



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT ON
MARUDI FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC - FP 00117
Date of First Certification: 15th January 2019
Audit Date: 26th – 28th November 2019
Date of Public Summary: 16th June 2020**

Certification Body:

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EXECUTIVE SUMMARY

This surveillance 1 audit on the Samling Reforestation (Bintulu) Sdn Bhd – LPF/0008 Marudi Forest Plantation Management Unit hereafter referred as the Marudi FPMU (Marudi LPF/0008 FPMU) was conducted on 26th -28th Nov. 2019 to assess the continued compliance of the overall forest management system of the Marudi FPMU (Marudi LPF/0008 FPMU) against the requirements of the Malaysian Criteria and Indicators for Forest Plantation Management Certification [MC&I Forest Plantation.v2] using the verifiers stipulated for Sarawak. The scope of this surveillance 1 audit was limited to the Management of Marudi Forest Plantation Management Unit (Coupes 1A, part of 2A, part of Coupe 3A, and Coupe 4A), 19,941 hectares located in the Licensed Plantation Forest No. LPF/0008.

This surveillance 1 audit was conducted by a 2-member team comprising Hj. Roslee Jamaludin (Lead Auditor) and Dr. Lim Hin Fui (Auditor).

Based on the findings of this surveillance 1 audit, it was found that Samling Reforestation (Bintulu) Sdn Bhd – LPF/0008 Marudi FPMU had continued to comply with the requirements of the MC & I (Forest Plantation.v2). This surveillance 1 audit had resulted in the issuance of two (2) and three (3) major and minor Non Conformity Reports (NCRs) respectively. In addition, 2 (two) Opportunity for Improvements (OFIs) were raised.

This public summary contains the general information on the Samling Reforestation (Bintulu) Sdn Bhd – LPF/0008 Marudi FPMU, the findings of the surveillance 1 audit, NCRs raised as well as the decision on the continued certification of the FPMU.

1 INTRODUCTIONS

1.1 Name of FPMU

Marudi Forest Plantation Management Unit

1.2 Contact Person and Address

Name: Zakaria Haji Hamzah & Thomas Jok Uvang
Designation: Sr. Plantation Manager & Assistant Plantation Manager
Address: Wisma Samling, Lot 296 Jalan Temenggong Datuk Oyong Lawai Jau
98000 Miri, Sarawak

Phone #: 085-413099

Fax #: 085-429073

1.3 General Background on the Marudi FPMU

Marudi FPMU is under the License for Planted Forests No. LPF/0008 of Samling Reforestation (Bintulu) Sdn Bhd (SRB) for industrial tree plantation (ITP). This FPMU has been licensed for ITP from 8th December 1998 to 7th December 2058 for a period of 60 years. The Marudi LPF/0008 FPMU managed by Samling Reforestation (Bintulu) Sdn Bhd covers an area of 19,941 hectares (Coupe 1A, part of Coupe 2A, part of Coupe 3A and Coupe 4A) from total area of LPF0008 of 55,822 ha. The uncertified area of 35,881 ha was excluded from the audit scope due to the soil type is a peat swamp and part of Coupe 2A and 3A were established after 31 December 2010.

The FPMU is located at latitudes approximately 04° 0' 0" and 04° 15' 0" N, and longitudes 114° 25' 0" and 114° 35' 0" E in the Marudi District, Miri Division, Sarawak. The topography of this plantation area is dominated by rolling low hills varying between 30 m and 300 m asl.

The AAC for the first year was set at 41,312m³ at 8 years rotation. The AAC will be at 80,000m³ for 2nd year and until the 8th year. A Forest Plantation Management Plan (FMP) covering the period from 1st January 2018 to 31st January 2028, (edition 1), had been presented during the audit.

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

1.4 Date First Certified

15/01/2019

1.5 Location of the FPMU

The Marudi FPMU is located between latitude 04° 0' 0" and 04° 15' 0" N, and longitudes 114° 25' 0" and 114° 35' 0"

1.6 Forest Management System

The Marudi FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. Forest Plantation Management Plan (FPMP) covering the period from 1st January 2018 to 31st January 2028, (edition 1), was presented during this audit.

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

The AAC for the first year was set at 41,312m³ at 8 years rotation. The AAC will be at 80,000m³ for 2nd year and until the 8th year. Log extraction were recorded by monthly basis. The present production was recorded from January to November 2019 total up to 40,026.76 m³ as at 31st Oct.2019.

1.8 Environmental and Socioeconomic Context

The Environmental Impact Assessment was prepared for forest plantation in August 2007 titled 'Environmental Impact Assessment Report for the Tree Component of the Proposed Samling Marudi Forest Plantation under Licence for Planted Forests No. LPF/0008 in Miri Division Sarawak'. The potential impacts and strategies to mitigate the impacts were written in this document. Measures to mitigate environmental impacts caused by harvesting activities identified in the EIA study had been incorporated in the FPMP.

There are 20 villages located outside the certified area, comprising 4 villages located within LPF/0008 but outside of certified area and 16 villages located adjacent to the certified area, ranging between 500m and 10km from the nearest boundary of certified area. The location of villages is marked in 'Map 5.4 MTCS Area Within LPF/0008 of the Forest Plantation Management Plan for the MTCS Area within Marudi LPF/0008, 2018–2028'. However, there is one village house of Long Panai located within Coupe 4A of the certified area, constructed around 2013, before certification took place. The location of this house is yet to be demarcated in any map by FPMU. Therefore, a Minor NCR for Indicator 2.1.1 was raised.

The FPMU did not make use of the indigenous traditional forest-related knowledge and practices in forest plantation operations, therefore there was no specific mechanism and compensation for the commercial utilization of traditional knowledge. However as stated earlier, compensation for the surrender of temuda area of villagers within MTCS area was made by the FPMU.

2 AUDIT PROCESS

2.1 Audit Dates

26th -28th Nov. 2019 (6 man-days)

2.2 Audit Team

Hj.Roslee Jamaludin	(Lead Auditor)
Dr. Lim Hin Fui	(Sociologist)

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 Planation.v2)] using the verifiers stipulated for Sarawak.

2.4 Stakeholder Consultations

A stakeholder notification was issued in October 2019 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There were no comments received from the stakeholders on Samling Reforestation (Bintulu) Sdn Bhd - LPF/0008 Marudi FPMU during the period.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Marudi FPMU's 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 Sarawak.

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 Rh.Sumping – formerly Rh.Rajang, and Rh. Long Ukoh. The staff from Sarawak Forestry Corporation (SFC), Sarawak Forest Department, and staff and workers of Marudi FPMU were also consulted.

The coverage of this Surveillance 1 audit is as shown in the Surveillance 1 Audit Plan in **Attachment 4**.

The Marudi FPMU 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 Surveillance 1 audit report and sent it to the Marudi FPMU for comment. A second draft audit report which had incorporated the comments received from the Marudi FPMU was then prepared.

3 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Surveillance 1 audit, it was found that the Marudi FPMU had continued to managed the Marudi FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This Surveillance 1 had resulted in the issuance of 2 major, 3 minor NCRs and 2 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 Marudi FPMU to address the 2 major NCR raised during this Surveillance 1 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 Marudi FPMU's proposed corrective actions to address the 3 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 "Guidelines on conflict resolution of Marudi Reforestation Project LPF/0008 dated 15 March 2017 (GL006)" was available. The guidelines will guide in the formation of CRC. The CRC Tutoh for Orang Ulu was formed in August 2018 while CRC Marudi was formed on 25 November 2019 for Iban communities.

With regard to Criterion 6.10, the audited area was converted to plantation before 31 December 2010. There was no HCV area had been converted to forest plantation.

As the major NCR raised during this surveillance 1 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Plantation Management be awarded to Marudi FPMU to be maintained.

The summary of the findings of the Surveillance 1 audit on the Marudi FPMU against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>The FPMU had maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest management.</p> <p>Forest managers had demonstrated awareness of all the binding international agreements</p>	<p>Employment agreement for workers is available and there is room for improvement to include matters such as leaves and termination of contract service by notice, to be in line with Labour Ordinance Sarawak 1952 (Act</p>

Principle	Strengths	Weaknesses
	<p>The FPMU had maintained a list of all legally prescribed fees, royalties, taxes and other charges.</p> <p>There is a record of evaluation of conflicts between laws, regulations and these Principles and Criteria. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise.</p> <p>Records were kept on monitoring record on control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities in the forest plantation management unit. Patrol Sheet was used to monitor wildlife & Conservation, encroachment, health & safety and community interaction.</p> <p>LPF boundary and international boundary Malaysia – Brunei-LPF 0008/T0249 (Yayasan Sarawak), in coupe 4 was painted with red paint. Protected and conservation areas signage were installed and painted with blue paint.</p>	<p>A1237). Therefore, an OFI for Indicator 1.1.1 was raised.</p>
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>Long-term tenure and use rights to the land and forest resources has been clearly defined, documented and legally established. Documents were available upon request and approved by the authorized personnel. Samling Reforestation (Bintulu) Sdn. Bhd. signed a License Planted Forests LPF/0008 with the Sarawak State Government in December 1998.</p> <p>Forest managers had continued to recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights of the local communities</p> <p>The FPMU took action to ensure the protection of villagers' water catchment areas. Records of Quantity Survey (QS) monthly report showed maintenance of signage of water catchment areas.</p> <p>The FPMU has established a CRC as a mechanism to resolve disputes over tenure claims and use rights.</p>	<p>Assessment visit showed there is one village house owned by Andrew Wan of Long Panai located within Coupe 4A of the certified area, constructed around 2013 before certification took place. The location of this house is yet to be demarcated in any map by FPMU. Therefore, a Minor NCR LHF 01/2019 for Indicator 2.1.1 was raised.</p>
<p>Principle 3 Indigenous People's Rights</p>	<p>The relevant laws on the customary rights of indigenous peoples' lands as stated in the verifiers were available.</p> <p>Procedures for identifying and protecting sites of cultural, ecological, economic or religious significance to IP and provisions for rights of access to these sites are available. There was no significant site of cultural, ecological, economic or religious significance located within the FPMU area.</p>	<p>There were no negative findings</p>

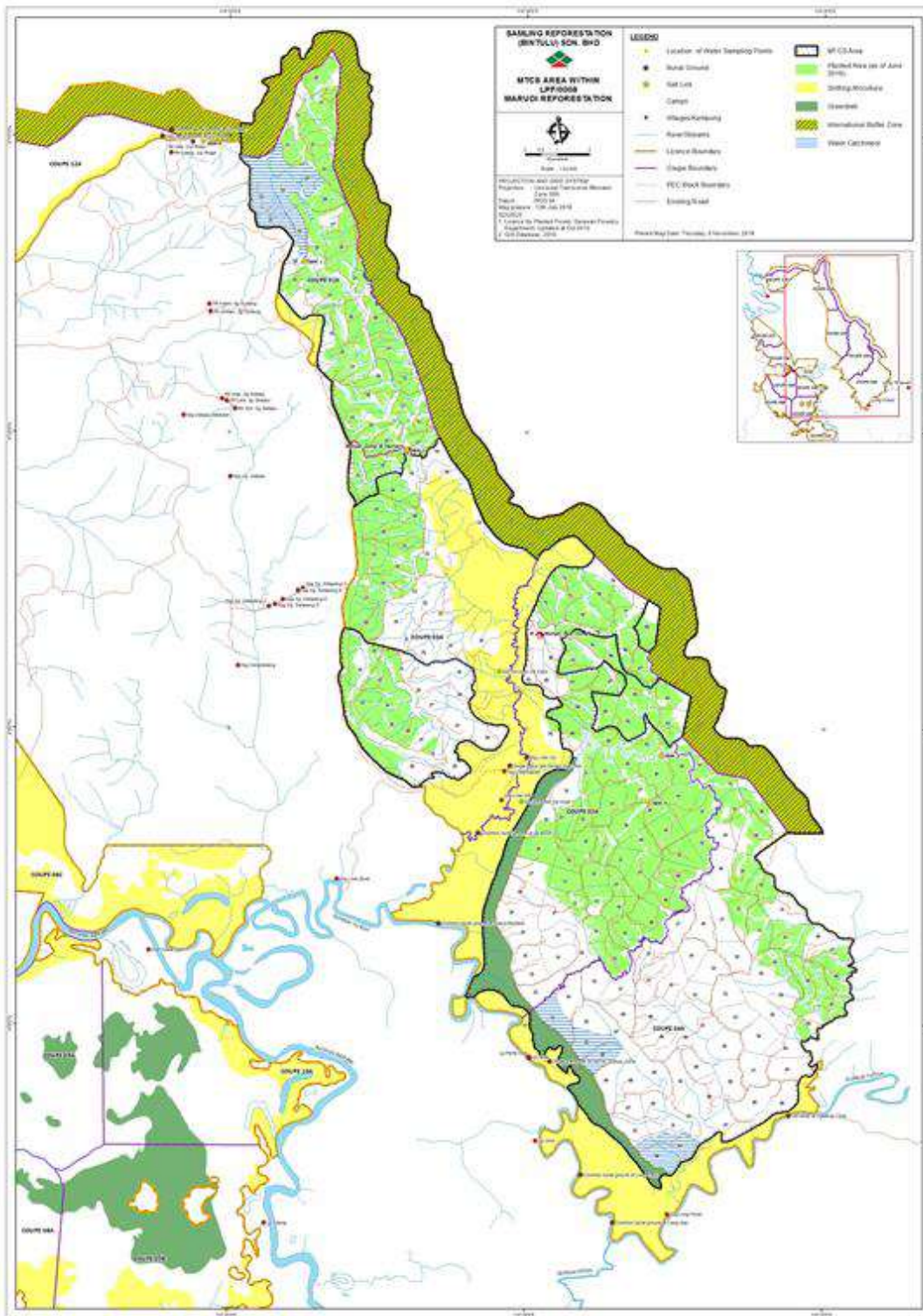
Principle	Strengths	Weaknesses
	<p>SA area is not utilized by the FPMU and as such delegation of power through consensus by indigenous peoples does not arise.</p> <p>The FPMU manager did not make use of indigenous traditional forest-related knowledge and practices in forest plantation operations.</p>	
<p>Principle 4 Community Relations and Worker's Rights</p>	<p>The FPMU has provided training, retraining, local infrastructure, facilities and social program for all levels of its employees. Marudi LPF/0008 Annual Training Plan (2019-2020) was available.</p> <p>Employment of indigenous peoples' records (October 2019) showed that out of a total of 55 employees, 24 villagers (44%) from local indigenous communities were employed in Marudi LPF/0008 Reforestation Project as verified through contract of employment.</p> <p>All applicable laws and/or regulations covering health and safety of employees were made available and explained to them. Occupational Safety and Health (OSH) officer had been appointed for the plantation.</p> <p>Workers were provided with personal protective equipment (PPE).</p> <p>Pictorial signage such as 'Danger', 'Explosive', 'No Smoking', 'Flammable' was displayed at the scheduled waste store.</p> <p>Records showed that the workers' representatives are members of the Joint Consultative Committee (JCC). The JCC is the mechanism to resolve conflict/issue of workers through consultation.</p> <p>Guidelines on conflict resolution of Marudi Reforestation Project LPF/0008 dated 15 March 2017 (GL006) was available.</p>	<p>Site inspection in Workshop of Marudi FPMU found the following:</p> <p>At the Used Part Store:</p> <ol style="list-style-type: none"> 1. 3 (three) plastic containers filled with lubricant were kept in the store, not stored in the designated area for fuel,oil and lubricant. 2. 3 (three) used batteries were kept in the store, but not in the designated area for schedule waste. 3. 1(one) plastic container filled with sulphuric acid was kept in the store, but not in the designated area for storage of chemical. <p>At the Fuel, Oil and Lubricant (FOL) Store:</p> <ol style="list-style-type: none"> 1. A mineral water was filled with spent lubricant but not label. <p>Therefore, a Major NCR RJ 02/2019 for Indicator 4.2.5 was raised.</p> <p>It was observed that the "Borang Keluhan" (grievance form) could be further improved to include matters such as signature of worker, date of submission to relevant unit for further action, action taken and confirmation by officer-in-charge. Therefore, an OFI for Indicator 4.3.2 was raised.</p>
<p>Principle 5 Benefits from the Forest</p>	<p>Investments and reinvestments are made in forest management, including for forest administration, research, human resource development, protection, economic, conservation environmental and social aspects, consistent with the tenure of the FMU. As evidence in Annual Operating and development budget, Camp Administrative Budget</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>2019/2020.</p> <p>The AAC for the first year was set at 41,312m³ at 8 years rotation. The AAC will be at 80,000m³ for 2nd year and until the 8th year. Only trees were planted, there would be no non-timber forest product to be harvested from this FPMU.</p> <p>SOP for Log Harvesting-Detailed Harvesting Plan & PEC Endorsement Procedure Guidelines for forest road layout and construction by SFC were available. FPMU has established a work instruction for Pre-Harvesting, Tree Felling, Extraction-Cable Yarding, Cross Cutting, Sorting and Stacking, trucking and barging which was issued on 15/11/2013.</p> <p>Special Management Zones (SMZ) with protected residual forest, which would contribute towards a protective function for soil and water, had been established. The Forest Plantation Management Plan, for Marudi LPF/0008 (1st January 2018 – 31st January 2028) had included specifications on the establishment of riparian buffer belts.</p>	
<p>Principle 6 Environmental Impact</p>	<p>The Environmental Impact Assessment was prepared for forest plantation in August 2007 titled 'Environmental Impact Assessment Report for the Tree Component of the Proposed Samling Marudi Forest Plantation under Licence for Planted Forests No. LPF/0008 in Miri Division Sarawak'.The assessment on the impacts on flora and fauna. The FPMP had incorporated mitigation measures identified in the EIA.</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>Guidelines to identify and protect ERT for flora including special biological interest such as seed trees, salt licks, nesting and feeding areas in the forest plantation area was available.</p> <p>The FPMP had identified areas for protection such as steep area, water catchment and riparian buffer as verified through operation map showing environmentally sensitive area titled 'MTCS Area within LPF/0008'.</p> <p>There was no sensitive area adjacent to the FPMU.</p> <p>The FPMU has established Guidelines related to waste disposal 'Guidelines on Disposal and Storage of Scheduled Wastes' and 'Guidelines</p>	<p>Site inspection at Marudi FPMU nursery at Block 16 Coupe 1, showed that there were chemicals used for the nursery operation. However, there was no record showing the disposal of the use containers in an environmentally appropriate and legally manner. Therefore, a Minor NCR RJ01/2019 for Indicator 6.7.1 was raised</p>

Principle	Strengths	Weaknesses
	<p>on Storage and Handling of Hazardous Material'.</p> <p>The FPMU has conducted monitoring on exotic species by weekly.</p> <p>There was no new conversion of natural forest to forest plantations.</p>	
<p>Principle 7 Management Plan</p>	<p>The Forest Plantation Management Plan for the MTCS Area within Marudi LPF/0008 for period 1st January 2018 to 31st January 2028, edition 1, was made available during the audit. Periodic will be conducted at every five years.</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 FPMU management had provided training to the workers and training records were made available to the audit team.</p> <p>The publicly available summary of the forest plantation management plan was presented in the web page http://www.samling.com/doc/Marudi%20FPMP%20Public%20Summary.pdf</p>	<p>There were no negative findings</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>The Permanent sample plots (PSPs) to monitor forest growth and dynamics were established. During this surveillance 1 audit, 106 new plots were established, usually at two years of age, comprised of Acacia mangium, pellita and crassicarpa species. The establishment and monitoring of Permanent Sample Plots were satisfactorily enumerated.</p> <p>The Internal Audit was conducted on 8-10 Oct. 2019. The report was produced and covering all principles and criteria of MC&I Forest Plantation.v2.</p> <p>Forest plantation managers had gathered the relevant information, appropriate to the scale and intensity of the forest plantation management</p> <p>Environmental monitoring through the Environment Compliance Reports submitted to NREB once every 4 months. The latest EMR presented was 3rd quarter 2019 – July-September).</p> <p>The movement of harvested logs from stump to mill according to set procedures (Chain of Custody) was monitored by both SFC and the FPMU. Standard procedure/flow chart dated 16th April 2018 on movement of certified logs from their origin titled “Log Flow Chart” was</p>	<p>Audit assessment has found that there was no record on monitoring activities on social assessment, hence no results and findings of the monitoring activities being incorporated into the forest plantation management plan.</p> <p>Therefore, the previous MINOR NCR LHF 02/2018 issued in 2018 is upgraded to a Major NCR LHF1/2019.</p>

Principle	Strengths	Weaknesses
	established.	
Principle 9 Maintenance of High Conservation Value (HCV)	<p>The assessment report titled ‘High Conservation Value (HCV) Assessment Report “MTCS area within Marudi Forest Plantation Management Units LPF/0008FMC dated July 2018 was presented during the audit.</p> <p>The area such as SMZ, RBZ, IBZ and residual forest areas within the FPMU areas were demarcated on the ground and mapped.</p> <p>The schedule for Plantation Monitoring and Control Patrol Team for 2019 was presented during the audit. These data collected would be incorporated into the revision of the management plan to enhance the management decisions.</p>	<p>There were no negative findings</p>
Principle 10 Forest Plantation Development and Management	<p>The plantation management plan had clearly implemented the forest management objectives, including natural forest conservation and restoration objectives.</p> <p>The plantation had protected all residual forest sites and riparian buffer belts. FPMU has mapped the conservation area for natural forest such as riparian buffer zone, steep area and international buffer titled ‘MTCS Area within LPF0008’.</p> <p>The extent of area planted by each species and by age classes were made available. Growth characteristics, performance and management for Acacia crassicarpa, Acacia hybrid, Acacia mangium, Eucalyptus pellita and Falcataria moluccana Eucalyptus were made available.</p> <p>The FPMU had been implementing the mitigation measures as specified in the EIA Report.</p>	<p>A report on the occurrence of disease (Pest & Disease Report 00013/08/04A25B) was prepared on 12th September 2019 for Block 25B, in Coupe 4A for Acacia mangium species, and was sent to the R&D unit of FPMU on 19th September 2019. However the response and action to the report was not evidence. Therefore, a Minor NCR RJ 03/2019 for Indicator 10.7.1 was raised.</p>

Map of Marudi FPMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj. Roslee Jamaludin	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma of 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&I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Attended training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015 • EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. • Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agr & Forestry Section), 26 Jan 2016. • 'Forest Management Certification (FMC) Workshop' organised by SIRIM (Food,Agr.& Forestry Section)06 & 07 December 2016 • Forest Management Certification (FMC) Workshop 2017 organised by SIRIM (Food,Agr. & Forestry Section)08 – 09 May 2017 • 'Forest Management Certification (FMC) Workshop' for 2017 organised by SIRIM (Food,Agr. &Forestry Section)28 & 29 November 2017. • FMC Workshop for 2018 organised by SIRIM (Food,Agr. &Forestry) 22 November 2018 • COC Workshop 2018 organised by SIRIM 26 November 2018 • PEFC CoC Auditor Training organised by Malaysian Timber Certification Council 19th Dec.- 20th Dec. 2018.

<p>Dr. Lim Hin Fui</p>	<p>Auditor / workers' & community issues and related legal issues</p>	<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)], 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</p>
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		<p>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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Surveillance 1 Audit Plan

DAY	TIME	PROGRAM	
		AUDITOR 1 (Hj.Roslee)	AUDITOR 2 (Dr Lim Hin Fui)
Day 0 25/11/19 (Mon)	9.00- 17.00	<ul style="list-style-type: none"> All auditors travelling from KLIA to Miri Flight: MAS - MH2574 (ETA: 11.30 – 13.45) Travel to Marudi 	
Day 1 26/11/19 (Tue)	8.00-9.30	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU Q&A Session Follow up on issues of concern from Stage 1 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs 	
	9.30 am – 5.30 pm	Documentation and record review:	Documentation and records review:
		<ul style="list-style-type: none"> Principle 4 - Community Relations and Worker's Right (Indicator 4.2.3/ 4.2.5) Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 7 Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV) Principle 10 -Forest Plantation Development and Management 	<ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right
<ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader Stay at Mount Mulu Hotel 			
Day 2 27/11/19 (Wed)	7.30 am – 5.30 pm	<p>Site visit:</p> <ul style="list-style-type: none"> Inspection of active harvesting area (coupe 1, Block 22 and 23) Inspection of replanting area and silviculture operations (planting, weeding, slashing, pruning, (Coupe 1A & coupe 4) chemical spraying, etc.) Inspection of residual forest sites/ water catchment/ river buffer (RBZ)/ steep area (>350)- Block 25(sg. Buaya, Block 8 & 24 (Sg. Dabai), Sg. Keropak. Permanent sample plots (PSPs) – Acacia mangium, Acacia pellita, etc 	<p>Site visit:</p> <ul style="list-style-type: none"> Consultation with Community Representative Committee (CRC)- Rumah Sumping- formerly Rajang, Long Ukoh. Interview with workers- union, insurance, payslip, medical & accident, training etc. Staffs/workers quarters Forestry Department Miri and SFC

		<p>(Coupe 2, PSP 67C &67B- acacia mangium) 68C-Pellita.</p> <ul style="list-style-type: none"> • Verification on CoC process for certified and uncertified logs.Logpond. • Inspection of LPF boundary and international boundary Malaysia – Brunei-LPF 0008/T0249(Yayasan Sarawak), coupe 4 &coupe 1A • HCV sites- water catchment- Ridan and long Panai • Consultation with contractors and workers • Workshop/Scheduled waste store- Base camp • Nursery- base camp coupe 2 • Management of forest fire- Nursery 	
		<ul style="list-style-type: none"> • Review of Day 2 Findings by Audit Team Leader • Stay at Mount Mulu Hotel 	
Day 3	8.00 am	<ul style="list-style-type: none"> • Documentation and records review 	
28/11/19	2.00 pm	<ul style="list-style-type: none"> • Preparation of audit report and finding 	
(Thurs)	4.00 pm	<ul style="list-style-type: none"> • Closing Meeting 	
	5.00 pm	<ul style="list-style-type: none"> • Travel from Marudi to Miri Check-in at Pullman Miri Waterfront. 	
29/11/19	8.30am-4.00pm	All Auditors travel back to Kuala Lumpur by AirAsia AK 5652 ETD: 12.40, ETA: 15.05.	
(Fri)			

Details on NCRs and OFIs Raised During this Surveillance 1 Audit and Corrective Actions Taken (2019)

Indicator	Specification Major/Minor/O FI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p>Indicator 2.1.1</p> <p>NCR: LHF01/2019</p>	Minor	<p>Requirement: Indicator 2.1.1 - Availability of documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal and state legal frameworks for the forest plantation areas.</p> <p>Finding: The location of a villager's house in the FPMU is yet to be demarcated in any map by FPMU</p> <p>Objective evidence:</p> <p>Assessment visit showed there is one village house owned by Andrew Wan of Long Panai located within Coupe 4A of the certified area, constructed around 2013 before certification took place. The location of this house is yet to be demarcated in any map by FPMU.</p>	<p>The location of the house will be:</p> <p>(a) GPSd;</p> <p>(b) Demarcated on FPMU's maps; and</p> <p>(c) Reported to FDS</p> <p>Completion date Well before the next Surveillance Audit.</p>	<p>The corrective action plan was accepted by audit team.</p> <p>Status: Implementation and effectiveness of the corrective action plan will be verified during next audit.</p>
<p>Indicator 6.7.1</p> <p>NCR: RJ01/2019</p>	Minor	<p>Requirement: Indicator 6.7.1 – Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner</p> <p>Finding: Record of disposal of used containers for chemical, pesticide and herbicide in the nursery was not evidence.</p> <p>Objective evidence :</p>	<p>a) A system for recording the movement of drums and the stock balances until they have been triple rinsed is required.</p> <p>(b) A record of the return to supplier of triple rinsed but damaged drums is also required.</p> <p>The above systems will be established and training will be given to the nursery storekeeper in their use.</p>	<p>The corrective action plan was accepted by audit team.</p> <p>Status: Implementation and effectiveness of the corrective action plan will be verified during next audit.</p>

		Site inspection at Marudi FPMU nursery at Block 16 Coupe 1, showed that there were chemicals used for the nursery operation. However, there was no record showing the disposal of the use containers in an environmentally appropriate and legally manner.		
Indicator 10.7.1 NCR RJ 03/2019	Minor	<p>Requirement: Indicator 10.7.1 - Availability and implementation of guidelines and/or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant introductions, if any, for forest plantation areas</p> <p>Finding: The implementation of guideline /procedure to control the disease detected was not evidence.</p> <p>Objective evidence:</p> <p>A report on the occurrence of disease (Pest & Disease Report 00013/08/04A25B) was prepared on 12th September 2019 for Block 25B, in Coupe 4A for Acacia mangium species, and was sent to the R&D unit of FPMU on 19th September 2019. However, the response and action to the report was not evidence.</p>	The AGM Refor will alert the new manager to the matter and a response and proposed action will then be forthcoming.	The corrective action plan was accepted by audit team. Status: Implementation and effectiveness of the corrective action plan will be verify during next audit.
Indicator 4.2.5 NCR RJ 02/2019	Major	<p>Requirement: Indicator 4.2.5 - Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: Storage and handling of hazardous material not comply to the: Guidelines on hazardous materials.</p>	<p>Corrective action plan:</p> <p>(a) All items to be moved to correct locations</p> <p>(b) Notices to be displayed that, if being re-used for other purposes, mineral water bottles must be appropriately labelled (as done for the eye wash in the FOL store).</p>	<p>The Marudi FPMU has provided the photos for the following evidence of implementation:</p> <p>At the Used Part Store:</p> <p>The photos showed the batteries were removed and put in the</p>

		<p>Objective evidence:</p> <p>Site inspection in Workshop of Marudi FPMU found the following:</p> <p>At the Used Part Store:</p> <ol style="list-style-type: none"> 1. 3 (three) plastic containers filled with lubricant were kept in the store, not stored in the designated area for fuel,oil and lubricant. 2. 3 (three) used batteries were kept in the store, but not in the designated area for schedule waste. 3. 1(one) plastic container filled with sulphuric acid was kept in the store, but not in the designated area for storage of chemical. <p>At the Fuel, Oil and Lubricant (FOL) Store:</p> <ol style="list-style-type: none"> 1. A mineral water was filled with spent lubricant but not label. 	<p>Completion date Before 28 February 2020</p>	<p>Scheduled Waste store; the three Used Parts stores (containers) now identified by notices and tidied with all offending items removed. The container filled with sulphuric acid has been stored in battery charging store, and the containers with lubricant oil has been issued for usage.</p> <p>At the Fuel, Oil and Lubricant (FOL) Store:</p> <p>The contaminated water bottle was removed to Scheduled Waste store and stored as SW 410.</p> <p>Status:Closed</p>
<p>Indicator 8.4.1</p> <p>NCR: LHF 01/2019</p>	<p>Major</p>	<p>Requirement: Indicator 8.4.1 - Forest plantation managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan.</p> <p>Finding: The results and findings of the monitoring activities has yet to be incorporated into the implementation and revision of the forest plantation management plan</p> <p>Objective evidence: Audit assessment has found that there was no record on monitoring activities on social assessment, hence no results and findings of</p>	<p>Corrective action plan:</p> <ol style="list-style-type: none"> (a) A Social Monitoring Interview Form will be prepared (b) Interviews with the communities will be conducted & information will be gathered based on the form. (c) The results of the social monitoring will be incorporated into an Annual Monitoring Report 	<p>The Marudi FPMU has provided the evidence as follows:</p> <ol style="list-style-type: none"> (a) A Social Monitoring Interview Form has been prepared. (b) Interviews with the communities have been conducted with the Social Monitoring Interview Form used. (c) The results of the social monitoring will appear in Marudi's Annual Monitoring Summary Report 2020. <p>Status: Closed</p>

		<p>the monitoring activities being incorporated into the forest plantation management plan.</p> <p>Therefore, the previous MINOR NCR LHF 02/2018 issued in 2018 is upgraded to a MAJOR NCR LHF1/2019.</p>		
Indicator 1.1.1	OFI	<p><u>Records and availability of up-to-date applicable federal, state and local laws, and regulations and policies, in particular those related to forest management.</u></p> <p>Employment agreement for workers is available and there is room for improvement to include matters such as leaves and termination of contract service by notice, to be in line with Labour Ordinance Sarawak 1952 (Act A1237).</p>	Not required	Status: Implementation and effectiveness of the corrective action plan will be verified during next audit.
Indicator 4.3.2	OFI	<p><u>Provisions for workers the right to organise and undertake collective bargaining leading to agreements in accordance with ILO Convention No. 98 – The Right to Organise and Collective Bargaining Convention, 1949 - Articles 1 and 2, ILO Convention No. 111 – Discrimination (Employment and Occupation), 1958 - The Right to Equal Treatment, ILO Convention No. 100 – Equal Remuneration, 1951 - The Right to Equal Pay.</u></p> <p>It was observed that the “Borang Keluhan” (grievance form) could be further improved to include matters such as signature of worker, date of submission to relevant unit for further action, action taken and confirmation by officer-in-charge.</p>	Not required.	Status: Implementation and effectiveness of the corrective action plan will be verified during next audit.

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit (2018)

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 4.4.2 NCR: LHF 01/2018	Minor	<p>Requirement: Indicator 4.4.2 - Forest plantation planning and management practices shall consider and incorporate the results of such evaluations.</p> <p>Finding: The 2018 social impact on assessment has yet to be incorporated in the FPMP.</p> <p>Objective evidence: The SIA findings (i.e., FPMU's impact on local communities, mitigation measures and management /monitoring recommendations) have yet to be incorporated in forest management planning and practices.</p>	<p>The SIA final report is now available (copy of title page is attached here). The relevant SIA findings (i.e., FPMU's impact on local communities, mitigation measures and management /monitoring recommendations) will be incorporated in to the FPMP.</p> <p>This will be done before the first surveillance audit.</p>	<p>The SIA findings (i.e., FPMU's impact on local communities, mitigation measures and management /monitoring recommendations) was incorporated in forest management planning and practices</p> <p>Status: closed.</p>
Indicator 6.5.3 NCR: MRS 01/2018	Minor	<p>Requirement: Indicator 6.5.3 - Availability and implementation of guidelines for conservation of buffer strips along streams and rivers.</p> <p>-Work Instruction for log harvesting (Tree Felling) – WI/OP/05/02</p> <p>Finding:</p> <ol style="list-style-type: none"> No mark for riparian buffer zone in the active harvesting area Debris from harvesting activity was found inside the small stream <p>Objective evidence:</p> <ol style="list-style-type: none"> During site visit at active harvesting area 	<ol style="list-style-type: none"> It is standard practice to re-survey a block after harvesting in order to redefine the area to be planted. This means that any SMZs in B16B will be (re-)identified, marked surveyed and mapped. This of course includes any RBZs identified by the survey crew by 19th October 2018. The AGM Refor has given an instruction to the Harvesting crew: all harvesting debris that has fallen into or across perpetually flowing streams must be removed from the stream. This to be done before the re-survey 	<p>The riparian buffer has been clearly marked and debris has been cleared.</p> <p>Tool box talk has been conducted.</p> <p>Status: Closed</p>

		<p>in Block 17B, Coupe 1A, riparian buffer zone mark was demarcated in the harvesting area. However, in Block 16B, Coupe 1A, there was no blue mark for riparian buffer although the harvesting map has clearly marked the small stream as a buffer zone/conservation area – “Harvesting General Map Coupe 1A Block 16 LPF0008 – Marudi”, map date 25/11/2017.</p> <p>ii. Debris of <i>Acacia mangium</i> was found in the small stream in the harvesting block – Block 16B, Coupe 1A.</p>	<p>and SMZ marking starts by 19th October 2018.</p> <p>3. Refresher toolbox talks to be given to Refor operations to reinforce the importance of correctly completing the post-harvest checklist. Initially, specific emphasis to be on RBZs, logging debris and water courses; this will be on an on-going basis.</p>	
<p>Indicator 6.6.1</p> <p>NCR: MRS02/2018</p>	Major	<p>Requirement: 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> <ul style="list-style-type: none"> Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 <p>Finding: The FPMU has not complied with the requirement for chemical handling and exposure as per OSH Act Regulation 2000:</p> <ol style="list-style-type: none"> Regulation 5 – Register of chemicals hazardous to health Regulation 14 – Action to control exposure Regulation 25 – Provisions of chemical safety data sheet in a place of work <p>Objective evidence:</p> <ol style="list-style-type: none"> Emergency eye wash and shower facility at nursery was not available at 	<ol style="list-style-type: none"> We will provide eyewash and will install shower – by 19th October 2018. We were unable to appeal the assessor’s recommendation as being unreasonable (given the large volume of the store, that there is good ventilation all around at the wall top under the roof & the very limited amount & the nature of the chemicals stored) because he has left the company. An extractor fan will be fitted by 19th October 2018. Decis 250 will be removed to the main R&D station at Segan 19th October 2018 SDS will be made available at the battery charging station by 19th October 2018. 	<ol style="list-style-type: none"> Emergency eye wash and shower facility at nursery have been installed at nursery as verified by audit team. The FPMU has ordered three extractor fans on 20 August 2018 (Purchase order: PO 018127). The extractor fan was installed at the opposite of the chemical store entrance on 19 October 2018. The FPMU has returned Decis 250 to supplier on 29 July 2018 (Delivery Order No: 0426). Safety data sheet for sulphuric acid H2SO4 (98%) was made available at the battery store. <p>Status: Closed</p>

		<p>nursery area although recommended by registered DOSH hygiene technician.</p> <p>2) The FPMU has yet to install exhaust fan at the opposite of the chemical store entrance as recommended by assessor.</p> <p>3) The FPMU has listed all chemicals hazardous to health in the chemical register as verified by auditor at Marudi office. However, the FPMU has missed out the inclusion of powder pesticides 'Decis 250' Class III in the chemical register.</p> <p>4) Safety data sheet for sulphuric acid H₂SO₄ (98%) at the battery store was made available at Marudi office. However, the SDS was not displayed at the working area (battery storage area).</p>		
<p>Indicator 8.4.1</p> <p>NCR: LHF 02/2018</p>	Minor	<p>Requirement: Indicator 8.4.1 - Forest plantation managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan.</p> <p>Finding: Forest plantation managers have not incorporated the findings into the forest plantation management plan.</p> <p>Objective evidence: There is no record on monitoring activities hence no results and findings of the monitoring activities being incorporated into the forest plantation management plan.</p>	<p>In addition to the evidence already available in Marudi files, FPMP & website, evidence of the required further monitoring will be made available at the first surveillance audit.</p>	<p>During this surveillance 1 audit, it was found that there was still no record on monitoring activities on social assessment, hence no results and findings of the monitoring activities being incorporated into the forest plantation management plan. Therefore, the previous MINOR NCR LHF 02/2018 was upgraded to a MAJOR NCR LHF1/2019</p> <p>Status: Upgraded to Major NCR</p>

<p>Indicator 9.2.1</p> <p>NCR: RJ01/2018</p>	<p>Major</p>	<p>Requirement: Indicator 9.2.1 Forest managers shall provide the assessors with a list of relevant stakeholders who have been consulted regarding the HCVF area.</p> <p>Finding: The list of relevant stakeholders consulted and evidence of consultation regarding the HCVF area was not available.</p> <p>Objective evidence: The list of relevant stakeholders and evidence of consultation with stakeholders was not available.</p>	<p>The HCVA will be reviewed and discussed with SFC [planned for 31st July] following which a stakeholder consultation will be held [target – before mid-August 2018]. An attendance list of the stakeholders will be prepared as evidence of the meeting. Target completion by end of August 2018.</p>	<p>The FPMU has consulted all relevant stakeholders regarding HCVF area on 8 August 2018. Among the participants were local communities from Long Panai, Long Terawan, Sg. Brit, Sg. Linei, Sg. Linei Merah, Sg. Linei Hilir, Sg. Stapang, Rh. Keir, Rh. Lalo, Rh. Anja, Rh. Jimbau, Rh. Adam, Rh. Dee, Rh. Adang, Long Ukok, and Linei Bukit. Government agencies also attended the briefing which are Forest Department of Sarawak and Sarawak Forestry Corporation. List of relevant stakeholders also made available and verified by audit team.</p> <p>Status: Closed</p>
<p>Indicator 10.7.1</p> <p>NCR: MRS 03/2018</p>	<p>Minor</p>	<p>Requirement: Indicator 10.7.1 - Availability and implementation of guidelines and / or procedures to control the outbreaks of pests, diseases and fire, as well as invasive plant introductions, if any, for forest plantation areas.</p> <p>Finding: Procedures for preventing, monitoring and assessing invasive plant introductions was not sufficient.</p> <p>Objective evidence: The procedure for preventing, monitoring and assessing invasive plant introductions titled 'Monitoring of exotic tree species' only stated aim and method. The frequency of the monitoring and monitoring form were not stated in the SOP.</p>	<p>The SOP will be redrafted & the frequency of the monitoring will be stated and the monitoring form will be made reference to. Completion before the surveillance audit.</p>	<p>During this surveillance 1 audit, the procedure has been improved to include frequency and monitoring form.</p> <p>Status: Closed</p>

End of Report