32 villagers from Kg. Punan Bah by Lana Reforestation Plantation Manager on 6 June 2018. The attendance list and photo of briefing at Kg. Punan Bah was verified. Based on interview conducted with villagers, the people interviewed were generally aware of the reforestation project and content of Social Impact Assessment report. Therefore, previous Major NCR LHF 02/2018 for Indicator 4.4.1 was satisfactorily closed.</p> <p><b>Status: Closed.</b></p>

		<p>villagers) of Kg. Punan Bah during the Social Impact Assessment Briefing 2017 held in Lana camp office on 15 November 2017.</p> <p>2) Assessment local consultation with 34 villagers in Kg. Punan Bah on 28 March 2018 showed that villagers were aware of data collection in 2017 but they did not know the outcome of the findings.</p> <p>3) The Minor NCR (LMF01/2017) raised during the Stage 2 audit in 2017 is now upgraded to Major NCR.</p>		
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End of Report