



**PUBLIC SUMMARY  
STAGE 2 AUDIT ON  
SEGAHAM FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00132  
Date of First Certification: 4 October 2022  
Audit Date: 5 - 8 April 2022  
Date of Public Summary: 6 October 2022**

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## TABLE OF CONTENTS

	Page No.
EXECUTIVE SUMMARY .....	3
1.0 INTRODUCTION.....	4
1.1 Name of FMU .....	4
1.2 Contact Person and Address .....	4
1.3 General Background on the Segaham FMU .....	4
1.4 Date First Certified .....	4
1.5 Location of the FMU .....	4
1.6 Forest Management System .....	4
1.7 Annual Allowable Cut/Annual Harvest under the Forest Management Plan .....	5
1.8 Environmental and Socioeconomic Context .....	5
2.0 AUDIT PROCESS.....	5
2.1 Audit Dates.....	5
2.2 Audit Team .....	5
2.3 Standard Used .....	5
2.4 Stakeholder Consultations .....	5
2.5 Audit Process .....	5
3.0 SUMMARY OF AUDIT FINDINGS .....	6

### **Attachment**

Map of Segaham FMU .....	17
Experiences and Qualifications of Audit Team Members .....	18
Comments Received from Stakeholders and Responses by Audit Team Leader .....	21
Stage 2/Surveillance/Recertification Audit Plan.....	25
Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken.....	27
Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit.....	42

## EXECUTIVE SUMMARY

This stage 2 audit on the Segaham Forest Management Unit (hereafter referred as the Segaham FMU) was conducted from 5<sup>th</sup> to 8<sup>th</sup> April 2022 to assess the compliance of the overall forest management system of the Segaham 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 stage 2 audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Segaham FMU.

This stage 2 audit was conducted by a 4-member team comprising Mohd Razman Salim (Lead Auditor), Azrul Ikhsan Mohamed (Auditor), and Puteri Arlydia Abdul (Auditor). Khairul Najwan Ahmad Jahari had participated in this stage 2 audit as an observer.

Based on the findings of this stage 2 audit, it was found that Segaham FMU had complied with the requirements of the MC&I (Natural Forest). This stage 2 audit had resulted in the issuance of seven (7) Major and eleven (11) Minor Non-Conformity Reports (NCRs).

This public summary contains the general information on the Segaham FMU, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FMU.

## **1.0 INTRODUCTION**

### **1.1 Name of FMU**

Segaham Forest Management Unit

### **1.2 Contact Person and Address**

POLYMORE TIMBER SDN. BHD.

No. 88, Crown Towers,  
Jalan Pending,  
93450 Kuching,  
Sarawak

Att.:

Mr William Tham  
Assistant Manager (Certification)

Phone # : 082-345033

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### **1.3 General Background on the Segaham FMU**

The Segaham FMU is managed by Polymore Timber Sdn. Bhd. - The company is committed in the management of the FMU on a sustainable basis. The FMU is located in the Belaga District, Kapit Division in the state of Sarawak. It covers a total area of 38,984 ha, consisting of Stateland area (21,234 ha) and Mujong Merirai Protected Forest (17,750 ha).

The FMU or Polymore Timber Sdn. Bhd. was granted a forest logging re-entry/ harvesting licence by the state government through Sarawak Forestry Department (SFD). The FMU licensed is renewable every 10 years. The forest is managed under 25 years cutting cycle for 25 coupes.

A total of 28,896 ha of the FMU is production areas, 7,291 ha is for conservation area, and 2,797 ha is shifting agriculture area. The Segaham FMU is divided into four categories which consists of mixed dipterocarp forest (34,626 ha), secondary forest (4,208 ha), settlement area (126 ha) and water body (24 ha).

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

### **1.4 Date First Certified**

4 October 2022

### **1.5 Location of the FMU**

The FMU is located between latitudes 2° 30' 00" E and 2° 50' 00" N, and longitudes 113° 45' 00" N and 114° 05' 00" E.

### **1.6 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. A Forest Management Plan (FMP) 2020 to 2030 was presented during this audit.

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

Under the Tenth Malaysia Plan (2020-2030), the Annual Allowable Cut (AAC) for the Segaham FMU had been set at 16,089.29 m<sup>3</sup>/ha annually or 1,340.77 m<sup>3</sup> per month. During this stage 2 audit, the size of the FMU is 38,984 ha.

## 1.8 Environmental and Socioeconomic Context

The Segaham FMU is divided into four categories, which are mixed dipterocarp forest, secondary forest, settlement area and water body. Based on result of the SIA assessment, there is 1 long-house community located within the FMU and other communities are located within 3 km radius from the FMU boundary. Besides looking for the opportunity to work with the management of Segaham FMU, the communities are still practising shifting agriculture, hunting, fishing and collecting of forest produce such as firewood, wild fruits and vegetables from the forest.

## 2.0 AUDIT PROCESS

### 2.1 Audit Dates

5 - 8 April 2022 (12 man-days)

### 2.2 Audit Team

Mohd Razman Salim (Lead Auditor)  
Azrul Ikhsan Mohamed (Auditor)  
Puteri Arlydia Abdul (Auditor)  
Khairul Najwan Ahmad Jahari (Observer)

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

### 2.3 Standard Used

Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak.

### 2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning 28 February 2022 to solicit feedback from stakeholders on the compliance of the Segaham 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**.

### 2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Segaham 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/ villagers in Batang Belaga which is located adjacent to the FMU, Belaga town and Kg. Melayu/ Kg. Hijra as well as contractors, sub-contractors and workers operating in the FMU.

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

### 3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that Polymore Timber Sdn. Bhd. had managed to manage the Segaham FMU in compliance with most of the requirements of the MC&I (Natural Forest). This stage 2 had resulted in the issuance of 7 major, and 11 minor NCRs. The details on the NCRs/OFI's raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Segaham FMU to address the 7 major NCR raised during this stage2 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this major NCR. The audit team had also reviewed and accepted the FMU proposed corrective actions to address the 11 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 issues of concern taken by the Segaham FMU to address all the finding raised (if any) during the last stage 1 audit as in **Attachment 6**.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Polymore Timber Sdn. Bhd. - Segaham FMU.

The summary on the findings of the Stage 2 audit on the Segaham FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance with Laws and Principles</b>	<p>Copies of all relevant national, local laws, regulations and policies as stipulated in the MC&amp;I SFM fundamental for the FMU management were available in the office at the Teleng Logging Camp. The forest managers were also aware of all the binding international agreements applicable to forest management.</p> <p>Records of evaluation of any conflicts between laws, regulations and these Principles and Criteria (MC&amp;I SFM standard) are available. The forest manager is willing to participate in conflicts resolution with longhouse communities and villagers whom have interest and had impacted from the forest operations.</p> <p>A Forest Timber Licence (FTL) No. T/3291 was issued to Polymore Timber Sdn Bhd (Segaham FMU) by the Forest Department of Sarawak subject to renewal every 10 years.</p> <p>Procedures for monitoring of encroachment, illegal harvesting, hunting and settlement and other unauthorized activities were available.</p> <p>The Forest Policy, 'Forest &amp; Environmental Management Policy' is available on the FMU's website at <a href="http://www.segahamfmu.my">www.segahamfmu.my</a>. It was to all staff and workers and recorded in the training form.</p>	<p>Consultation with the Forest Manager and Camp Manager of the FMU showed that awareness and understanding of the federal, state and local laws and regulatory framework for forest management and understanding of MC&amp;I SFM were not sufficient. <b>Minor NCR MRS 01 2022</b></p> <p>Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient. <b>Major NCR LYD-01/2022</b></p> <p>Contract Agreement between Polymore Timber Sdn. Bhd. (Licencee) and Teleng Trading Sdn. Bhd. (Contractor) was found lacked of commitment statement to comply with the MC&amp;I SFM standard requirements. <b>Minor NCR MRS 02 2022</b></p>
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	<p>The FMU was granted land tenure and use rights by the Sarawak Forestry Department under Forest Timber Licence (FTL) No. T/3291 which is renewable every 10 years. Whilst, Teleng Trading was appointed as the contractor for timber extraction.</p> <p>A procedure was established as mechanism for recognising and resolving any land claims, covering information gathering, investigation, assessment and feedback to the claimants.</p> <p>Documentation of legal or customary tenure or use rights by the local communities is available.</p> <p>Procedure for dispute resolution, establishment of liaison committee and complaint is publicly available at <a href="http://www.segahamfmu.my/contact-us/conflict-resolution">www.segahamfmu.my/contact-us/conflict-resolution</a>.</p>	<p>The FMU has partially demonstrated clear evidence of long-term forest use rights to the land. <b>Minor NCR LYD-02/2022</b></p> <p>The said documentation was lacked of the following information.</p> <ol style="list-style-type: none"> <li>1. Two communities out of 15 communities living within/ adjacent to the FMU (FMP's map).</li> <li>2. Records on consultations held with the local communities to identify and document areas traditionally used and sites of significant importance.</li> <li>3. Record of actions taken to protect the sites identified as significant importance (FMP Chapter 11).</li> </ol> <p><b>Major NCR LYD-03/2022</b></p>

<b>Principle 3 Indigenous People's Rights</b>	<p>Documentation on the indigenous peoples' lands right is available.</p> <p>There were no cases on disputes over tenure and use rights between the FU and indigenous people. A procedure for dispute resolution is publicly available at <a href="http://www.segahamfmu.my/contact-us/conflict-resolution">www.segahamfmu.my/contact-us/conflict-resolution</a>.</p> <p>Procedures/ guidelines to identify and protect the community use areas based on Forest Zoning are available (Guideline 4). Consultations held with the local communities/ indigenous peoples to identify and document areas traditionally used and sites of significant importance were recorded accordingly.</p> <p>A draft procedure, "Social Engagement Channel-Traditional Knowledge Documentation Procedure (TKD)", to acknowledge and compensate the application of the traditional knowledge and practices of indigenous peoples in the use of forest species is in progress.</p>	
<b>Principle 4 Community Relations and Workers' Rights</b>	<p>Various internal and external training related to forest management operations for the employees were provided. These include training on OSH (Emergency Evacuation, PPE, Accident/Incident Reporting), Domestic Waste, Schedule Waste Management, Spillage Awareness, COVID-19 Awareness, Emergency Response Training (Fire Fighting), Wildlife Conservation Awareness, Policies Awareness, and First Aid Kit Awareness.</p> <p>Chapter 7.5h-Impacts on local community and culture, of the FMP described requirements on preference for employment and contract works to be given to local community.</p> <p>All employees are Malaysian with age above 18 years old. The forest manager operations had complied with the Immigration Act 1959/63 and Labour Ordinance [Cap. 76 (1958 Ed.)].</p> <p>Up-to-date applicable laws and/or regulations covering occupational safety and health such as Occupational Safety and Health Act 1994 - Accident investigation record, under the Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004, Pesticides Act 1974 and Workmen's Compensation Act 1952 were available.</p>	





	<p>issue 4 dated 3/03/2022). Meeting minutes between forest manager and workers to resolve grievances were maintained accordingly.</p> <p>Evaluation and consultation meetings on the impacts of forest operation on the communities with the heads of all communities living adjacent to the FMU was conducted and recorded as meeting minutes.</p> <p>A procedure, SECP/05/CRG Complaint Reporting and Grievances (CRG) issue 4 dated 3/03/2022 was established describing mechanisms to expedite grievances resolution, provide fair and equitable compensation for any loss affecting the local communities' customary rights, property, resources, or their livelihoods.</p> <p>A social impact assessment (SIA) report; "Social Impact Assessment (SIA) for The Re-Entry Timber Harvesting Under the Forest Timber Licence No. T/3291, Kapit Division, Sarawak – July 2019" is available.</p>	<p>The SIA report was lacked of the following information.</p> <ol style="list-style-type: none"> <li>1. Cultural, religious and burial sites, and water intake point,</li> <li>2. The impact of forest operation to the local communities,</li> <li>3. Preventive and mitigation measures of local communities' resources or tenure rights.</li> </ol> <p><b>Major NCR LYD-04/2022</b></p>
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<p><b>Principle 5 Benefits From the Forest</b></p>	<p>Budget for the allocation on wages, camp building upkeep, genset diesel, vehicles expenses, road/bridge maintenance, river vessel and camp compound upkeep for the FMU operations was described in the FMP; Table 13.1 “Budget allocation for Polymore Timber T/3291 Forest Management Plan”, FMP 2020-2030.</p> <p>Provisions and management prescriptions to maintain, restore or enhance the productive capacity and ecological integrity of the FMU were described in the FMP under;</p> <ol style="list-style-type: none"> <li>1. Chapter3: Management Plan Prescription,</li> <li>2. Chapter5: Pre-Harvesting Activities,</li> <li>3. Chapter6: Harvesting Operation,</li> <li>4. Chapter9: Silviculture, Forest Rehabilitation and Reforestation,</li> <li>5. Chapter 10: Wildlife Management, and</li> </ol> <p>the SOP for silvicultural treatment; “Logging Impact Mitigation Strategies Enrichment Planting”.</p> <p>Local communities were allowed to collect forest produce such as fire wood, wild fruits, wild rattan, and bamboo for making handicraft products.</p> <p>“Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest) Area, second edition, 2014” is referred for the implementation of reduced impact logging (RIL) within the FMU. The RIL was incorporated in the planning of General Harvesting Plan (GHP) for submission to Sarawak Forestry Department. The GHP was approved in June 2022.</p> <p>Relevant employees had attended the seminar on <i>Revised Reduced Impact Logging (RIL) Guidelines for Sarawak</i> in Kuching in 2020.</p> <p>Protection areas which include terrain, catchment reserve, river buffer, gravity feed water supply and shifting agriculture were identified on the FMP’s map covering a total area of 10,088 ha.</p> <p>Chapter 9 of the FMP provides guidelines for silviculture, forest rehabilitation and reforestation activities. It will be implemented in accordance with the SOP for “Logging Impact Mitigation Strategies Enrichment Planting”.</p>	<p>The budget was inconsistent with the estimated “Budget &amp; Cost Projection” in the FMP2020-2030 and Budget for Financial Year 2022. No allocation for nursery, silviculture/enrichment planting, community development, fire management, human resource development, research, protection, conservation, environmental and social aspects were made. <b>Minor NCR MRS 03 2022</b></p>
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	<p>The mean annual of harvestable area is 1,156.64 ha as approved by the Sarawak Forestry Department. The approved annual AAC was estimated at 16,089.29 m<sup>3</sup>/ha. Based on Table 8.2: Projection PSP Plot Schedule of the FMP, from August 2020 to November 2022, a total of 40 PSPs for AAC projection should be established.</p>	<ol style="list-style-type: none"> <li>1. From August 2020 to January 2022 only 5 PSPs were established. It was against the targeted PSP of 24 plots.</li> <li>2. The AAC estimation was derived from the tree tagging inventory, not from the PSP data.</li> </ol> <p><b>Minor NCR MRS 04 2022</b></p>
<b>Principle 6 Environmental Impact</b>	<p>The EIA report; "The Re-Entry Forest Logging under Timber Licence (FTL) No. T/3291 at Belaga Area, Kapit Division, Sarawak" on the potential impacts and mitigation measures for rare, threatened endangered species of flora and fauna, and rare and vulnerable ecosystems, and the need for biological corridors in the FMU was approved by Natural Resources and Environment Board (NREB) in 2018.</p> <p>Guidelines to identify and protect rare, threatened and endangered species of forest flora and fauna were stipulated in the SOP: HP04 Management and Monitoring of High Conservation Value (HCV) Area under the "Logging Impact Mitigation Strategies – High Conservation Value Areas (HCVAs) Surveillance Procedure"; And "Wildlife Patrol Procedure".</p> <p>The FMU had discussed the conservation programmed activities with the Sarawak Forestry Department, Sarawak Forestry Corporation and communities of the long houses during the CRC meeting.</p> <p>Monitoring of hunting, fishing, trapping and collecting activities was implemented according to the "Wildlife patrol Procedure" by the FMU's appointed Honorary Wildlife Rangers.</p> <p>Posters and leaflets on Sarawak ERT species and plants were posted around the camp areas. Awareness briefing on ERT flora and fauna was conducted for the workers and communities.</p> <p>Procedures for the assessment of post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded areas were described in the "Logging Impact Mitigation Strategies"; 1. Felling Damage Analysis and 2. Enrichment Planting guidelines.</p>	<ul style="list-style-type: none"> <li>• The procedure was not clearly mentioned the inventory process (pre-felling and post-felling), required data (harvestable tree, PCT, etc.), inventory/assessment form, data analysis and conclusion/recommendation.</li> <li>• Record on the enrichment planting for Coupe 24 was not available.</li> </ul>

		<ul style="list-style-type: none"> <li>Supply off seedlings was inadequate for the enrichment planting in post-harvest and degraded areas for Coupe 24.</li> </ul> <p><b>Minor NCR MRS 05 2022</b></p>
	<p>Conservation of genetic, species and ecosystem diversity in the FMU was described in the FMP under Chapter 10 Wildlife Management, and in the SOP; "Logging Impact Mitigation Strategies for the High Conservation value Areas (HCVAs) Surveillance".</p> <p>The harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations were made available during audit:</p> <p>"Guideline from The Green Book: RIL-Ground Based Harvesting Part 1 and Part 2" were referred as guidance in the protection of soil from compaction by machinery and erosion during harvesting operations.</p> <p>"Administration Forest Fire Monitoring" and "Emergency Preparedness &amp; Response Operating Procedure" were established as an effort for fire prevention and control plan.</p> <p>The FMU is commitment to avoid the unnecessary use of chemical pesticides and encouraging the use of environmentally friendly non-chemical methods of pest management practices was described in the "Forest &amp; Environmental Management Policy" statement.</p> <p>Scheduled wastes management is carried out according to the "Administration-Scheduled Wastes Management" procedure.</p> <p>Storage and handling of scheduled wastes were implemented according to SOP, ADM/09/CHP Chemical Handling and ADM/SWM Scheduled Wastes Management procedures.</p> <p>Neither biological control agents nor exotic species were used or planted, respectively, within the FMU.</p>	<p>Forest fire risk assessment, Emergency Response Team, and precautionary measures (fire-fighting equipment, ground patrol, watch tower, water bodies, etc.) were yet to be provided and implement by the FMU.</p> <p><b>Minor NCR MRS 06 2022</b></p>

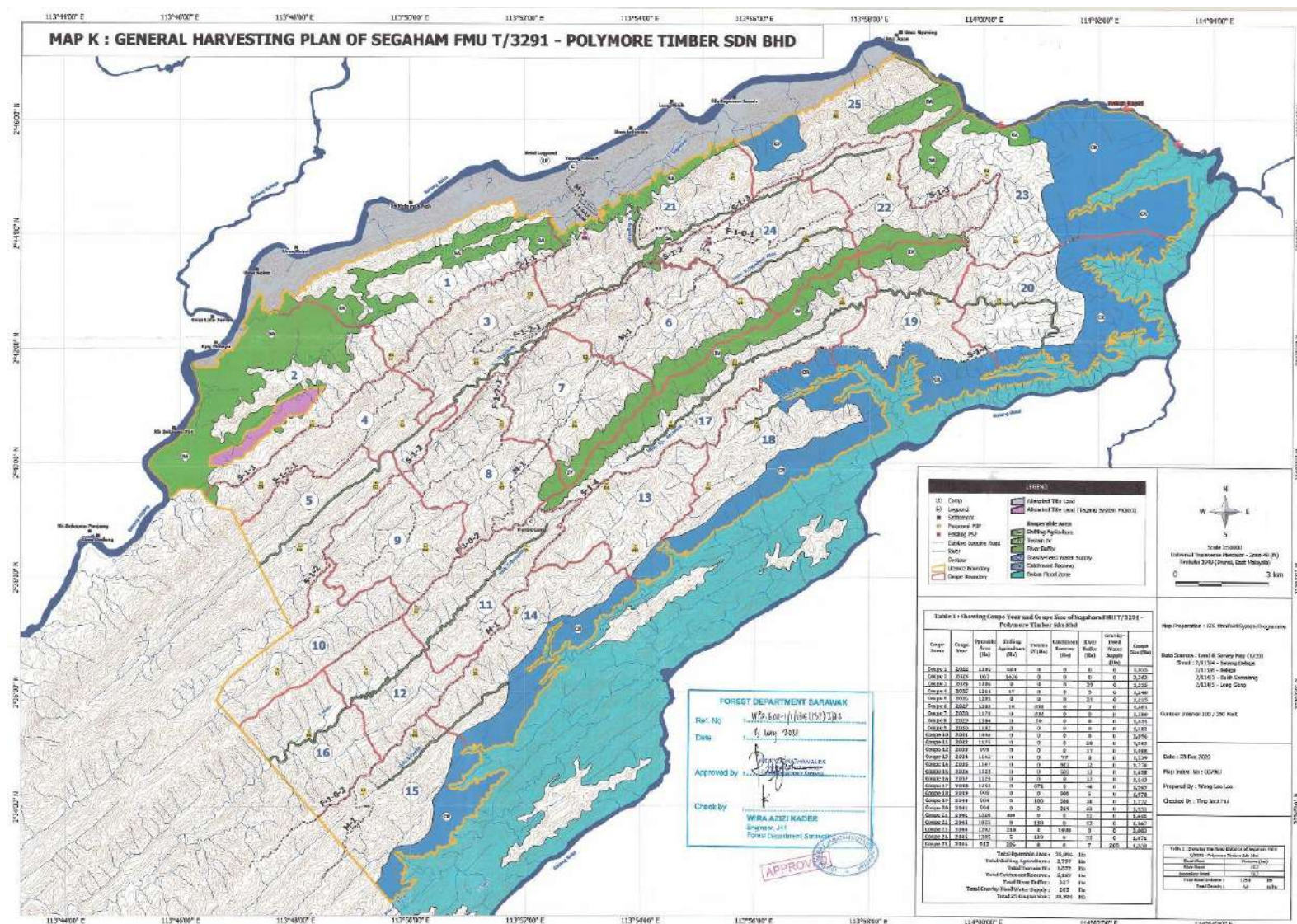
<p><b>Principle 7 Management Plan</b></p>	<p>The Forest Management Plan for Forest Timber Licence (FTL) No. T/3291, Segaham Forest Management Unit for period 2020 to 2030 was approved by the Sarawak Forestry Department on 12 November 2020 (Ref: (6) JHS/600-3/7/102/Jld.11).</p> <p>Results of monitoring or information on the new scientific and technical on flora and fauna monitoring, HCVA, etc. will be incorporated in the FMP during its periodic review which is scheduled every three years.</p> <p>Responsible staff was sent for attending seminar on new scientific and technical information. These include seminar and webinar on <i>The Prospect of Sungkai Tree (Peromena canescens) for ITP and Forest Landscape Restoration, Net-Zero by 2050: UK and Japan efforts to address climate change, The future of trade flows and supply chains in Asia</i> and <i>Process of felling protected tree species and prohibited Acts within licence area as subject under the Wildlife Protection Ordinance, 1998</i>.</p> <p>The staff were also sent for training to ensure proper implementation of the management plan such as training on Policy awareness (forest policy, safety, environment &amp; social), First Aid Kit Awareness, Emergency Response Training (fire-fighting), Wildlife conservation awareness, Scheduled waste and spillage handling, and OSH. This is in accordance with the FMU training programme.</p> <p>The summary of primary elements of the forest management plan (FMP) is publicly available at <a href="https://www.segahamfmu.my/home">https://www.segahamfmu.my/home</a></p>	<p>The following information either not included or available in the FMP.</p> <ol style="list-style-type: none"> <li>1.Land ownership status for the forest timber license;</li> <li>2.Harvesting schedule for 25 years from year 2022 to 2046;</li> <li>3.Forest fire risk assessment, emergency response team, basic equipment for firefighting, and precautionary measures;</li> <li>4. Findings/results of HCVs assessment;</li> <li>5. Potential impacts from forest operations including pollution, siltation of water courses and forest carbon stocks;</li> <li>6.Evidence of stakeholder consultation meeting with relevant government agencies, NGOs, affected local communities, etc.;</li> <li>7.Risk and opportunities of forest operations; And</li> <li>8.Evidence on process for obtaining harvesting approval from the Sarawak Forestry Department.</li> </ol> <p><b>Major NCR MRS 07 2022</b></p> <p>Training programme has not covered the following subjects.</p> <ol style="list-style-type: none"> <li>1. Applicable federal, state, and local laws, regulations, and policies;</li> <li>2. Fire management (forest fire, working place &amp; housing);</li> <li>3. STA – tree felling, log extraction, felling site preparation, mechanical site preparation;</li> <li>4. Safety and health – Logging Operation;</li> <li>5. Use of approved chemicals in the forest (handling and storing);</li> <li>6. First aids;</li> <li>7. MC&amp;I SFM awareness;</li> <li>8. Awareness of HCVA;</li> <li>9. SOP complaints &amp; grievances;</li> <li>10. Labour Ordinance; And</li> <li>11. OSH Act.</li> </ol> <p><b>MINOR NCR AIM03/2022</b></p>
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<p><b>Principle 8 Monitoring and Assessment</b></p>	<p>A monitoring procedure for assessing social, ecological, environmental, and economic impacts of the forest management operations was established in compliance with the Sarawak Forestry Department's "RIL Guidelines for Ground-Based Harvesting System- Part 1 and Part 2". The procedure, "Monitoring Efficacy Report (ADM/06/MER)" includes activities described under Guidelines 5 to 8, for monitoring of HCVs, forest operations, identification and conservation of ERT fauna and flora in Sarawak, and conflict resolutions.</p> <p>An internal audit and management review meeting were conducted in July 2021. A total of Eleven (11) non-compliances were raised and closed.</p> <p>The FMU had gathered all relevant information to monitor yield of forest products harvested, composition and changes in the flora and fauna, environmental and social impacts of harvesting and other operations, costs and productivity of forest management and growth rates, regeneration and condition of the forest.</p> <p>A summary results of monitoring indicators is publicly available at <a href="https://www.segahamfmu.my/home">https://www.segahamfmu.my/home</a></p>	<p>Records and objective evidence against corrective action taken were not available. <b>Minor NCR AIM04/2022</b></p> <p>The measurement of 100 m distance of point A to point B for the established permanent sample plot (PSP) was not according to slope correction table. Point of measurement (POM) for tree was measured at the tip of the buttress. <b>Minor NCR AIM05/2022</b></p> <p>Neither document nor procedure is available to ensure all forest products leaving the certified area could be identified (including volumes and types). <b>Major NCR AIM06/2022</b></p>
<p><b>Principle 9 Maintenance of High Conservation Values</b></p>	<p>The HCV assessment conducted was recorded in the "High Conservation Value Forest (HCV1-HCV6) Assessment Report", based on the "High Conservation Value Forest (HCVF) Toolkit for Malaysia" by WWF Malaysia.</p> <p>The HCV assessment information was incorporated in the FMP under Chapter 11, "Identification and Management of Protection Areas".</p> <p>The HCV sites identified within the FMU includes saltlicks, water catchment, basic necessities of local communities and cultural values.</p> <p>The areas were demarcated on the FMP map under "General Harvesting Plan of Segaham FMU". The summary of identified HCV and measures to maintain the HCV attributes is publicly available at <a href="https://www.segahamfmu.my/home">https://www.segahamfmu.my/home</a>.</p> <p>The monitoring of forest management operations to access the effectiveness of the</p>	<p>Records on the comment received by relevant stakeholders on the HCV assessment report were not available. <b>Major NCR AIM07/2022</b></p>

	measures in management of the HCV areas is described in “Logging Impact Mitigation Strategies for High Conservation Value Areas (HCVAs) Surveillance” procedure.	
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### Map of Segaham FMU



## Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local &amp; international) and NGOs. Published and presented research findings at seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001.</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> <li>• Auditor Training Course on MC&amp;I Sustainable Forest Management organized by MTCC, 18 August 2020.</li> </ul>
Azrul Ikhsan Mohamed	Assessor / Forester	<p>Academic Qualification: Bachelor of Science (Plant Resource Science and Management), Universiti Malaysia Sarawak.</p> <p>Work Experience: Five years of Experience in the field of Forestry, 2 Years of Forest Plantation as Assistant Plantation Manager in Forestry Assets Sdn Bhd in the year from 2015 to 2017, and 4 Years in Natural Forest as Forest Manager in Reliwood Sdn Bhd in the year 2018 – 2021. Main responsibility is assisting and manage in the administrative work, forest development, and forest operations based on the MC&amp;I SFM standard. Work closely with relevant stakeholders on the development of the forest such as Enrichment planting, HCV collaboration, Improvement of the Reduced impact logging, and developing procedures.</p>

		<p>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Forest Management Certification Under the Malaysian Timber Certification Scheme (MTCS) – (13<sup>th</sup> – 15<sup>th</sup> October 2021)</li> <li>• SIRIM Lead Auditor Course Integrated Management Systems (IMS) ISO 9001, ISO 14001 &amp; ISO 45001 (LIMS02) – (25<sup>th</sup> – 29<sup>th</sup> October 2021)</li> </ul>
Puteri Arlydia Abdul	Assessor / Forester	<p>Academic Qualification:</p> <p>B. Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience:</p> <p>1 year with Forestry Department Peninsular Malaysia (JPSM) 2007-2008, 3 years with Forest Plantation Development Sdn Bhd (Wholly owned by MTIB) 2008 – 2011, 1 year with Transparency International Malaysia 2011-2012, 3 years with Intertek Certification International Sdn Bhd 2012-2015 and with Sirim QAS International from 2015 onwards. Her working experience cover forest elements among others, Geographic Information System, Remote Sensing, Forest Governance Integrity and Local Communities programs and auditing in ISO 9001 (Quality), ISO 14001 (Environment), PEFC Chain of Custody and PEFC MC&amp;I (both Natural and Plantation Forest).</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> <li>1. Auditor Training Course on MC&amp;I Sustainable Forest Management (MC&amp;I SFM) organized by MTCC, 18 August 2020</li> <li>2. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012</li> <li>3. MC&amp;I (Natural and Plantation) Lead Auditor Course 9-10/07/2015</li> <li>4. Training on ISO 9001:2015 (final version) dated 21/09/2015</li> <li>5. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015</li> <li>6. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016</li> <li>7. Schedule Waste Handling dated 1/06/2016</li> <li>8. ISO 14001:2015 dated 18/09/2017</li> <li>9. PEFC CoC by MTCC dated 6 &amp; 14/12/2017</li> </ol>
Khairul Najwan Ahmad Jahari	Observer / Forester	<p>Academic Qualification:</p> <p>B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience:</p> <p>Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Currently as Senior Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting and lead audit on Forest Management Certification FMC - MC&amp;I SFM, MYNI of RSPO P&amp;C, MSPO, MyTLAS, STLVS and management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas:</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</p>

		<p>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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## Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Stakeholder 1	<p>Hasil pemeriksaan mendapati lokasi aktiviti pembalakan tersebut diuruskan oleh syarikat Bernama Teleng Logging Sdn Bhd yang menggunakan sijil perkayuan milik Polymore Sdn Bhd (No. Pendaftaran 246600-H) dan syarikat perkayuan Sukma Sdn Bhd (No. Pendaftaran 241972-V). Ini bermakna segala urusan yang berkaitan dengan pekerja adalah di bawah Teleng Logging Sdn Bhd yang berperanan sebagai sub-kontraktor.</p> <p>Hasil pemeriksaan juga mendapati beberapa ketidakpatuhan telah dilakukan oleh Teleng Logging Sdn Bhd terhadap peruntukan di bawah Ordinan Buruh (Sarawak Bab. 76) seperti berikut:</p> <p>i. Gagal menyediakan dan menyimpan daftar pekerja di tempat pekerjaan seperti kehendak Seksyen 59. Dokumen seperti butir-butir peribadi, butir-butir terma dan syarat pekerjaan dan upah disimpan oleh majikan di Ibu Pejabat syarikat di Sibul.</p> <p>ii. Gagal memberikan hari rehat mingguan kepada pekerja menurut Seksyen 105b. Amalan yang dilakukan oleh majikan adalah mengarahkan pekerja-pekerja mengambil 4 hari cuti rehat pada hujung bulan. Hasil semakan mendapati Jabatan ini tidak pernah menerima sebarang permohonan permit untuk mengumpul cuti rehat dari majikan ini.</p> <p>Notifikasi pelanggaran telah dikeluarkan kepada majikan ini kerana tidak mematuhi Seksyen 59 dan Seksyen 105b Ordinan Buruh (Sarawak Bab 76) dan majikan ini hendaklah mengemukakan bukti pematuhan dalam tempoh 14 hari daripada tarikh notifikasi yang dikeluarkan pada 25 Februari 2022. Tindakan selanjutnya boleh diambil jika majikan ini gagal mematuhi</p>	<p>Audit team has verified the comment during the audit and found that the FMU has drafted letter (Application to Accumulate Rest Day (s.105B)) for Teleng Logging Sdn Bhd to Labour Department on 28/2/2022 and pending HQ permission before submitting to Labour Department for permit. Auditor has raised a non-compliance report (NCR) against Indicator 4.3.3 due to the non-compliance on legal requirement.</p> <p>Letter of 'Application to Accumulate Rest Day for Teleng Logging Sdn Bhd' dated 28 February 2022 to Labour Department was submitted on 13 June 2022.</p> <p><b>Conclusion:</b></p> <p>Since the Labour Department may takes more than 3 months for the permit approval process, the permit for accumulation rest day for Teleng Logging Sdn Bhd will be verified during next audit.</p>

		<p>kedua-dua seksyen tersebut.</p> <p>Polymore Sdn Bhd didapati tidak menjalankan apa-apa aktiviti pembalakan di kawasan tersebut. Oleh yang demikian, tidak sebarang komen dapat diberikan berkaitan syarikat berkenaan.</p> <p>Pihak kami juga tidak memberi kebenaran kepada SIRIM QAS International untuk mendedahkan identity organisasi di dalam laporan audit dan rumusan umum (public summary) ke atas FMU Segaham.</p>	
2	Stakeholder 2	<p>We recommend for the Stage 2 Audit of Taman FMU (T/3290) and Segaham FMU (T/3291) to be differed due to the following:</p> <p>a) Renewal of the licences upon expiry are not guaranted</p> <p>b) Part of the area has been identified as proposed national park</p> <p>c) Inadequacy of consultations by the FMU holder and the local communities</p> <p>d) Potential land disputes related to NCR claimed by the local communities</p> <p>e) Our ground observation indicates that their forest operation team is inadequate to implement SFM activities, particularly on RIL and forest management.</p> <p>I am unwilling that my identity be revealed in the audit report and public summary of the forest management unit.</p>	<p><u>a) Renewal of the licences upon expiry are not guaranted</u></p> <p>During the audit, Forest Timber Licence (FTL) for Segaham FMU is still valid until 30/9/2023. The renewal of the FTL for year 2023/2024 will be verified during next audit. The renewal of the FTL with clear and updated information on protected forest, status of stateland area and hectarage was required by the standard requirement (approval from Forest Department Sarawak). Refer to the NCR raised against Indicator 2.1.1. Update on the renewal of FTL will be verified during next audit.</p> <p><u>b) Part of the area has been identified as proposed national park</u></p> <p>Based on consultation with Forest Department Sarawak, there is no gazetteement by state government on the proposed national park. Latest status of the proposed national park if affected the FTL area will be verified by auditor during next audit with Land and Survey Department and Forest Department Sarawak.</p> <p><u>c) Inadequacy of consultations by the FMU holder and the local communities</u></p> <p>Numbers of non-compliance report (NCR) have been raised related on the consultation with local community. Refer to the NCR raised against Indicator 2.2.2, 4.4.1 &amp; 9.2.1</p> <p>Based on evidence submitted for the above NCR raised, consultation with the villagers that have interest and impact from forest operation was conducted by the FMU. The meeting agendas were Awareness on the FMU (licensee, contractor &amp; consultant), SFM awareness, forest operation/activities, FMCLC, CRC, Negotiation process guidelines, Wildlife awareness &amp; discussion.</p>

		<p>Meeting minutes, attendance list and photos were verified:</p> <ol style="list-style-type: none"> <li>1)Kg. Melayu and Kg. Hijrah – 7 July 2022</li> <li>2)Lahanan Long Semuang – 26 May 2022</li> <li>3)Sekapan Panjang – 13 June 2022</li> <li>4)Sekapan Piit – 25 May 2022</li> <li>5)Uma Aging Long Daah – 28 June 2022</li> <li>6)Uma Aging Baleng Avun – 28 June 2022</li> <li>7)Uma Apan Long Menjawah – 15 June 2022</li> <li>8)Uma Badeng Long Dungan – 14 June 2022</li> <li>9)Uma Kahei Log Mekero – 20 June 2022</li> <li>10)Uma Kejaman Lasah – 30 June 2022</li> <li>11)Uma Kejaman Neh Long Liten – 29 June 2022</li> <li>12)Uma Kulit Long Mitik – 16 June 2022</li> <li>13)Uma Long Amo Lato Juman – 21 June 2022</li> <li>14)Uma Nyaving Long Mejawah – 1 July 2022</li> <li>15)Uma Sihan Long Menamang – 19 June 2022</li> </ol> <p><u>d) Potential land disputes related to NCR claimed by the local communities</u></p> <p>Since the SIA report (July 2019) has not covered the following information were not available in the report:</p> <ol style="list-style-type: none"> <li>1. Cultural, religious and burial sites, and water intake point</li> <li>2. The impact of forest operation to the local communities</li> <li>3. Preventive and mitigation measures of local communities' resources or tenure rights</li> </ol> <p>Thus, an NCR against Indicator 4.4.1 was raised during the audit.</p> <p>Based on evidence submitted for the above NCR raised, addendum of SIA dated June 2022 was verified. 15 surveyed settlements were identified and reported in the Chapter 3 at Table 3.1 List of the Surveyed Settlements, their Demographics and Locations:</p> <ol style="list-style-type: none"> <li>1)Kg. Melayu and Kg. Hijrah</li> <li>2)Lahanan Long Semuang</li> <li>3)Sekapan Panjang</li> <li>4)Sekapan Piit</li> <li>5)Uma Aging Long Daah</li> <li>6)Uma Aging Baleng Avun</li> <li>7)Uma Apan Long Menjawah</li> <li>8)Uma Badeng Long Dungan</li> <li>9)Uma Kahei Log Mekero</li> </ol>
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## Stage 2 Audit Plan

DAY	TIME	PROGRAM		
<b>Travel Day</b>  <b>4 April 2022</b>  <b>Monday</b>	06.00am-10.40am  12.00 – 5.00 pm	All Auditors travelling from KLIA to Bintulu <b>(MH2742: 08:20 - 10:40)</b>  Travel to Base Camp (~4 hours)		
<b>Audit Day 1</b>  <b>5 April 2022</b>  <b>Tuesday</b>	8.00 am – 1.00 pm          2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>• Opening Meeting with representatives of FMU</li> <li>• Briefing session by Forest Manager of the FMU</li> <li>• Q&amp;A Session</li> <li>• Follow up on issues of concern from Stage 1</li> <li>• 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> </li> <li>• Evaluate on internal audit and management review</li> <li>• Documentation and records review</li> </ul>		
		Razman	Azrul	Puteri Arlydia
		<ul style="list-style-type: none"> <li>• Principle 1 – Compliance with Laws and</li> <li>• Principle 5 – Benefits from the forest</li> <li>• Principle 6 – Environmental Impact</li> <li>• Principle 7 – Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 4 – Community Relations and Worker's Right (4.2, 4.3)</li> <li>• Principle 8 – Monitoring and Assessment</li> <li>• Principle 9 – Maintenance of High Conservation Value (HCV)</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 – Community Relations and Worker's Right (4.1, 4.4, 4.5)</li> </ul>
		Review of Day 1 Findings by Audit Team Leader		
<b>Audit Day 2</b>  <b>6 April 2022</b>  <b>Wednesday</b>	8.00 am – 5.00 pm	Razman	Azrul	Puteri Arlydia
		Site visit: <ul style="list-style-type: none"> <li>• Inspection of active harvesting - Non</li> <li>• Inspection of silviculture treatment / enrichment planting – Coupe 8/Coupe 24</li> <li>• Inspection of post harvesting – Coupe 24</li> <li>• Inspection of PSP plot – C2 (Coupe 24)</li> <li>• Shifting agriculture area / user rights (if any) - Coupe 21</li> <li>• Gravity feed water supply – Coupe 25 (for Kejaman Lasah &amp;</li> </ul>	Site visit: <ul style="list-style-type: none"> <li>• Inspection of FMU license boundary</li> <li>i) Alienated land – Coupe 21</li> <li>• Inspection of PSP plots - C1 (Coupe 21)</li> <li>• Wildlife monitoring – Coupe 21</li> <li>• HCV area - Coupe 21</li> <li>• Inspection of pre-harvesting / tree tagging – Block 1, Coupe 1</li> <li>• Inspection of buffer zone - Block 1, Coupe 1</li> </ul>	Site visit: <ul style="list-style-type: none"> <li>• Consultation with Community Representative Committee (CRC)</li> <li>• Consultation with Local Communities</li> </ul> <b>(Batang Belaga)</b> <ul style="list-style-type: none"> <li>i) Uma Nyaving Long Mejawah</li> <li>ii) Uma Apan Long Mejawah</li> <li>iii) Uma Kulit Long Mitik</li> <li>iv) Uma Lahanan Long Semuang</li> <li>v) Kejaman Lasah</li> </ul>

		SK Segaham) • Terrain IV – Coupe 8 (No marking) • Bakun Dam (buffer) – No marking • Management of forest fire	• Inspection of FMU license boundary – i) Taman FMU – Coupe 16	
		Review of Day 2 Findings by Audit Team Leader		
<b>Audit Day 3</b>  <b>7 April 2022</b>  <b>Thursday</b>	8.00 am – 5.00 pm	Razman	Azrul	Puteri Arlydia
		Site visit: • Shifting agriculture area / user rights (if any) - Coupe 2 (Boat) • Inspection of FMU license boundary - Raplex FMU (Boat) – Coupe 2	Site visit: • Consultation with Local Communities <b>(Belaga Town)</b> i) Uma Lato Juman Long Amo ii) Rh. Sekapan Piit iii) Uma Badeng Long Dungan iv) Rh. Sekapan Panjang v) Kg. Melayu / Kg. Hijra vi) Uma Sihan Long Menamang	Site visit: • Consultation with Local Communities <b>(Batang Belaga)</b> i) Uma Kejaman Neh Long Liten ii) Uma Kahei Long Mekro iii) Uma Aging Long Daah iv) Uma Aging Baleng Ayoon
		Review of Day 3 Findings by Audit Team Leader		
<b>Audit Day 4</b>  <b>8 April 2022</b>  <b>Friday</b>	8.00 am – 1.00 pm	Razman • Documentation and records review • Preparation of audit report and finding	Azrul • Central Stumping Site • Check on workshop, genset room, SW store, skid tank, etc. • Consultation with contractors and workers: • Teleng Sdn Bhd (main contractor) • Teleng Logging Sdn Bhd (sub-contractor) • Worker Committee representative	Puteri Arlydia • Documentation and records review • Preparation of audit report and finding
	2.00 - 5.00 pm	• Briefing to representatives of FMU on the findings of audit • Closing Meeting and presentation of findings of audit and discussion on follow-up activities		
		• Travelling from Base Camp to Bintulu • Overnight at New World Suites Hotel		
<b>Travel Day</b>  <b>9 April 2022</b>  <b>Saturday</b>		All Auditors travelling from Bintulu to KLIA.  Flight from Bintulu to Kuala Lumpur <b>(MH2743: 11:25 - 13:40)</b>		

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

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<b>Indicator 1.5.2</b>	Major LYD01/ 2022	<p><b>Requirement:</b> - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p><b>Finding:</b> Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient</p> <p><b>Objective evidence:</b>  1.Consultation with villagers from Uma Nyaving, Uma Apan, Rh Kejaman Lasah, Long Mitik, Uma Lahanan, Rh Kejaman Neh, Uma Kahei, Uma Aging Baleng Avoon, Uma Aging Long Da'ah, Uma Lato Juman, Kpg. Melayu Hijrah, Rh Sekapan Pitt, Uma Badeng and Rh Sekapan Panjang and Uma Sihan Long Menamang, they were not aware of the Segaham FMU location due to insufficient signages and boundaries demarcation.  2.Visit to Coupe 2 licence boundary with Raplex FMU along Batang Rajang has found that licensed boundary demarcation (orange paint) and signages was not sufficient.</p>	<p><b>Result of investigation and determination of root cause:</b>  Control measures to protect license boundary were insufficiently carried out in view of preliminary engagement with local communities only involved community's representative.</p> <p><b>Correction and corrective action plan including completion date:</b>  1. To purchase own boat instead of renting and to set up relevant signage and license boundaries demarcation with Raplex FMU along Batang Rajang by May 2022.  2. To further engage with all identified local community stakeholders (Uma Nyaving, Uma Apan, Rh Kejaman Lasah, Long Mitik, Uma Lahanan, Rh Kejaman Neh, Uma Kahei, Uma Aging Baleng Avoon, Uma Aging Long Da'ah, Uma Lato Juman, Kpg. Melayu Hijrah, Rh Sekapan Pitt, Uma Badeng and Rh Sekapan Panjang and Uma Sihan Long Menamang) on location of Segaham FMU and its harvesting operation planning. Any significant area required to be demarcated to prevent any unintended encroachment shall be conducted at suitable timing on the ground as agreed.</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>Consultation with the villagers that have interest and impact from forest operation was conducted by the FMU. The meeting agendas were Awareness on the FMU (licensee, contractor &amp; consultant), SFM awareness, forest operation/activities, FMCLC, CRC, Negotiation process guidelines, Wildlife awareness &amp; discussion. Meeting minutes, attendance list and photos were verified:  1)Kg. Melayu and Kg. Hijrah – 7 July 2022  2)Lahanan Long Semuang – 26 May 2022  3)Sekapan Panjang – 13 June 2022  4)Sekapan Piit – 25 May 2022  5)Uma Aging Long Daah – 28 June 2022  6)Uma Aging Baleng Avun – 28 June 2022  7)Uma Apan Long Menjawah – 15 June 2022  8)Uma Badeng Long Dungan – 14 June 2022  9)Uma Kahei Log Mekero – 20 June 2022  10)Uma Kejaman Lasah – 30 June 2022  11)Uma Kejaman Neh Long Liten – 29 June 2022  12)Uma Kulit Long Mitik – 16 June 2022  13)Uma Long Amo Lato Juman – 21 June 2022</p>

				<p>14)Uma Nyaving Long Mejawah – 1 July 2022</p> <p>15)Uma Sihan Long Menamang – 19 June 2022</p> <p>Field visit report titled ‘Demarcation of Common License Boundary between Raplex Sdn Bhd (T/0560) and Polymore Timber Sdn Bhd (T/3291) from Point C to Point D’ dated 5 July 2022 was verified. The licensed boundary has been marked with orange paint from Point C to Point D about 2.7 km at Coupe 2 and Coupe 5.</p> <p>Field visit report titled ‘Demarcation of License Boundary with Bakun Hydroelectric Plant (Bakun HEP) and Taman FMU T/3290 &amp; Segaham T/3291 dated 29 June 2022 was verified. The FMU has installed licensed boundary signages at strategic location:</p> <ol style="list-style-type: none"> <li>1) Licensed Boundary T3291 at Catchment Reserve</li> <li>2) Licensed Boundary T/3290/T3291</li> <li>3) Licensed Boundary T3290 at Catchment Reserve</li> </ol> <p><b>Status: Closed</b></p>
<b>Indicator 2.2.2</b>	Major LYD03/ 2022	<p><b>Requirement:</b> With respect to activities that may affect such rights, forest managers shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws.</p> <p><b>Finding:</b> Protection of local communities rights were not fully adhere as per audited standard requirements.</p>	<p><b>Result of investigation and determination of root cause:</b> Documentation or implementation records with regards to protection of local communities’ right were yet to be sufficient.</p> <p><b>Correction and corrective action plan including completion date:</b> 1. Provide updated Map as per Map G showing location of additional</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>Location of Uma Sihan Long Menamang and Uma Aging Baleng Avun have been updated in the revised ‘Map G: Locality Map of Settlements and Local Communities of Segaham FMU T/3291’.</p> <p>Consultation with the local communities /</p>

		<p><b>Objective evidence:</b> During stakeholder consultations with 15 villages of Uma Nyaving, Uma Apan, Rh Kejaman Lasah, Long Mitik, Uma Lahanan, Rh Kejaman Neh, Uma Kahei, Uma Aging Baleng Avoon, Uma Aging Long Da'ah, Uma Lato Juman, Kpg. Melayu Hijrah, Rh Sekapan Pitt, Uma Badeng and Rh Sekapan Panjang and Uma Sihan Long Menamang and record verification, it has been found that the following were not available:</p> <ol style="list-style-type: none"> <li>1) Forest management plan (FMP) December 2020 Map G has included only 13 villages. Uma Sihan Long Menawang &amp; Uma Aging Baleng Avoon were not included</li> <li>2) Records of consultations held with the local communities / indigenous peoples to identify and document areas traditionally used and sites of significant importance to them (e.g., cultural, religious and burial sites, water intake point)</li> <li>3) Record of actions taken to protect the identified sites of significant importance (FMP Chapter 11)</li> </ol>	<p>settlements identified for Uma Aging Baleng Avoon and Uma Sihan Long Menawang (by May 2022)</p> <ol style="list-style-type: none"> <li>2. Continue with stakeholder engagement to discuss on any existence of significant importance or traditionally used sites. Mitigating measures and action to be taken to protect those site shall be informed and agreed.</li> <li>3. Update in FMP Chapter 10 in the additional identified settlements Uma Aging Baleng Avoon and Uma Sihan Long Menawang as shown in Map G. Records of consultation shall be documented.</li> </ol>	<p>indigenous peoples to identify and document areas traditionally used and sites of significant importance to them (e.g., cultural, religious and burial sites, water intake point) was conducted by the FMU. Meeting minutes, attendance list and photos were verified:</p> <ol style="list-style-type: none"> <li>1)Kg. Melayu and Kg. Hijrah – 7 July 2022</li> <li>2)Lahanan Long Semuang – 26 May 2022</li> <li>3)Sekapan Panjang – 13 June 2022</li> <li>4)Sekapan Piit – 25 May 2022</li> <li>5)Uma Aging Long Daah – 28 June 2022</li> <li>6)Uma Aging Baleng Avun – 28 June 2022</li> <li>7)Uma Apan Long Menjawab – 15 June 2022</li> <li>8)Uma Badeng Long Dungan – 14 June 2022</li> <li>9)Uma Kahei Log Mekero – 20 June 2022</li> <li>10)Uma Kejaman Lasah – 30 June 2022</li> <li>11)Uma Kejaman Neh Long Liten – 29 June 2022</li> <li>12)Uma Kulit Long Mitik – 16 June 2022</li> <li>13)Uma Long Amo Lato Juman – 21 June 2022</li> <li>14)Uma Nyaving Long Mejawab – 1 July 2022</li> <li>15)Uma Sihan Long Menamang – 19 June 2022</li> </ol> <p>The areas traditionally used and sites of significant importance to local community has been identified in the revised SIA June 2022 at section 3.2.11 Burial Grounds and Cultural or Sensitive Sites. These areas will not be affected by the present harvesting activities as they are located within the shifting cultivation areas.</p> <p><b>Status: Closed</b></p>
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<b>Indicator 4.3.3</b>	Major AIM03/ 2022	<p><b>Requirement:</b> The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations.</p> <p><b>Finding:</b> Accumulation of rest days for forest workers did not comply with Section 105b of the Sarawak Labour Ordinance (Cap 76).</p> <p><b>Objective evidence:</b> The FMU has drafted letter (application to accumulate rest day (s.105B)) for Teleng Logging Sdn Bhd to Labour Department on 28/2/2022 and pending HQ permission before submitting to Labour Department for permit.</p>	<p><b>Result of investigation and determination of root cause:</b> Compilation of complete supporting documents for the application in progress.</p> <p><b>Correction and corrective action plan including completion date:</b> To submit letter to Labour Department for application of accumulate rest day with supporting documents by May 2022.</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>Letter of 'Application to Accumulate Rest Day for Teleng Logging Sdn Bhd' dated 28 February 2022 to Labour Department was submitted on 13 June 2022.</p> <p>Since the Labour Department may takes more than 3 months for the permit approval process, the permit for accumulation rest day for Teleng Logging Sdn Bhd will be verified during next audit.</p> <p><b>Status: Closed</b></p>
<b>Indicator 4.4.1</b>	Major LYD04/ 2022	<p><b>Requirement:</b> Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</p> <p><b>Finding:</b> Information on the results of the social impact evaluations in the SIA report were insufficient.</p> <p><b>Objective evidence:</b> Social Impact Assessment had been conducted in July 2019. However, the following information were not available in the report: 1) Cultural, religious and burial sites, and water intake point 2) The impact of forest operation to the local communities 3) Preventive and mitigation measures of</p>	<p><b>Result of investigation and determination of root cause:</b> SIA report conducted by consultant has not covered all necessary information.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To obtain relevant information including cultural, religious and burial sites, water intake point etc. through subsequent social engagement with local communities (by May 2022)</li> <li>2. Provide and update obtained information into SIA report (by June 2022).</li> <li>3. Provide addendum of SIA with clear information on impact of forest operation to local communities and also provide solutions to prevent and mitigate</li> </ol>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>Addendum of SIA dated June 2022 was verified. 15 surveyed settlements were identified and reported in the Chapter 3 at Table 3.1 List of the Surveyed Settlements, their Demographics and Locations:</p> <ol style="list-style-type: none"> <li>1)Kg. Melayu and Kg. Hijrah</li> <li>2)Lahanan Long Semuang</li> <li>3)Sekapan Panjang</li> <li>4)Sekapan Piit</li> <li>5)Uma Aging Long Daah</li> <li>6)Uma Aging Baleng Avun</li> <li>7)Uma Apan Long Menjawah</li> <li>8)Uma Badeng Long Dungan</li> <li>9)Uma Kahei Log Mekero</li> <li>10)Uma Kejaman Lasah</li> <li>11)Uma Kejaman Neh Long Liten</li> </ol>

		local communities' resources or tenure rights	those identified impacts.	<p>12)Uma Kulit Long Mitik 13)Uma Long Amo Lato Juman 14)Uma Nyaving Long Mejawah 15)Uma Sihan Long Menamang</p> <p>The areas traditionally used and sites of significant importance to local community (cultural, religious and burial sites, and water intake point) has been identified in the revised SIA June 2022 at section 3.2.11 Burial Grounds and Cultural or Sensitive Sites. These areas will not be affected by the present harvesting activities as they are located within the shifting cultivation areas.</p> <p>Preventive and mitigation measures of local communities' resources or tenure rights were addressed in the revised SIA at Chapter 6 Mitigation Measures, Monitoring and Conclusion. The recommended action such as FPIC consultations, Grievance SOP's and record system, Stakeholder Engagement Plan, sustainable community development plan, etc.</p> <p><b>Status: Closed</b></p>
<b>Indicator 7.1.1</b>	Major MRS07/ 2022	<p><b>Requirement:</b> Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</p> <p><b>Finding:</b> The forest management plan has not covered all required requirements of the Indicator 7.1.1.</p> <p><b>Objective evidence:</b> The FMU has yet to update and implement the following required information in the</p>	<p><b>Result of investigation and determination of root cause:</b> Endorsed FMP does not sufficiently included all required information of the indicator 7.1.1. An updated FMP and revised General Harvesting Plan (GP) yet to be endorsed by Forest Department.</p> <p><b>Correction and corrective action plan including completion date:</b> 1.To ensure updated FMP to be endorsed by FD and include all</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>The revised FMP 2024-2048 (June 2022) and revised General Harvesting Plan (GP) have been submitted to FDS on 16 June 2022:</p> <p>1)Land ownership status for the forest timber license – Chapter 1 2)Harvesting schedule for 25 years from</p>

		<p>FMP2020-2030:</p> <ol style="list-style-type: none"> <li>1. Land ownership status for the forest timber licence.</li> <li>2. Harvesting schedule for 25 years from year 2022 to 2046 not available in the FMP.</li> <li>3. Forest fire risk assessment, Emergency Response Team, basic equipment for fire fighting, and precautionary measures were not described in the FMP.</li> <li>4. Findings/results of HCVs assessment yet to be included.</li> <li>5. Any potential impacts from forest operation to pollution, siltation of water courses and forest carbon stocks.</li> <li>6. Description of stakeholder consultation (meeting/letter/email) with relevant government agencies, NGOs, affected local communities, etc.</li> <li>7. Risk and opportunities are not clearly written in the FMP.</li> <li>8. No evidence to show that the FMU has started harvesting approval process (PEC 1-4) to FDS as verified during the stage 2 audit since the harvesting operation should commenced in year 2022.</li> </ol>	<p>relevant information required as per indicator 7.1.1.</p> <ol style="list-style-type: none"> <li>2. To revise General Harvesting Plan (GP) schedule which is workable.</li> </ol>	<p>year 2024 to 2048 not available in the FMP – Chapter 3</p> <ol style="list-style-type: none"> <li>3) Forest fire risk assessment, Emergency Response Team, basic equipment for fire fighting, and precautionary measures – Chapter 13</li> <li>4) Results of HCVs assessment – Chapter 10</li> <li>5) Potential impacts from forest operation to pollution, siltation of water courses and forest carbon stocks – Chapter 7 &amp; Chapter 13</li> <li>6) Description of stakeholder consultation – Chapter 7</li> <li>7) Risk and opportunities – Chapter 3</li> </ol> <p><b>Status: Closed</b></p>
<b>Indicator 8.3.1</b>	Major AIM07/2022	<p><b>Requirement:</b> Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in <b><u>APPENDIX B.</u></b></p> <p><b>Finding:</b> Documents for tracing forest product from its origin leaving the certified</p>	<p><b>Result of investigation and determination of root cause:</b> Procedure on tracing of forest product yet to be established in view of no harvesting operation.</p> <p><b>Correction and corrective action plan including completion date:</b> To establish procedure “Tracing of Logs” in line with MC&amp;I SFM Appendix B by May 2022.</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>Documented procedure and relevant documents available for tracing forest product (logs) from its origin leaving the FMU was verified titled ‘Administration Chain of Custody’ dated 10 May 2022.</p>



		<p>area was not available.</p> <p><b>Objective evidence:</b> Based on harvesting schedule, the harvesting operation has been scheduled in year 2022. However, there was no documented procedure and relevant documents available at Segaham FMU for tracing forest product (logs) from its origin leaving the certified area.</p>		<p>Implementation of the procedure and relevant documents will be verified during harvesting operation that scheduled in year 2024 as refer to the revised General Harvesting Plan (2024-2048).</p> <p><b>Status: Closed</b></p>
<b>Indicator 9.2.1</b>	Major AIM08/ 2022	<p><b>Requirement:</b> Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCV areas.</p> <p><b>Finding:</b> Relevant stakeholders was not consulted on the options to maintain or enhance the identified HCV areas.</p> <p><b>Objective evidence:</b> Record of the comment with relevant stakeholders on the HCV assessment report was not made available during the audit.</p>	<p><b>Result of investigation and determination of root cause:</b> Consultation with relevant stakeholders specifically on options to maintain or enhance High Conservation Value yet to be conducted.</p> <p><b>Correction and corrective action plan including completion date:</b> To write-in to Forest Department, SFC and WWF and attached with full HCV report to obtain their comment on appropriate options to maintain or enhance the identified HCV present within the FMU by May 2022.</p> <p>HCV Stakeholder consultation with affected Communities will be done during Awareness Briefing.</p>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022. Evidence of implementation was received on 8 July 2022.</p> <p>The FMU has sent a letter to FDS, SFC and WWF dated 20 May 2022 to get comments on the identified HCVs in the Segaham FMU titled 'Segaham FMU High Conservation Value Forest (HCVF) Assessment Report'. Copy of 'Segaham FMU HCVF Assessment Report' was attached together with the letter. SFC &amp; WWF have received the documents on 23 May 2022. While FDS on 24 May 2022. Comments from these agencies will be verified during next audit.</p> <p>Consultation with the local communities / indigenous peoples on the identified HCV areas was conducted by the FMU. Meeting minutes, attendance list and photos were verified:</p> <ol style="list-style-type: none"> <li>1)Kg. Melayu and Kg. Hijrah – 7 July 2022</li> <li>2)Lahanan Long Semuang – 26 May 2022</li> <li>3)Sekapan Panjang – 13 June 2022</li> <li>4)Sekapan Piit – 25 May 2022</li> <li>5)Uma Aging Long Daah – 28 June 2022</li> <li>6)Uma Aging Baleng Avun – 28 June 2022</li> </ol>

				<p>7)Uma Apan Long Menjawab – 15 June 2022</p> <p>8)Uma Badeng Long Dungan – 14 June 2022</p> <p>9)Uma Kahei Log Mekero – 20 June 2022</p> <p>10)Uma Kejaman Lasah – 30 June 2022</p> <p>11)Uma Kejaman Neh Long Liten – 29 June 2022</p> <p>12)Uma Kulit Long Mitik – 16 June 2022</p> <p>13)Uma Long Amo Lato Juman – 21 June 2022</p> <p>14)Uma Nyaving Long Mejawah – 1 July 2022</p> <p>15)Uma Sihan Long Menamang – 19 June 2022</p> <p><b>Status: Closed</b></p>
<b>Indicator 1.1.2</b>	Minor MRS01/ 2022	<p><b>Requirement:</b> Forest managers are aware / knowledgeable of the applicable federal, state and local laws, regulations and policies as well as administrative requirements for forest management.</p> <p><b>Finding:</b> Forest managers are not aware/knowledgeable of the applicable federal, state and local laws, regulations and policies as well as administrative requirements for forest management.</p> <p><b>Objective evidence:</b> Consultation with the Forest Manager and Camp Manager of the FMU showed that awareness and understanding of the federal, state and local laws and regulatory framework for forest management and understanding of MC&amp;I were not sufficient.</p>	<p><b>Result of investigation and determination of root cause:</b> At initial stage of implementing forest management, the camp manager and newly assigned forest manager are not well trained or briefed as required.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. Forest manager to attend relevant MC&amp;I SFM awareness training when public training course is available.</li> <li>2. Forest manager &amp; Camp manager to be briefed in general the MC&amp;I standard applicable federal, state and local laws, regulations and policies as well as administrative requirements for forest management by December 2022.</li> </ol>	<p>Received corrective action plan on 5 May 2022. Corrective action was accepted on 27 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

<b>Indicator 1.6.2</b>	Minor KN03/ 2020	<p><b>Requirement:</b> Policies or statements are communicated throughout the organisation and its contractors, and are made available to the public.</p> <p><b>Finding:</b> Policies or statements to comply with requirement of the MC&amp;I SFM standard was not available in the contract agreement.</p> <p><b>Objective evidence:</b> Contract Agreement (reference PS/MD/2012/002A [dated 2 Jan 2014 – 31 Dec 2024]) between Polymore Timber Sdn. Bhd. (Licencee) and Teleng Trading Sdn. Bhd. (Contractor) found that statement of commitment to comply with requirement of the MC&amp;I SFM standard in the contract agreement was not available.</p>	<p><b>Result of investigation and determination of root cause:</b> Contract Agreement (reference PS/MD/2012/002A [dated 2 Jan 2014 – 31 Dec 2024]) between Polymore Timber Sdn. Bhd. (Licencee) and Teleng Trading Sdn. Bhd. (Contractor) was signed in 2014 which hasn't include commitment of contractors to comply requirements of the MC&amp;I SFM standard.</p> <p><b>Correction and corrective action plan including completion date:</b> To revise Contract Agreement between Polymore Timber Sdn. Bhd. (Licencee) and Teleng Trading Sdn. Bhd. (Contractor) and include commitment of contractors to comply requirements of the MC&amp;I SFM standard by June 2022.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>
<b>Indicator 2.1.1</b>	Minor LYD02/ 2022	<p><b>Requirement:</b> Availability of documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state and local laws in the FMU.</p> <p><b>Finding:</b> Information of the hectareage and status of Stateland along Batang Balui area in FTL were not available.</p> <p><b>Objective evidence:</b> The original Forest Timber Licence No. T/3291 and First Schedule (attachment) dated 25/11/1993 that the land status consists of Mujong Merirai Protected Forest and 'Stateland along Batang Balui area' originally with approximately 43,000ha.</p>	<p><b>Result of investigation and determination of root cause:</b> Forest department do not provide updated hectareage and land status in the FTL.</p> <p><b>Correction and corrective action plan including completion date:</b> Write-in to Forest Department to obtain latest information on the land status pertaining to FMU licensed area fall under stateland and Mujong Merirai Protected Forest in hectareage by May 2022.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

		<p>Current licensed area is 38,984 ha as per General Harvesting Plan (GP) dated 3/05/2021.</p> <p>The Forest Timber Licence No. T/3291 need to be revised as per current hectarage of FMU area.</p>		
<b>Indicator 4.2.2</b>	Minor AIM02/ 2022	<p><b>Requirement:</b> Availability of management policies addressing the occupational safety and health of forest workers including work-related risks, in accordance with current legislation and/or regulations.</p> <p><b>Finding:</b> No person incharge was officially appointed on safety and health of forest workers.</p> <p><b>Objective evidence:</b> Letter of appointment for Ms Ting Yien Ling as person incharge on safety and health together with her description of responsibilities were not available during the audit.</p>	<p><b>Result of investigation and determination of root cause:</b> Officer in charge on safety &amp; health of forest workers is not officially appointed.</p> <p><b>Correction and corrective action plan including completion date:</b> To provide official letter appointing officer in charge on safety &amp; health of workers for Taman FMU by May 2022.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>
<b>Indicator 5.1.1</b>	Minor MRS03/ 2022	<p><b>Requirement:</b> Investments and reinvestments are made in forest management, including for forest administration, protection, research, human resource development, economic, conservation, environmental and social aspects, consistent with the tenure of the FMU.</p> <p><b>Finding:</b> Allocation budget for Segaham FMU was not inconsistent with FMP Budget &amp; Cost Projection and not met the requirement of Indicator 5.1.1.</p> <p><b>Objective evidence:</b></p>	<p><b>Result of investigation and determination of root cause:</b> Budget allocation provided in the FMP does not communicated to operation office, Sibuh who is preparing estimated budget &amp; cost projection.</p> <p><b>Correction and corrective action plan including completion date:</b> Operation office, Sibuh and Management office, Kuching to discuss and finalize on revised budget allocation in the FMP as per indicator 5.1.1. Subsequent records on cost projection or expenditure shall be</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

		<p>The FMU has allocated budget on wages, camp building upkeep, genset diesel, vehicles expenses, road/bridge maintenance, river vessel and camp compound upkeep as verified in the Budget for Financial Year 2022.</p> <p>However, the allocated budget was not inconsistent with the estimated 'Budget &amp; Cost Projection' as refer in the FMP2020-2030 and not met the requirement of Indicator 5.1.1 where no allocation on nursery, silviculture/enrichment planting, community development, fire management, human resource development, research, protection, conservation, environmental and social aspects.</p>	<p>prepared in accordance with FMP budget allocation by operation office in Sibu.</p>	
<b>Indicator 5.6.1</b>	Minor MRS04/2022	<p><b>Requirement:</b> Rate of harvest shall not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle. (NF)</p> <p><b>Finding:</b>  1.Establishment of PSPs was not followed the scheduling for year 2021/2022.  2.AAC calculation for FMP was not derived from PSP data.</p> <p><b>Objective evidence:</b>  1.The FMU has targeted to establish 24 PSPs from August 2020 to January 2022 as per projection table schedule in the FMP2020-2030. However, the FMU only achieved 5 PSPs (C1, C2, G3 &amp; F4) as verified during the audit.</p> <p>2.The AAC estimation in the FMP2020-2030 was derived from tree tagging inventory from 20 blocks in Coupe 08A.</p>	<p><b>Result of investigation and determination of root cause:</b>  Insufficient numbers of PSP completed against the scheduled PSP establishment plan in view of road accessibility problem and lack of surveyor.</p> <p><b>Correction and corrective action plan including completion date:</b>  1.To provide additional resources for road maintenance by May 2022.  2.To re-scheduled a workable PSP establishment plan and engage more surveyors by May 2022. AAC calculation in the FMP shall be amended based on sufficient PSP data.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

		However, the indicator required the AAC calculation shall be estimated from permanent sample plots data.		
<b>Indicator 6.3.1</b>	Minor MRS05/2022	<p><b>Requirement:</b> Availability and implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded areas, where necessary, in the FMU.</p> <p><b>Finding:</b>  1.Assessment for post-harvest area was not clearly described in the procedure.  2.Assessment on post-harvest area and rehabilitation program (enrichment planting) were not effectively implemented.</p> <p><b>Objective evidence:</b>  1.Procedure for post-logging block inspection titled 'Felling Damage Analysis' was not clearly described the post-harvest assessment process:  i)The procedure was not clearly mentioned the inventory process (pre-felling and post-felling), required data (harvestable tree, PCT, etc.), inventory/assessment form, data analysis and conclusion/recommendation.  2.The implementation of the 'Logging Impact Mitigation Strategies Enrichment Planting' procedure was not evident during audit:  i)Records of enrichment planting for Coupe 24 was not available except for Coupe 6 and Coupe 8.  ii)Supply of seedlings at camp nursery was not adequate (&lt;10 seedlings available) in order to implement enrichment planting in</p>	<p><b>Result of investigation and determination of root cause:</b>  The current version of Felling Damage Analysis procedure has not include Post-harvesting assessment. For previously harvested Coupe (currently under coupe 24) in June 2021, yet to be rehabilitated.</p> <p><b>Correction and corrective action plan including completion date:</b>  1.To revise Felling Damage Analysis procedure to include Post harvest assessment method.  2.To provide sufficient seedling from relevant source and carry out enrichment planting at current Coupe 24.  3.To assess on the survival of planted seedlings after initial planting shall be initiated by September 2022.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

		<p>the post-harvest and degraded area in Coupe 24.</p> <p>iii) Survival rate for tree planting of Dipterocarp trees (<i>Hopea kerangasensis</i>/Luis, <i>Shorea</i> sp., <i>Dryobalanops aromatica</i>) at Point 2 in Coupe 2 was only 26% where only 10 out of 38 saplings survived after 1 year.</p>		
<b>Indicator 6.5.5</b>	Minor MRS06/2022	<p><b>Requirement:</b> Fire prevention and control plan to be prepared and implemented for all fire prone forest types.</p> <p><b>Finding:</b> The forest fire procedure/plan was not adequately described on assessment process and measures to prevent and control forest fire.</p> <p><b>Objective evidence:</b> Forest fire procedures and control plan were made available titled 'Administration Forest Fire Monitoring' and 'Emergency Preparedness &amp; Response Operating Procedure'. However, forest fire risk assessment, Emergency Response Team, and precautionary measures (fire-fighting equipment, ground patrol, watch tower, water bodies, etc.) were yet to be provided and implement by the FMU.</p>	<p><b>Result of investigation and determination of root cause:</b> Procedure for "Administration Forest Fire Monitoring" and 'Emergency Preparedness &amp; Response' were provided but relevant resources needed is inadequate and forest fire drill yet to be conducted.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To ensure relevant resources required by Emergency Respond Team is made available.</li> <li>2. To conduct forest fire drill training in October 2022, frequency of such training on annual basis.</li> <li>3. To prepare Forest Fire Management Plan come with forest fire risk assessment by July 2022.</li> </ol>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>
<b>Indicator 7.3.2</b>	Minor AIM04/2022	<p><b>Requirement:</b> Availability of programmes to train forest workers to their respective roles for proper implementation of the forest management plan.</p> <p><b>Finding:</b> Availability of programmes to train forest workers to their respective roles for proper implementation of the forest management plan were insufficient.</p>	<p><b>Result of investigation and determination of root cause:</b> Not all related training were provided in the annual training plan to ensure effective implementation of the FMP.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To provide an updated annual training program to include all</li> </ol>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>

		<p><b>Objective evidence:</b> Annual Training programmes yet to cover the required training as below:</p> <ol style="list-style-type: none"> <li>1. Applicable federal, state and local laws, regulations and policies</li> <li>2. Fire management (forest fire, working place &amp; housing)</li> <li>3. STA – tree felling, log extraction, felling site preparation, mechanical site preparation</li> <li>4. Safety and health – Logging Operation</li> <li>5. Use of approved chemicals in the forest (handling and storing).</li> <li>6. First aider training</li> <li>7. MC&amp;I SFM awareness briefing</li> <li>8. Awareness of HCVA</li> <li>9. SOP complaints &amp; grievances</li> <li>10. Labour Ordinance</li> <li>11. OSH Act</li> </ol>	<p>required trainings, proper remarks on the targeted training group and also remarks of those training whether to be conducted internally or to attend external training program (by June 2022).</p> <p>2. To request for approval from the management for related publicly available trainings</p>	
<b>Indicator 8.1.3</b>	Minor AIM05/2022	<p><b>Requirement:</b> Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in <b>APPENDIX A</b>.</p> <p><b>Finding:</b> Records of evidence against corrective action taken was not found.</p> <p><b>Objective evidence:</b> The organization has conducted internal audit on 19<sup>th</sup> – 23<sup>rd</sup> July 2021. Eleven NCRs have been raised and closed accordingly. However, records of evidence against corrective action taken was not available.</p>	<p><b>Result of investigation and determination of root cause:</b> Evidence of the corrective action is available but not attached with the NCR form.</p> <p><b>Correction and corrective action plan including completion date:</b> To attach evidence together with NCR form for internal audits.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>



<p><b>Indicator 8.2.1</b></p>	<p>Minor AIM06/ 2022</p>	<p><b>Requirement:</b> Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p><b>Finding:</b> Establishment and tree measurement of permanent sample plot was not done correctly. Thus, research and data collection were found inaccurate.</p> <p><b>Objective evidence:</b>  1. During site inspection of the Permanent Sample Plot (PSP C1) at Coupe 21, it was found that the measurement of 100 m distance from point A to point B was not done using slope correction table.  2. At PSP-C2 in Coupe 24, point of measurement (POM) for tree no. 0906 was measured at the tip of buttress.</p>	<p><b>Result of investigation and determination of root cause:</b>  Surveyor establishing PSP were either not well versed or not strictly follow the PSP process flow.</p> <p><b>Correction and corrective action plan including completion date:</b>  1. To make correction of the measurement of PSP C1 at Coupe 21.  2. Chief surveyor to conduct refresher on job training to all surveyor on the ground.</p>	<p>Received evidence on 29 April 2022. Corrective action was accepted on 26 May 2022.</p> <p><b>Status: Implementation of corrective action plan will be verified during next audit.</b></p>
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**Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit**

<b>Indicator</b>	<b>Specification Major/Minor/OFI</b>	<b>Detail Non-conformances</b>	<b>Corrective Action Taken</b>	<b>Verification by Assessor</b>
NCR: NA	NA	<b>Requirement: NA</b>  <b>Finding: NA</b>  <b>Objective evidence: NA</b>	<b>Result of investigation and determination of root cause: NA</b>  <b>Correction and corrective action plan including completion date: NA</b>	Status: NA