



**PUBLIC SUMMARY
STAGE 2 AUDIT ON SAPULUT
FOREST PLANTATION MANAGEMENT UNIT NO.14
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-FP 00118
Date of First Certification: 03 July 2020
Audit Date: 22 - 25 October 2019
Date of Public Summary: 12 July 2020**

Certification Body:

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EXECUTIVE SUMMARY

Stage 2 audit for forest management certification on the Sapulut Forest Development Sdn Bhd - Sapulut FPMU no. 14 was conducted from 22-25 October 2019. This was an audit conducted following the Stage 1 audit which was conducted in 15 - 16 August 2019 on the overall forest management system and practices of the FPMU against the requirements of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Forest Plantation. v2)] using the verifiers stipulated for Sabah, Malaysia.

This stage 2 audit was conducted by a 3-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Mohd Razman Salim and Dr. Lim Hin Fui.

Based on the findings of this stage 2 audit, it was found that Sapulut Forest Development Sdn Bhd - Sapulut FPMU no. 14 had complied with the requirements of the MC & I (Forest Plantation.v2). This stage 2 audit had resulted in the issuance of seven (7) and eight (8) major and minor Non Conformity Reports (NCRs) respectively and one (1) Opportunities for Improvement (OFI).

This public summary contains the general information on the Sapulut Forest Development Sdn Bhd - Sapulut FPMU no. 14, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FPMU.

1 INTRODUCTION

1.1 Name of FPMU

Sapulut Forest Plantation Management Unit (FPMU) – FPMU 14

1.2 Contact Person and Address

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Designation: FMU Executive Manager

Address: Mile 60 Jalan Kalabakan, Keningau Sabah, Malaysia

Phone #: 088-858 811

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1.3 General Background on the Sapulut FPMU (FPMU 14)

Sapulut Forest Development Sdn. Bhd. (SFDSB) has signed a Sustainable Forest Management Licence Agreement 04/97 with Sabah State Government on 10th September 1997 to manage a total 76,613 ha of the Forest Management Unit (FMU) No. 14, which is located within the Sapulut Forest Reserve (Sapulut FR) for a period of 99 years. The Forest Plantation Management Unit No.14 (FPMU No.14) managed by Sapulut Forest Development Sdn. Bhd. covers an area of 12,486.42 ha, which is part of the 21,970 ha of Industrial Tree Plantation (ITP) areas of logged-over forest in the Sapulut Forest Reserve. Remaining of 10,975 ha of the area was not eligible to be certified due to the forest plantation was established after 31 December 2010. Another 54,643 ha was managed as Natural Forest Management (NFM) and was certified on 11 June 2018 against MC&I (Natural Forest).

The forest area is situated approximately 04° 32'20" N and 116° 49'0" E to 04° 41'30" N and 116° 38'0" E in the district of Tibow, Sabah and accessible by the Keningau – Sapulut - Kalabakan road. The ITP area includes only 29 Compartments of 165, 166, 167, 168, 169, 170, 171, 177, 178, 179, 181, 185, 186, 187, 188, 191, 192, 193A, 193B, 194, 198, 199, 200, 201, 202, 203, 204, 205 and 206.

The rate of harvest has been determined at 2,100 ha/year with yield of 150–250m³/ha/year for 10 years rotation cycle , and was addressed in the Second Plantation Development Plan (PDP) (January 1st, 2016 – December 31st, 2025).

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

1.4 Date First Certified

03/07/2020

1.5 Location of the FPMU

The Sapulut FPMU No. 14 is located between 04° 32'20" N and 116° 49'0" E to 04° 41'30" N and 116° 38'0" E

1.6 Forest Management System

The Sapulut FPMU no. 14 had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. Sapulut Forest Development Sdn. Bhd. has prepared a Second Plantation Development Plan (PDP) (January 1st, 2016 – December 31st, 2025) for the part of to be certified ITP of 12,486 ha.and), was presented during this audit.

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

The rate of harvest has been determined at 2,100 ha/year with yield of 150–250m³/ha/year for 10 years rotation cycle and was addressed in the Second Plantation Development Plan (PDP) (January 1st, 2016 – December 31st, 2025).

1.8 Environmental and Socioeconomic Context

A SEIA at landscape level was conducted for Sapulut FPMU No. 14 (Forest Logging and Plantation) and report produced in February 2005, prior to the commencement of forest operations. The potential impacts and strategies to mitigate the impacts were written in this document as in Chapter 4 – Impact Prediction & Evaluation. Recommended mitigation measures for flora and fauna protection were also suggested in the SEIA report. This mitigation measures were available in Plantation Development Plan (PDP) as in Chapter 5 – Environmental Impact Assessment.

A total of six indigenous Murut settlements located within 5km from the nearest FPMU boundary, namely Kg Tataluan, Kg Bangau, Kg Salarom Taka, Kg Sandukan, Kg Maatol and Kg Mawantul. These Murut communities have no legal rights in the forest plantation area. Document entitled Community Relations-Conflict Resolution (SOP#: 3.1) dated 25 June 2014 was used in resolving land claim. There was no record of land claim. Location of these villages are marked on map entitled “Location of Local Settlements, Sapulut FPMU” dated 17 September 2019. There was no customary land located within the FPMU area. The indigenous burial grounds in Compartment 192 and 195A are demarcated and both are HVC-6 areas under certification. The villagers are allowed to have free access to their traditional burial grounds.

The FPMU does not use the traditional forest-related knowledge and practices of indigenous people in the use of forest species or management systems in forest operations, therefore there was no specific mechanism and compensation for the commercial utilization of traditional knowledge. Community Relations-Conflict Resolution (SOP#: 3.1) 2014 could be used for resolving land disputes over tenure claims and use rights.

2 AUDIT PROCESS

2.1 Audit Dates

22-25 October 2019 /12 auditor day(s)

2.2 Audit Team

- | | |
|---|--|
| 1. Khairul Najwan bin Ahmad Jahari (Lead Auditor) | |
| 2. Mohd Razman Salim (Forester) | |
| 3. Dr. Lim Hin Fui (Sociology) | |

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 Plantation Management Certification [MC&I (Forest Plantation.v2)] using the verifiers stipulated for Sabah.

2.4 Stakeholder Consultations

A stakeholder notification was conducted in September 2019 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There was one (1) comment received from the stakeholders during the period. The comments showed in **Attachment 3**

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Sapulut FPMU's No.14 current documentation and field practices in forest plantation management with the detailed of the standard of performances (SOPs) listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sabah.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors

then decided on the degree of the FPMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I Forest Plantation.v2;
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I Forest Plantation.v2; and
- (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 Forest Plantation.v2 but without sufficient objective evidence to support a non-conformance.

Consultations were held with the local communities in Kg. Tataluan, Kg. Banagu, Kg. Salarom, Kg. Mawantol, Kg. Sandukan, Kg. Kangkamon, Kg. Bigor and Kg. Maatol. Consultation was also conducted with the forest and camp workers.

The coverage of this stage 2 audit is as shown in the Stage 2 Audit Plan in **Attachment 4**.

The Sapulut FPMU No. 14 had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim stage 2 audit report and sent it to the Sapulut_FPMU No. 14 for comment. A second draft stage 2 audit report which had incorporated the comments received from the Sapulut FPMU No.14 was then prepared and sent to two peer reviewers for independent reviewing. A final stage 2 audit was prepared after incorporated the comments from peer reviewers.

3 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that the Sapulut FPMU No. 14 had managed the Sapulut FPMU No. 14 in compliance with most of the requirements of the MC&I Forest Plantation.v2. This stage 2 had resulted in the issuance of 7 major, 8 minor NCRs, and 1 OFI. The details on the NCRs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Sapulut FPMU No. 14 to address the 7 major NCR raised during this stage2 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out these major NCR. The audit team had also reviewed and accepted the Sapulut FPMU's No. 14 proposed corrective actions to address the 8 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

Mechanism to resolve any conflicts and grievances was established through, a document entitled "Community Relations-Conflict Resolution (SOP#: 3.1)" dated 2014, for resolving land disputes over tenure claims and use rights was available. The mechanism used to resolve disputes over tenure claims and use rights is meeting with local communities. The guidelines will guide in the formation of CRC, scheduled in August 2018, which will serve as the formal conflict resolution mechanism. There was no customary land located within the FPMU area.

With regard to Criterion 6.10, the Forest Plantation Management Unit No.14 (FPMU) managed by Sapulut Forest Development Sdn. Bhd. covers an area of 12,486 ha, which is part of the 21,970 ha of Industrial Tree Plantation (ITP) areas of logged-over forest in the Sapulut Forest Reserve. The remaining of 9,484 ha of the ITP area was not entitled since the area were yet to be established or established after 31 December 2010.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Plantation Management be awarded to Sapulut FPMU No.14.

The summary of the findings of the Stage 2 audit on the Sapulut FPMU No. 14 against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>Records and up-to-date relevant federal and state laws, regulations and policies, in particular those related to forest management were available and sighted by the auditors at Sapulut Forest Development Sdn Bhd (SFDSB) Base Camp.</p> <p>Forest managers had demonstrate awareness of all the binding international agreements.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Sapulut camp office.</p> <p>There were no conflicts between the laws, regulations and the MC&I Forest plantations Principles and Criteria. This was acknowledged by the Sabah Forestry Department through the letter (Ref: JPHTN/SFM 800-1/1/4 [KLT.7]/65) dated 22nd June 2017.</p> <p>Proper records of monitoring on control of encroachment, illegal harvesting, hunting, fishing and settlement, and other un-authorized activities in the forest plantation management unit conducted on daily basis.</p> <p>The policy statement was displayed at prominent sites within the FMU and had been communicated throughout the organization</p>	<p>Permit for diesel storage (diesel tank) at Simgaya camp (Compartment 194) was not available during audit. Therefore, Minor NCR MRS01/2019 for Indicator 1.1.1 was raised.</p>
Principle 2 Tenure and Use Rights and Responsibilities	<p>The Sapulut Forest Development Sdn Bhd (SFDSB) has signed a Sustainable Forest Management License Agreement 04/97 with the Sabah State Government on 10th September 1997 to manage the Forest Management Unit (FPMU 14) for a period of 99 years.</p> <p>There is no local community living within the FPMU area. There are six Murut communities living within 5km from the nearest FPMU boundary. There was also no legal claim by villagers from these Murut communities.</p> <p>There were mechanisms in place to resolve disputes over tenure and use rights.</p>	<p>There was no negative finding</p>

Principle	Strengths	Weaknesses
Principle 3 Indigenous People's Rights	<p>The FPMU does not use any of indigenous community land located outside the FPMU area. Management of indigenous land outside the FPMU is controlled by the communities. To resolve any conflicts and grievances between parties involved, if there is any land issue, it could be resolved through the mechanism on Community Relations-Conflict Resolution (SOP#: 3.1) 2014.</p> <p>The indigenous burial grounds in Compartment 192 and 195A were demarcated and both are HVC-6 areas under certification. The villagers are allowed to have free access to their traditional burial grounds.</p> <p>Procedures for identifying and protecting sites of cultural, ecological, economic or religious significance and provisions for rights of access to these sites are available.</p> <p>The FPMU manager did not make use of indigenous traditional forest-related knowledge and practices in forest plantation operations.</p>	<p>There was no negative finding</p>
Principle 4 Community Relations and Worker's Rights	<p>The FPMU has provided training, retraining, local infrastructure, facilities and social program for all levels of its employees.</p> <p>Qualified people in communities living within, or adjacent to, the FPMU has been given preference for employment and contract works.</p> <p>All applicable laws and/or regulations covering health and safety of employees were made available and explained to them.</p> <p>The FPMU established the Worker Tender, Loving, Care (TLC) Committee as SOP#: 1.7 dated 12 September 2015 and revised on 14 March 2019. This Worker TLC Committee is "to assist the workers to negotiate peacefully and subsequently reached an agreement with the employer". The committee comprises of four members from workers' representatives and three members from management's representatives.</p>	<p>A total of four foreign workers were employed without legal documents as below;</p> <ol style="list-style-type: none"> 1. Workers no. PSI001 (passport A1262188) 2. Workers no. PSA031 (passport B3462049) 3. Workers no. LSJ002 (passport AR306927) 4. Workers no. (none) (passport P3439656A) <p>Therefore, a Major NCR LMF03/2019 for Indicator 4.1.3 was raised.</p> <ol style="list-style-type: none"> 1. A visit by DOSH Officer on 21 August 2019 has recommended the FPMU to prepare a monitoring checklist 'Senarai Semak Pemeriksaan Tempat Kerja'. The FPMU has prepared the monitoring checklist for workshop and nursery (Plantation). However, the monitoring checklist for other working areas such as genset house, camp, workers housing, workshop, clinic etc. is yet to be prepared by management.

Principle	Strengths	Weaknesses
		<p>2. The certificate of fitness for air compressor at Simgaya camp was not available during audit.</p> <p>Therefore, a Minor NCR MRS02/2019 for Indicator 4.2.3 was raised.</p> <p>1. Two SIA reports dated 2009 and 2015 were available. The 2009 SIA report (Forest Logging & Plantation of 95,300 Hectares within Forest Management Unit (FMU 14) by Sapulut Forest Management Sdn Bhd, a total of 9 villages were surveyed, including two villages (Kg Tataluan and Kg Sandukan) of the current six villages located near FPMU. In the 2015 SIA report, of the six villages located near FPMU, only two (Kg Bangau and Kg Salarom) were included. These two previous SIA reports were regarded inadequate to show the current social impact of the six villages located near to FPMU.</p> <p>2. Assessment consultations with Kg Tataluan and Kg Salarom showed that villagers have no access to the information on the results of the social impact evaluation.</p> <p>Therefore, a Major NCR LMF01/2019 for Indicator 4.4.1 was raised.</p> <p>In the Second Plantation Development Plan of SFMLA 04/97 for the period 2016-2025, the social impact assessment was inadequate for the six villages located near to FPMU. Only one village (Kg Salarom) was included in the Plantation Development Plan. Therefore, a Minor NCR LMF02/2019 for Indicator 4.4.2 was raised.</p>
<p>Principle 5 Benefits From the Forest</p>	<p>The investments and reinvestments forest plantation management plan including for forest plantation administration, research (R&D), human resource development, environmental (operation), conservation and social aspects can be seen in Annual Work Plan (AWP) – 2019, in Clause 4.0 – Budget.</p> <p>Guidelines for reduced/low impact logging to minimise damage to other forest resources and wastage in SOP of BASIL – Timber Harvesting and Land Preparation (SOP#:10.2.2v2) dated 25 June was available.</p>	<p>The budget of the FPMU as stated in the Annual Work Plan (AWP) 2019, in Clause 4.0 – Budget under ‘Plantation Development Expenditure’ was not clearly stated for forest plantation administration, research (R&D), human resource development, environmental (operation), conservation and social aspects. Therefore, a Minor NCR MRS03/2019 for Indicator 5.1.1 was raised.</p>

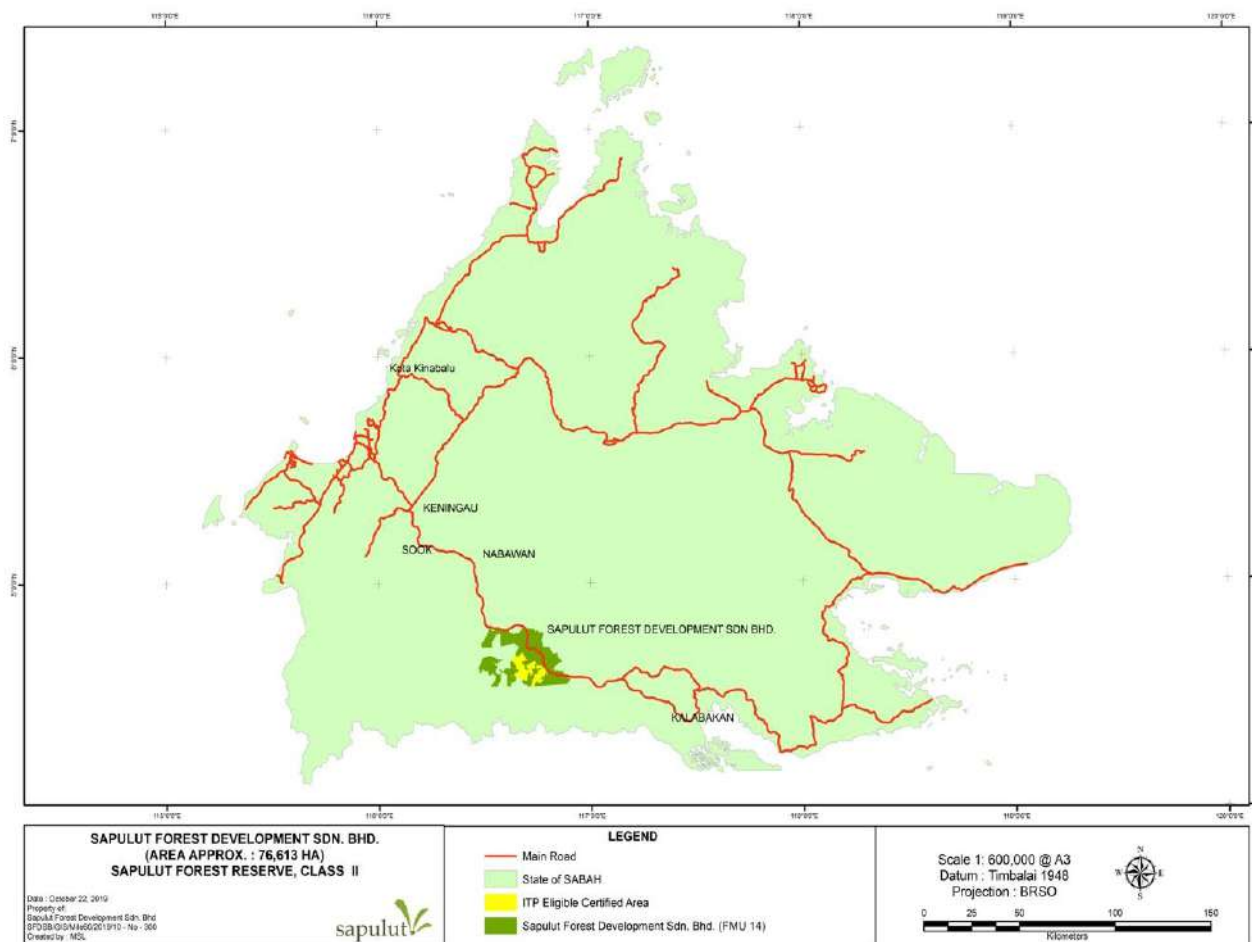
Principle	Strengths	Weaknesses
	<p>Only timber trees were planted, and no non timber trees had been established.</p> <p>The protected area within the FPMU represented 2,341.14 ha (19%) of the total FPMU area. Procedures to identifying and demarcating sensitive areas for the protection of soil and water, watercourses and wetlands in the forest plantation areas were available.</p> <p>The rate of harvest has been determined at 2,100 ha/year with yield of 150–250m³/ha/year for 10 years rotation cycle was addressed in the Second Plantation Development Plan (PDP) (January 1st, 2016 – December 31st, 2025).</p>	
<p>Principle 6 Environmental Impact</p>	<p>A SEIA at landscape level was conducted for Sapulut FMU 14 (Forest Logging and Plantation) and report produced in February 2005, prior to the commencement of forest operations. Recommended mitigation measures for flora and fauna protection were also suggested in the SEIA report. This mitigation measures were available in Plantation Development Plan (PDP).</p> <p>Hunting fishing and collecting activities were controlled and inappropriate activities strictly prohibited in the FMU. “No entry to Permanent Forest Reserve” and “No hunting” signage has been erected at a the strategic location in the FPMU area.</p> <p>Guidelines to demarcate and protect conservation area, measures to enhance natural regeneration was available titled SOP “Boundary Demarcation” SOP# 4.3.</p> <p>Standard operating procedures on waste disposal and solid non-organic waste were made available in Usage, Labelling, Storage and Disposal of Hazardous Goods (SOP# 6.2 V2).</p> <p>There are no biological control agents used in the FPMU.</p> <p>There was no new conversion of natural forest to forest plantations.</p>	<ol style="list-style-type: none"> 1. Maintenance of forest plantation road between Plot 9 and Plot 14 at Compartment 177 was not effective where the cross drain was not constructed thus resulting in the slow flow of water out from the main road. 2. The log bridge structure between Plot 1 to Plot 2 at Compartment 177 did not have guard rails and retaining wall to avoid debris or soil on the bridge falling directly into the river or waterways. 3. Riparian reserve for small stream between Plot 1 to Plot 2 at Compartment 177 was not marked at least with 5 m away from each bank. The width of the left and right small stream were 3 m and 4 m width. 4. There was sign that heavy machine has encroached riparian reserve and the soil was pushed inside the riparian reserve at the left side of log bridge located between Plot 1 to Plot 2 at Compartment 177. <p>Therefore, a Minor NCR MRS04/2019 for Indicator 6.5.2 was raised.</p> <ol style="list-style-type: none"> 1. The FPMU has yet to conduct chemical health risk assessment (CHRA) for chemical exposure monitoring for welding (manganese fume) and usage of CH Malaxion 570E (malathion 57%).

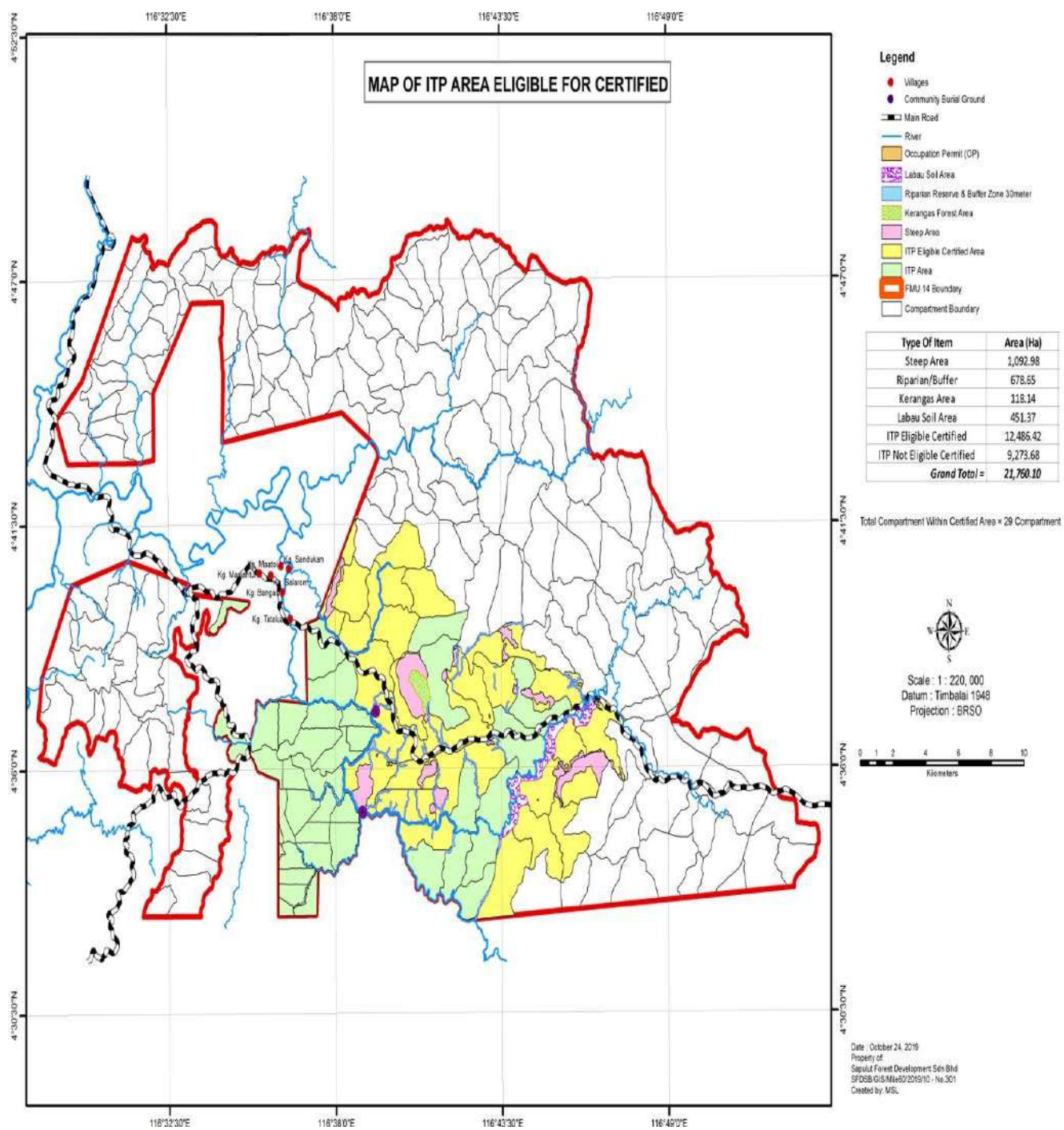
Principle	Strengths	Weaknesses
		<ol style="list-style-type: none"> List of chemicals used, or chemical register dated 12 February 2019 only recorded CH Malaxion 570E. However, other chemicals such as Bayfolan, Zagro Stilt 25 and Turf-Tech Triple Ten (fertilizer) at fertilizer and nursery stores were not updated in the register. Work instruction for chemical mixing was not displayed at the mixing area. The Safety Data Sheet for Bayfolan, CH Malaxion 570E, Zagro Stilt 25 and Turf-Tech Triple Ten (fertilizer) were not displayed at the place of work where these chemical hazardous to health is used and easily accessible to employees. PPE awareness signboard was not displayed at fertilizer store and mixing area <p>Therefore, a Major NCR MRS05/2019 for Indicator 6.6.1 was raised.</p>
Principle 7 Management Plan	<p>Sapulut Forest Development Sdn. Bhd. has prepared a Second Plantation Development Plan (PDP) (January 1st, 2016 – December 31st, 2025) for the part of to be certified ITP of 12,486 ha. The plan had addressed all issues and requirements of Criterion 7.1.</p> <p>Records of new scientific and technical information pertinent to the management of the planted area to be certified were also available to the forest managers</p> <p>The publicly available summary of the forest plantation management plan was presented in the web page : https://sapulut.com.my/forest-certification/</p>	<p>Training to forest plantation workers as to their respective roles in the implementation of the forest plantation management plan were not sufficient. Therefore, a Minor NCR MRS 06/2019 for Indicator 7.3.2 was raised.</p>
Principle 8 Monitoring and Assessment	<p>The Permanent Sample Plots (PSPs) to monitor forest growth and dynamics were established with one PSP established by stratified random sampling with minimum distance of 100 m for every 30 ha. A total of 14 out of 20 plots were established and distributed over the FPMU area.</p> <p>The FPMU has established procedure to monitor social, ecological, environmental and economic impacts titled 'Monitoring Social, Ecological,</p>	<p>There was no harvesting conducted for year 2019. The harvesting will be initiated in year 2020. The mechanism to monitor and to trace forest products from its origin also known as the "chain-of-custody" yet to be prepared by the management. Therefore, an OFI for Indicator 8.3.1 was raised.</p> <p>The research and data collection at a minimum, the following indicators have yet to be made publicly available:</p>

Principle	Strengths	Weaknesses									
	<p>Environmental and Economic Impacts' (SOP#: 13.0v2) dated 11 Dec 2017.</p> <p>Forest plantation managers has and will incorporate the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan.</p>	<p>a) Yield of all forest products harvested. b) Growth rates of the planted forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity and efficiency of forest management</p> <p>Therefore, a Major NCR MRS07/2019 for Indicator 8.5.1 was raised</p>									
Principle 9 Maintenance of High Conservation Value (HCV)	<p>Assessment on the presence of the attributes consistent with HCVF was conducted by the FMU.</p> <p>List of relevant stakeholders consulted regarding HCV area was made available. The list contains NGOs, Government bodies, universities and local communities.</p>	<p>Public summary on specific measures to demarcate, maintain and /or enhance HCV attributes as stated in the Second Plantation Development Plan has yet to be made publicly available. Therefore, a Major NCR MRS 08/2019 for Indicator 9.3.2 was raised.</p> <p>The SOP for HCV monitoring was not adhered to the requirements of the indicator 9.4.1:</p> <ol style="list-style-type: none"> 1. The FPMU has yet to monitor HCV 1: Kerangas Forest due to accessibility constraints. 2. Record of monitoring for HCV 4: Sungai Sansiang was not available during audit. 3. The monitoring SOP for HCV 3: Labau soil was not clearly stated in the monitoring SOP 'High Conservation Value Forest (HCVF) – Monitoring of HCVF SOP#: 9.3v2 dated 30 Oct 2018 <p>Therefore, a Minor NCR MRS 09/2019 for Indicator 9.4.1 was raised.</p>									
Principle 10 Forest Plantation Development and Management	<p>The Plantation Development Plan had clearly stated the forest management objectives, including natural forest conservation and restoration objectives.</p> <p>Forest plantation design and layout have addressed on protection, restoration and conservation of natural forests for forest plantation areas such as 30m to 50m riparian reserve and no physical disturbance in the areas with slopes >25 degrees.</p> <p>Documentation and maps depicting areas managed as natural forest in the forest plantation areas were available.</p>	<p>Planting stock and species planted in the forest plantation area as in "Table 3.11: Planted trees during 1st PDP" of second PDP (2016-2025) found the information's were not accurate as below;</p> <ul style="list-style-type: none"> • Area planted was more than compartment area <table border="1"> <thead> <tr> <th>Compartment</th><th>Compartment gross area (ha)</th><th>Area planted (ha)</th></tr> </thead> <tbody> <tr> <td>170</td><td>524</td><td>604</td></tr> <tr> <td>178</td><td>461</td><td>692</td></tr> </tbody> </table>	Compartment	Compartment gross area (ha)	Area planted (ha)	170	524	604	178	461	692
Compartment	Compartment gross area (ha)	Area planted (ha)									
170	524	604									
178	461	692									

Principle	Strengths	Weaknesses		
	Forest Fire Management Plan titled 'Forest Fire Management Plan 2018-2028', and a procedure titled 'Pest and Disease Outbreak Control and Management' were established.	181	339	382
		191	615	688
		199	404	412
		202	285	313
		186	398	435
		<ul style="list-style-type: none"> Information on species planted were mixed for each compartment Plantation trees was harvested in compartment 181 and 178, however, it was not reflected in the Table 3.11 <p>Therefore, a Major NCR KN01/2019 for Indicator 10.3.1 was raised.</p> <p>Extent of area planted by each species and age classes in "Table 3.11: Planted trees during 1st PDP" was not tally with maps depicting the spatial distribution of the planted species in "Map FMU14 Plantation Species" dated 1 October 2019 as below example;</p> <ul style="list-style-type: none"> Albizia in Compt. 177 were not recorded in "Table 3.11: Planted trees during 1st PDP" Albizia in Compt. 178 was recorded as Dipterocarp in "Table 3.11: Planted trees during 1st PDP" Species planted in Compt. 171 was not tally with records in "Table 3.11: Planted trees during 1st PDP" and others <p>Therefore, a Major NCR KN02/2019 for Indicator 10.3. 2 was raised.</p> <p>Assessment of forest plantations established with exotic species through monitoring of 14 permanent sample plots were not includes unusual mortality, disease, or insect outbreaks and adverse ecological impacts. Therefore, a Minor NCR KN03/2019 for Indicator 10.4.3 was raised.</p>		

Map of Sapulut FPMU (FPMU 14)





Experiences and Qualifications of Audit Team Members

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), University 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 work, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification (MC&I and FSC P&C), MYNI of RSPO P&C and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas: 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>
Mohd Razman Salim	Auditor/ Forester/ Safety Auditor	<p>Academic Qualification: B.Sc. of Forestry (Forest Production), University 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 & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I</p>

		<p>(Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013.</p> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>
Dr. Lim Hin Fui	Auditor / workers' & community issues and related legal issues	<p>Academic Qualification:</p> <p>Dr. Lim Hin Fui is a Senior Research Officer (Sociologist) at Forest Research Institute of Malaysia, (FRIM). He graduated in 1983 with a B.A. Honours in Anthropology and Sociology from the UKM, Master Degree in Social Science from University Sains Malaysia and PhD from University Malaya. He was the Research fellow at Institute of Advance Studies, University Malaya from 1983 to 1987.</p> <p>Training / Research Areas:</p> <p>Evaluation of Perak State FMU against the Malaysian Criteria, Indicators, Activities and Standards of Performance (MC&I) for Forest Management Certification (Forest Management Unit Level), Peninsular Malaysia (Malaysia-The Netherlands Ad-Hoc Working Group) - [conducted by SGS (Malaysia) Sdn Berhad 2001]</p> <p>Member of the audit team to field test the Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] in the Perak State FMU, 1-6 March 2004.</p> <p>Member of the audit team in the Second Surveillance Audit for forest management certification on the Perak State FMU, conducted by SIRIM QAS International in 2005.</p> <p>Member of the audit team in the assessment of Pahang Forest Management Unit (FMU) against the MC&I (2002) conducted by SGS (Malaysia) Sdn Bhd, 17-21 April and 24-25 April 2006.</p> <p>Member of the audit team in the assessment on the Kubaan Puak FMU for forest management certification, conducted by SIRIM QAS International 11-16 March 2007.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the MC&I (2002) conducted by SIRIM QAS International 12-16 November 2007.</p> <p>Member of the audit team in the assessment of the Selangor FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 7-11 January 2008.</p> <p>Member of the audit team in the assessment of the Terengganu State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)],</p>

		<p>conducted by SGS (Malaysia) Sdn Bhd., 23-27 March 2008.</p> <p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 2-5 September 2008.</p> <p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 11-15 May 2009.</p> <p>Member of the audit team in the assessment of the Johor State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 22-26 June 2009.</p> <p>Member of the audit team in the assessment of the Negeri Sembilan State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SIRIM QAS International, 27-31 July 2009.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the Malaysian Criteria & Indicators for Forest Management Certification [MC&I (2002)], conducted by SIRIM QAS International, 26 October-2 November 2009.</p>
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Comments Received from Stakeholders and Responses by Audit Team Leader

Stakeholder	Stakeholders Comment	Auditors Comment
Ketua Kampung Kampung Salarom Taka 24/10/2019	<p>Pihak kami memohon agar pihak FPMU dapat menjalankan program perkongsian FMU dengan masyarakat kampung supaya komuniti mendapat info dan maklumat yang jelas dan terperinci bagi mengelakkan masyarakat kampung terdedah kepada pelanggaran akta dan undang undang yang diguna pakai oleh FPMU. Berikut ini beberapa cadangan dan permohonan untuk perhation tuan</p> <ol style="list-style-type: none"> 1. Kawasan berburu/mendapatkan hasil alam dibawah FPMU untuk kegunaan masyarakat kampung diperluaskan 2. Memberi dan mengutamakan masyarakat kampung dalam mencari pekerja untuk FPMU 3. Memberi bantuan kepada masyarakat kampung dalam melaksanakan pertanian lestari 4. Membina bangunan kraftangan bagi memudahkan masyarakat kampung menjana ekonomi keluarga melalui pembinaan dan penjualan hasil kraftangan 5. Menjadikan SK Salarom sebagai rakan kongsi/klien utama bagi membantu perkembangan Pendidikan di sekolah ini 6. Memohon projek bekalan air bersih kepada masyarakat kampung Salarom Taka 7. Penajaan/biasiswa Pendidikan kepada anak Salarom Taka yang layak/tidak berkemampuan 8. Menjalankan program TVET yang berkait rapat dengan pengurusan sumber hutan/alam sekitar 	<p>Audit found an information on social impact evaluated was not adequately for the six villages located near to FPMP and the villages affected have yet to have access to the results of social impact assessment. Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations. Thus, Major NCR Indicator 4.4.1 was raised</p> <p>In the same time, it was found due to the lack of updated social impact assessment on the six villages located, such information is not adequately incorporated into forest planning and management practices resulting issuance of Minor NCR Indicator 4.4.2 to the FPMU.</p>

Stage 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDIT TEAM LEADER (AUDITOR 1)	AUDITOR (2)	AUDITOR (3)
Travelling Day	6.00 am	Auditors travelling from KLIA to Kota Kinabalu on 21 October 2019 on Flight MH 2645 Estimated Time Departure - 8:15 am Estimated Time Arrival - 11:00 am Travel to Sapulut Camp site		
Day 1	8.30 am – 1.00 pm	<ul style="list-style-type: none">Opening Meeting with representatives of FPMUBriefing session by Forest Manager of the FPMUQ&A Session		
	2.00 pm – 5.30 pm	<ul style="list-style-type: none">Follow up on issues of concern from Stage 1Briefing to representatives of FPMU on the progress of audit <p>Documentation and records review</p> <p>Principle 1 – Compliance with Laws and Principles</p> <p>Principle 2 – Tenure and Use Rights and Responsibilities</p> <p>Principle 3 – Indigenous Peoples’ Right</p> <p>Principle 4 - Community Relations and Worker’s Right</p> <p>Principle 5 – Benefits from the forest</p> <p>Principle 6 – Environmental Impact</p> <p>Principle 7 – Management Plan</p> <p>Principle 8 – Monitoring and Assessment</p> <p>Principle 9 – Maintenance of High Conservation Value (HCV)</p> <p>Principle 10 – Forest Plantation Development and Management</p> <ul style="list-style-type: none">Review of Day 1 Findings by Audit Team Leader		
Day 2	8.30 am – 1.00 pm	Site Visits (Auditors 1 and 2) <ul style="list-style-type: none">Inspection of active harvesting (if any)- noneTree planting – noneConsultation with contractors and workers, Safety and chemical handling at Simgaya Ent. Contractor camp at Compt. 194Disease – Gall Rust (<i>Albizia</i>)Buffer zone and FPMU boundaries at Sg Sansiang, Compt. 194Inspection of stumpingSampling plots<ul style="list-style-type: none">No. 12 at Compt. – <i>Albizia</i> sp.No.1 at Compt. – <i>Terminalia</i> sp. (trial Species)Fauna monitoring sites/wildlife	Site Visits (Auditor 3) Consultation with Local communities of Kg Tataluan (includes Kg Bangau) * Consultation with Local communities of Kg Bangau Visit to HCV area – Graveyard Compt. 195 Consultations with forest workers	
	2.00 pm – 5.30pm			

		corridor/HCV sites – Labau Soil at Compt. 168		
		<ul style="list-style-type: none">• Observation of plantation area of <i>Albizia</i> at Compt. 166 and conservation of natural forest area at steep area (>25°) (road to fire tower)		
		<ul style="list-style-type: none">• Review of Day 2 Findings by Audit Team Leader		
Day 3	8.30 am – 1.00 pm	<ul style="list-style-type: none">• Site visits (Auditors 1 and 2)• Maintenance activities at Compt. 177 (<i>Hevea braziliensis</i>)<ul style="list-style-type: none">○ Slashing○ Tapping○ Road maintenance• Licence boundary Compt. 177 with Compt. 127 (NFM)• Inspection license boundaries at Compt. 171 and Compt. 170 adjacent with Compt. 164 NFM area• Inspection license boundaries at Compt. 171 adjacent with Zillion Venture Sdn Bhd (FMU25)• Chemical handling and scheduled waste at Workshop and Nursery• Scheduled Waste at Clinic		Site Visits (Auditor 3) Consultation with Local communities of Kg Salarom and Kg Mawantol (includes Kg Sandukan, Kangkamon, Kg Bigor and Kg Maatol) *
	2.00 pm – 5.30 pm			
		<ul style="list-style-type: none">• Briefing to representatives of FPMU on the progress of audit• Review of Day 3 Findings		
Day 4		AUDIT TEAM LEADER (AUDITOR 1)	AUDITOR 2	AUDITOR 3
	8.30 am – 1.00 pm	<ul style="list-style-type: none">• Documentation and records review• Preparation of audit report and finding• Briefing to representatives of FPMU on the findings of audit		Consultations with forest workers – Main Camp
	2.00 pm – 5.00 pm	<ul style="list-style-type: none">• Closing Meeting and presentation of findings of audit and discussion on follow-up activities• Adjourn Closing Meeting		
Travelling Day	6.30 am	<ul style="list-style-type: none">• Auditors travelling from Kota Kinabalu to KLIA on 26 October 2019 on flight MH 2661• Estimated Time Departure - 1:10 pm• Estimated Time Arrival - 3:35 pm		

*Note: unregistered or small village breakdown from original villages

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

Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Major LMF01/2019	<p>Indicator 4.4.1 – Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluations.</p> <p>Finding: Information on social impact evaluated was not adequately for the six villages located near to FPMP and the villages affected have yet to have access to the results of social impact assessment.</p> <p>Objective evidence:</p> <p>3. Two SIA reports dated 2009 and 2015 were available. The 2009 SIA report (Forest Logging & Plantation of 95,300 Hectares within Forest Management Unit (FMU 14) by Sapulut Forest Management Sdn Bhd, a total of 9 villages were surveyed, including two villages (Kg Tataluan and Kg Sandukan) of the current six villages located near FPMU. In the 2015 SIA report, of the six villages located near FPMU, only two (Kg Bangau and Kg Salarom) were included. These two previous SIA reports were regarded inadequate to show the current social impact of the six villages located near to FPMU.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. SIA Report 2015 were focused on the villages which were not included in SIA report 2009 survey, plus, no information and data for kampung Mawantul and Kampung Maatol in both report <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 2. To conduct SIA survey for the six (6) villages adjacent to FPMU questionnaire will be used to gather information from respondent collected data will be analyze for report preparation 3. Information from the report then will distributed for the six villages 4. Completion date: 20 Jan 2020 	<p>The Corrective action plan dated 20 November 2019 and evidences on 23 January 2020 has been accepted, verified as below</p> <p>Evidences received on 9 Jan 2020, found a new Social Impact Assessment Report dated 6 January 2020 has been conducted on to identify and assess the intended and unintended socio-economic impacts of plantation forest, both positive and negative, towards communities in six villages namely Kg. Tataluan, Kg. Bangau, Kg. Salarom Taka, Kg. Sandukan, Kg. Maatol and Kg. Mawantul and subsequently propose methods to tackle adverse impacts and monitor the progress. The socio-economic aspects discussed include income and employment, level of poverty, expenditure pattern, forest resources dependencies and basic amenities in the villages.</p> <p>Status: Closed</p>

	4. Assessment consultations with Kg Tataluan and Kg Salarom showed that villagers have no access to the information on the results of the social impact evaluation.		
Major LMF03/2019	<p>Indicator 4.1.3 – Forest plantation managers shall not employ or be involved in the employment of illegal immigrants</p> <p>Finding: Immigrant workers were employed without legal documents</p> <p>Objective evidence:</p> <p>A total of four foreign workers were employed without legal documents as below;</p> <ol style="list-style-type: none"> 5. Workers no. PSI001 (passport A1262188) 6. Workers no. PSA031 (passport B3462049) 7. Workers no. LSJ002 (passport AR306927) 8. Workers no. (none) (passport P3439656A) 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. All the said workers are under Sapulut's employment. However, their passport is under the sponsorship of their spouses for their legality to stay. No work pass endorsement by the Immigration to work. <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To legalize the four (4) workers and in the process of applying the work permit using "permohonan Kebenaran Bekerja bagi Pasangan kepada Warganegara Malaysia" from Immigration Department of Sabah 2. Completion date: 20 Jan 2020 	<p>The Corrective action plan dated 20 November 2019 has been accepted</p> <p>Evidences received on 23 Jan 2020, 29 Jan 2020 and 2 March 2020 found the letter from Immigration Department (Bahagian Visa, Pas dan Permit) 'Surat Akuan Penerimaan' dated 26/12/2019 (workers no A031, LSJ002, P3439656A and PSI001). As advised by the government department that the process will may take more than 90 days.</p> <p>However, due to the MCO extended to until 14 April 2020, the Tawau Immigration Department also affected by the order. i.e. Office closed, as evidence in email exchange from the Immigration Department (with Pn. Mariati Mastor) dated 02 March 2020.</p> <p>Status: Closed.</p>
Major MRS05/2019	<p>Indicator 6.6.1 - Availability and implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. The Chemical health risk assessment (CHRA) was not conducted by the management. 2. Chemical register was not updated. 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. CHRA not conducted due to have not engaged to any assessor to perform the CHRA 2. Work instruction are available as records but not been made available in work area for employees references at workplace 3. MSDS were not included from suppliers when receiving chemicals 	<p>Evidences received on 23 Jan 2020 found the FPMU has engaged with a DOSH registered CHRA Assessor from Safetech Solution to conduct CHRA. CHRA was conducted by Anthony Astral Chan with the DOSH Registration No. HQ/15/ASS/00/364 on the 14th December 2019 and a 64 pages full report completed on the 10th January 2020 with the Reference No. of HQ/15/ASS/00/364-2019/55.</p>

	<p>3. Work instruction, safety data sheet and PPE awareness signboard were not displayed at working area.</p> <p>Objective evidence:</p> <p>6. The FPMU has yet to conduct chemical health risk assessment (CHRA) for chemical exposure monitoring for welding (manganese fume) and usage of CH Malaxion 570E (malathion 57%).</p> <p>7. List of chemicals used, or chemical register dated 12 February 2019 only recorded CH Malaxion 570E. However, other chemicals such as Bayfolan, Zagro Stilt 25 and Turf-Tech Triple Ten (fertilizer) at fertilizer and nursery stores were not updated in the register.</p> <p>8. Work instruction for chemical mixing was not displayed at the mixing area.</p> <p>9. The Safety Data Sheet for Bayfolan, CH Malaxion 570E, Zagro Stilt 25 and Turf-Tech Triple Ten (fertilizer) were not displayed at the place of work where these chemical hazardous to health is used and easily accessible to employees.</p> <p>10. PPE awareness signboard was not displayed at fertilizer store and mixing area</p>	<p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. FPMU to finalize the list of chemicals which plan to be used and to keep all the records of chemical registration up to date 2. To obtain the MSDS from supplier and also to make it available in the workplace for user reference 3. FPMU will appoint an assessor registered with DOSH to conduct CHRA 4. To develop chemical mixing work instruction and appropriate PPE signage at workplace 	<p>The CHRA report covers the work area involving chemical in nursery such as CH Malaxion 570E, Bayfolan, Zagro Stilt 25, Agrobien, Osmocote. Field chemical spraying, and lubricants in workshop and Welding Fumes. The CHRA was conducted according to DOSH CHRA Manual 3rd Edition.</p> <p>As part of the required documents to enable the assessor to conduct CHRA, all chemical used in FPMU has been registered and copy of Chemical Registered and all MSDS has been submitted to assessor prior CHRA was conducted.</p> <p>Work Instruction for chemical mixing has been put up at the mixing area and followed by a training base on the work instruction.</p> <p>Training was conducted on the 6th January 2020 and attended by of nursery staff.</p> <p>The Safety Data Sheet for all the chemicals used un Nursery has been made available in the storage area where these chemical hazardous to health is used and easily accessible to employees for reference.</p> <p>PPE awareness signboard has been displayed at fertilizer store.</p> <p>Status: Closed</p>
Major MRS07/2019	<p>Indicator 8.5.1 - A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made publicly available.</p> <p>Finding: Results of monitoring as listed in</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The summary of the results of monitoring indicators, including those listed in Criterion 8.2 	<p>The public summary at http://sapulut.com.my/forest-certification/ was verified by auditor</p> <p>Status: Closed</p>

	<p>Criterion 8.2 have yet to be made publicly available.</p> <p>Objective evidence: The research and data collection at a minimum, the following indicators have yet to be made publicly available: a) Yield of all forest products harvested. b) Growth rates of the planted forest. c) Composition and observed changes in the flora and fauna. d) Environmental and social impacts of harvesting and other operations. e) Costs, productivity and efficiency of forest management</p>	<p>not made publicly available due to the summary yet to be done as the PDP is in the stage of finalization by the Sabah Forestry Department.</p> <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To prepare the summary report based on the Plantation Development Plan 2016-2025 2. The summary later to be published at Sapulut official website (www.sapulut.com.my) 3. Completion date: 20 January 2020 	
Major MRS08/2019	<p>Indicator 9.3.2 - These measures shall be included in the forest plantation management plan summary made publicly available.</p> <p>Finding : Measures to demarcate, maintain and/or enhance the HCV attributes in the forest plantation management plan have yet to be made publicly available.</p> <p>Objective evidence: Public summary on specific measures to demarcate, maintain and /or enhance HCV attributes as stated in the Second Plantation Development Plan has yet to be made publicly available.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The summary of the measures to demarcate, maintain and/or enhance HCV yet to be done as the PDP is in the stage of finalizayion by the Sabah Forestry Department. <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To prepare the summary report based on the Plantation Development Plan 2016-2025 2. The HCVF Summary on specific measures to demarcate, maintain and/or enhance HCV later to be published at Sapulut official website (www.sapulut.com.my) 3. Completion date: 20 January 2020 	<p>The public summary of the measures to demarcate, maintain and/or enhance HCV can be accessed in: http://sapulut.com.my/forest-certification/#single/0</p> <p>Status: Closed</p>
Major KN01/2019	<p>Indicator 10.3.1 - Availability of information on planting stock and species planted in the forest plantation areas, taking cognizance that diversity in composition of forest plantation is preferred, so as to enhance economic,</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The Table 3.11 are following “past planting data” while maps of species planted distribution 	<p>Evidences received on 23 Jan 2020 found the planting stock and species planted in the forest plantation area as in “Table 3.11: Planted trees during 1st PDP” of second PDP (2016-2025) has been amended in</p>

	<p>ecological and social stability.</p> <p>Finding: Information on planting stock and species planted in the forest plantation areas, taking cognizance that diversity in composition of forest plantation is preferred, so as to enhance economic, ecological and social stability were not accurate.</p> <p>Objective evidence:</p> <p>Planting stock and species planted in the forest plantation area as in “Table 3.11: Planted trees during 1st PDP” of second PDP (2016-2025) found the information’s were not accurate as below;</p> <ul style="list-style-type: none">Area planted was more than compartment area <table><tr><th>Compartment</th><th>Compartment gross area (ha)</th><th>Area planted (ha)</th></tr><tr><td>170</td><td>524</td><td>604</td></tr><tr><td>178</td><td>461</td><td>692</td></tr><tr><td>181</td><td>339</td><td>382</td></tr><tr><td>191</td><td>615</td><td>688</td></tr><tr><td>199</td><td>404</td><td>412</td></tr><tr><td>202</td><td>285</td><td>313</td></tr><tr><td>186</td><td>398</td><td>435</td></tr></table> <ul style="list-style-type: none">Information on species planted were mixed for each compartmentPlantation trees was harvested in compartment 181 and 178, however, it was not reflected in the Table 3.11	Compartment	Compartment gross area (ha)	Area planted (ha)	170	524	604	178	461	692	181	339	382	191	615	688	199	404	412	202	285	313	186	398	435	<p>was mixed with BASIL planting data</p> <p>2. Past planting data at each compartment was not clearly defined or segregated into species at past data record</p> <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none">To check back on the previous Annual Work Plan record to confirm planting species and its hectarage for each compartment.To amend Table 3.11 following the pass Annual Work Plan record and re-digitized mapsDate completion: 6 January 2020	<p>Chapter 3 – ‘Review of Past Management’ as in Table 3.11: Planted Trees During 1st FMP/PDP [page 85-86], and Figure 3.4: Map showing ITP Plantation species planted during 1st FMP/PDP [page 84]</p> <p>Status: Closed</p>
Compartment	Compartment gross area (ha)	Area planted (ha)																									
170	524	604																									
178	461	692																									
181	339	382																									
191	615	688																									
199	404	412																									
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186	398	435																									

<p>Major KN02/2019</p>	<p>Indicator 10.3.2 - Availability of documentation of the size and spatial distribution of the established forest plantation areas.</p> <p>Finding: The documentation of the size and spatial distribution of the established forest plantation areas was not accurate</p> <p>Objective evidence:</p> <p>Extent of area planted by each species and age classes in “Table 3.11: Planted trees during 1st PDP” was not tally with maps depicting the spatial distribution of the planted species in “Map FMU14 Plantation Species” dated 1 October 2019 as below example;</p> <ul style="list-style-type: none"> • Albizia in Compt. 177 were not recorded in “Table 3.11: Planted trees during 1st PDP” • Albizia in Compt. 178 was recorded as Dipterocarp in “Table 3.11: Planted trees during 1st PDP” • Species planted in Compt. 171 was not tally with records in “Table 3.11: Planted trees during 1st PDP” • and others 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Boundary of the “Past Planting Data” Shapefile was not following current boundary of compartment. Thus, planted hectareage is bigger compared to compartment hectareage. <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. “Past Planting Data” Shapefile are to be digitized following current compartment boundary to avoid planting hectareage is more than compartment gross hectareage. Maps shall be updated after re-digitizing activity 2. To amend Table 3.11 following past annual workplan record and re-digitizing maps 3. Completion date: 06 January 2020 	<p>Evidences received on 23 Jan 2020 found the planting stock and species planted in the forest plantation area as in “Table 3.11: Planted trees during 1st PDP” of second PDP (2016-2025) has been amended in Chapter 3 – ‘Review of Past Management’ as in Table 3.11: Planted Trees During 1st FMP/PDP [page 85-86], and Figure 3.4: Map showing ITP Plantation species planted during 1st FMP/PDP [page 84]</p> <p>Status: Closed</p>
<p>Minor MRS01/2019</p>	<p>Indicator 1.1.1 Records and availability of up-to-date relevant federal and state laws, regulations and policies, in particular those related to forest plantation management.</p> <p>Finding: Storage of diesel at contractor’s camp was not available during audit</p> <p>Objective evidence:</p> <p>Permit for diesel storage (diesel tank) at Simgaya camp (Compartment 194) was not available during audit.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The permit was not available due to the company did not apply for the permit as the contractor camp is just temporary and will be moved to new site as along the working area going further. Thus, the diesel storage also a temporary storage at the camp <p>Correction and Corrective action plan including completion date:</p>	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>

		<ol style="list-style-type: none"> 1. To instruct contractor's manager to apply for "Temporary Permit" from Fire Department and later for the permit from KPDNKK 2. The requirement also will be added in the Deed of Agreement (DOA) 3. Completion date: 31 May 2020 	
Minor MRS02/2019	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the workplace.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. Monitoring checklist for all operations area is yet to be established by management 2. Registration record for air compressor was not available. <p>Objective evidence:</p> <ol style="list-style-type: none"> 3. A visit by DOSH Officer on 21 August 2019 has recommended the FPMU to prepare a monitoring checklist 'Senarai Semak Pemeriksaan Tempat Kerja'. The FPMU has prepared the monitoring checklist for workshop and nursery (Plantation). However, the monitoring checklist for other working areas such as genset house, camp, workers housing, workshop, clinic etc. is yet to be prepared by management. 4. The certificate of fitness for air compressor at Simgaya camp was not available during audit. 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Since the recent DOSH Audit, FPMU has started developing checklist following the recommendation made by DOSH. However, upon SIRIM forest plantation audit, FPMU have only managed to complete checklist for 2 areas (workshop and Nursery) while other areas are still in development process 2. Contractor (Simgaya) not aware the requirement to have certificate of fitness to be made available at camp <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To continue the development of checklist not just in workplace but also to extend the scope quarters and any other relevant structures throughout FPMU 2. To conduct a site, visit periodically to contractor's camp and to made contractors aware on the requirement 3. To check the availability of Air Receivers serial number MYKKP and register the Air Receiver should there been no records of registration. 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>
Minor LMF02/2019	<p>Indicator 4.4.2 – Forest plantation planning and management practices shall consider and incorporate the results of such evaluations.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. SIA 2015 report were focused on the villages 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p>

	<p>Finding: Due to the lack of updated social impact assessment on the six villages located, such information is not adequately incorporated into forest planning and management practices.</p> <p>Objective evidence:</p> <p>In the Second Plantation Development Plan of SFMLA 04/97 for the period 2016-2025, the social impact assessment was inadequate for the six villages located near to FPMU. Only one village (Kg Salarom) was included in the Plantation Development Plan.</p>	<p>which were not included in SIA report 2009. However, no data for kampung Mawantul and Kampung Maatol in both report</p> <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 2. To conduct SIA survey for the six (6) villages adjacent to FPMU questionnaire will be used to gather information from respondent collected data will be analyze for report preparation 3. Information from the report then will distributed for the six villages 4. Completion date: 20 Jan 2020 	<p>Status: Accepted</p>
Minor MRS03/2019	<p>Indicator 5.1.1 - Investments and reinvestments shall be made in forest plantation management, including for forest plantation administration, research, human resource development, protection, economic, conservation, environmental and social aspects, consistent with the tenure of the forest plantation areas.</p> <p>Finding: The budget for year 2019 was not clearly adhered to the indicator requirements.</p> <p>Objective evidence:</p> <p>The budget of the FPMU as stated in the Annual Work Plan (AWP) 2019, in Clause 4.0 – Budget under ‘Plantation Development Expenditure’ was not clearly stated for forest plantation administration, research (R&D), human resource development, environmental (operation), conservation and social aspects.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Annual workplan CAWSP 2019 in matter No.4 – Budget and expenses were combined under “Plantation Development Expenditure” which consist of plantation administration, R&D, HR, EIA, Conservation and social aspect <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To revised and segregate the budget presentation by include detailed budget for reference 2. To allocate overhead and general administration costs based on ITP and NFM areas 3. Completion date: 06 November 2019 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>
Minor MRS04/2019	<p>Indicator 6.5.2 – Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The lack of training to operators of machinery in 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p>

	<p>operations.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. The maintenance of forest plantation road was not effective. 2. Construction of log bridge caused soil erosion and encroached the riparian reserve. <p>Objective evidence:</p> <ol style="list-style-type: none"> 5. Maintenance of forest plantation road between Plot 9 and Plot 14 at Compartment 177 was not effective where the cross drain was not constructed thus resulting in the slow flow of water out from the main road. 6. The log bridge structure between Plot 1 to Plot 2 at Compartment 177 did not have guard rails and retaining wall to avoid debris or soil on the bridge falling directly into the river or waterways. 7. Riparian reserve for small stream between Plot 1 to Plot 2 at Compartment 177 was not marked at least with 5 m away from each bank. The width of the left and right small stream were 3 m and 4 m width. 8. There was sign that heavy machine has encroached riparian reserve and the soil was pushed inside the riparian reserve at the left side of log bridge located between Plot 1 to Plot 2 at Compartment 177. 	<p>relation of proper forest plantation road</p> <ol style="list-style-type: none"> 2. No proper guidelines or procedure for machinery operators to follow 3. The rubber plantation in compartment 177 has been developed without proper riparian reserves since 2006. There was possibility that the stream was small (less than 3 meter) during the development and as time goes by, the stream width expanded due to floods and soil erosion. <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To update forest plantation procedure by including the bridge and road maintenance guidelines 2. To organize training for machineries operators 3. To do upkeep stream by method of removing debris to avoid blockage of water and rehabilitation the area by planting tress 4. To demarcate the stream and reserve signage 	<p>Status: Accepted</p>
Minor MRS06/2019	<p>Indicator 7.3.2 - Forest plantation workers shall be trained as to their respective roles in the implementation of the forest plantation management plan.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The trainings were not organized due to not planned and not included in the Annual Work 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p>

	<p>Finding: Training record for certain forest plantation activities was not available during audit.</p> <p>Objective evidence: Certain training records related to forest plantation activities were not available during audit such as:</p> <ol style="list-style-type: none"> 1. R&D plots establishment and inventory 2. Forest plantation road construction and maintenance 3. Grievance mechanism to staff and workers 4. Union & collective bargaining 	<p>Plan 2019</p> <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Training for Forest Plantation workers will be planned and to be included in the Annual Work Plan 2020 2. Report of the training and attendance will be submitted to Human Resources (Camp) for records 3. Completion date: 31 May 2020 	<p>Status: Accepted</p>
Minor MRS09/2019	<p>Indicator 9.4.1 - Forest plantation managers shall conduct, appropriate to scale and intensity of forest plantation management, annual monitoring to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas.</p> <p>Finding: The SOP of HCV monitoring to assess the effectiveness of the measures were not effectively implemented.</p> <p>Objective evidence: The SOP for HCV monitoring was not adhered to the requirements of the indicator 9.4.1:</p> <ol style="list-style-type: none"> 4. The FPMU has yet to monitor HCV 1: Kerangas Forest due to accessibility constraints. 5. Record of monitoring for HCV 4: Sungai Sansiang was not available during audit. 6. The monitoring SOP for HCV 3: Labau soil was not clearly stated in the monitoring SOP 'High Conservation Value Forest (HCVF) – Monitoring of HCVF SOP#: 9.3v2 dated 30 Oct 2018 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The SOP for HCV monitoring is available. However, hindrance such as poor access road disturbs the scheduled monitoring activity 2. Monitoring of HCV4 carried out. However, the activity is not properly recorded in HCV site monitoring form as stated in monitoring of HCVF SOP#9.3v2 3. Although 80% of the Labau Soil is situated within ITP area, the monitoring only to be put under 3.1 Monitoring of HCVF report in NFM as it has been subtracted from HCV report page 49 "Area that has been developed into ITP need to subtract". Thus, no monitoring done <p>Correction and Corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Monitoring commenced on 30 October 2019 after the road repaired. 2. To brief the team that monitoring record must be done after monitoring conducted per page 	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>

		<p>10 in HCV SOP#9.3V2</p> <p>3. To provide copy of HCVF report page 49 together with the letter of amendment for SOP#9.3V2 to the auditor for clarification</p> <p>4. Completion date 32 May 2020</p>	
Minor KN03/2019	<p>Indicator 10.4.3 - Assessment of forest plantations established with exotic species through monitoring of permanent sample plots to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p> <p>Finding: Assessment of forest plantations established with exotic species through monitoring of permanent sample plots to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts were not available</p> <p>Objective evidence:</p> <p>Assessment of forest plantations established with exotic species through monitoring of 14 permanent sample plots were not includes unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p>	<p>Result of investigation and determination of root cause:</p> <p>1. The criteria as per continued in the guidelines were not in the scope of the procedure due to the permanent sample plots just recently setup</p> <p>Correction and Corrective action plan including completion date:</p> <p>1. To develop pest and disease management and update the procedure by including the requirement</p> <p>2. To conduct briefing for pest and disease identification for relevant department</p> <p>3. To continue monitoring the 14 permanent sample plots and established new plots once the AWP2020 commenced.</p> <p>4. Completion date: 31 May 2020</p>	<p>The Corrective action plan received on 20 Nov 2019 has been accepted and the effectiveness of the action taken to be verified during the next audit.</p> <p>Status: Accepted</p>
OFI 1	<p>Indicator 8.3.1 - Forest plantation managers shall provide relevant documents for identifying all forest products leaving the planted area to be certified so that their origin could be easily determined.</p> <p>There was no harvesting conducted for year 2019. The harvesting will be initiated in year 2020. The mechanism to monitor and to trace forest products from its origin also known as the “chain-of-custody” yet to be prepared by the management.</p>	Not required	To be verified during next surveillance audit

End Of Report