



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

**Certificate Number: FPMC 0003  
Date of First Certification: 12 August 2016  
Audit Date: 12-14 September 2018  
Date of Public Summary: 27<sup>th</sup> April 2019**

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## EXECUTIVE SUMMARY

The Surveillance 2 audit on the Masama Forest Plantation Management Unit (hereafter referred as the Masama FPMU) was conducted on 12-14 September 2018 to assess the continued compliance of the overall forest management system of the Masama 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 2 audit was limited to the forest plantation management system and practices on the Masama FPMU. Management of Forest Plantations (11,946 ha) in part of License Planted Forest LPF/0019 – Masama.

This Surveillance 2 audit was conducted by a 2-member team comprising Ismail Adnan Abdul Malek (Lead Auditor), Mr. Khairul Najwan Ahmad Jauhari (Auditor).

Based on the findings of this Surveillance 2 audit, it was found that Masama FPMU had complied with the requirements of the MC&I Forest Plantation.v2. This Surveillance 2 audit had resulted in the issuance of 4 (four) major and 3 (three) minor Non Conformity Reports (NCRs).

This public summary contains the general information on the Masama FPMU, the findings of the stage Surveillance 2 audit, NCRs raised as well as the decision on the continued certification of the FPMU.

## 2. INTRODUCTION

### 2.1 Name of FPMU

Masama Forest Plantation Management Unit

### 2.2 Contact Person and Address

Name: Mr. Wong Kiing Hing  
Designation: Forest Manager  
Address: Shin Yang Forestry Sdn. Bhd.  
Lot 515, Jalan Datuk Edward Jeli,  
Piasau Industrial Estate,  
98000 Miri, Sarawak

### 2.3 General Background on the Masama FPMU

The FPMU is under Licensed Planted Forest (LPF) 0019 which is valid from 19 November 1999 to 18 November 2059. The whole FPMU covers an area of 25,730 ha and it is divided into 10 coupes. For the purpose of this certification, only the first five coupes covering an area of 11,946 ha that were cleared for planting prior to December 2010 including 1,979ha under protection within Coupe 5 were audited.

Currently, Masama FPMU covered only 11,946 ha from Coupe 1 until Coupe 5 from the total area of Masama Estate. Out of 11,946 ha, only 8,421 ha could be considered for planting. This forest plantation area was covered mainly by logged over hill mixed Dipterocarp forest. A large portion of the forest plantation area could be subjected to NCR claims because of shifting cultivation by 21 local communities within or along the boundary of the forest plantation and several longhouses located along the main rivers. The Masama FPMU is located between latitudes 2°19.07'N - 2°32.76'N, and longitudes 112°51.35'E - 113°02.03'E of Tatau district.

As the forest area had been severely harvested, the FPMU management had decided to plant medium-sized fast-growing trees with mix of tree species both exotic and indigenous species with an average cropping cycle of 7-10 years or more.

The Forest Plantation Management Plan Version 2 1st April 2015 to 31st December 2025 approved on 1st April 2015 by Executive Director was made available.

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

### 2.4 Date First Certified

12<sup>th</sup> August 2016

### 2.5 Location of the FPMU

The Masama FPMU is located between latitudes 2°19.07'N - 2°32.76'N, and longitudes 112°51.35'E - 113°02.03'E of Tatau district.

### 2.6 Forest Management System

The Masama FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. The Forest Plantation Management Plan Version 2 1st April 2015 to 31st December 2025 approved on 1st April 2015 by Executive Director was presented during the audit.

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

The Annual Allowable Cut (AAC) would be controlled based on the approved area in accordance to the approved GP by the Forest Department with no activities allowed within protected areas. The areas to be harvested varied from 1,684.2 ha per year on a sustainable basis.

## 2.8 Environmental and Socioeconomic Context

An EIA report Environmental Impact Assessment Report for the Proposed Selangau-Tatau Forest Plantation Located in Mukal and Tatau had been completed in July 2000. The EIA report had indicated an absence of endangered, rare and threatened species of flora and fauna within the plantation area owing to the intensity of logging conducted. The FPMP had incorporated measures to mitigate environmental impacts. Masama FPMU is operating in the area prescribed by the License for Planted Forests no. LPF/0019 with specified conditions. However, within the licensed area, the management had excluded areas used as Shifting Agriculture (SA) by local communities from the forest plantation activities.

Local communities were allowed to manage areas important to them, such as areas of cultural significance, water catchment and areas with specific importance. During consultation with the local communities of Rh Dilang and Rh Wan on 13<sup>th</sup> September 2018 and Rh Nyaton, Rh Johnny and Rumah Anai (former Rh Mancha) on 14<sup>th</sup> September 2018 confirmed that the FPMU had not stopped villagers to access their SA land, hence, FPIC.

Procedure for identifying and protecting sites of special cultural, ecological, economic or religious significance to indigenous peoples and provisions for rights of access to these sites was available at Masama FPMU.

The mechanism for fair and equitable compensation for commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples is available, even though the FPMU had not used any traditional forest-related knowledge and practices of the indigenous people,

Qualified people in the surrounding communities were given preference with employment opportunities whenever possible. Advertisement on employment opportunities and information of job openings had been distributed to local longhouses within the FPMU.

## 3. AUDIT PROCESS

### 3.1 Audit Dates

12-14 September 2018/ 6 auditor days

### 3.2 Audit Team

Ismail Adnan Abdul Malek (Lead Auditor)  
Khairul Najwan Ahmad Jahari (Forester)

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

### 3.3 Standard Used

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

### 3.4 Stakeholder Consultations

A stakeholder notification was issued in 12 August 2018 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There was no comment received from the stakeholders on LPF/0019 Masama during the period.

The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

### 3.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Masama 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 or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity (NCR) (minor or major) or opportunities for improvement (OFI).

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

- (i) a major NCR is a non-compliance with the requirements of the MC&I Forest Plantation.v2;
- (ii) A minor NCR is a single observed lapse in compliance by the FPMU to the MC&I Forest Plantation.v2;
- iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I but without sufficient objective evidence to support a non-conformity.

Consultations were held with the local communities in four (4) local Communities, i.e Rh. Nyatun, Rh. Dilang, Rh. Medan, and Rh. Wan. The audit team had also held meetings with the officers and the field staff of the Masama FPMU.

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

Masama 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 2 audit report and sent it to the Masama\_FPMU for comment. A final draft of Surveillance 2 audit report which had incorporated the comments received from the Masama FPMU was then prepared.

#### **4. SUMMARY OF AUDIT FINDINGS**

Based on the findings of this Surveillance 2 audit, it was found that Shin Yang Forestry Sdn. Bhd. had continued to managed the Masama FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This Surveillance 2 audit had resulted in the issuance of 4 (four)major and 3 (three) minor NCRs. 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 Masama FPMU to address the 4 major NCR raised during this Surveillance 2 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 Masama 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.

The audit team had also verified on the corrective actions taken by the Masama FPMU to address the 5 (five) Minor NCRs which were raised during the previous audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs are as in **Attachment 6**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings held with the residents of long houses within and adjacent to the Masama FPMU. It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Masama FPMU.

With regard to Criterion 6.10, there was no new conversion of the PRF to forest plantations or other non-forest land uses during the intervening period since the last audit. The forest plantation in the

Masama FPMU has remained the same at 11,946 ha. The planted areas were not within identified HCVF sites.

As the 4 major NCR raised during this surveillance 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Plantation Management be awarded to Masama FPMU to be maintained.

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

Principle	Strengths	Weaknesses
<p><b>Principle 1</b> <b>Compliance with Laws and Principles</b></p>	<p>Masama FPMU has maintained all updated relevant national and local laws and regulations related to forest management in Sarawak.</p> <p>The forest managers have demonstrated an understanding on the national and local laws and regulatory framework related to forest management.</p> <p>There was no record of non-compliance by the FPMU issued by the regulatory agencies since last audit.</p> <p>The current lists of legally prescribed fees, royalties, taxes and other charges were available and presented during the audit. Records reviewed showed that there were no outstanding payments to the Regional Officer of Sarawak Forest Corporation and the District Office Forest Department.</p> <p>The FPMU had erected signs stating “no hunting and fishing” at prominent spots within the FPMU including the main entrance gates which were guarded 24 hours.</p> <p>Monthly patrols were conducted to control encroachment, illegal harvesting, hunting, fishing and settlement and other unauthorized activities.</p> <p>Policies or statements of commitment to forest plantation management practices consistent with the MC &amp; I (Forest Plantation) Version 2 Principles and Criteria were available in the Forest Plantation Management Plan. The statements are also publicly available from the website (url: <a href="http://www.shinyang.com.my/plantation">www.shinyang.com.my/plantation</a>).</p>	<p>There were no Negative findings</p>
<p><b>Principle 2</b> <b>Tenure and Use Rights and Responsibilities</b></p>	<p>Long-term tenure and use rights to the land and forest resources has been clearly defined, documented and legally established.</p> <p>The FPMU management supports legally recognized mechanisms for resolving land claims. This was evidenced by the FPMU excluding areas of Shifting Agricultural (SA) used by the local communities from its planting, harvesting and development activities.</p> <p>An established SOP (Ref. No. SYF/MC&amp;I/P.09)</p>	<p>There were no Negative findings</p>

Principle	Strengths	Weaknesses
	<p>entitled the “<i>Mechanism to Resolve Local Communities Issues</i>” dated 22<sup>nd</sup> September 2015 was established to provide the mechanism for resolving land claims.</p> <p>All customary tenure land had been excluded from the forest plantation activities as shifting agriculture (SA) area.</p> <p>The local communities were engaged by CCR committee as evidenced by the minutes from the meetings.</p> <p>There were mechanisms in place to resolve disputes over tenure and use rights.</p>	
<p><b>Principle 3 Indigenous People’s Rights</b></p>	<p>The area of customary use land had been designated under SA for the use of the local communities. These areas were under the control of the respective long houses within the FPMU. Consultations were conducted by the HCV study team.</p> <p>The FPMU is operating in the area prescribed by the <i>License for Planted Forests no. LPF/0019</i> with specified conditions.</p> <p>Procedures for identifying and protecting such sites and provisions for rights of access to special cultural, ecological, economic or religious significance to indigenous peoples.</p> <p>Traditional forest-related knowledge and practices of the indigenous people was not used in Masama PFMU forest operations.</p>	<p>There were no Negative findings</p>
<p><b>Principle 4 Community Relations and Worker’s Rights</b></p>	<p>The FPMU has provided training, retraining, local infrastructure, facilities and social program for all levels of its employees. The Internal Training Programme Schedule 2018 showed that 41 courses had been planned and implemented.</p> <p>Qualified people in the surrounding communities were given preference with employment opportunities whenever possible. Advertisement on employment opportunities and information of job openings had been distributed to local longhouses within the FPMU.</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>Safety and Health Committee was established at Masama FPMU. The OSH committee meeting has conducted a meeting on 28<sup>th</sup> June 2018 as verified through the attendance sheet</p>	<p>There were no Negative findings</p>



Principle	Strengths	Weaknesses
	<p>and minutes of the meeting.</p> <p>Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials at the workshop were found to be in accordance with the FPMU's guidelines for storage and handling of hazardous material.</p> <p>Policies had been clearly established and implemented. Posters on Occupational Safety and Health Policy dated were displayed at the camp office, workshop and canteen.</p> <p>A social baseline conducted in the EIA was incorporated in the forest plantation management plan.</p> <p>A procedure on mechanism to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods entitled "<i>Mechanism to Resolve Local Communities Issues</i>" ((SYF/MC&amp;I/P.09) was available.</p>	
<p><b>Principle 5 Benefits from the Forest</b></p>	<p>FPMU has made investments and reinvestments in forest plantation management, including for forest plantation administration, research, human resource development, protection, economic, conservation, environmental and social aspects. <i>Annual Work Plan &amp; Budget for Year 2018</i> was presented during the audit.</p> <p>The harvesting process conducted by the Masama FPMU was in accordance with the SOP for Reduced Impact Logging (RIL) Harvesting Operation rev 2. The harvesting operations prescribed measures to protect soil from compaction and erosion and reduced wastage.</p> <p>The FPMU operates only for the production of logs for the local mills.</p> <p>Through the Procedures to Identify and Demarcate Sensitive Areas for the Protection of Soil and Water 1999 the FPMU had established areas for buffer zone along the common river. Riparian reserves of 20m wide on each side of a river had been demarcated and marked out on sites.</p> <p>The rate of harvest for Masama FPMU was included in the forest plantation management plan (FPMP). The Annual Allowable Cut (AAC) will be controlled based on area approved by the Forest Department with no activities allowed within protected areas. The AAC was set at 1,684.2 ha.</p>	<p>1) During visit to Coupe BT2, it was found that, there were no planting activities conducted in the FPMU. These were not in accordance with planting schedules (Table 3,3) as in Forest Management Plan for LPF/0019 Rev.006 (January 2017 – 2025) (revised June 2018).</p> <p>2) Visit to Coupe BT2, Block 9, 10, and 11, found that, <i>Paraserianthes falcataria</i> trees had grown naturally since record did not show new planting had been carried out in the three (3) blocks.</p> <p>Record showed that 72.56 ha was planted with <i>Acacia mangium</i> in Coupe BT1 on Sept 2015, however, maintenance (slashing) was done only once on Oct-Nov 2017. This was not in accordance to prescription proposed in the Tree Plantation Manual, Edition 1 (August 2016), Chapter 4: Maintenance.</p> <p>Therefore, a <b>Major NCR KN01/2018</b> for Indicator</p>

Principle	Strengths	Weaknesses
		<p><b>5.1.2</b> was raised.</p> <ol style="list-style-type: none"> <li>1. Planting Distribution Map in FPMP LPF/0019 Rev.006 (January 2017 – 2025) showed 2,023ha was planted in Coupe BT2. However, during visit to Block 7, Coupe BT2, it was found there were no trees planted in the area. This was not in accordance to information from the Harvesting Plan for Compartment BT2-Planted Forest (Approved by SFC dated 24.10.2012) which showed that only 764 ha was planted in BT2 in year 2003.</li> <li>2. Planting Distribution Map in FPMP LPF/0019 Rev.006 (January 2017 – 2025) showed 1,058 ha was planted in Coupe BT1. This was not in accordance to information from the Harvesting Plan for Compartment BT1-Planted Forest (Approved by SFC dated 2.5.2012) which showed that only 606 ha was planted in BT1 from 2001 to 2004.</li> <li>3. The FPMP stated that plantable area for Coupe BT1 is 1,058ha and plantable area in Coupe BT2 is 2,023ha. However, planting records verified showed that in Coupe BT1 only 72.56 ha of <i>Acacia mangium</i> was planted from October to September 2015 and in Coupe BT2, only 51.87 ha was planted with <i>Paraserianthes falcataria</i>, <i>Eucalyptus spp.</i>, and <i>Neolamarkckia cadamba</i> in May and August 2016. The forest plantation area was not optimal used.</li> <li>4. Coupe and Block Number in FPMP LPF/0019 Rev.006 (January 2017 – 2025) were different from Compartment and Block</li> </ol>

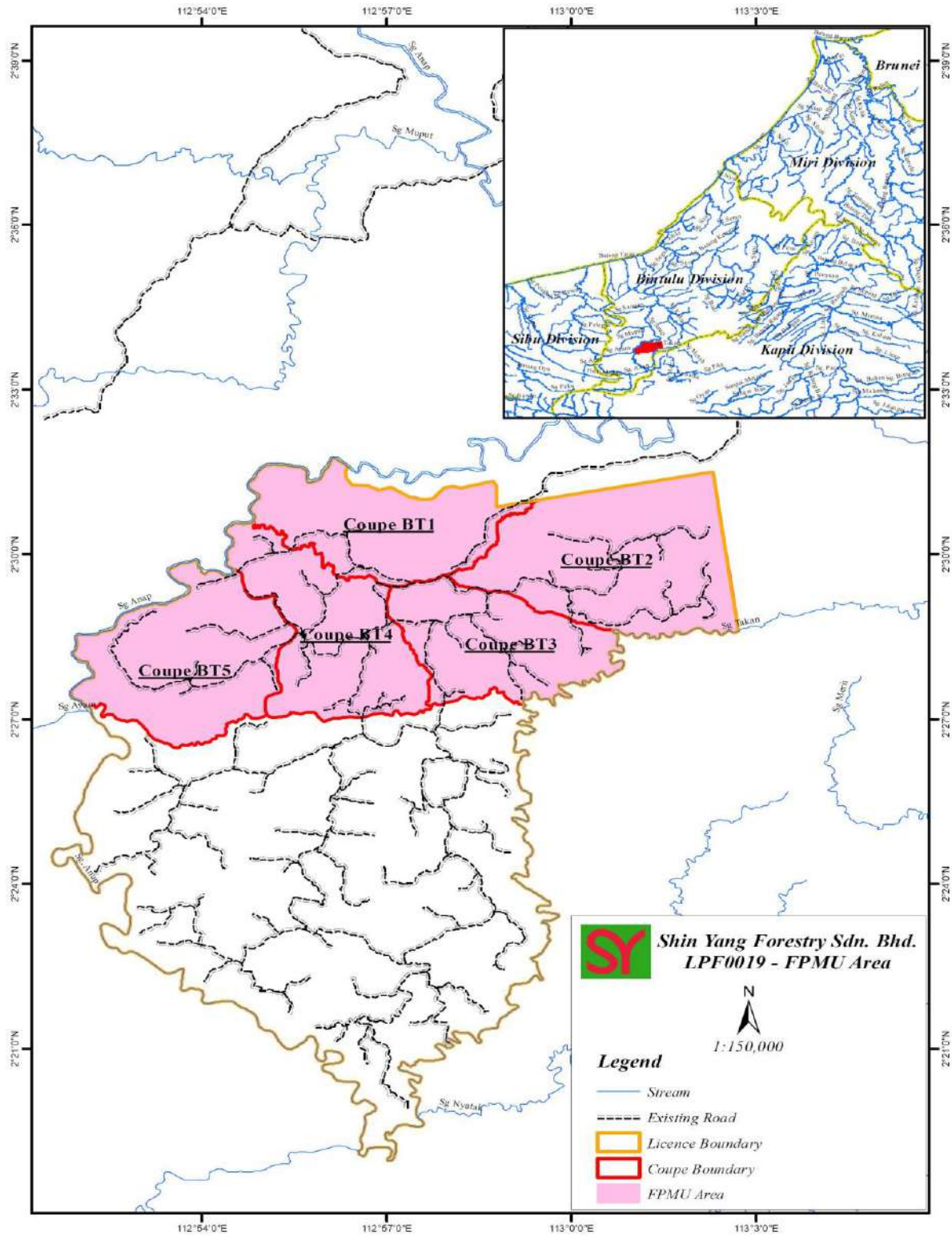
Principle	Strengths	Weaknesses
		<p>Number in the “Approved Harvesting Plan” from SFC. No justification was provided for the discrepancy in the FPMP</p> <p>5. “Tree Planting Report 2016” showed that 51.87ha was planted with 34ha of <i>Paraserianthes falcataria</i>, 12.42ha of <i>Eucalyptus spp.</i> and 5.04ha of <i>Neolamarkckia cadamba</i> in Coupe BT2. In Coupe BT1, 72.56 ha was planted with Acacia. However, these records were not updated in the “Table 3.4: Progress of 2<sup>nd</sup> Cycle of Planting within FPMU Area as of December 2017”, FPMP LPF/0019 Rev.006 (January 2017 – 2025).</p> <p>Therefore, <b>Major NCR KN02/2018</b> for <b>Indicator 5.2.1</b> was raised.</p>
<p><b>Principle 6 Environmental Impact</b></p>	<p>The Environmental Impact Assessment Report for the Proposed Selangau-Tatau Forest Plantation Located in Mukal and Tatau had taken consideration of impacts on site and at landscape level.</p> <p>The EIA report had indicated an absence of endangered, rare and threatened species of flora and fauna within the plantation area owing to the intensity of logging conducted</p> <p>To protect the residual fauna population, biological corridors and residual patches of forest trees were conserved within the plantation area. Together with riparian buffer belts and steep areas.</p> <p>Posters on the protection of plants and wildlife were displayed at junctions of main roads. Lists and posters of protected species of flora and fauna were also displayed at the Pahlawan camp and the Makop nursery.</p> <p>Records of awareness activities with local communities were conducted during Annual Visit.</p> <p>The FPMU had prepared a map on the establishment of biological corridors and residual forested sites within the forest plantation. These sites were also demarcated on the ground for protection.</p>	<p>Visit to Coupe BT3 found Logging Contractors (Shin Yang Berhad, License T/4212) has not disposed empty container of red paint and hydraulic oil containers in an environmentally appropriate and legal manner. There was also evidence of spillage of diesel from the diesel container. Therefore, <b>Major NCR KN04/2018</b> for <b>Indicator 6.7.1</b> was raised.</p>

Principle	Strengths	Weaknesses
	<p>The RIL guidelines adopted by the management of Masama FPMU in their SOP of Reduced Impact Logging (RIL) Harvesting Operation in harvesting operations contained measures to protect soil from compaction and erosion.</p> <p>Guidelines for storage and handling of hazardous material were done in accordance with the requirements of the Environmental Quality (Scheduled Wastes) Regulations 2005 and Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000.</p> <p>Training on chemical storage and handling was conducted for all nursery workers on 10 April 2018.</p> <p>Active harvesting area at Coupe BT2 and PSP area in Coupe BT5 and BT2 found no evident on biological agent used in the FPMU.</p> <p>Conversion of forest plantation area into non forest land use had not occurred within the FPMU. The planted areas were not within identified HCVF sites</p>	
<p><b>Principle 7 Management Plan</b></p>	<p>Periodic review had been prescribed in the Forest Plantation Management Plan chapter 3.9 – Amendment/revision of Management Plan and scheduled on every 5 years, depending to the results of monitoring, major policy changes, new information and changes in downstream planning or requirements.</p> <p>Forest managers were aware of new scientific and technical information from past and on-going research pertinent to the management of FPMU.</p> <p>List of training programmes conducted in 2018 was presented to the audit team. Interview with workers indicated that, they were aware of their respective roles in the implementation of the forest plantation management plan.</p> <p>A summary of the primary elements of the forest management plan was made available on SYF’s web page at <a href="http://www.shinyang.com.my">www.shinyang.com.my</a></p>	<p>In review of the Forest Plantation Management Plan for LPF/0019: MASAMA FPMU Rev.006 (January 2017 – January 2025) during the audit, it was found maps on planned management activities (Planting schedule and Harvesting schedule) by years of implementation (2017 to 2025) were not available. Therefore, <b>Major NCR IAAM/01/2018 for Indicator 7.1.1</b> was raised.</p>
<p><b>Principle 8 Monitoring and Assessment</b></p>	<p>PSPs were established in Masama FPMU to monitor the health and growth conditions of the plantations. To-date, 12 PSPs had been established. The size of each plot was 30m by 30m.</p> <p>SOP on the process of controlling the movement of logs from the plantation to the gate according to the Chain of Custody (CoC) process had been developed. and available at</p>	<p>During the site inspection of Permanent Sample Plot BT05 B05 and BT02 B10 found;</p> <p>a. the length measurement of the plots (for length and width) was not corrected using</p>

Principle	Strengths	Weaknesses
	<p>Masama FPMU. Relevant documentation and mechanism on the transportation of the forest products from the plantation forest to the logpond/mills were available and verified.</p> <p>The Forest Plantation Management Plan for Masama Revision. 006 (January 2015 – January 2025) had incorporated the latest findings of monitoring activities.</p> <p>A brief summary of the data obtained from the monitoring had been presented in the public summary  <a href="https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html">https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html</a></p>	<p>clinometer readings and slope correction table,</p> <p>b. PSP No. BT05 B05 –</p> <ol style="list-style-type: none"> <li>i. four (4) trees were incorrectly measured for DBH.</li> <li>ii. Point of DBH measurement was not at Breast Height (1.3m)</li> </ol> <p>c. PSP No. BT02 B10 – three (3) trees were incorrectly measured for DBH</p> <p>d. Random Selection technique used by the surveyor for selecting 25 trees in both PSPs were incorrect. Therefore, <b>Minor NCR KN05/2018</b> for <b>Indicator 8.1.1</b> was raised.</p> <p>e. Costs, productivity and efficiency of forest management as required by the standards were not appropriately calculated and reported. Therefore, <b>Minor NCR IAAM/02/2018</b> for <b>Indicator 8.2.1</b> was raised.</p>
<p><b>Principle 9 Maintenance of High Conservation Value (HCV)</b></p>	<p>The assessment report on ‘High Conservation Value Area in Shin Yang Masama Tree Plantation Coupe 1-5 of LPF 0019 (T4212) Tatau, Bintulu, Sarawak, dated October 2015 was available. The assessment based on the High Conservation Value Forest (HCVF) Toolkit for Malaysia.</p> <p>List of relevant stakeholders consulted regarding HCV area was made available.</p> <p>The protected HCV areas was incorporated into the Forest Plantation Management Plan in revised FPMP version 006 Chapter 11 – Identification and Management of HCVA at Masama LPF/0019 FPMU.  The revised publicly available summary of the</p>	<p>There were no Negative findings</p>

Principle	Strengths	Weaknesses
	<p>FPMP <a href="https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html">https://www.shinyang.com.my/products-services/tree-plantation/lpf0019-masama-estate.html</a> has included measures of HCV plan.</p> <p>Relevant results and findings of HCV monitoring activities had been incorporated into the revision of the Forest Plantation Management Plan on the yearly basis as indicated in Chapter 3.8 (amendment or revision) of FPMP.</p>	
<p><b>Principle 10 Forest Plantation Development and Management</b></p>	<p>The forest plantation management plan had included forest management objectives, including natural forest conservation and restoration objectives.</p> <p>The establishment of the plantation had protected all residual forest sites and riparian buffer belts. The natural residual forest site within the plantation had been demarcated for protection, restoration and conservation. Such areas serve as biological corridors for faunal movement.</p> <p>The detailed “<i>soil survey of Sungai Muput Kiba Area, Model Forest Management Area (Anap F.R) (ITTO Project PD 14/95 rev 2(F) – Model Forest Management Area (Phase II)</i>” was used in the FPMP description of the soil types within the FPMU. The documentation of growth characteristic, performance and management were taken from this report.</p> <p>The FPMU had established procedure entitled “Instruksi Kerja – Penyediaan Tempat Tanam”(SYPB/EMS/WI/FIE.01) for forest plantation establishment. The RIL guidelines had been adopted in harvesting operations to protect soil from compaction and erosion.</p> <p>Records on forest monitoring or patrolling were presented in support the pest control disease practices. Besides that, Records of chemical usage in the nursery including fertilizers, fungicides and Insecticide were also available and verified.</p> <p>No biological agents were used in the plantation.</p> <p>Environmental monitoring requirements of the DOE which include water quality, impacts of plantation establishment, socio economic and conditions at the base camps were conducted at quarterly interval.</p> <p>Collaborative studies between Shin Yang Sdn Bhd and SFC relevant to LPF 0019 were also verified.</p>	<p>There were no clear records on information on planting stock and species planted for Coupe BT1, BT2, BT3, BT4 and BT5. Therefore, <b>Minor NCR KN03/2018</b> for <b>Indicator 10.3.1</b> was raised.</p>

Map of Masama FPMU



## Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Ismail Adnan Malek	Assessment Team Leader / Forester	<p><u>Academic Qualification:</u> Master of Forestry, University of British Columbia, Canada</p> <p><u>Work Experience:</u> One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing local/international seminars on Forestry areas. Published and presented research findings at seminars/conferences and journals. Currently as Auditor at the Food, Agriculture and Forestry /ion (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&amp;I (Natural Forest) &amp; MC&amp;I (Forest Plantations).</p> <p><u>Training / Research Areas:</u></p> <ul style="list-style-type: none"> <li>• Auditor Training Course on MC&amp; I (Natural Forest) and MC&amp;I (Forest Plantation V2), 9<sup>th</sup>-10<sup>th</sup> July 2015, SIRIM QAS International Sdn Bhd</li> <li>• ISO 14001:2004 Lead Assessor Training, 23<sup>rd</sup>-27<sup>th</sup> Nov 2015, SIRIM Training Services Sdn. Bhd</li> <li>• Training on Auditing Techniques, 26<sup>th</sup> January 2016, SIRIM QAS International Sdn Bhd</li> </ul>
Khairul Najwan Ahmad Jahari	Assessment Team Member / Forester	<p><u>Academic Qualification:</u> B.Sc of Forestry (Forest Management), University Putra Malaysia.</p> <p><u>Work Experience:</u> 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; Research on Forest Resource Classification and Determination of Optimum Silviculture Option for Second Growth Forest. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field works, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Auditor at the Food, Agriculture</p>



		<p>and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting audit on forest management certification (MC&amp;I and FSC P&amp;C), MYNI of RSPO P&amp;C and other management system on ISO 9001, 14001 and OHSA 1800</p> <p><u>Training / Research Areas:</u></p> <p>Had attended and passed in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] organized by MTCC, 30 March - 2 April 2009.</p> <p>EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009.</p> <p>OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009.</p> <p>QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
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## Surveillance 2 Audit Plan

DAY	TIME	PROGRAM	
		(AUDITOR 1)	AUDITOR (2)
<b>Day 0</b>	12:00-19:30	All Auditors travelling from KLIA to Bintulu on 17 <sup>th</sup> July 2017 Flight MH 2742, ETD-08:25, ETA-10:45  Travel to Masama Camp site  Briefing by Audit Team Leader on the audit plan	
<b>Day 1</b> <b>18.7.17</b>	8.00 am – 8.45 am	Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU <ul style="list-style-type: none"> <li>• Q&amp;A Session</li> <li>• Follow up on findings from Stage 2 Audit</li> </ul> Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> <li>○ Local Communities</li> <li>○ Government agencies</li> <li>○ NGOs</li> </ul> Evaluate on internal audit and management review	
	9.00 am – 12.00pm	<ul style="list-style-type: none"> <li>• Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor.</li> <li>• Boundaries of FPMU with SA</li> <li>• Inspection of active harvesting at Coupe 2, block 5</li> <li>• Tree planting/maintenance activities Coupe 2, block 11</li> <li>• Encroachment area at Coupe 2, block 11</li> <li>• PSP#1 at block 11, Coupe 2</li> <li>• Buffer Zone at Coupe 2</li> </ul>	
	1.00 pm - 5.30 pm	<ul style="list-style-type: none"> <li>• External/license boundaries</li> <li>• Coupe boundaries</li> </ul>	Site visit <ul style="list-style-type: none"> <li>• Makop Nursery at Coupe 4</li> <li>• Buffer zone</li> <li>• Post harvesting Coupe 1, block 3.</li> <li>• Land Dispute Area at Block 4, 5, and 8, Coupe 1</li> <li>• Coupe boundaries</li> </ul>
<b>Day 2</b> <b>19.7.17</b>	8.30 am – 12.00 pm	Documentation and records review  Principle 5 – Benefits from the forest*	Documentation and records review  Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right
	1.30 pm – 5.00pm	Principle 6 – Environmental Impact* Principle 7 – Management Plan*	Site visit  Log Pond at Sg Mina (Camp B)

		<ul style="list-style-type: none"> <li>Review of Day 2 Findings by Audit Team Leader</li> <li>*Blackout due to Generator set breakdown</li> </ul>
<b>Day 4</b>  <b>20.7.17</b>	8.30 am – 1.00 pm	<ul style="list-style-type: none"> <li>Documentation and records review</li> </ul> <p>Principle 8 – Monitoring and Assessment  Principle 9 – Maintenance of High Conservation Value (HCV)  Principle 10 – Forest Plantation Development and Management</p>
	2.00pm-3.00 pm	<ul style="list-style-type: none"> <li>Preparation of audit report and finding</li> <li>Briefing to representatives of FMU on the findings of audit</li> <li>Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> </ul>
	4.00pm	<p>Adjourn Closing Meeting</p> <ul style="list-style-type: none"> <li>Travel back to Bintulu, check-in at New World Hotel.</li> </ul>

All Auditors travel back to Kuala Lumpur on 21<sup>st</sup> July 2017, Flight MH2743, ETD-11:20, ETA-13:25

**Details on NCRs and OFIs Raised During this Surveillance 2 Audit and Corrective Actions Taken (2018)**

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<b>Indicator 5.1.2</b>  NCR No.: KN01/2018	<b>Major</b>	<p><b>Requirement: Indicator 5.1.2</b> - Provisions and management are made to maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability</p> <p><b>Finding:</b> The management did not maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability. The management activities were not following planting schedule in the Forest Plantation Management Plan</p> <p><b>Objective evidence:</b></p> <p>3) During visit to Coupe BT2, it was found there were no planting activities conducted in the FPMU. These were not in accordance with planting schedules (Table 3,3) as in Forest Management Plan for LPF/0019 Rev.006 (January 2017 – 2025) (revised June 2018).</p> <p>4) Visit to Coupe BT2, Block 9, 10, and 11, found <i>Paraserianthes falcataria</i> trees had grown naturally since record did not show new planting had been carried out in the three (3) blocks.</p> <p>5) Record showed that 72.56 ha was planted with <i>Acacia mangium</i> in Coupe BT1 on Sept 2015, however, maintenance (slashing) was done only once on Oct-Nov 2017. This was not in accordance to prescription proposed in the Tree Plantation Manual, Edition 1 (August 2016), Chapter</p>	Corrective action plan received on 14 <sup>th</sup> October 2018 <ol style="list-style-type: none"> <li>1. Forest Plantation Management Plan for LPF0019 will be revised to Rev. 006 by 28.11.2018</li> <li>2. Planting of planted species at BT2 (Block 9 to 11) will be carried out by January 2019</li> </ol>	Evidence of corrective action taken to close this Major NCR was received on 21 <sup>st</sup> February 2019. <p>A “Revised Forest Plantation Management Plan for LPF0019 Rev. 007(Jan 2015 –Jan 2025)” (dated 6<sup>th</sup> December 2018) was available which provided:</p> <ol style="list-style-type: none"> <li>1. Planned “Site Planting” and “Maintenance” activities in Annual “Work Plan and Budget; 2019” for MASAMA FPMU.</li> <li>2. Scheduled planting in locations i.e. January – July 2019 involving Blocks 2,3,6,13,14,24,19 ,21,22,23,9.10 &amp; 11 in Coupe 2</li> <li>3. Sighted tables showing completed planting activities in Blocks 12 and 24 (Coupe 2); planted with <i>Albizzia falcataria</i> in January and February 2019</li> <li>4. Police reports made by Masama FPMU at Tatau Police Station with regards to its workers being prevented to plant in Block 11 and 24 by local communities were as</li> </ol>

		4: Maintenance.		additional evidence that planting had taken place in Coupe 2.  <b>Status: Closed</b>
<b>Indicator 5.2.1</b>  KN02/2018	<b>Major</b>	<p><b>Requirement: Indicator 5.2.1</b> – Application of forest plantation management practices to encourage the optimal use of forest plantation resources</p> <p><b>Finding:</b> The forest plantation management practices did not encourage the optimal use of forest plantation resources.</p> <p><b>Objective evidence:</b></p> <p>6. Planting Distribution Map in FPMP LPF/0019 Rev.006 (January 2017 – 2025) showed 2,023ha was planted in Coupe BT2. However, during visit to Block 7, Coupe BT2, it was found there were no trees planted in the area. This was not in accordance to information from the Harvesting Plan for Compartment BT2-Planted Forest (Approved by SFC dated 24.10.2012) which showed that only 764 ha was planted in BT2 in year 2003.</p> <p>7. Planting Distribution Map in FPMP LPF/0019 Rev.006 (January 2017 – 2025) showed 1,058 ha was planted in Coupe BT1. This was not in accordance to information from the Harvesting Plan for Compartment BT1-Planted Forest (Approved by SFC dated 2.5.2012) which showed that only 606 ha was planted in BT1 from 2001 to 2004.</p> <p>8. The FPMP stated that plantable area for Coupe BT1 is 1,058ha and plantable area in Coupe BT2 is 2,023ha. However,</p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <ol style="list-style-type: none"> <li>1. Map and Table 3.4 in FPMP LPF/0019 Rev.006 will be revised by 21.11.2018</li> <li>2. Continual negotiation with the relevant local community at BT1 will be carried out by January 2019</li> <li>3. The areas not yet planted at BT2 will be planted by January 2019</li> <li>4. Compartment and Block Number written in the Approved Harvesting Plan will be changed and follow the FPMP by 21.11.2018</li> </ol>	<p>Evidence of corrective action taken to close this Major NCR was received on 21<sup>st</sup> February 2019.</p> <p>A “Revised Forest Plantation Management Plan for LPF0019 Rev. 007(Jan 2015 –Jan 2025)” (dated 6<sup>th</sup> December 2018) was available which provided:</p> <ol style="list-style-type: none"> <li>1. Map and Table 3.4 in FPMP LPF/0019 Rev.007 (6<sup>th</sup> December 2018) has been revised and presented</li> <li>2. Sighted tables showed completed planting activities in Blocks 12 and 24 (Coupe 2); planted with <i>Albizia falcataria</i> in January and February 2019</li> <li>3. Police reports made by Masama FPMU at Tatau Police Station with regards to its workers being prevented to plant in Block 11 and 24 by local communities were as additional evidence that planting had taken place in Coupe 2. It was also presented as evidence that negotiations were initiated.</li> <li>4. Compartment and</li> </ol>

		<p>planting records verified showed that in Coupe BT1 only 72.56 ha of <i>Acacia mangium</i> was planted from October to September 2015 and in Coupe BT2, only 51.87 ha was planted with <i>Paraserianthes falcataria</i>, <i>Eucalyptus spp.</i>, and <i>Neolamarkckia cadamba</i> in May and August 2016. The forest plantation area was not optimal used.</p> <p>9. Coupe and Block Number in FPMP LPF/0019 Rev.006 (January 2017 – 2025) were different from Compartment and Block Number in the “Approved Harvesting Plan” from SFC. No justification was provided for the discrepancy in the FPMP</p> <p>10. “Tree Planting Report 2016” showed that 51.87ha was planted with 34ha of <i>Paraserianthes falcataria</i>, 12.42ha of <i>Eucalyptus spp.</i> and 5.04ha of <i>Neolamarkckia cadamba</i> in Coupe BT2. In Coupe BT1, 72.56 ha was planted with <i>Acacia</i>. However, these records were not updated in the “Table 3.4: Progress of 2<sup>nd</sup> Cycle of Planting within FPMU Area as of December 2017”, FPMP LPF/0019 Rev.006 (January 2017 – 2025).</p>		<p>Block Number written in the Forest Plantation Management Plan (FPMP) has been changed and standardized as seen in Maps and Work schedules included into the FPMP.</p> <p><b>Status: Closed</b></p>
<p><b>Indicator 7.1.1</b></p> <p>IAAM/01/2018</p>	<p><b>Major</b></p>	<p><b>Requirement: Indicator 7.1.1</b> - Implementation of forest plantation management plan covering items (a) to (i) in Criterion 7.1 and prepared in accordance with existing guidelines and the provisions listed in Principle 1.</p> <p><b>Finding:</b> Implementation of forest plantation management plan covering items (h) Maps for the forest resource base including protected areas, planned management activities and land ownership were not updated</p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <ul style="list-style-type: none"> <li>• Maps on planned management activities (Planting schedule and Harvesting schedule) by years of implementation (2017 to 2025) were be incorporated into the revised Forest Plantation Management Plan</li> </ul>	<p>Evidence of corrective action taken to close this Major NCR was received on 21<sup>st</sup> February 2019.</p> <p>A “Revised Forest Plantation Management Plan for LPF0019 Rev. 007(Jan 2015 –Jan 2025)” (dated 6<sup>th</sup> December 2018) was available which provided:</p> <p>Map titled “Map D: Proposed 1<sup>st</sup> Cycle</p>

		<p><b>Objective evidence:</b> In review of the Forest Plantation Management Plan for LPF/0019: MASAMA FPMU Rev.006 (January 2017 – January 2025) during the audit, it was found maps on planned management activities (Planting schedule and Harvesting schedule) by years of implementation (2017 to 2025) were not available.</p>	(FPMP)	<p>Harvesting and 2<sup>nd</sup> Cycle for LPF 0019: MASAMA FMU”</p> <p><b>Status: Closed</b></p>
<p><b>Indicator 6.7.1</b> KN04/2018</p>	<p><b>Major</b></p>	<p><b>Requirement: Indicator 6.7.1</b> – Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner</p> <p><b>Finding:</b> The oil, fuel, containers, liquid and solid non-organic wastes was not disposed of in an environmentally appropriate and legal manner</p> <p><b>Objective evidence:</b> Visit to Coupe BT3 found Logging Contractors (Shin Yang Berhad, License T/4212) has not disposed empty container of red paint and hydraulic oil containers in an environmentally appropriate and legal manner. There was also evidence of spillage of diesel from the diesel container.</p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <ul style="list-style-type: none"> <li>• Relevant training will be provided to the workers and empty container of red paint and hydraulic oil containers will be sent to waste warehouse store located in Pahlawan Based Camp.</li> </ul>	<p>Evidence of corrective action taken to close this Major NCR was received on 21<sup>st</sup> February 2019.</p> <p>Documents (evidence) for the conducted training titled “EHS 009: Scheduled Waste: Handling &amp; Disposal” which included:</p> <ol style="list-style-type: none"> <li>1. Attendance list</li> <li>2. Picture of the training in session</li> </ol> <p><b>Status: closed</b></p>
<p><b>Indicator 8.1.1</b> KN05/20</p>	<p><b>Minor</b></p>	<p><b>Requirement: Indicator 8.1.1</b> - Forest plantation managers shall implement a comprehensive network of permanent sample plots, appropriate to the scale and intensity of forest plantation management operations, to assess the health of the planted trees, forest ecosystem and the forest environment, growing stock conditions and increment.</p> <p><b>Finding:</b> The establishment and monitoring of Permanent Sample Plots were not satisfactorily conducted</p> <p><b>Objective evidence:</b></p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <p>The said PSP plot will be re-measured and procedure on random selection technique to select the trees to measure will be revised by 12.01.2019</p> <p>The effectiveness of the action taken to be verified during the next audit.</p> <p><b>Status: Accepted</b></p>	<p>During this Recertification audit (2019), during site inspection, the said PSP plot were found re-measured and procedure on random selection technique to select the trees to measure has been revised.</p> <p><b>Status: The Minor NCR KN05/20 raised against this Indicator is satisfactorily closed</b></p>

		<p>During the site inspection of Permanent Sample Plot BT05 B05 and BT02 B10 found;</p> <ul style="list-style-type: none"> <li>f. the length measurement of the plots (for length and width) was not corrected using clinometer readings and slope correction table,</li> <li>g. PSP No. BT05 B05 – <ul style="list-style-type: none"> <li>i. four (4) trees were incorrectly measured for DBH.</li> <li>ii. Point of DBH measurement was not at Breast Height (1.3m)</li> </ul> </li> <li>h. PSP No. BT02 B10 – three (3) trees were incorrectly measured for DBH</li> <li>i. Random Selection technique used by the surveyor for selecting 25 trees in both PSPs were incorrect</li> </ul>		
<p><b>Indicator 8.2.1</b> IAAM/02/2018</p>	<p><b>Minor</b></p>	<p><b>Requirement: Indicator 8.2.1</b> - Forest plantation managers shall gather the relevant information, appropriate to the scale and intensity of the forest plantation management, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p><b>Finding:</b> Costs, productivity and efficiency of forest management as required by the standards were not available.</p> <p><b>Objective evidence:</b> (e) Costs, productivity and efficiency of forest management as required by the standards were not appropriately calculated and reported.</p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <p>Costs, productivity and efficiency of forest management as required by the standards will be re-calculated and reported into the LPF/0019: MASAMA FPMU Rev.007 (January 2017 – January 2025) by 05.12.2018.</p> <p>The effectiveness of the action taken to be verified during the next audit.</p> <p><b>Status: Accepted</b></p>	<p>Costs, productivity and efficiency of forest management as required by the standards were verified during this Recertification audit (2019) and found the budget/costing has been included in Chapter 14 in the updated FPMP rev 008 (June 2019,).</p> <p><b>Status: The Minor NCR IAAM 02/2018 raised during the previous Surveillance 2 audit is satisfactorily closed.</b></p>
<p><b>Indicator 10.3.1</b> KN03/2018</p>	<p><b>Minor</b></p>	<p><b>Requirement: Indicator 10.3.1</b> - 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, ecological and social stability.</p>	<p>Corrective action plan received on 14<sup>th</sup> October 2018</p> <p>The Masama FPMU's management will be gathering the information through on-ground checking/verification and will update the</p>	<p>The effectiveness of the action taken to be verified during the next audit.</p> <p><b>Status: Accepted</b></p>



		<p><b>Finding:</b> The information on planting stock and species planted in the forest plantation areas, taking cognizance that diversity in composition of forest plantation is not sufficient to enhance economic, ecological and social stability.</p> <p><b>Objective evidence:</b> There were no clear records on information on planting stock and species planted for Coupe BT1, BT2, BT3, BT4 and BT5</p>	<p>information into FPMP by 10.02.2019</p>	
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## Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit (2017)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Minor NCR KN01/2017	<p><b>Indicator 5.1.1</b> - Investments and reinvestments shall be made in forest plantation management, including for forest plantation administration, research, and human resource development, environmental and social aspects consistent with the tenure of the forest plantation areas.</p> <p>The investments and reinvestments were not made available in forest plantation management plan</p> <p>There is no annual operating and development budget in the Forest Plantation Management Plan for LPF/0019: Masama FPMU, Rev.005, January 2017 – January 2027 (FPMP).</p>	<p>During the audit, the annual operating and development budget is available in annual work plan &amp; budget for year 2017 but not incorporate into Forest Plantation Management Plan for LPF/0019: Masama FPMU Rev.006</p> <p>The 10 years' operating and development budget including forest plantation administration, research, human resources development, environmental and social aspects will be incorporated into FPMP for LPF/0019: Masama Rev 006 by 28<sup>th</sup> September 2017</p>	<p>The annual operating and development budget in the Forest Plantation Management Plan for LPF/0019: Masama FPMU, Rev.007, January 2015 – January 2025 (FPMP) were available</p> <p><b>Status: closed</b></p>
Minor NCR KN03/2017	<p><b>Indicator 6.2.4</b> - Hunting, fishing and collecting activities shall be controlled and unauthorised and/or inappropriate activities prevented in forest plantation areas.</p> <p>During site visit to Block 11, Coupe 2, it was found the planting area was encroached and planted with Paddy and Oil Palm seedling, and it was recorded by Monitoring Team since 15 April 2017. There are no any measures to prevent unauthorized activities taken by the FPMU.</p>	<p>The finding on this indicator during audit was due to lack of awareness on the part of local communities about the existing regulations and company's policy</p> <p>The Corporate Community Relations team will hold a meeting with the relevant communities and explain the existing regulations and company's Policy to them</p>	<p>The Corporate Community Relations team has met with 22 individuals from Rh Nyaton, and each from Rh Sabang and Rh Sempurai who are requesting to plant Paddy in Coupe BT2. An agreement was reached on 24 August 2018 with currently 6 persons and progressively for other 17 peoples.</p> <p><b>Status: closed</b></p>
Minor NCR KN04/2017	<p><b>Indicator 6.5.2</b> – Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements</p> <p>The implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements was not adhered to</p> <p>Harvesting Plan for Compartment BT2 (Coupe 2), approved on 24.10.2012 by Sarawak Forestry</p>	<p>During the audit, the said map was provided in black and white due to less prepared by the person-in charge</p> <p>An AO size and clear map showing the coupe boundaries, road network, location of conservation areas will be provided to ground staff to ensure practices runs smoothly. Completion date: 7<sup>th</sup> Sep 2017</p>	<p>During the audit, a Harvesting Plan / Road Plan for Compartment BT2 – Planted Forest, approved on 24.10.2012 by Sarawak Forestry Corporation (SFC) was provided with clear colored copy with A2 size.</p> <p><b>Status: Closed</b></p>

	Corporation (SFC) was provided in black and white (photostat A4 size copies). Thus, it will give negative impact on the site management due to unclear plan of coupe boundaries, road network, conservation areas locations etc.		
Minor NCR IAAM03/2017	<p><b>Indicator 8.1.2.</b> Forest Managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</p> <p>During the audit, Standard Operating Procedure (SOP) describing tasks and procedures to monitor social, ecological, environmental and economic impacts from FMU operations and monitoring reports were not available.</p>	<p>Result of Investigation and determination of root cause</p> <p>The SOP for monitor Social, Ecological, Environmental and Economic Impacts was available during the audit (Ref. No.: SYF/MC&amp;I/P/05), but monitoring of social impact is not included into the SOP</p> <p>Correction and corrective action plan</p> <p>The SOP will be amended and revised to Rev.02 by 25<sup>th</sup> August 2017</p>	<p>During this Surveillance 2 Audit, a SOP titled "Procedures to Monitor Social, Ecological, Environmental and Economic Impacts for LPF0019: Masama FPMU" (ref i.e. (SYF/MC&amp;I/P.05) which included monitoring social impact was available and verified.</p> <p><b>Status: Closed</b></p>
Minor NCR KN06/2017	<p><b>Indicator 8.2.1</b> - Forest plantation managers shall gather the relevant information, appropriate to the scale and intensity of the forest plantation management, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>The monitoring on the items (d) Environmental and social impacts of harvesting and other operations as listed in Criterion 8.2. was not conducted</p> <p>Monitoring on social impacts of harvesting and other operations at Coupe 1 and Coupe 2 were not conducted</p>	<p>Monitoring on social impacts of harvesting was not conducted at Coupe 1 and 2 due to lack of knowledge among the certification team</p> <p>Certification team will carry out social impact monitoring of harvesting activities at Coupe 1 and Coupe 2 and the report of monitoring will be available by 18<sup>th</sup> Oct 2017</p>	<p>Forest plantation managers had gathered the relevant information needed for monitoring on the items a), b) c) and e) i.e. costs, productivity and efficiency of forest management operation information at Masama FPMU.</p> <p><b>Status: closed</b></p>
Major NCR IIAM01/2017	<p><b>Indicator 4.5.2</b> – Appropriate mechanisms are employed to expeditiously resolve grievances, and provide fair and equitable compensation for any loss or damage affecting the local communities' legal or customary rights, property, resources, or their livelihoods, caused by forest operations</p> <p>Appropriate mechanisms were not employed to expeditiously resolve grievances, and provide fair and equitable compensation for any loss or damage affecting the</p>	<p>The issue was passed to the management representative and further discussion with executive director had been carried out, but there is no minute of meeting with executive director</p> <p>The corporate community relation team will review all written request from the local communities and will respond to their request. The liaison officer will hold a meeting with the relevant local communities and</p>	<p>Minutes of meeting dated 5.1.2018 attended by Tr Wan, Tr Nyaton, and Tr Medan was verified. All related issues were discussed in the meeting</p> <p><b>Status: Closed</b></p>

	<p>livelihoods of the local communities.</p> <p>During consultation with Tuai Rumah (Headman) and villagers in Rh. Nyaton, Rh. Wan and Rh. Medan, feedback received was that there was no follow up action from the FMU Liaison Committee (Minute of meeting dated 10.9.2016) on several local communities' grievances and requests.</p> <p>The flowchart for the "Mechanism to Resolve Local Communities Issues" in the SOP (SYF/MC&amp;I/P.09) was not fully implemented.</p>	<p>explaining to the complainant the expected process and timeline for further review on their grievances by 13<sup>th</sup> October 2017</p>	
<p>Major NCR IAAM02/2017</p>	<p><b>Indicator 7.1.1.</b> Implementation of Forest Plantation Management Plan</p> <p>Maps for the forest resource base including protected areas, planned management activities and land ownership were not updated</p> <p>In review of the Forest Plantation Management Plan for LPF/0019: MASAMA FPMU Rev.005 (January 2017 – January 2027) during the audit, it was found;</p> <ul style="list-style-type: none"> <li>• All maps provided were small (inappropriate scale) and not updated.</li> <li>• Map on slopes of more than 35 degrees (Terrain IV) was not available.</li> <li>• There is no map on planned management activities on; <ul style="list-style-type: none"> <li>○ Planting schedule</li> <li>○ Harvesting schedule</li> </ul> </li> </ul>	<p>During the audit, map terrain IV, planting schedule and harvesting schedule is not available and some maps is not up to date due to lack of communication between the ground staff and mapping department</p> <p>All the said map will be updated and incorporated into Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28<sup>th</sup> September 2017),</p>	<p>The revised Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28<sup>th</sup> September 2017), chapter 3.5.4 – Planting, and chapter 3.5.4.1 – Planting Schedule was verified</p> <p>Map D: Proposed 1<sup>st</sup> Cycle Harvesting and 2<sup>nd</sup> Cycle Planting Plan for LPF0019: Masama FPMU, with planting and harvesting schedule was verified.</p> <p>The Map on slopes of more than 35 degrees (Terrain IV) was made available in Map F: HCVs &amp; Conservation Area within Masama FPMU.</p> <p><b>Status: Closed</b></p>
<p>Major NCR KN02/2017</p>	<p><b>Indicator 5.1.2</b> - Provisions and management are made to maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability</p> <p>The management did not maintain, restore or enhance the productive capacity and ecological function of the forest plantation areas to ensure its economic viability. The</p>	<p>During the audit, there is no harvesting in block 1 and no replanting was carried out in block 8-10 due to the said areas had land dispute issue and still under negotiation with the complainant</p> <p>The harvesting and planting schedule will be amended and the Forest Plantation Management Plan for LPF/0019: Masama FPMU</p>	<p>During visit to Coupe 1, it was found there no harvesting in Block 1 and in Block 8, 9, 10, there were no planting activities</p> <p>The revised Forest Plantation Management Plan for LPF/0019: Masama FPMU (Rev.006 by 28<sup>th</sup> September 2017),</p>

	<p>management activities not following schedule in Forest Plantation Management Plan</p> <p>During visit to Coupe 1, it was found there no harvesting in Block 1 and in Block 8, 9, 10, there were no planting activities. These were not in accordance to harvesting and planting schedules documented in the Forest Plantation Management Plan for LPF 0019 (2017 – 2027). This is confirmed by Tree Planting Report for year 2015, 2016 and 2017</p>	will be revised to Rev.006 by 28 <sup>th</sup> September 2017	<p>chapter 3.5.4 – Planting, and chapter 3.5.4.1 – Planting Schedule was verified</p> <p><b>Status: closed</b></p>
Major NCR KN05/2017	<p><b>Indicator 6.5.3</b> - Availability and implementation of guidelines for conservation of buffer strips along streams and rivers</p> <p>The implementation of guidelines for conservation of buffer strips along streams and rivers were not adhered to.</p> <p>During the site inspection at;</p> <ul style="list-style-type: none"> <li>Block 5, Coupe 2, it was found the skid trail had encroached into the buffer zones. Debris from felled trees found in the buffer zone at the boundary. The trees marking the buffer were also damaged.</li> <li>Block 6, Coupe 2 found no sediment traps installed at the newly constructed bridge. The soil was also pushed into the waterways during the construction activities.</li> <li>Makop Nursery at Block 7, Coupe 4 found the waterways was blocked by a concrete dam and the buffer zone marking along the waterways was not available</li> </ul>	<p>Lack of employee awareness even the related training was given to them on annual basis</p> <p>Re-training will be given to the harvesting team and a warning letter will be issued to them as company enforcement action. The concrete dam in Makop nursery will be demolished and surveyor team will mark stream buffer zone by 21 September 2017</p>	<p>A warning letter dated 24 September 2017 has been issued to 4 workers in Block 5 and 6.</p> <p>Pictorial report on installed sediment trap at block 6, buffer zone marking at block 5 and demolished concrete dam in Makop nursery was verified.</p> <p><b>Status: Closed</b></p>
Major NCR IAA04/2017	<p><b>Indicator 10.2.2.</b> - Forest plantation establishment shall, appropriate to the scale of the operation, follow natural landscape and take into account the need for wildlife corridors, buffer strips for permanent streams and rivers, as well as a mosaic of stands of different age classes.</p> <p>Map of planting pattern in the forest plantation areas was not</p>	<p>The map of planting pattern and locations for the area of Coupe 1 Block 4 and Block8 was not updated due to surveyor team did not provide latest information of the said area to mapping department</p> <p>The surveyor team will define and measure the said area, and then mapping</p>	<p>Map C: Planting Distribution by Year for LPF LPF0019: Masama FPMU (revised on September 2017) with year pattern on each block was verified</p> <p><b>Status: Closed</b></p>

	<p>updated.</p> <p>During the audit and visit to harvesting area in Coupe 1, Block 4 and Block 8, the map of planting pattern and locations for the area was found not updated. Demarcation of protected area was also not updated.</p> <p><b>NCR KN9/2015 upgraded to Major NCR IAAM 04/2017</b></p>	<p>department will interpret geographic information in order to create and update the map by 19<sup>th</sup> October 2017</p>	
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