



**PUBLIC SUMMARY
RECERTIFICATION AUDIT (1st CYCLE) ON
SHIN YANG SDN. BHD. - LINAU FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00119
Date of First Certification: 16 July 2018
Audit Date: 6th – 10th December 2021
Date of Public Summary: 28 February 2022**

Certification Body:

**SIRIM QAS International Sdn. Bhd.
Block 4, SIRIM Complex
No. 1, Persiaran Dato' Menteri
Section 2, 40700 Shah Alam
Selangor
MALAYSIA
Tel : 60-3-5544 6400/5544 6448
Fax : 60-3 5544 6763
Website: www.sirim-qas.com.my**

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EXECUTIVE SUMMARY

This recertification audit on the Shin Yang Sdn. Bhd. - Linau Forest Management Unit (hereafter referred as the Linau FMU) was conducted on 6th to 10th December 2021 to assess the continued compliance of the overall forest management system of the Linau FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak. The scope of this recertification audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Linau FMU.

This recertification audit was conducted by 3-member team comprising Mohd Annas Amin Haji Omar (Lead Auditor), Khairul Najwan Ahmad Jahari (Auditor), Hj Roslee Jamaludin (Auditor) and Azrul Ikhsan Mohamed (Trainee auditor).

Based on the findings of this recertification audit, it was found that Linau FMU had continued to comply with the requirements of the MC&I (Natural Forest). This recertification audit had resulted in the issuance of two (2) minor Non-Conformity Reports (NCRs) and two (2) Observation for Improvements (OFIs) were raised.

This public summary contains the general information on the Linau FMU, the findings of the recertification audit, NCRs raised as well as the decision on the continued certification of the FMU.

2 INTRODUCTION

2.1 Name of FMU
Linau Forest Management Unit

2.2 Contact Person and Address

FMU Certification in Charge/ Executive Director
Mr. Lau Keiw Hieng / Mr Andy Wong Ko Hock
Lot 515, Jalan Datuk Edward Jeli,
Piasau Industrial Estate,
P.O. Box 1599, 98000 Miri,
Sarawak.
Phone #: 085 656699 / 019 8152099
Fax #: 085 664999 / 085 668299

2.3 General Background on the Linau FMU

The Natural Forest (NFM) managed by Shin Yang Trading Sdn. Bhd. covers an area of 72,710 ha of Linau Permanent Forest, Balui Permanent Forest and a small portion of Bahau Permanent Forest. The eastern part of the Linau FMU was a border of Sarawak (Malaysia) – Kalimantan (Indonesia), which is separated by the international boundary. The Linau FMU is about 120 km Northwest from the Belaga Town and accessible by the Bintulu-Bakun-Murum road and logging roads constructed by the company.

The forest types in the FMU are logged-over Mixed Dipterocarp Forest (MDF) and relatively small pockets of Kerangas Forest. The general landform of the FMU ranges from undulating to considerably hilly terrain with elevation between 600m to 1500m a.s.l. The FMU has been zoned into forest function (new figure) for Protection (water catchment) 425Ha, Terrain IV 6216ha, International Buffer Zone Area 6655 ha, Shifting Agricultural Area 247ha, HCVFs Area 16ha and Production Area (operable areas) 58515ha.

Linau FMU is divided into 25 coupes with sizes ranging from 2500-6207ha. The FMU also situated within the Heart of Borneo Corridor with PSP size of 636ha.

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

2.4 Date First Certified
16 JULY 2018

2.5 Location of the FMU

The FMU is located between latitudes 20 02' 000' N to 20 20' 000" N and longitudes 1140 27' E to 1140 56' E within Kapit Division.

2.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. An updated Forest Management Plan (FMP) for a period of 2017-2026 dated 21 November 2021 was presented during this audit.

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

The updated FMP indicated the annual allowable cut (AAC) for the FMU had been set at 55,547 m³ per annum or not more than 2380 ha per year for 25 years of cutting cycle. During this recertification audit, the size of the FMU is 72,710 ha.

2.8 Environmental and Socioeconomic Context

An Environmental Impact Assessment (EIA) report; “Proposed Re-entry Forest Logging at Linau, Kapit Division, Sarawak Under Licence T/3228” was produced in April 2009 by CNF Consultancy Sdn Bhd. All the environmental impacts identified in the assessments were described in the Forest Management Plans under Chapter 7.6.2: Mitigation Measures. Whilst, list of ERT species was incorporated in the FMP in Table 2.4: list of ERT Flora SPP and Table 1.0: Fauna. Representative areas of existing forest ecosystem had been demarcated and mapped for protection as stated in the Forest Management Plan. These include Terrain IV, International Buffer Zone, Shifting Agriculture, water catchment and HCVF areas. Within the NFM area, 13,559 ha including water catchment area was protected and excluded from forest activities.

Only Long Lidem community was found living adjacent to the Linau FMU. The FMU has identified the community of Long Lidem traditional activities of collecting rattan, herbs, firewood and Ipoh root. Thus, the FMU had demarcated the community used zone areas for shifting agriculture, claimed and water catchment. In addition, preference for employment and contract works was given to qualified people in the communities living within, or adjacent to the FMU. It was found that a level of dependency on forest resources by Long Lidem’s community is very high, especially on forest produce for food, handicraft, medicinal and tools. This is due to the fact that they do not plant paddy for almost 7 years. They collect forest produce, hunting and fishing almost every day to sustain their food supply apart from being given monthly allowances by the management of Linau FMU.

3. AUDIT PROCESS

3.1 Audit Dates

6th to 10th DECEMBER 2021 (15 man-days)

3.2 Audit Team

Mohd Annas Amin Haji Omar (Lead Auditor)
Khairul Najwan Ahmad Jahari (Auditor)
Hj Roslee Jamaludin (Auditor)
Azrul Ikhsan Mohamed (Trainee auditor)

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 (Natural Forest) [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning 5 November 2021 to solicit feedback from stakeholders on the compliance of the Linau FMU against the requirements of the MC&I (Natural Forest). 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 Linau FMU’s current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I (Natural Forest), using the verifiers stipulated for Sarawak.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, 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 FMU’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 (Natural Forest);
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I (Natural Forest), 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 (Natural Forest) but without sufficient objective evidence to support a non-conformance.

Consultations were held with the local communities of Long Lidem which is located adjacent to the Linau FMU and workers operating in the FMU. The audit team had also held meetings with the officers and the uniformed field staff of the Linau FMU.

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

The Linau FMU had sent a corrective action plan to the audit team to address the minor NCRs which the audit team had reviewed and accepted them. A draft re-certification audit report which had incorporated the comments received from the Linau FMU was then prepared and sent to two peer reviewers for independent reviewing. A final recertification audit was prepared after incorporated the comments from peer reviewers.

4 SUMMARY OF AUDIT FINDINGS

Based on the findings of this recertification audit, it was found that the Shin Yang Trading Sdn. Bhd. had continued to manage the Linau FMU in compliance with most of the requirements of the MC&I (Natural Forest). This recertification had resulted in the issuance of two (2) minor NCRs and two (2) OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Shin Yang Trading Sdn. Bhd. to address the two (2) minor NCR raised during this recertification audit. The audit team had reviewed and accepted the company's proposed corrective actions to address the two (2) 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 Shin Yang Trading Sdn. Bhd. to address the two (2) Major, four (4) Minor NCRs and two (2) OFIs 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 and OFIs 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 Long Lidem community. It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Shin Yang Trading Sdn. Bhd.

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 PRF in the Linau FMU has remained the same.

As the FMU had submitted proposed corrective action plans to address the minor NCRs and OFI raised during this recertification audit are accepted by the audit team leader, the audit team had therefore recommended that the Certificate for Forest Management be extended accordingly.

The summary on the findings of the recertification audit on the Linau FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>The forest management had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&I (SFM) fundamental for the FMU management were available in the office at the Abit Stumping Office or Research Central Office of T3228 and T3342 FMU.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Camp Office. First Schedule for "Rates of Royalty", Second Schedule "Rate of Fees" and DF Circular No. 4/2015 for the Royalty Rate for Pole" were also available at the camp.</p> <p>The forest managers were aware of all the binding international agreements such as International Labour Organisations Conventions (ILO), Convention of Biological Diversity (CBD), International Tropical Timber Agreement 1994, Convention on Wetlands of International Importance Especially as Waterfowl Habitat 1971, United Nations Framework Convention on Climate Change (UNFCCC) and Convention of International Trade of Endangered Species (CITES) which Malaysia is signatory to.</p> <p>The Linau FMU has established a Standard Operating Procedure (SOP) on "Conflict Between Law and Regulation" (SOP Ref. LEG/01).</p> <p>Forestry Policy Statement stated that the FMU is committed to ensure compliance to MC&I (SFM), laws and other regulation associated with its forest operation, and was included in the Forest Management Plan (2017-2026). The Policy Statement was available in local languages Malay, Chinese and English, signed by the Executive Director and Executive Chairman is publicly available on the company's website at</p> <p>https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	<p>A "Schedule for Monitoring of Licence Boundary 2021" and "Common Boundary Cleaning Report 2021" were available.</p> <p>Site Inspection on Pre-Harvesting activities at Coupe 01AR Block 34 found the Block Boundary between Block 33 and Block 34 along the feeder road (F-1-03-A) was not demarcated.</p> <p>Minor NCR ANS01/2021 was raised.</p>
Principle 2 Tenure and Use Rights and Responsibilities	<p>Forest Timber License Agreement No. T/3228 was issued to Shin Yang Trading Sdn. Bhd. on 19 June 2003 and it was renewed until 29 April 2022 (approved on 0405.2021 [06] JHS/WPO.628.369[IX]).</p>	

Principle	Strengths	Weaknesses
	<p>The FMU has established documented procedures; 'SOP Conflict Resolution Procedure Local Issue' and 'Dispute Referral Form' as mechanism for resolving any land claims issue. There was no record of land claims by the local community of Long Lidem which located 3 km from the FMU boundary.</p> <p>The Linau FMU management had demarcated the personal land claim by Long Lidem community on the map. Mutual agreements; "<i>Perjanjian Di Antara Komiti Kampung Long Lidem Dengan Syarikat Shin Yang Sdn. Bhd.</i>" and "Consultation Meeting Sign an Agreed Social Map within Danum FMU T/3342 & Linau FMU T/3228 together with Four Local Communities" were signed by the Tuai Rumah of Long Lidem.</p> <p>The agreement permits the management of Linau FMU to operate in the area without obstruction by the community based on the activities and mitigations listed in the agreement. The communities were paid based on volume (m³) of logs extracted.</p> <p>A Standard Operating Procedure Ref: 02 'SOP Conflict Resolution Procedure Local Issue' and 'Dispute Referral Form' are used as mechanism to record claim or complaint and to resolve any dispute.</p>	
Principle 3 Indigenous People's Rights	<p>Long Lidem is the only community living adjacent to Linau FMU. Based on the Social Impact Assessment (updated 3 Dec 2021), the Long Lidem community only has farm and no Native Customary Right (NCR) land which officially gazette by the Land and Survey Department under Land Code Ordinance (1958).</p> <p>Nevertheless, the management of Linau FMU has shown respect to the community by paying compensation for affected area claimed by the Long Lidem community due to forest operation. The claimed areas were marked in the FMU map.</p> <p>A bilateral agreement, agreed by local community and the Linau FMU management; "<i>Perjanjian Di Antara Komiti Kampung Long Lidem Dengan Syarikat Shin Yang Sdn. Bhd.</i>" and 'Consultation Meeting Sign an Agreed Social Map within Danum FMU T3342 & Linau FMU T3228 together with four Local Communities" were established and signed by the Tuai Rumah of Long Lidem.</p> <p>The FMU Liaison Committee was established to monitor any issues on tenure and land</p>	

Principle	Strengths	Weaknesses
	<p>claim, measure any threaten or diminish resources or tenure right of the local community, protection of special sites, long term social and economic well-being of forest workers and local community.</p> <p>The FMU had identified potential impact from forest harvesting operation to local communities, preventive and mitigation measures to reduce the impacts. It was discussed during the "Forest Certification Committee Meeting & Management Review 2021".</p> <p>The community used zone (shifting agriculture, claimed area and water catchment) had been demarcated on the map titled 'Social Map for Long Lidem within Linau FMU T/3228'.</p> <p>Any conflict and grievances between local community and FMU will be resolved based on the relevant federal, state and local laws, in accordance with the FMU SOP (Ref: 02 Conflict Resolution Procedures - Local Issue).</p> <p>The FMU has established a mechanism for fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples in the "Procedure of Utilisation of Traditional Forest-Related Knowledge of Local Community".</p>	
Principle 4 Community Relations and Workers' Rights	<p>The management has conducted various training related to forest management and logging operation for their staff. Latest consultation with the local community of Long Lidem was conducted on 30 November 2021. The consultation include explanation on the MC&I requirements, policies, FPIC process, results of SIA, claim SOP on traditional forest related knowledge, job opportunities and update on changes in JKK and population of communities.</p> <p>The FMU has given employment and contract works preference for people living within, or adjacent to the FMU.</p> <p>The FMU had also contributed for the community development of Long Lidem as stated in the 5 years 'Community Development Plan' (2016 - 2021). These include; 1. Monthly allowances for the local community; 2. Road repair/maintenances through all the year; 3. Transportation for Long Lidem community to go to the town anytime; 4. Cash contribution of RM500 once</p>	

Principle	Strengths	Weaknesses
	<p>a year during Christmas; And 5. Donation of zinc for roofing and plywood for Church construction.</p> <p>All documents applicable to the laws and/or regulations covering health and safety specified under the indicator had been updated annually.</p> <p>Forest workers had been briefed on the up-to-date safety and health information during “OSH Induction Training” in 2021. Safety and Health Policy addressing the occupational safety and health of forest plantation workers and their families with current legislation and/or regulations are available at the Abit Stumping base camp office, Linau Base Camp, Linau workshop, canteen and workers quarters.</p> <p>The FMU has established operational procedures for maintenance of equipment and machinery titled ‘Machineries Preventive Maintenance (PM) Program, SY/PRO/015, and Rev2’.</p> <p>A key person to monitor safety and health issue was appointed along with the establishment of the Health and Safety Committee. Personal protective equipment (PPE) was supplied to all workers accordingly.</p> <p>Guidelines for storage and handling of hazardous materials was available in accordance with the SOP Scheduled Waste (SW): Oil, Module 10, SOP REF: HW/03 and accordance with Environmental Quality (Scheduled Waste) Regulations, 1989 and Occupational Safety and Health (USECHH) Regulation 2000.</p> <p>The FMU has established workers’ representatives’ committees called ‘Linau FMU Workers’ Representatives’. The committee had discussed issues related to workers’ welfare during ‘Workers’ Representative’ meeting in 2021. Local and foreign workers are covered under the SOCSO. Whilst EFP contribution for the local workers was conducted accordingly.</p> <p>Any conflicts or issues related to workers were resolved through consultation in accordance with the “SOP Grievances Management, Module 5, SOP REF LR/02”.</p> <p>The “Social Impact Assessment (SIA) within FMU Linau T/3228” report was updated and dated 3 December 2021.</p>	<p>Two (2) different sets of maintenance records for “Machineries Service Record (Linau Base T/3228), Skidding Group, 2021” were found on the same date in the month of September, October, November and December 2021.</p> <p>Minor NCR KN01/2021 was raised.</p> <p>The use of mineral water bottle for storing fuel or oil could be improving by proper relabelling of the bottle as required in Part VI: Labelling and Relabelling under the Occupational Safety and Health Act 1994 (Act 514).</p> <p>OFI was raised.</p>

Principle	Strengths	Weaknesses
	<p>The FMP had stated basic needs and cultural identity of local community of Long Lidem. It describes the local land use and socio-economic conditions of the indigenous community. It also incorporates the results of socio-economic evaluation in “Chapter 12: Community Development” under section ‘12.5.3 Community’s issue resolving’.</p> <p>Any conflicts arise with local communities due to impact of forest harvesting operation is resolved in accordance with the SOP for “Conflict Resolution Procedure SOP Ref: 02”.</p>	
<p>Principle 5 Benefits From the Forest</p>	<p>The investments and reinvestments for forest management related activities were recorded in the Ten Year (10) Budget and Annual Budget under Chapter 14 of the FMP; “Budget Allocations for Sustainable Forest”. Whilst, budget for 2022 is available in the “Revised Short Term Budget for Production, Revenue and Expenses” dated 30th June 2021.</p> <p>The Forest Management Plan of Linau Forest Management Unit (T/3228)-Forest Logging Re-entry for a period of 10 years (Year 2017-2027) dated 12th May 2017 revision 2, stated to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability. It was described in Chapter 3.2; Policy of Commitment to MC&I (SFM).</p> <p>The requirement of silviculture, forest rehabilitation and reforestation were explained in Chapter 9 of the FMP.</p> <p>The SOP on Permanent Sample Plots (PSP) for Study of Growth and Regeneration of Forest Resources, Module 3, SOP Ref: FR/06 clearly explains the process of the PSP design and working instruction.</p> <p>Since logs are the main product, there would be no non-timber forest product to be harvested from the FMU. Record of Daily Logs Receiving Report 1st January – 15th July 2021 showed that about 2,574m³ of logs were extracted. It is below than Monthly Quota for Production Limit approved by the Forestry Department for July 2021 to December 2021, which is 11,760m³.</p> <p>The implementation of harvesting was conducted based on the “Guidelines for Reduced and Low Impact Logging (RIL) For Ground – Based Harvesting System Part 1 and 2 (Rev. August 2018)” by Forestry</p>	

Principle	Strengths	Weaknesses
	<p>Department Sarawak and Sarawak Forestry Corporation.</p> <p>The Linau FMU have no plan on other production or mix commercial forest product including the utilisation of non-timber forest products. However, the FMU allowed local community of Long Lidem to collect and utilise non-timber forest products. Monitoring records of Social Impact Monitoring Assessment dated 16 September 2017 found the locals were collecting other forest produce such as rattan, <i>suyang</i> (herbs) and firewood in the FMU.</p> <p>The identification and demarcation of sensitive areas for the protection of soil and water, watercourse and wetland base on <i>“Procedures for Identifying and Demarcating Sensitive Areas for the Protection of Soil and Water, 1999”</i>, <i>“RIL Guidelines for Ground – Based Harvesting System Part 1 and Part 2 by SFC (August 2018)”</i>, which cover logging road construction, tree felling, post harvesting activities, Pre-harvest activities and other reduce impact activities.</p> <p>After the approval of the Detailed Harvesting Plan for the harvesting area, the management commenced the demarcation of water catchment boundary, buffer zone and conservation area.</p> <p>The rate of harvest was calculated to not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined 25 years of cutting cycle, with total productive area of 58515ha. Thus, the Annual Coupe of Linau FMU was set to not more than 2380 ha per year as stated in Chapter 3.7; AAC Verification and Diagram 3.2: Summary of AAC Control & Volumes Control of Linau FMU of the FMP.</p>	
<p>Principle 6 Environmental Impact</p>	<p>The Final Report of Environmental Impact Assessment (EIA), “Proposed Re-entry Forest Logging at Linau, Kapit Division, Sarawak Under Licence T/3228” was produced in April 2009 by CNF Consultancy Sdn Bhd.</p> <p>The list of ERT species were incorporated in the FMP under Table 2.4: list of ERT Flora SPP and Table 1.0: Fauna. The Forest Management Plan has incorporated measures to mitigate the environmental impacts identified in the assessments as in stated in Chapter 7.6.2: Mitigation Measures.</p>	

Principle	Strengths	Weaknesses
	<p>Features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU were stated in Chapter 11.1. Protected Areas Identified in the FMU was included in the Forest Management Plan.</p> <p>The FMU had identified on the map and demarcated on the ground the protected area such as water catchment area, terrain IV or Kerangas, HCVF and International Buffer Zone.</p> <p>Sarawak Forestry Corporation (SFC) has been entrusted by Shin Yang Trading Sdn. Bhd. to conduct the HCVF assessment at Linau FMU. The HCVF Toolkit for Malaysia (2009) was adopted by SFC for the assessment. HCVF Consultation Meeting with stakeholders including community of Long Lidem, SFC, Forestry Department (FD) and WWF was conducted in March 2017.</p> <p>No hunting signages were displayed at the main entrance and strategic location within the FMU. Posters had also been posted at the main entrance, office, workshop, canteen and the staff quarters.</p> <p>9 people were appointed as a Wildlife Honorary Ranger to monitor and record any changes in the number of wildlife within the Linau FMU annually.</p> <p>The silvicultural treatment was carried out by multi-layer approach, either by liberation thinning and regeneration release or by enrichment planting. It was based on "Manual of Silviculture for the Permanent Forest Estate of Sarawak, 1999". The "Enrichment Planting Status Report for Year 2021" reported that Block 14 for Coupe 01AR (73 ha) was planted with 663 Meranti Binatoh (<i>Shorea argentifolia</i>) seedlings.</p> <p>Representative areas of existing forest ecosystem had been demarcated and mapped for protection as stated in the Forest Management Plan, the Terrain IV, International Buffer Zone, Shifting Agriculture, water catchment and HCVF areas. An area of 6,216 ha had been set aside for terrain IV, 6655 ha. for International Buffer Zone, 247 ha for SA, 425 ha for water catchment, 16 ha for HCVF and 636 ha for PSP areas.</p> <p>Within the NFM area 13559 ha including water catchment area had been excluded from forest activities and protected.</p> <p>The FMU had been adhering specifications on the harvesting procedures to avoid soil</p>	

Principle	Strengths	Weaknesses
	<p>compaction, reduce impact logging, forest road, log landing and stream buffer zone through SOPs titled:</p> <p>SOP Road Construction- Construction of New Logging Road (SOP Ref. RM/02)</p> <p>Reduced Impact Logging Guidelines and Detailed Harvesting Plan</p> <p>Chapter 4 of FMP: Planning of Forest Road and Harvesting Systems</p> <p>Training on Awareness of Reduced Impact Logging for the Surveyors, Foreman, Manager, Tree Feller, Log extractor and FMU Committee was conducted on 12th August 2021.</p> <p>The management policy on environmentally friendly non-chemical methods of pest management (Revised) dated 13th December 2019 was displayed in the base camp.</p> <p>Although Linau FMU did not use any chemical in their operation, a Standard Operating Procedure (SOP) ref: HW/02 Hazardous Chemicals was established to ensure workers are aware of procedure for chemical handling and use of approved chemicals in the forest.</p> <p>The FMU has established a Standard Operating Procedure (SOP) related to waste disposal. These include Environmental Quality Control on Waste Generated Ref. No. HW/01, Hazardous Chemicals Ref.no HW/02 and Scheduled waste (SW) - Oil (305), (306) and 410. It also described procedure for storage of scheduled waste, handling of scheduled waste, labelling of scheduled waste, scheduled wastes spillage, removal and disposal of solid waste and storage, handling and disposal of hazardous goods.</p> <p>Disposal of non-organic solid wastes and Scheduled Wastes (Lubricant & Oil) was in accordance with the Fifth Schedule (Regulation 11) Environmental Quality Act 1974 Environmental Quality (Scheduled Wastes) Regulations 2005.</p> <p>Neither application of biological control agents nor exotic species were planted in the FMU.</p> <p>Conversion of natural forest into non forest land use had not occurred within the FMU.</p>	
Principle 7 Management Plan	<p>A Mid-Year Review and Update of Forest Management Plan (FMP) for the FMU for the period 2017-2026 dated 21 November 2021 was presented.</p>	

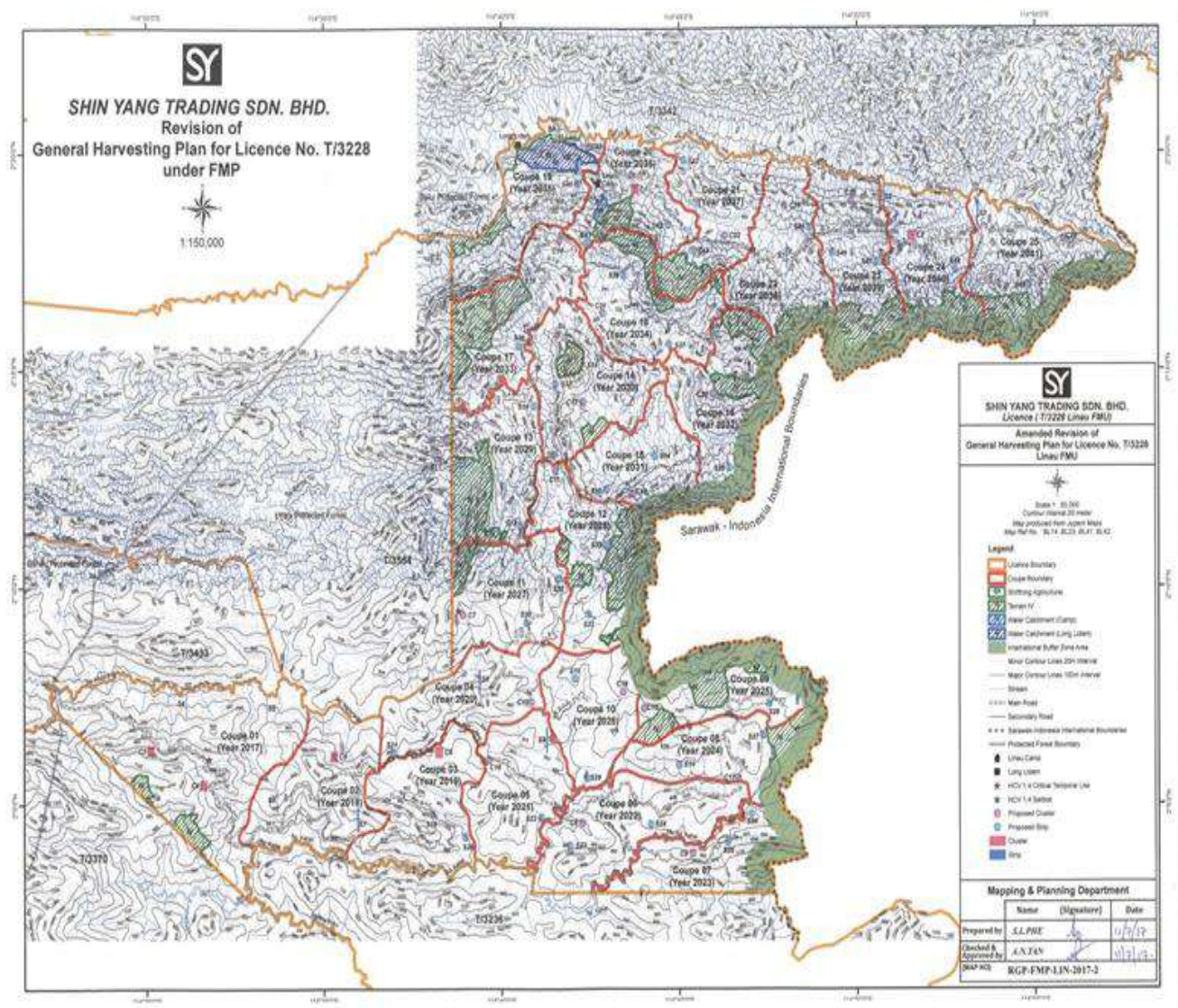
Principle	Strengths	Weaknesses
	<p>The forest management system had been elaborated in the FMP which has classified the forest reserve within the FMU into 3 categories namely production, communal and protection forests. The Management Objectives in the FMP has been reviewed and were clearly stated for the long-term objectives of management and means of achieving them.</p> <p>The FMP had further specified the area for logging in accordance to the AAC. The production forests is managed based on Detailed Harvesting Plan which is in accordance with the RIL specifications that include pre-felling and post-felling inventories activity.</p> <p>The presence of ERT species had been documented and protective measures had been included in the FMP.</p> <p>The FMP covers a duration of 2017-2026, subject to revision every 5 years.</p> <p>Forest manager was aware of new scientific and technical information pertinent to the management of the area to be certified. The FMU has collaborated with the SFC to conduct HCVF project within Linau FMU.</p> <p>Wildlife Honorary Ranger is responsible for wildlife monitoring and record on any changes in number of wildlife in Linau FMU annually. The same monitoring was also carried out for flora.</p> <p>Training programs by the FMU in 2021 was divided into two categories, i.e., internal and external training program. The internal training involved a trainer from the FMU while the external involved a trainer from other agencies. The training includes all level of staff and local communities as required by MC&I (SFM) standard.</p> <p>Summary of Forest Management Plan has been prepared, implemented and made available to the public through website link as follows https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	
Principle 8 Monitoring and Assessment	<p>Procedures for the Inspection of Harvesting Areas 1999 replaced the Instructions for Inspection of Logging Areas, 1982, and were conducted by the Forest Department Sarawak.</p>	

Principle	Strengths	Weaknesses
	<p>The frequency and intensity of monitoring was determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. The monitoring procedures were consistent and replicable over time to allow comparison of results and assessment of change during the Management Review Meeting.</p> <p>An annual audit programmes was based on Guideline in FMP Chapter 15.8 Internal Audit. The internal audit was conducted on 3rd -9th June 2021.</p> <p>The result of the Internal Audit has been discussed in the management review meeting, conducted on 26th June 2021. Relevant information, appropriate to the scale and intensity of the forest management operations were gathered at the management review meeting.</p> <p>These include information on a) Yield of all forest products harvested 11,054.73M3 harvested. (Revenue & Expenses for Linau)2021); b) Growth rates, regeneration and condition of the forest (clause 8.3.1 (c)) in FMP; c) Composition and observed changes in the flora and fauna (clause 3.7); d) Environmental and social impacts of harvesting and other operations (3.2 &3.4); And e) Costs, productivity and efficiency of forest management (clause 8.1.1.12–Budget Production & Allocation).</p> <p>Procedures to monitor social, ecological, environmental and economic impacts were described in the “Monitoring Mitigation and Measurements for Forest Management Plan, appendix MA/01/01”.</p> <p>The SOP on Permanent Sample Plots (PSP) for Study of Growth and Regeneration of Forest Resources, Module 3, SOP Ref: FR/06 has clearly explains the process of the PSP design and working instruction.</p> <p>The forest managers had provided relevant documents for identifying all forest products leaving Linau FMU could be easily determined. The “Log Traceability Process Flow for FMU (T/3228) is used as reference.</p> <p>Every five years, relevant results of the monitoring activities are incorporated in the Forest Management Plan for Linau Forest Management Unit (T-3228)-Forest Logging Re-entry for a period of 10 years (Year 2017-2027).</p>	

Principle	Strengths	Weaknesses
	<p>A summary of the monitoring results for (a) Yield of all forest products harvested, (b) Composition and observed changes in the flora and fauna, and (c) Costs, productivity and efficiency of forest management is available in the public summary on the company website at https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>A report on assessment, identification and management of High Conservation Value Forests Guidelines for Linau FMU has completed. The assessment report; “High Conservation Value (HCV) Assessment Report T/3228-Linau FMU, dated December 2016 by Sarawak Forestry Corporation Sdn Bhd” has identified eight (8) HCV within the FMU.</p> <p>Relevant stakeholders consulted (Ref. No. SYSB/MC&I/T-3228/SH.01 dated 2nd July 2019) regarding HCVFs include Sarawak Forestry Corporation (SFC Kuching & Bintulu), Forest District Office (Bintulu), Communities of Long Lidem, Sarawak Biodiversity Centre, Department of Land and Survey, Department of agriculture and WWF (Malaysia).</p> <p>The information on HCVF was incorporated in the Forest Management Plan for Linau Forest Management Unit (T/3228)-Forest Logging Re-entry for period 10 years (Year 2017-2027) under ‘Chapter 11.3-Establishment of HCVF’.</p> <p>An assessment report titled ‘High Conservation Value (HCV) Assessment Report T-3228-Linau FMU, dated December 2016’ had prescribed management and monitoring recommendations for HCVF area.</p> <p>All the identified sites in the report had been protected as conservation area and riparian buffer belts. The HCVF’s areas were demarcated on map in the FMP under “Revision of General Harvesting Plan for Licence No. T/3228 under FMP”. The measures to demarcate, maintain and enhance the HCVF attributes were explained in FMP “Chapter 11.4 - High Conservation Value Forests Management & Monitoring”.</p> <p>Public summary on HCVF was included in the Forest Management Plan under “Chapter 11 – Identification and Monitoring of Protection Area”, and available on the company website</p>	<p>Beside the local community and Sarawak Forestry Corporation, other relevant stakeholders have yet to be consulted by the forest managers in order to maintain or enhance the HCVs identified.</p> <p>OFI was raised.</p>

Principle	Strengths	Weaknesses
	<p>at https://www.shinyang.com.my/products-services/forest-management-unit.html</p> <p>The monitoring procedures to assess the effectiveness of the mitigation measures in managing the HCVF is described in the “Monitoring Mitigation and Measurements for Forest Management Plan, Appendix MA/01/01 dated 5th August 2017”. The monitoring was conducted at least once a year.</p> <p>The data collected was incorporated during the 5 years revision of the management plan to enhance the management decisions as stated in “Chapter 3.8-Amendment/Revision of Management Plan”.</p> <p>The FMU has established monitoring procedures to assess the effectiveness of the measures in the management of the HCVFs titled “Mechanism to Identified Endanger, Rare and Threatened (ERT) Species” SOP REF: WL/01.</p> <p>The monitoring procedures to assess the effectiveness of the measures in the management of the HCVF had been updated in the “High Conservation Value(s)/High Conservation Value Forest Management & Monitoring for Forest Management Plan, Chapter 11.</p>	

Map of LINAU FMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualifications and Experience
1. Mohd Annas Amin Bin Haji Omar	Trainee Lead Auditor/ Forester	<p><i>Academic Qualification:</i> B. Sc. In Forestry, UPM Diploma in Forestry, UPM</p> <p><i>Work Experience:</i> Six years as Assistant Forest Officer at Perak State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p> <p><i>Training / Research Areas:</i> Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> • Program Of MTCS Training Course (MC& I) In Kuantan (9-12 July 2018) • Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 August 2018)
2. Khairul Najwan Ahmad Jahari	Auditor / Forester	<p><i>Academic Qualification:</i> B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p><i>Work Experience:</i> Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate a research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field works, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification (MC&I and FSC P&C), MYNI of RSPO P&C and other management system on ISO 9001, 14001 and OHSA 1800</p> <p><i>Training / Research Areas:</i> Was attending and pass in the following training programmes:</p>

		<ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009. • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. • OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. • QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.
3. Hj.Roslee Jamaludin	Auditor / Forester	<p><i>Academic Qualification:</i> B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p><i>Work Experience:</i> 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><i>Training / Research Areas:</i> Had Attended and Passed the following 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. • FMC Workshop 28th -29th November 2017 • FMC Workshop for 2018 organised by SIRIM (Food,Agr. &Forestry) 22 November 2018 • COC Workshop 2018 organised by SIRIM 26 November 2018

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team
1	<p>HCV Assessment and Management</p> <ul style="list-style-type: none"> - As part of the certification process, (i) HCV assessment must be conducted, followed by (ii) HCV management and monitoring. The FMU must show evidences of these processes. - The FMU in its Public Summary, reports that HCV 6 was not present. For reference, Punang Vuhang (also referred to as Punang Busang in the Public Summary) used to encompass a wider area before the community settled at Long Lidem. Traditionally, this community will move away to a new settlement when death occurs. Some old burial sites may be located within the FMU and have not been identified. As a precautionary approach, HCV 6 is potentially present and a thorough survey and consultation with the community should be carried out. <p>EIA and SIA Assessment and Monitoring</p> <ul style="list-style-type: none"> - The FMU must comply to the management recommendations in the EIA and SIA reports, and this include guidelines of RIL in the FDS SFM Green Book, wildlife management, and ensuring that FPIC is applied with the local communities. - The FMU must provide evidences that all relevant communities (stakeholders of the FMU) have been properly identified and consulted, despite the remoteness of some of them. For instance, a 3-km radius of the study area normally practised by EIA and SIA consultants may not be sufficient as some communities that may have access rights may be living further 	<p>HCV assessment has been conducted by Sarawak Forestry Cooperation 19th September – 2nd October 2016 where the sub-teams assessed biodiversity, ecosystem service values, social and cultural values and they found that four (4) major values listed in the HCVF Malaysia Toolkit (2009) are present in Linau FMU T3228.</p> <p>A significant number of HCV biodiversity species are present in the study area and its surroundings. There were also signs of critically endangered (CR), endangered (EN), vulnerable (VU) and nearly threatened (NT) flora and fauna (HCV 1.2) observed during the assessment. A total of 34 fauna and 36 flora species were found to be an ERT species. There are 20 endemic fauna and 55 flora species found in the study sites (HCV 1.3). Areas for critical temporal use were also identified to be present (HCV 1.4).</p> <p>The area is an important linkage between larger forest complexes as it surrounded by logging concession, Totally Protected Areas and Forest Management Unit (HCV 2). Lowland and hill dipterocarp forest cover the whole area and this type of forest becoming rare and endangered as a result of the deforestation and degradation of it ecosystem (HCV 3).</p> <p>The landscape of Linau FMU is undulating and steep areas with more than 35° slope recorded (HCV 4.1). To ensure that this value is maintained or enhanced, a river buffer prohibiting logging operations is required, and the size of the buffer depends on the size of the river or stream (HCV 4.2). Linau FMU is adjacent to Kayan Mantarang National Park, in Kalimantan side, which is separated by political boundary between Malaysia and Indonesia. Furthermore, the entire FMU is within HoB initiatives site, which connecting the TPA networks between Sarawak, Sabah and transboundary networks in Brunei and Kalimantan (HCV 4.3).</p> <p>Result of the assessment for social and cultural values suggested HCV 5 is present as the Punan community of Long Lidem still depend on the forest area for their basic needs and economical source as Long Lidem located adjacent to Linau FMU. HCV 6 is not present as no burial ground or cultural important sites are present within the Linau FMU.</p>

<p>away. The Public Summary did not provide information of the consultation process and how future inquiries and consultations would be addressed.</p> <p>- The Public Summary presented three key indicators in the SIA for measuring local satisfaction towards the FMU: 1) water and river quality; 2) local economy; and 3) socio-cultural life. Lacking is information on the methodology (questions, answers for analyses, description of indicators etc). The FMU should share the methodology and questionnaire used in the SIA, so that the Audit team can determine the appropriateness of the methodology and if sufficient data has been collected. - Access to the FMU by local communities from Long Lidem, Long Tanyit, Lusong Laku and Metalun communities to collect NTFPs such as rattan and others materials, should be adequately addressed and collectively agreed upon by the communities and the FMU. This includes areas demarcated by the FMU for such purpose.</p> <p>Community Development</p> <p>- The Public Summary has listed that the objectives of the community development are focused in the FMU. However, these activities were focussed and targeted for the internal FMU capacities (to handle staff management, cost-effectiveness, risks regarding CSR issues and reputation) but lacked the efforts to empower local communities with knowledge and skills on SFM and decision-making process. Lacking was also assistance to local communities in forming their CRC and in taking part in the FMCLC activities. The initiatives or plans for developing community projects with the local communities should also be mentioned, if any. - The local communities from Long Lidem lament the lack of employment opportunities in the FMU. Priority for employment should be accorded to</p>	<p>Management and monitor have been proposed for all existing HCV attributes and has been updated in public summary.</p> <ul style="list-style-type: none"> ● Punan Busang community has said is Long Lidem. ● It is outside the Linau FMU and their HCV 6 is located at other FMU. ● SIA has been conducted and practitioners has confirmed only HCV 5 shifting agriculture existed within the Linau. <p>EIA for Linau has been approved by NREB dated under terms and approval condition of approval in accordance with the provisions of Natural Resources and Environment Ordinance 1993(Cap.84- Laws of Sarawak) and Natural Resources & Environment (Prescribed Activities) Order, 1994, on 15th July, 2009, EMR has been conducted quarterly and latest approved EMR is third quarter, 2021, reference no 62-NREB /6-3 /2F/33.</p> <p>Social Impact Assessment was conducted on 16th June 2017 led by Social Impact Assessment (SIA) practitioner team leader on 13th August 2017. Every year, SIA practitioner conduct SIA monitoring. The latest SIA monitoring is conducted on conducted on 27th November 2021</p> <p>In their FMP, Chapter 7 the EIA and SIA management and monitoring have been included and the FMU has updated the management and monitoring status in their management review reports and their mid – year review of their FMP.</p> <p>RIL guidelines has been incorporated in their FMP Chapter 4-6 covered Pre-felling, felling and post felling activities.</p> <p>There is no community within the Linau, Only the Long Lidem outside the Linau at its neighbouring camp and has been verified during the HCV assessment and SIA assessment. SIA monitoring has been conducted yearly and no conflicts occurs between Long Lidem with outside communities such as Long Tanyit and Long Kajang at other FMU.</p> <p>Consultation process of Linau FMU is follow the FMURC-CRC and they conduct consultation meeting with communities once a year which follow the approach of FPIC. The last meeting conducted date is 30/11/21, conducted by Liaison Officer Mr Donny Janis, process of grievances and MC & I (SFM) policy awareness is conducted.</p> <p>The assessment methodologies that are being used during the assessment stipulated in SIA guidelines that was based on numerous review and references of local and international study of SIA guidelines to fit accordance to the suitability of Sarawak culture by Shin Yang SIA practitioner team. The mentioned methods are divided</p>
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	<p>the local communities from all affected villages (Long Tanyit, Long Abit, Long Kajang and Lusong Laku) within the FMU. The Long Lidem community has also expressed lack of support from the FMU in providing transportation services.</p> <p>Conflict Resolution – FMCLC Consultation Framework - The Public Summary has no information of Community Representative Committee (CRC), how it is set up, and involvements of communities in the FMCLC meetings. The formation of CRC is part of the certification process (refer to Conflict Resolution Guidelines in the Green Book). Compensation from Operations - The Auditors should enquire the communities on compensation paid by the FMU to the communities for use of forest species, as provided for under the certification scheme. Evidences of agreements reached (via FPIC) and payment records should be presented, including obtaining feedback from the communities if such agreement and payments have been made. There must be a desired level of transparencies practised by both parties, ie the FMU and the affected communities for these transactions.</p>	<p>into 2 stages: 1: Literature study and review on community and 2: Quantitative method and Qualitative method by randomly interviewing local communities and workers using questionnaires to gain information and result on the FMU operation impact. Site inspections (photos) and some of group discussion are included as well.</p> <p>Community development is through the organized FMURC- CRC for Long lidem community. Long Tanyit, Long Abit, Long Kajang and Lusong Laku are located outside FMU and far away from Linau FMU.</p> <p>Please be informed that Local community in Long Lidem are under 100 years for hunting and non-forest products and who is not interesting to work at Shin Yang FMU. Shin Yang have employed couple local people to work at FMUs but at the end they cannot sustain more than couple weeks. However, Linau FMU still offer local community to use their local knowledge in;</p> <ol style="list-style-type: none"> 1. Collecting the local seeds / wildlings for restoration program; & 2. Monitoring the HCV areas by paid daily RM 50; <p>Linau FMU has its own FMURC- CRC to handle the conflict resolution.</p>
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Recertification Audit Plan

DAY	TIME	PROGRAM		
		Auditor 1 (Annas)	Auditor 2 (Najwan) & Trainee Auditor (Azrul)	Auditor 3 (Hj Roslee)
Day 0 5 December 2021 Sunday	9.00am- 11.00am-7.00pm	Auditor 1&2 and trainee Auditor travelling from Miri to Bintulu Auditor 3 travel from Sibu to Bintulu SBW to BTU (MH3740) ETD 10:00 ETA 10:35 Check in at New World Hotel.		
Day 1 6 December 2021 Monday	8.00am –10.00 am 11.00am- 7.00 pm	Consultation with: <ul style="list-style-type: none"> • Sarawak Forestry Department (Bintulu Regional) • Bintulu Land Survey • Bintulu Labour Department • Sarawak Forestry Corporation Travel to Linau Camp		
Day 2 7 December 2021 Tuesday	8.30am –10.00 am	<ul style="list-style-type: none"> • Opening Meeting with representatives of FMU • Briefing session by Forest Manager of the FMU • Q&A Session • Evaluation of changes to the management of the FMU/ • Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance • Check on complaints and follow-up actions • Evaluate on procedures for internal audit • Evaluate on management review system • Verification of NCRs raised during the previous audit. 		
	10.00am – 5.00 pm	Documentation Review		
		Principle 1 – Compliance with Laws and Principles Principle 5 – Benefits from the forest Principle 7 – Management Plan	Principle 2 – Tenure and Use Rights and Responsibilities. Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right	Principle 6 – Environmental Impact Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV)
	8.00pm-10.pm	<ul style="list-style-type: none"> • Review of Day 1 Findings by Audit Team Leader 		

Day 3 8 December 2021 Wednesday	7.30am- 5.30 pm	Site visit		
		<ul style="list-style-type: none">• Inspection of active harvesting area Block 30 Coupe 1AR• Inspection of Post-harvesting area Block 14 Coupe 1 AR.• Consultation with contractors and workers• HCVF-Bat cave Coupe 01AR Block 31	<ul style="list-style-type: none">• Consultation with Local Communities – Long Lidam• Interview with workers and worker's Representative• Inspection of Workers Quarters• Nursery inspection and interview with nursery Workers• Inspection of Workshop &store	<ul style="list-style-type: none">• Inspection of active harvesting area Block 10 Coupe 1AR• Silviculture treatment activities• Conservation area• PSP plot Blcok 12 Coupe 01AR Cluster 04
		<ul style="list-style-type: none">• Review of Day 2 Findings by Audit Team Leader		
Day 4 9 December 2021 Thursday	7.30am - 5.00pm	Site visit		
		<ul style="list-style-type: none">• Inspection of Pre- Harvesting area/tree tagging area Block 34 Coupe 01AR.• Inspection Licence Boundary• Stumping area	<ul style="list-style-type: none">• Inspection of active harvesting area Block 30 Coupe 1AR• HCVF -Salt Lick Coupe 11	<ul style="list-style-type: none">• Inspection of post harvesting Block 06 Coupe 01AR.• License Boundary
		<ul style="list-style-type: none">• Review of Day 3 Findings by Audit Team Leader		
Day 5 10 December 2021 Friday	8.00am- 12.00pm	<ul style="list-style-type: none">• Documentation and records review• Preparation of audit report and finding• Briefing to representatives of FMU on the findings of audit• Closing Meeting and presentation of findings of audit and discussion on follow-up activities		
	2.00pm -3.00pm			
	3.00pm			
Day 6 11 December 2021 Saturday	8.30pm	<ul style="list-style-type: none">• Travel back to Miri check-in at Pullmen Miri Hotel		
All Auditors travel back on 12 th Dec 2021 (Sunday),				

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

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
1.5.2	Minor	During site Inspection on Pre-Harvesting activities at Coupe 01AR Block 34 found the Block Boundary was not demarcated between Block 33 and Block 34 along the feeder road (F-1-03-A)	<ul style="list-style-type: none"> As result of investigation and interview with RIL Supervisor, the root cause of this issue is because the site workers or staff believe that feeder road or permanent features is one of the marking methods for block boundary. Also, everyone is agreed that the feeder road is a clear marking of block boundary. Therefore, FMU decided not to mark the block boundary on the feeder road. After take into consideration the possibility of encroachment by harvesting team into the block that might be not under the endorsement of PEC 5 by FDS. FMU has decided for the block boundaries marking on the standing trees, permanent natural features or using stick shall be carried out at regular interval using yellow paint either along the feeder road/logging road. 	<ul style="list-style-type: none"> The corrective action plan is accepted by audit team. The implementation and effectiveness of corrective action plan will be verified during next audit.
4.2.3	Minor	<p>Audit found two (2) different sets maintenance records of "Machineries Service Record (Linau Base T/3228), Skidding Group, 2021" for the same date on month of September, October, November and December 2021.</p> <p>1. Review on both maintenance records found machines with number C1021 has different run</p>	To ensure the accurateness of maintenance records, FMU will revise the maintenance record by adding acknowledgment section below the maintenance record. One the maintenance record has been prepared by the storekeeper monthly, the mechanic will be required to check the correctness of the maintenance record and sign the maintenance record as acknowledgment after checking.	<ul style="list-style-type: none"> The corrective action plan is accepted by audit team. The implementation and effectiveness of corrective action plan will be verified during next audit.

		<p>hours at same date on 23 October 2021. The first maintenance records showed 1684 run hours, however it showed 2067 run hours on second maintenance records. Same issues with machines number G1208, has different run hours at same date on 14 October 2021. The first maintenance records showed 12428 run hours, then it recorded 12625 run hours on second maintenance records.</p> <p>2. Visit to Block 30, Coupe 01AR found machines with number C1018 showed 2763 run hours on its hour gauge. Interview with tractor operator noted the hour's gauge is in good conditions. However, it was recorded as 4122 run hours on 21 November 2021. Maintenance records for machine G1171 on 18 October 2021 was deleted at second</p>		
4.2.5	OFI	The use of mineral water bottle for storing fuel or oil could be improving by proper relabelling the bottle as a requirement in Part VI: Labelling and Relabelling under Occupational Safety and Health Act 1994 (Act 514).	Will be verify during next audit	Will be verify during next audit
9.2.1	OFI	The stakeholder's consultation could be further improved to include other relevant stakeholders from agencies and NGOs, not only community, FDS and WWF as to maintain or enhance the identified HCVFs as stated in FMP.	Will be verify during next audit	Will be verify during next audit

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit in 2019

Indicator	Specification Major/Minor/ OFI	Details of Non-conformances	Corrective Action Taken	Verification by Assessor
1.1.1	Minor	Storage of diesel without permit from related government authority agencies.	Submit all required documents and request for diesel storage permit from KPDNKK (Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan).	<p>Linau FMU has get Permit for diesel storage (KPSK2021/14) at Linau base camp for period 12 October 2021 until 11 October 2021 and on the progress, renewal based on reference letter PPDN/ (BTU/PGK/05/07/30/JLD 2 dated 26 November 2021 from Ministry of Domestic Trade and Consumer Affairs to Malaysia Fire and Rescue Department Malaysia for premise inspection.</p> <p>Status: Closed.</p>
3.2.1	Minor	Preventive and mitigation measures was not incorporated into Forest Management Plan.	The preventive and mitigation measures for monitoring mitigation of Social Impact Assessment was integrated as supplementary to the Forest Management Plan of Linau FMU T-3228 and to be incorporated into the revised FMP in future.	<p>During this recertification audit, found the preventive and mitigation measures was included in Chapter 7.8 [Social Impact Assessment], sub clause 7.8.9 [Conclusion of Social Impact Assessment] and Table C7-3 [Summary of Social Impact Assessment Findings at FMU Linau T/3228] of the revised FMP dated 21 November 2021 [revision 5]. Furthermore, this chapter were included in Chapter 9.4 [Amendment/revision of Management Plan]. Thus, Minor NCR MRS 02 2019 against Indicator 3.2.1 was closed.</p> <p>Status: Closed</p>

6.7.1	Minor	<p>Relevant schedule waste was not sufficiently covered in the SOP Schedule Waste as per Environmental Quality (Schedules waste) Regulation 2005.</p>	<p>Standard Operating Procedure (SOP) of Scheduled Waste (SW 408, SW 409, and SW 102) will be added into SOP. Employees involved in the process of scheduled waste management will be informed and trained to increase their safety awareness toward scheduled wastes.</p> <p>(A) Estimated SOP of SW408, SW409 and SW102 to be completed by Aug 2019.</p> <p>(B) Estimated training on SW408, SW409, and SW102 SOP to be completed by Sep 2019.</p>	<p>During this recertification audit (2021) the above schedule waste (SW 102, SW 409 and SW 408) has been included in the SOP for Schedule waste Mgt. (Document: SYSB/HW/SOP-EN/002 title "Schedule waste Mgt" effective date 30/6/2021. Therefore, the Minor NCR MRS 04/2019 was satisfactorily closed.</p> <p>Status: Closed</p>
5.2.1	Minor	<p>Trees with DBH more than 30cm but below the cutting limit were not tagged as PCT as requirement in "RIL Guidelines for Ground-Based Harvesting System Part 1".</p>	<ol style="list-style-type: none"> 1. Re-fresh training for RIL guidelines specifically the section of pre-felling inventory to the ground operators. 2. Holistic Planning & systematic tagging are to be done in regards to the preparation of identification, marking and recordings the PCTs. 3. Re-check and inspection are established after tagging is done for individual block. <p>(Evidence: Records of the inspection reports in terms of Form and Procedure.)</p>	<p>The standard operating procedure (Ref: FP/09) has been updated on tagging of protected trees, mother trees and potential crop trees standard operating procedure (Ref: FP/09) and made available during the audit. Refresh training the Standard operating (Ref: FP/09) was conducted on 9 and 10 September 2019 at the Linau Camp. Site inspection at Block 10 Coupe 1AR found that the PCT and protected trees with orange tags. PCT no: A 40006, spp. Kelempayan, dbh 41cm, PCT A 40008, spp. Akau dbh 32cm, PCT A 40009 spp. Geronggang dbh. 40cm, PCT A40105 spp. Empenit dbh 42cm, PCT A 40010, spp Mrtm dbh. 36cm, PCT A40111, spp. Mrtm,dbh. 34cm, were recorded in the Record of Potential Crop Tree. and marked on the ground. Protected tree A 02305 spp. Arau,dbh 32 were sighted and been marked with blue tag. Thus, Minor RJ01/2019 was satisfactorily closed.</p> <p>Status: Closed</p>

4.3.3	Major	The contract of employment for workers did not clearly state the rights of the employee as per Sarawak Labour Ordinance.	<ol style="list-style-type: none"> 1. Human resource will update Contract Agreement accordingly to the evidence findings by the auditors, Days of works, working hours, holidays, annual leave and sick leave only. 2. Personal Department will establish the table of monitoring to monitor the validity for TKI workers' agreement. This is to ensure the agreement is not expiring in future. 	<p>FMU has provided the following document:</p> <ol style="list-style-type: none"> 1. The revised Letter of Appointment/employment of workers to include no of days of work in clause 7 – Annual Leaves, Clause 4- Working Hours, Clause 8- Public Holiday and Clause 9- Sick leaves. FMU has submitted 3(three) samples of the Appointment letter: Mr. Mr. Wong Chiu Pang, Mr. Wong Khieng Wu and Jeffry anak Jaya. 2. Contract for foreign workers has been extended and signed on 26th July 2019. The FMU has submitted 2 samples of the contract namely for Abrianto and Edi Duma. The FMU also has established a Monitoring Table “Monitoring of Contract Agreement Validity for Linau Camp. (Indo Workers-TKI)” as a monitoring mechanism. <p>Status: Closed</p>
5.3.1	Major	Implementation of felling by FMU did not comply to cutting limit.	<ol style="list-style-type: none"> 1. FMU will focus more in block inspection in order to check and ensure the site workers are aware with prohibited action during harvesting activity and any cutting of undersized tree should be reported in terms of document and report to the forest manager and concern authority. 2. Form for “report on breaches of cutting rules, tagged tree not 	<p>The FMU has prepared the following document:</p> <ul style="list-style-type: none"> • SOP on “Breaches of Cutting Rules, Tagged Trees not Extracted & ETC.” • Reporting Format on “Breaches of Cutting Rules, Tagged Trees not Extracted & ETC.” • The following training were conducted on 20-21 August 2019 attended by Foreman,

			<p>extracted and etc” designed to strengthen the block inspection.</p> <p>3. The SOP of “report on the breaches of cutting rules and reduce impact logging RILs guidelines Sarawak (Part 1) of section 11.5 Potential Crop trees and (Part 2) section 11.11 Tree felling”.</p>	<p>Block Production Supervisor and Operators:</p> <ul style="list-style-type: none"> Supplementary tag for missed out harvestable tree during tree tagging inventory. Breaches of Cutting Rules, Tagged Trees not Extracted &ETC.” <p>Status: Closed</p>
4.1.1	OFI	Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and social programmes that commensurate with the scale and intensity of forest management operations.	Not required	<p>The latest consultation with the local community of Long Lidem was conducted on 30 November 2021 by the Linau FMU management. The agenda of the consultation include to explain on MC&I requirements, policies, FPIC process, to consult on results of SIA, to consult on claim SOP on traditional forest related knowledge, to consult any issues raised by local communities, to inform of new job opportunities, and to update on changes in JKK and population of communities. Thus, an OFI for Indicator 4.1.1 was closed.</p> <p>Status: Closed</p>
4.2.3	OFI	Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the work place.	Not required	<p>Visit to diesel pump station, found the ladder was installed with green painted iron hand railing at both side of the ladder, as well safety guard at the platform. Thus, OFI Indicator 4.2.3 were closed.</p> <p>Status: Closed</p>