



**PUBLIC SUMMARY
1st SURVEILLANCE AUDIT (1st CYCLE) ON
MUJONG-MELINAU FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00130
Date of First Certification: 24th August 2020
Audit Date: 15th - 17th February 2022
Date of Public Summary: 30th December 2022**

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EXECUTIVE SUMMARY

This Surveillance 1 audit on the Mujong-Melinau Forest Management Unit (hereafter referred as the (Mujong-Melinau FMU) was conducted on 15th – 17th February 2022 to assess the compliance of the overall forest management system of the Mujong-Melinau FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification*) [MC&I SFM] using the verifiers stipulated for Sarawak. The scope of this surveillance 1 audit was limited to the forest management system and practices on the Stateland Forest within the Mujong- Melinau FMU.

This Surveillance 1 audit was conducted by a 3-member team comprising Hj.Roslee Jamaludin (Lead Auditor), Ismail Adnan Abdul Malek (Auditor), and Puteri Arlydia Abdul (Auditor).

Based on the findings of this Surveillance 1 audit, it was found that Mujong-Melinau FMU had complied with the requirements of the MC&I SFM. This Surveillance 1 audit had resulted in the issuance nine (9) minor Non-Conformity Reports (NCRs).

This public summary contains the general information on the Mujong-Melinau FMU, the findings of the Surveillance 1 audit, NCRs raised as well as the decision on the certification of the FMU.

2. INTRODUCTIONS

2.1 Name of FMU

Mujong-Melinau Forest Management Unit

2.2 Contact Person and Address

Name : Mr Lance Hung Sing Lu
Designation : Manager (Forest Certification Dept.)
Address : Subur Tiasa Holdings Berhad - Mujong - Melinau FMU
No. 66-78, Pusat Suria Permata, Jalan Upper Lanang,
CDT123, 96000 Sibul, Sarawak

Contact details; Phone # : 084-211555/ 019-8885329 (Mr Lance)
Fax : 084-211886
E-mail : hsl001@suburtiasa.com

2.3 General Background on the Mujong-Melinau FMU

The Forest Timber Licence (FTL) No. T/3361 was issued to Subur Tiasa Holding Berhad by the Sarawak Forestry Department on 21 September 1998 – 20 September 2010 to manage a total of 44847 ha of the State Land, however based on the new calculation by FDS the area become 41,696 which is located within the Kapit Division, Sarawak for an initial period of 12 years. It was subsequently renewed on 25 April 2019 to 24 April 2020 for re-entry logging and further renewed, based in a letter ref (12) JHS/WPO.627.33.1(IV) dated 5/04/2021 for period 25/04/2021 – 24/04/2022.

The General harvesting Plan (GP) for Mujong – Melinau Forest management Unit (Partly within T/3361- Subur Tiasa Holding Berhad has been approved on 11 April 2019. (Ref. (22) JHS/600-3/7/110/Jld. However, during this surveillance 1 audit, the scope of the certification for Mujong – Melinau FMU has been reduce by 393 ha. This area has been approved by the Government for the construction of Bukit Mabong Airport. The area affected for the project were, in operable area in coupe 12A (257ha) and 15A (108 ha), SA area (23ha) and Riparian buffer zone 5ha

The Natural Forest (NFM) managed by Subur Tiasa Holding Berhad covers an area of 41696 ha of stateland of Kapit Division. The forest area is situated approximately between Latitudes 1° 24.729' N to 2° 12.572' 000" N and Longitudes 113° 26.243' E to 113° 40.918' E within Kapit Division. To the west, the FMU sharing a common boundary with area under FTL No. T/3243, which is licenced to a sister company of the FMU. Therefore, some of the facilities are shared among the two FTL (i.e T/3361 and T/3243). To the northwest on the opposite side of Sg. Mujong, it is bordering with FTL No. T/0518 owned by WTK Group. FTL area under licence no T/3064 is found on the northeast.

The forest types in the FMU are logged-over Hill Mixed Dipterocarp Forest (MDF) Forest of the stateland. Mujong – Melinau FMU comprises the stateland of Terrain II and III. The general landform of the FMU ranges from undulating to considerably hilly terrain with elevation between 50m – 300m. About 63% of the FMU under elevation between 60m- 150m, 30% between 150-300m and 7% above 300m ft.

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

2.4 Date First Certified

24 August 2020

2.5 Location of the FMU

The FMU is located between Latitudes 1° 24.729' N to 2° 12.572' 000" N and Longitudes 113° 26.243' E to 113° 40.918' E.

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. A Forest Management Plan (FMP) (Mujong-Melinau FMP) for Forest Timber Licence No. T/3361 covering stateland under Mujong- Melinau for the period 2018-2033 was presented during the audit.

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

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 23,155 ha. Annual Coupe of Mujong – Melinau FMU was set to not more than 64000m³ /year, with monthly production of 5393m³ for 25 years of cutting cycle.

2.8 Environmental and Socioeconomic Context

An EIA report was made available titled 'Environmental Impact Assessment (EIA) for the Re-Entry Timber Harvesting under Forest Timber Licence No. T/3361, at Sg. Mujong - Sg. Melinau Area, Kapit Division, Sarawak' – April 2016. The EIA report was approved by the Natural Resources and Environment Board (NREB) on 30 June 2016 (Reference No.: (14) NREB/6-3/2F/82).

The Forest Management Plan had also incorporated an assessment of environmental impacts specific to potential impacts on endangered, rare, and threatened species of flora and fauna (ERT), and the need for biological corridors in the FMU.

The relevant documents on the customary rights of indigenous peoples' lands were kept at Garu Base Camp office. Mechanism to resolve any conflicts and grievances was established through Communities Representatives Committee (CRC) and sighted SOP titled 'SOP Public Conflict Resolution Mechanism'. There was no record of conflict and grievance from local communities based on stakeholders' interview and available records sighted at the FMU during this audit.

The FMU had identified the important cultural, ecological, economic, or religious sites in the FMU as sighted in the SIA report dated February 2018 section 3.211 'Burial grounds, cultural sites and salt lick area'.

There was no application of any traditional forest-related knowledge and practices of natives in forest operations. However, the FMU has established an SOP titled 'Mechanism on Traditional Knowledge Documentation (Inventory)'.

Communities living within, or adjacent to, the FMU are given preference for employment and contract works as per confirm during interview with and interview with samples worker during current audit.

3. AUDIT PROCESS

3.1 Audit Dates

15th -17th February 2022 /12 auditor days

3.2 Audit Team

Hj.Roslee Jamaludin	(Lead Auditor)
Ismail Adnan Abdul Malek	(Forester)
Puteri Arlydia Abdul	(Forester)

SQAS/MSC/FOR/30-27a

Issue 1 Rev 0

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

3.3 Standard Used

Malaysian Criteria and Indicators for Forest Management Certification [MC&I SFM using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning January 2022 to solicit feedback from stakeholders on the compliance of the Mujong-Melinau FMU against the requirements of the MC&I SFM. 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 compliance of the Mujong-Melinau FMU's current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I SFM, 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 SFM;
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I SFM; 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 SFM but without sufficient objective evidence to support a non-conformance.

Consultations were held with local communities in, Rh. Kilau, Rh. Tani, Rh. Jantang, Rh. Barang, Rh. Mansai and Rh Baram which situated within and adjacent of FMU, Sarawak Forestry Corporation officers, Sarawak Forest Department Officers and the FMU's workers during this Surveillance 1 audit.

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

The Mujong-Melinau 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. The audit team had prepared an interim Surveillance 1 audit report and sent it to the Mujong-Melinau FMU for comment. A second draft of Surveillance 1 audit report which had incorporated the comments received from the Mujong-Melinau FMU was then prepared. A final surveillance 1 audit report was prepared after incorporating the comments from reviewer.

4. SUMMARY OF AUDIT FINDINGS

Based on the findings of this Surveillance 1 audit, it was found that the Subur Tiasa Holding Berhad had managed the Mujong-Melinau FMU in compliance with most of the requirements of the MC&I SFM. This Surveillance 1 audit had resulted in the issuance of nine (9) minor NCRs. The details on the NCRs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by the Mujong-Melinau FMU to address the Minor NCR raised during this Surveillance 1 audit. The audit team had reviewed and accepted the Mujong- Melinau proposed corrective actions to address the 9 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

On local community rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings with the Community Representative Committee (CRC). SOP titled "Public Conflict Resolution Mechanism" was available. there was no record of conflict and grievance from local communities based on stakeholders' interview and available records sighted at the FMU during this audit.

Regarding Criterion 6.10, there is no conversion of natural forest to plantation or other land use by the FMU.

As there is no major NCR raised during this surveillance 1 audit, the audit team had therefore recommended that the Certificate for Forest Management awarded to Mujong-Melinau FMU be maintained.

The summary on the findings of the Surveillance 1 audit on the Mujong-Melinau FMU against the requirements of the MC&I SFM 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, and were available in the office at the Garu Camp Office of FMU.</p> <p>Referring to a letter from Regional Forest Officer of Sibul, dated 24th January 2022 Ref. no: (61) PHWS.627.33.1(T/3361) Jld.2 confirmed that there were no unpaid or outstanding bills, unroyalty logs and no forest offence at the time of the surveillance 1 audit.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Garu Camp Office. Record of payment made to the Government of Sarawak were made available during the audit.</p> <p>The forest managers were aware of all the binding international agreements.</p> <p>Documentation of any conflicts between laws, regulations and these principles and criteria was made available during the audit. The conflicts were recorded mainly on the understanding of the laws and regulations and were documented for the FMU action. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise with the affected parties.</p> <p>No cases of encroachment were detected and reported to Forestry Department during the audit.</p> <p>Sustainable Forest Management Policy signed by Chief Operating Officer dated April 2018 was made available during the audit. The policies or statement were clearly explained to organisations workers and its contractors</p>	<p>During this Surveillance 1 audit, the FMU did not has the Permit for Storage of diesel.</p> <p>Therefore, a Minor NCR RJ01/2022 for Indicator 1.1.1 was raised.</p>
Principle 2 Tenure and Use Rights and Responsibilities	<p>All relevant documents of legal or customary tenure or use rights of the FMU were made available during the audit. Forest Timber Licence – FTL No T/3361 issued to Subur Tiasa Holdings Bhd dated 21/09/1998 – 20/09/2020 and renewal ref (12) JHS/WPO.627.33.1(IV) dated 5/04/2021 for period 25/04/2021 – 24/04/2022 vide (13) JHS/WPO.627.33.1(IV). Was made available during the audit.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>However, on 2021 Sarawak Forestry Department has notified licensee on reduction of license area. A letter: Ref. No. WPO.600-1/1/146(236) dated 11/05/2021 – revision area under proposed Bukit Mabong Airport project within License No T/3361 (Mujong Melinau FMU) at Coupe 00A (realigned from original 418 ha to 393 ha). The area for Mujong-Melinau FMU has reduced to 41303 ha.</p> <p>Forest managers has supported legally recognised mechanisms for resolving land claims. There was no land claim since Stage 2 audit (2019) to current audit (2022).</p> <p>An SOP “Public Conflict Resolution Mechanism” was established by Suburtiasa FMU, although there was no issue on land claim as verified during this audit.</p>	
Principle 3 Indigenous People’s Rights	<p>Documentation of the customary rights of indigenous peoples’ lands within relevant federal, state, and local laws were kept at base camp and sighted during this audit.</p> <p>Management and use of the customary rights of indigenous peoples’ lands, are controlled by indigenous peoples were maintain as the villages has delegate control with free, prior, and informed consent to other agencies and/or parties through “<i>Perjanjian Aktiviti Pembalakan</i>”</p> <p>There was no application of any traditional forest-related knowledge and practices of natives in forest operations. However, the FMU has established an SOP titled ‘Mechanism on Traditional Knowledge Documentation (Inventory)- related traditional knowledge and special sites’ as guides for a fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of local communities (via the Community Representative Committee (CRC).</p>	<p>FMU has briefly present the conflict resolution process during meeting with CRC on 4/03/2020 at Mahligai Hotel, Kapit with attendance of Tuai Rumah and 2 representatives each village.</p> <ol style="list-style-type: none"> 1. However, during stakeholder consultation, villages were not aware with the process and access to the complaint form. 2. Interview with FMU person in charge has confirmed that the mechanism and the complaint form also were neither in the website for public access, nor that villagers has been informed they may have access to the form at Garu base camp. <p>Therefore, a Minor NCR LYD-01/2022 for Indicator 3.1.3 was raised.</p>
Principle 4 Community Relations and Workers’ Rights	<p>Management has conducted various internal training related to forest management and logging operation for their staff and sent workers for training by external agencies such as Sarawak Timber Association (STA) and Sarawak Forestry Corporation (SFC).</p> <p>Communities living within, or adjacent to, the FMU are given preference for employment and contract works as per</p>	<p>Letter of appointment for Ms Jude Conai anak Dickson as Safety and Health Officer, together with her description of responsibilities and authorities were not found during this audit.</p> <p>Therefore, a Minor NCR LYD-01/2022 for Indicator 4.2.2 was raised.</p>

Principle	Strengths	Weaknesses
	<p>confirm during interview with and interview with samples worker during current audit.</p> <p>Forest managers has not employed or be involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p>Appropriate mechanisms have been employed to expeditiously resolve grievances and provide fair and equitable compensation for any loss or damage affecting the local communities' legal or customary rights, property, resources, or their livelihoods, caused by forest operations through SOP Public Conflict Resolution Mechanism STH/FOD/LPR/01 Rev 0 dated 1/03/2019.</p>	<p>Site inspection at Garu Camp workshop, found the following;</p> <ol style="list-style-type: none"> 1. <u>The Temporary Schedule waste site</u> <ol style="list-style-type: none"> a. 2 Drums of SW305 (used oil) and SW 410 (used oil filter) respectively were stored without the date of first generated. 2. <u>The workshop store/Workshop</u> <ol style="list-style-type: none"> a. 6 plastic containers containing lubricant oil were stored in this store, not at the designated area for storage of Fuel, Oil and Lubricant (FOL). b. 2 Plastic Containers of Acid Battery (Sulphuric Acid) were stored in this store, not at the chemical store or at FOL . c. 2 drums of SW 305 and SW 410 respectively were stored at the workshop, not at the Schedule Waste Store and without date of first generated. <p>Therefore, a Minor NCR RJ 02/2022 for Indicator 4.2.5 was raised.</p> <p>FMU has briefly present the social impact evaluations during meeting with CRC on 4/03/2020 at Mahligai Hotel, Kapit with attendance of Tuai Rumah and 2 representatives each village.</p> <ol style="list-style-type: none"> 1. However, during stakeholder consultation, villagers were not aware with the access to the SIA result. 2. Interview with FMU person in charge has confirmed that SIA result also was neither in the website for public access, nor that villagers has been informed they may have access at Garu base camp <p>Therefore, a Minor NCR LYD-01/2022 for Indicator 4.4.1 was raised.</p>
Principle 5 Benefits From the Forest	5 Years Budget Plan and the yearly Budget for FMU T3361 from December 2021 to November 2022, Budget 2021/2022 was made available during the audit. Investments and reinvestments	There was no negative finding

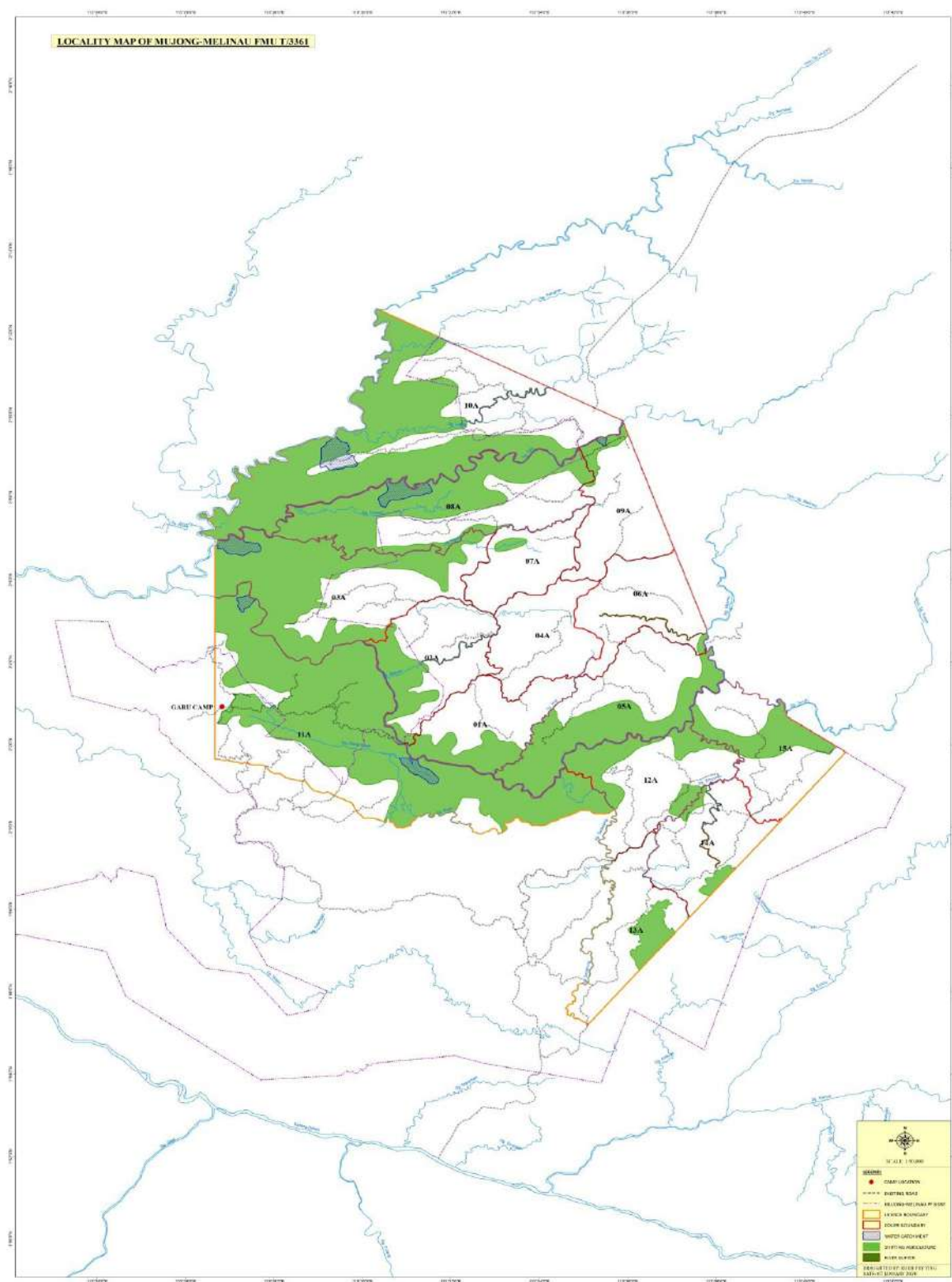
Principle	Strengths	Weaknesses
	<p>include forest administration, forest operation (Pre-F, RILP, demarcation of protected areas), nursery, enrichment planting and rehabilitation works, harvesting, community and monitoring.</p> <p>A total of 25 PSPs were established in Mujong - Melinau FMU at the time of this stage 2 audit, and still 25 PSPs during this Surveillance 1 audit.</p> <p>The FMU allowed, local community to collect and utilised non-timber forest products.</p> <p>Protection Areas of watershed, shifting cultivation area were excluded from logging and were demarcated on the map and the map was verified during the audit. The map showing the sensitive areas such as riparian reserved were available at camp office.</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 23,155 ha. Annual Coupe of Mujong – Melinau FMU was set to not more than 64000m³ /year.</p>	
Principle 6 Environmental Impact	<p>The EIA report titled 'Environmental Impact Assessment (EIA) for the Re-Entry Timber Harvesting under Forest Timber Licence No. T/3361, at Sg. Mujong - Sg. Melinau Area, was made available during the audit. The report was approved by the Natural Resources and Environment Board (NREB) on 30 June 2016 (Reference No.: (14) NREB/6-3/2F/82).</p> <p>The Mujong-Melinau Forest Management Plan had incorporated information from assessment of environmental impacts as seen in Chapter 7 - Environmental Impact Assessment.</p> <p>Guidelines to identify and protect endangered, rare, and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU were available, as in the Green Book.</p> <p>The activities of hunting, fishing, and collecting in the FMU were controlled through monthly inspection such as block inspection, coupe patrol, licensed area</p>	<p>The FMU did not assess post-harvest natural regeneration analysis, therefore, result of analysis of change of forest stand/species to the pre-felling inventories was not available.</p> <p>Therefore, a Minor NCR ISMA 02/2022 for Indicator 6.3.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>inspection, wildlife patrol, river patrol and HCVF inspection.</p> <p>The latest awareness training/briefing on ERT's and the related SFC Circular no. 1/2021 and 2/2021 to all staff and workers at Mujong-Melinau FMU was conducted on 27 August 2021.</p> <p>HCV and wildlife awareness was conducted during the 2nd CRC meeting of the CRC at Hotel Meligai, Kapit on 4 March 2020; Awareness training/briefing on ERT's to the local communities was also conducted on 22nd October 2021 during the FMCLC meeting.</p> <p>There was evidence that the FMU had set aside representative areas of existing ecosystems which are protected in their natural state as an initiative to compare any changes due to current harvesting operation area with existing ecosystems.</p> <p>Harvesting was designed in the FMU taking into consideration the need for the conservation of biological corridors and buffer zones for features of special biological interest for wildlife.</p> <p>Scheduled waste management procedure titled 'Scheduled Waste Procedure' STH/FOD/SWP/01 was available. Storage and Disposal record for scheduled wastes were available and sighted during audit.</p> <p>The FMU did not use any chemical pesticides listed in the World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides in its forest operation.</p> <p>There was no application of biological control agents in the FMU.</p> <p>The FMU did not use any exotic species in their forest management prescription.</p> <p>There was no plan for converting the forest area to plantations. Conversion of natural forest into non-forest land use had not occurred within the FMU</p>	
Principle 7 Management Plan	A Forest Management Plan (FMP) (Mujong-Melinau FMP) for Forest Timber Licence No. T/3361 covering stateland under Mujong- Melinau for the period 2018-2033 was available and has been approved by Forest Department Sarawak on 9 Nov. 2019. The FMP had included all the items listed from (a) to (i) in Criterion	There were no negative findings

Principle	Strengths	Weaknesses
	<p>7.1, will be periodically revise 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, FDS, Sarawak Bio D.</p> <p>The presence of ERT species had been documented and protective measures for them had been included in the FMP.</p> <p>Training programs for the FMU for the year 2021 and 2022 was made available to the audit team. A total of 8 training activities and briefing had been conducted in 2020, 16 training and briefing in 2021 and 1 in 2022, which involved all level of staff and local communities.</p> <p>Summary of Forest Management Plan has been prepared, implemented, and made available to the public through website link as follows www.suburtiasa.com.my</p>	
<p>Principle 8 Monitoring and Assessment</p>	<p>During this audit, all harvesting activities in Coupe 01A were suspended for Mujong-Melinau FMU. However, tracing the forest product (logs) from its origin, a process known as the “chain of custody”, leaving the certified area can be verified in the future, as all logs from the harvesting blocks shall be affixed with tags (Enumeration (Felling) and (LPI) and accompanied with ‘Daily Logs Production Issue Note’ be transported from the landing area (temporary logyard) in the harvesting block to Sg. Stapang stumping (PoRM).</p> <p>Monitoring on changes of ecological functions, growth, and regeneration as well as social impacts will be incorporated in the revision of the management plan during mid-term review on 5th year in 2023. However, some of the content will be changed or revised earlier before the intended revision date if needed.</p> <p>Public summary of the results of monitoring indicators, including those listed in Criterion 8.2, is available on the website http://www.suburtiasa.com. It had been made available to the public.</p>	<p>Records reviewed found that Report of the internal audit that was conducted on 13th – 15th September 2021 did not include the result of the investigation and determination of root cause for the non-conformity raised from the Internal Audit.</p> <p>Therefore, a Minor NCR ISMA 01/2022 for Indicator 8.1.3 was raised.</p> <p>Reports on social impacts evaluation on annual monitoring were inadequate.</p> <ol style="list-style-type: none"> 1. For 2021, due to Covid 19 – MCO restriction, only 2 villages have been visited on 2020 (Rh. Barang and Rh Mansai on 11/07/2020) and 3 villages on 2021 (Rh. Jantang, Rh. Tani, Rh. Killau on 29/09/2021 – 1/10/2021). The social monitoring has yet to be conducted to cover all local communities (16 villages) for 2022. 2. The recording of social monitoring was not consistent as there was no specific form for this purpose (Form D HCV 5 monitoring were used for Rh. Barang & Rh. Mansai and Field Trip report were used for Rh. Rh. Jantang, Rh. Tani, Rh. Killau) 3. The content of the form used has yet to cover the social impact on economy, employment

Principle	Strengths	Weaknesses
		<p>opportunities, road safety, and protection of significant area (cultural, religious and burial sites, water intake point)</p> <p>Therefore, Minor NCR LYD-01/2022 for Indicator 8.2.1 was raised</p>
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>The HCVF report High Conservation Value Forest (HCV1-HCV6) Assessment Report, dated March 2017 had identified various potential sites in the FMU was made available during the audit.</p> <p>The latest briefing to local communities on HCV awareness was conducted during the CRC meeting on 4 March 2020.</p> <p>Evidence of HCV sites monitoring were verified through the records of monitoring/patrolling done on 21 of January, February, April, May, June, and July 2021 respectively.</p> <p>Results and findings of the HCVFs monitoring activities will be incorporated into the Mujong-Melinau Forest Management Plan during the mid-term review in 2023.</p>	<p>Site inspection by the auditor found HCV 1.4 (Bird Nest) in Block 6 , Coupe 01A and HCV 6 (Burial Ground) in Coupe 13A located in the river buffer zone were not demarcated on the ground, hence, not complying to the requirement in the SOP titled "HCV Management and Monitoring."</p> <p>Therefore, a Minor NCR (ISMA03/2022) for Indicator 9.3.1 is raised</p>

Map of Mujong- Melinau FMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj.Roslee Bin Jamaludin	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma of Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience: A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Attended training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015 • EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. • Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016. • Forest Management Certification (FMC) Workshop' organised by SIRIM (Food, Agr. & Forestry Section) 06 & 07 December 2016 • Forest Management Certification (FMC) Workshop 2017 organised by SIRIM (Food, Agr. & Forestry Section) 08 – 09 May 2017 • 'Forest Management Certification (FMC) Workshop' for 2017 organised by SIRIM (Food, Agr. & Forestry Section) 28 & 29 November 2017. • FMC Workshop for 2018 organised by SIRIM (Food, Agr. & Forestry) 22 November 2018 • COC Workshop 2018 organised by SIRIM 26 November 2018 • Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.
Ismail Adnan Malek	Auditor	<p>Academic Qualification: Master of Forestry, University of British Columbia, Canada</p> <p>Work Experience:</p>

		<p>One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing local/international seminars on Forestry areas. Published and presented research findings at seminars/conferences and journals. Currently as Auditor at the Food, Agriculture and Forestry /ion (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Forest Plantations).</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> • Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2), 9th-10th July 2015, SIRIM QAS International Sdn Bhd • ISO 14001:2004 Lead Assessor Training, 23rd-27th Nov 2015, SIRIM Training Services Sdn. Bhd • Training on Auditing Techniques, 26th January 2016, SIRIM QAS International Sdn Bhd
Puteri Arlydia Abdul	Auditor/ Forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: 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&I (both Natural and Plantation Forest).</p> <p>Training / Research Areas: Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> 1. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012 2. MC&I (Natural and Plantation) Lead Auditor Course 9-10/07/2015 3. Training on ISO 9001:2015 (final version) dated 21/09/2015 4. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015 5. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016 6. Schedule Waste Handling dated 1/06/2016 7. ISO 14001:2015 dated 18/09/2017 8. PEFC CoC by MTCC dated 6 & 14/12/2017

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
		No comment received	

Surveillance 1 Audit Plan

DAY	TIME	PROGRAM		
		Hj.Roslee (Auditor 1)	Ismail Adnan (Auditor 2)	Puteri Arlydia (Auditor 3)
Day 0 14.2.22 Monday	8am	All Auditors travel to Sibu Flight from Kuala Lumpur (KUL) to Sibu (SBW) MH2712 ETD: 08.35- ETA 10.30 Travel to FMU's Garu camp by land.		
Day 1 15.2.22 Tuesday	8.00 am – 11.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on findings from Stage 2 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs Evaluate on internal audit and management review 		
	12.00 pm – 5.00 pm	Documentation and records review		
		Principle 1 – Compliance with Laws and Principles	Principle 6 – Environmental Impact	Principle 2 – Tenure and Use Rights and Responsibilities
		Principle 5 – Benefits from the forest	Principle 8 – Monitoring and Assessment	Principle 3 – Indigenous Peoples' Right
		Principle 7 – Management Plan	Principle 9 – Maintenance of High Conservation Value (HCV)	Principle 4 - Community Relations and Worker's Right
				<ul style="list-style-type: none"> Consultation with stakeholders – Sarawak Forestry Department and Sarawak Forestry Corporation (SFC) Interview with workers
		Review of Day 1 Findings by Audit Team Leader		
Day 2 16.2.22 Wednesday	7.30 am – 5.30 pm	Site visit <ul style="list-style-type: none"> Inspection of active harvesting area – no active harvesting Inspection of Post-Harvest area: block 2 & 4 coupe 1 Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw, and 	Site visit <ul style="list-style-type: none"> Inspection of active harvesting area- no active harvesting Inspection of Pre-Harvest area. Block 6&7 Coupe 2 Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, 	Site visit <ul style="list-style-type: none"> Consultation with Local Communities: RH: Kilau, RH Tani, RH Jantang, RH Barang & RH Mansai Conservation areas; Burial Site RH Baram, Coupe 2. Licence Boundary: Coupe 11

		supervisor. • FMU external boundary: T/3361 / T3397 • Riparian Buffer zone: • HCV: Bird Nest, HCV 1.4 Block 6, coupe 1 • Workshop, store, and nursery	chainsaw, and supervisor • Inspection of Coupe Boundary: Coupe 1&2 -Sg.Melinau • PSP: no.12 Block 6,Coupe 2 • PoRM	
		• Review of Day 2 Findings by Audit Team Leader		
Day 3 17.2.22 Thursday	7.30 am – 1.00 pm 2.00 pm – 5.00pm	• 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 • Adjourn Closing Meeting • Travel to Sibu, overnight in Sibu.		
18.2.22 Friday		All auditors travel to Kuala Lumpur – MH 2715: ETD 11.30, ETA 13.20.		

Audit Findings and Corrective Action Taken SA1 (2022)

[illegible]

	<p>at Mahligai Hotel, Kapit with attendance of Tuai Rumah and 2 representatives each village.</p> <ol style="list-style-type: none"> 1. However, during stakeholder consultation, villages were not aware with the process and access to the complaint form. 2. Interview with FMU person in charge has confirmed that the mechanism and the complaint form also were neither in the website for public access, nor that villagers has been informed they may have access to the form at Garu base camp 	<p>Correction and corrective action plan including completion date:</p> <p>Complain and Grievance form will be uploaded to the company website under the Mujung-Melinau FMU to ensure it is accessible to all the stakeholders. The Briefing will also be conducted during the next CRC meeting and social visit to the longhouses. Expected to complete in 6 months.</p>	
<p>Minor</p> <p>NCR: LYD-01/2022</p>	<p>Requirement: Indicator 4.2.2 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>Finding: Employment of Safety and Health Officer not in accordance with Occupational Safety and Health Act 1994 under subsection 29 (1) and (2).</p> <p>Objective evidence: Letter of appointment for Ms Jude Conai anak Dickson as Safety and Health Officer, together with her description of responsibilities and authorities were not found during this audit</p>	<p>Result of investigation and determination of root cause.</p> <p>Due to restructuring of FMU Organization Chart and the transfer movement of the employee, the letter of appointment and job description for the newly appointed Safety Office has not been issued.</p> <p>Correction and corrective action plan including completion date:</p> <p>Human Resource Department (HR) will re-look into the employee of the FMU and ensure all the Letter of Appointment and Job Description is issued. Expected to complete within a month.</p>	<p>Corrective action Plan accepted</p> <p>Status: Will be verified in the next audit</p>
<p>Minor</p> <p>NCR: RJ 02/2022</p>	<p>Requirement: Indicator 4.2.5 - Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: Storage and handling of hazardous material does not comply to the Guidelines on Storage and Handling of hazardous materials.</p>	<p>Result of investigation and determination of root cause:</p> <p>The hazardous items include the schedule waste stored at the Temporary Schedule Waste Storage and scheduled waste found at the workshop area was due to the repairing of the Schedule Waste Store and the storage was not</p>	<p>Corrective action Plan accepted.</p> <p>Status: will be verified in the next audit</p>

	<p>Objective evidence: Site inspection at Garu Camp workshop, found the following.</p> <p><u>The Temporary Schedule waste site</u></p> <p>a. 2 Drums of SW305 (used oil) and SW 410 (used oil filter) respectively were stored without the date of first generated.</p> <p><u>The workshop store/Workshop</u></p> <p>a. 6 plastic containers containing lubricant oil were stored in this store, not at the designated area for storage of Fuel, Oil and Lubricant (FOL).</p> <p>b. 2 Plastic Containers of Acid Battery (Sulphuric Acid) were stored in this store, not at the chemical store or at FOL.</p> <p>c. 2 drums of SW 305 and SW 410 respectively were stored at the workshop, not at the Schedule Waste Store and without date of first generated.</p>	<p>done properly by the workshop in charge and store in charge.</p> <p>Correction and corrective action plan including completion date:</p> <p>The repairing of Scheduled Waste Store is in progress. The Store is expected to complete within 3 months.</p>	
<p>Minor</p> <p>NCR: LYD-01/2022</p>	<p>Requirement: Indicator 4.4.1 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>Finding: Access to information on the results of the social impact evaluations for people and</p>	<p>Result of investigation and determination of root cause:</p> <p>The SIA result and findings only shared at the the CRC and FMCLC meeting, and it is not conveyed to all the local communities.</p> <p>Correction and corrective action plan including completion date:</p>	<p>Corrective Action Plan Accepted</p>

	<p>groups directly affected by the forest operations were not made available.</p> <p>Objective evidence: FMU has briefly present the social impact evaluations during meeting with CRC on 4/03/2020 at Mahligai Hotel, Kapit with attendance of Tuai Rumah and 2 representatives each village.</p> <ol style="list-style-type: none"> 1. However, during stakeholder consultation, villagers were not aware with the access to the SIA result. 2. Interview with FMU person in charge has confirmed that SIA result also was neither in the website for public access, nor that villagers has been informed they may have access at Garu base camp 	<p>During the next social visit to the longhouses, the SIA result and findings will be briefed to all the local communities. A copy of SIA report will be made available at the FMU site for the locals to access if needed. Expected to complete within 6 months.</p>	<p>Status: will be verified in the next audit</p>
<p>Minor</p> <p>NCR: ISMA02/202 2</p>	<p>Requirement: Indicator 6.3.1 - 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>Finding: Management guidelines to assess post-harvest natural regeneration was not implemented</p> <p>Objective evidence: Result of analysis of change of forest stand/species to the pre-felling inventories was not available.</p>	<p>Result of investigation and determination of root cause: Post harvesting activities just been commenced at the FMU block so the mechanism was not developed yet.</p> <p>Correction and corrective action plan including completion date: Prepare SOP on carryout the analysis of change of forest change/species to the pre-felling inventories. The ground activities will be carried out based on the mechanism established. Expect to complete within 6 months.</p>	<p>Corrective Action Plan Accepted</p> <p>Status: Will be verified in the next audit</p>

<p>Minor</p> <p>NCR: ISMA01/2022 2</p>	<p>Requirement: Indicator 8.1.3 - 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 <u>APPENDIX A</u>.</p> <p>Finding: Determining of the cause of the non - conformity not evidence.</p> <p>Objective evidence: Report of the internal audit that was conducted on 13th – 15th September did not include the result of the investigation and determination of root cause for the non-conformity raised.</p>	<p>Result of investigation and determination of root cause: The section of determination of root cause was not in the NCR form designed as the old form was used and not complying with the new MC&I SFM standard requirement.</p> <p>Correction and corrective action plan including completion date: Improve the NCR form used in the Internal Audit to include the section of “Determination of Root Caus”. The New Form will be implemented within a month.</p>	<p>Corrective action plan accepted</p> <p>Status: will be verified in the next audit</p>
<p>Minor</p> <p>NCR: LYD-01/2022</p>	<p>Requirement: Indicator 8.2.1 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>Finding: Reports on social impacts evaluation on annual monitoring were inadequate</p> <p>Objective evidence: 1. For 2021, due to Covid 19 – MCO restriction, only 2 villages have been visited on 2020 (Rh. Barang and Rh Mansai on 11/07/2020) and 3 villages on 2021 (Rh. Jantang, Rh. Tani, Rh. Killau on 29/09/2021 – 1/10/2021). The social monitoring has yet to be conducted to cover all local communities (16 villages) for 2022.</p> <p>2. The recording of social monitoring was not consistent as there was no specific form for this purpose (Form D HCV 5 monitoring were used</p>	<p>Result of investigation and determination of root cause: Social visit to all longhouses has been carried out in Year 2020. However, due to Covid pandemic and Movement Control Order (MCO) so in Year 2021 the social team can only visited few longhouses. Also, some longhouses have restricted the visitors during Covid pandemic period. The missing data in updating social profile was because of the different forms been used during the social survey.</p> <p>Correction and corrective action plan including completion date: Social team will make the planning and ensure they visit all the longhouses in Year 2022 to carry out the social monitoring activities. New Social Form will be developed and used to ensure all the social related information is updated. Expected to complete within 6 months.</p>	<p>Corrective Action Plan Accepted</p> <p>status: Will be verified in the next audit</p>

	<p>for Rh. Barang & Rh. Mansai and Field Trip report were used for Rh. Rh. Jantang, Rh. Tani, Rh. Killau)</p> <p>3. The content of the form used has yet to cover the social impact on economy, employment opportunities, road safety, and protection of significant area (cultural, religious and burial sites, water intake point)</p>		
<p>Minor</p> <p>NCR: ISMA03/202 2</p>	<p>Requirement: Indicator 9.3.1 - Measures to demarcate, maintain and/or enhance the HCV attributes are documented in the forest management plan and effectively implemented.</p> <p>Finding: Demarcation of HCV on the ground was not implemented.</p> <p>Objective evidence: Site inspection at HCV 1.4 (Bird Nest) at Block 6, Coupe 1A and HCV 6 (Burial Ground) at coupe 13A found that the buffer zone was not demarcated on the ground base on a requirement in SOP "HCV Management and Monitoring."</p>	<p>Result of investigation and determination of root cause:</p> <p>The monitoring activities mentioned in the HCV Management and Monitoring SOP need to be improved to be more specific in monitoring the different HCV attributes.</p> <p>Correction and corrective action plan including completion date:</p> <p>Carry out inspection on the current HCV monitoring mechanism and improve the SOP on "HCV Management and Monitoring" to cover the different HCV attributes. Expected to complete in 3 months.</p>	<p>Corrective Action Plan Accepted</p> <p>Status: Will be verified in the next audit</p>

Details on NCRs and OFIs Raised During Stage 2 Audit and Corrective Actions Taken (2019)

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Plans Taken	Comments by Audit team
1.1.1 NCR ANS01/2019	Major	<p>Requirement: Records and availability of up-to-date applicable federal, state and local laws, and regulations and policies, in particular those related to forest management.</p> <p>Finding:</p> <ol style="list-style-type: none"> Salary deductions were made for grocery expenses without permission. No permission from labour department to accumulate rest day for each week and utilize the five consecutive rest days at once per month. <p>Objective evidence:</p> <ol style="list-style-type: none"> Consultation with workers and Inspection of JPH logging Sdn Bhd pay slip for the month of September 2019 found that the deduction of salary for grocery expenses was made without approval from Jabatan Tenaga Kerja which is against the Labour Ordinance Sarawak (Cap.76) Employment Act, 1955 and, Industrial Relation Act, 1967. The 2 Sampled 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> The salary deduction has been agreed by workers for them to purchase grocery items in advance at Camp before pay day; we are still in the process of preparing necessary documentation to apply for permission for monthly salary deduction from Sarawak Labour department. As most of our workers are from surrounding communities, they prefer to accumulate their leaves to return to their families at longhouses for a longer period. The nature of work of their work is also heavily affected by weather which they may not be able to work continuously for several days due to bad weather condition. We are aware of this circumstance and are in the process of applying permit for leave accumulation in consideration of our worker's needs. 	<ol style="list-style-type: none"> The FMU has submitted an application for salary deduction permit (to deduct workers groceries expenses) to Pengarah Tenaga Kerja Sarawak, Jabatan Tenaga Kerja in Kuching through Pengarah, Pejabat Tenaga Kerja Kapit as evidence by a Letter from FMU Ref. no. HRD/BNP8/2019/05 dated 12th December 2019 and has been stamp pad received by Pejabat Tenaga Kerja Kapit. The FMU also has applied for accumulation weekly rest day permit to Pengarah Tenaga Kerja Sarawak, Jabatan Tenaga Kerja in Kuching through Pengarah, Pejabat Tenaga Kerja Kapit as evidence by a Letter from FMU ref. no. HRD/BNP8/2019/04 dated 10th December 2019 and has been stamp pad

		<p>Workers', salary slip in September 2019 are 5962 and 18266.</p> <p>2. The terms and condition in Contract of Employment of Christopher Anak Jelma and Alouis Anyau Anak Ngalayang it was included that employees are entitled 5 accumulated rest days at the end of the month.</p>	<p>Correction and corrective action plan including completion date:</p> <p>1. Application for permission for salary deduction beside mandatory deductions such as EPF, SOCSO and EIS has been submitted to Kapit Labour Office to process on 12th December 2019 and we are waiting for the approval from Sarawak Labour Department.</p> <p>2. Application for the Permit to Accumulate Weekly Rest Days has been submitted to Kapit Labour Office to process on 11th December 2019 and we are waiting for the approval from Sarawak Labour Department.</p>	<p>received by Pejabat Tenaga Kerja Kapit.</p> <p>Status: Closed</p>
<p>4.3.3</p> <p>NCR ANS02/ 2019</p>	Major	<p>Requirement: – The right of workers to benefits and protection is assured under applicable laws and/or regulation</p> <p>Finding:</p> <p>The contract of employment for workers did not clearly state the rights of the employee as per Sarawak Labour Ordinance.</p> <p>Objective evidence:</p> <p>2. The employment contract for workers did not clearly state such as number of days of work, public holidays, annual leave, and rest day in the contract as per Sarawak Labour Ordinance (Ch. 76). The sampled workers as listed below: i.Umping Anak Ngelai (Agreement date: 13/11/2014)</p>	<p>Result of investigation and determination of root cause:</p> <p>1. The employment contracts are not updated due to different period of hiring as the clause or term and conditions in previous contracts are prepared in accordance to the existing regulations and business needs at that time.</p> <p>Correction and corrective action plan including completion date:</p> <p>An addendum has added to the existing employment contracts as addition clause or terms and conditions such as the number days of works, public holidays, annual leave, and rest days to</p>	<p>An addendum has been added to the existing employment contract as an additional clause or term and condition such as the number of working days, public holiday, annual leave and rest day , to standardize all contract which will be signed by both employer and employee upon agreement by both side. For the sampled workers, they have signed the agreement on 16 December 2019.</p> <p>Status: Closed</p>

		ii.Aman Anak Sumuh (Agreement date: 26/03/2018) iii.Aloius Anyau Anak Ngalayang (Agreement date: 3/12/2014) iv.Desmond Lenchau Tinggang (Agreement date: 1/04/2016)	standardize all contracts which will be signed by both employer and employee upon agreement by both parties.	
5.3.1 RJ02/2019	Major	<p>Requirement: – Implementation of guidelines for reduced/low impact logging to minimize damage to residual stand</p> <p>Finding:</p> <p>Logs from approved undersize trees not attached with undersize tree tagged.</p> <p>Objective evidence:</p> <p>During site inspection in active harvesting area in Block 4, coupe 1A along the skid trail MT- 4a, it was found that the following logs from approved undersize trees were without tag:</p> <p>1. Meranti merah (MRTM) dbh 49cm 2. Kumpang (KPXX) dbh 44cm</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1) The undersize tree (Meranti Merah (MRTM) dbh 49cm and Kumpang (KPXX) dbh 44cm) that harvest was within the 5 meters from center line area during the construction of skid trail. 2) According to the guideline, one single white tag will be used. Current practice, after felling, the white tag is collected by the supervisor for monitoring record in camp office. <p>Correction and corrective action plan including completion date:</p> <p>FPD shall develop 4 detachable section tree tag will be used by Garu Camp (refer Johny Ko).</p> <ul style="list-style-type: none"> -1 section tree tag remain on the stump -2 of the section tree tags will be fixed onto both ends of the first log -1 section tree tag for harvesting monitoring used 	<p>The FMU has done the following to close the NCR:</p> <ol style="list-style-type: none"> a. The Standard Operating Procedure (SOP) on “Selecting, Marking & Mapping of harvestable Trees” has been amended to include the procedure for undersized tree and non-harvestable trees to be tagged with 4 (four) detachable section tag. (Procedure No; STH/FPD/RIL/01-03). b. Amended the Flow-Chart in SOP to include the use of 4 (four) detachable section tags. c. Field report dated 13th Jan. – 16th Jan.2020 showing the evidence that the 4(four) detachable section tag has been tagged on the undersize trees. <p>Status: Closed</p>

<p>6.7.1</p> <p>MRS 03/2019</p>	<p>Major</p>	<p>Requirement: – Oil, fuel, tyres, containers, liquid, and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: The disposal record for scheduled waste was not evident during audit.</p> <p>Objective evidence:</p> <p>1. Latest disposal record for scheduled waste were not available during audit: SW102 – waste acid batteries SW410 – used oil filter and rags SW408 – filter mixed with oil SW417 – used paints SW104 – welding rod SW305 – spent lubricating oil</p> <p>2. Permit for transported scheduled waste by registered contractor 'Pentas Flora (Kuching) Sdn Bhd' was made available. However, permit for storage of scheduled waste by the same contractor was not evident during audit.</p>	<p>Result of investigation and determination of root cause:</p> <p>Current practice scheduled waste was delivered to registered scheduled waste disposal area and handle by competent person.</p> <p>Correction and corrective action plan including completion date:</p> <p>1. To liaise with SW competent person for the latest disposal record of each waste.</p> <p>2. Will contact contractor of "Pentas Flora Sdn Bhd" for scheduled waste storage permit.</p>	<p>The FMU has provided the consignment note and request letter for the Scheduled waste as follows:</p> <p>1.Consignment Note for SW 102(Used batteries) through registered contractor GVE Strategic Waste Sdn. Bhd. dated 2/3/2020 ref.CNF SW (sw 102) 650.</p> <p>2.Consignment Note for SW 305 (spent lubricant oil), SW 410(used oil filter), SW 410 (rags), SW 417 (used paint) through registered contractor Pentas Flora (Kuching) Sdn.Bhd. No. Q03047 dated 26/2/2020.</p> <p>3.Consignment Note for SW 410 (Filter Mixed with oil) through registered contractor Pentas Flora (Kuching) Sdn.Bhd. ref. no: 2019111109FRJW01 dated 11/11/2019.</p> <p>4.A Letter dated 28th Feb. 2020 from FMU requesting a registered contractor Treinekens (Sarawak) Sdn. Bhd. based in Kuching to Collect, Transport and Dispose SW 408 (Used sand) about 0.12ton and SW 104 (welding rod end) about 300gm.</p>
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				<p>5.A copy of Licence from Department of Environment no. 003063 issued to Pentas Flora (Kuching) Sdn. Bhd. as requirement under section 18(1) Environmental Quality Act 1974, for storage of Schedule Waste. The expiry date of the Licence: 30th April 2020.</p> <p>Status: Closed</p>															
<p>5.2.1</p> <p>NCR RJ01/2019</p>	<p>Minor</p>	<p>Requirement: - Forest management practices encourage the optimal use of forest resources.</p> <p>Finding: Trees within the definition of Potential crop tree (PCT) (Guideline for Reduced Impact Logging: Part 1) not marked.</p> <p>Objective evidence:</p> <p>During Site inspection in pre-harvesting area in Block 5 coupe 01A at MT-5a(6) and FT-5a-0-1 it was evidence that trees with DBH above 30cm were not tag as PCT, trees as follows:</p> <table><tr><td>No.</td><td>Species</td><td>DBH</td></tr><tr><td>1</td><td>Medang</td><td>43 cm</td></tr><tr><td>2</td><td>M RTP</td><td>39cm</td></tr><tr><td>3</td><td>Perah</td><td>32cm</td></tr><tr><td>4</td><td>Nyalin</td><td>34cm</td></tr></table>	No.	Species	DBH	1	Medang	43 cm	2	M RTP	39cm	3	Perah	32cm	4	Nyalin	34cm	<p>Result of investigation and determination of root cause:</p> <p>The 4 PCT trees are not tagged because of the surveyor feedback that these trees are too close to the harvestable trees. This is to avoid the felling damage.</p> <p>Correction and corrective action plan including completion date:</p> <p>Re-assess the RILP to re-check on all the PCT within the block.</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: The implementation and effectiveness of the corrective action will be verified during next audit.</p>
No.	Species	DBH																	
1	Medang	43 cm																	
2	M RTP	39cm																	
3	Perah	32cm																	
4	Nyalin	34cm																	

<p>4.5.2</p> <p>NCR ANS01/2019</p>	<p>Minor</p>	<p>Requirement: Appropriate mechanism are employed to expeditiously resolve grievances and provide fair and equitable compensations for any loss and damage affecting the local communities legal or customary rights, property, resources, or their livelihoods caused by forest operations.</p> <p>Finding: Compensation mechanism and Grievance/Suggestion form was not made available to community leaders.</p> <p>Objective evidence: Consultation with communities of Rh. Barang, Rh Kilau and Rh.Tani, confirmed that the headmen of the longhouses did not aware of the existence of the compensation mechanism and grievances form in submitting the complaint and compensation claim. It was the first time they have seen the form during the audit.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Compensation mechanism already developed but only briefed to Tuai Rumah 2. Grievance/Suggestion form - only informed to the Tuai Rumah and CRC. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Compensation mechanism will be briefed again to each longhouse. 2. Grievance/Suggestion form will be delivered to local community and distribute to local community. 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: The implementation and effectiveness of the corrective action will be verified during next audit.</p>
<p>6.1.1</p> <p>NCR MRS 01/2019</p>	<p>Minor</p>	<p>Requirement: - Environmental impact assessments are carried out, including landscape level considerations, as well as the impacts of on-site processing facilities, appropriate to the scale and intensity of forest management, prior to commencement of forest operations in the FMU</p> <p>Finding: The coverage area of EIA was not the same with approved FMU licence area.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>EIA report is confirmed out in March 2016, based on the old GP map with coverage area 41,307 ha. FMP with coverage area 41,696 ha approved by FD in November 2018.</p> <p>Correction and corrective action plan including completion date:</p> <p>Liaise with consultant to revise on the EIA Report and report to NREB.</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit</p> <p>Status: The implementation and effectiveness of the corrective action will be verified during next audit.</p>

		<p>Finding: Gathering of relevant information on monitoring and data collection were not appropriately conducted.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Mechanism for inspection and monitoring reports for pre-felling and post harvesting activities yet to be made available during audit. 2. Inspection of PSP 11, Coupe 02A indicated that establishment and data collection within the PSPs were not accurate. Evidence includes: <ul style="list-style-type: none"> • Establishment of PSPs did not accurately compensate for slope correction. • Sapling subplot (5mx5m) was not marked in the plot diagram in inventory form • Tagged trees in the old skid trail not written in the inventory form • Sampled trees at Quadrat 10 with tag no. 61 and 80 were measured at POM 1.1 m and 1.5m from ground 3. The SOP of PSP did not attach with sample of record such as: <ul style="list-style-type: none"> • Field Data Recording Sheet • Slope correction table (10m & 20m) • Plot diagram with point no. and quadrat no. 	<ol style="list-style-type: none"> 2. PSP was carried out by consultant in short period of time, thus have incurred some inaccurate assessment and measurement. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Refer to SOP/FOD/RIL/08 Post Block Harvesting and Completion report as attached. 2. The correction of PSP will be done progressively. 3. SOP will be revised and add in the sample record. 	<p>Status: The implementation and effectiveness of the corrective action will be verified during next audit.</p>
<p>8.5.1</p> <p>NCR MRS 05/2019</p>	Minor	<p>Requirement: Indicator 8.5.1 – A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made available to the public.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Harvesting operation commence in December 2019. So, the 	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit.</p>

		<p>Finding: Certain summary of the results of monitoring as listed in Criterion 8.2 was not made available to the public as refer to the FMU website.</p> <p>Objective evidence: Certain summary of the results of monitoring as listed in Criterion 8.2 was not made available to the public as refer to the website http://www.suburtiasa.com: (a) Yield of all forest products harvested. I Composition and observed changes in the flora and fauna I Costs, productivity and efficiency of forest management</p> <p>Demarcation of HCVFs (terrain IV areas, riparian buffer zone along waterways, salt licks, and wallows) in the Detailed Harvesting Plan (DP) / Road Plan (RP) as mentioned at Section 10.4.1 in the FMP was not mentioned in the public summary.</p>	<p>information of monitoring result was not available.</p> <p>2. HCV maps incorporate in FMP in October 2019.</p> <p>Correction and corrective action plan including completion date:</p> <p>1. Public summary of the results of monitoring (a), (b), and (c) will be updated.</p> <p>2. HCV map will be updated in public summary.</p>	<p>Status: The implementation and effectiveness of the corrective action will be verified during next audit.</p>
<p>9.1.1</p> <p>NCR MRS</p> <p>06/2019</p>	<p>Minor</p>	<p>Requirement: Forest managers shall determine the presence of HCVF attributes in the FMU in accordance with relevant federal, state, and local laws, appropriate to scale and intensity of forest management operations in the FMU, and in consultation with relevant stakeholders.</p> <p>Finding: Certain HCVF elements in the HCVF reports were not found in the FMU area.</p> <p>Objective evidence: Certain HCVF elements reported in the HCVF assessment report and FMP (Chapter 10 and 11) were not found in FMU</p>	<p>Result of investigation and determination of root cause:</p> <p>HCV assessment Terrain Class IV was done by using 30m contour line and HCV detect the Terrain Class IV generally based on 30 m contour line. Maybe the methodology or system of identification of Terrain Class IV differences between HCV consultant and GP map.</p> <p>Correction and corrective action plan including completion date:</p>	<p>Corrective action has been accepted and the effectiveness of the action taken to be verified during the next audit.</p>

		<p>area as identified in the General Harvesting Plan and site visit:</p> <p>i. HCV4.1: Watershed protection – Terrain Class IV</p> <p>ii. HCV 4.2: Erosion control – Terrain Class IV</p>	To have discussion with HCV consultant to conduct Terrain Class IV identification with the same standard as production of GP map and the consultant should review that HCV report on HCV 4.1 and HCV 4.2.	Status: The implementation and effectiveness of the corrective action will be verified during next audit.
4.2.3	OFI	<p><u>Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the workplace</u></p> <p>Acetylene and oxygen tanks pressure gauge at workshop were broken. The flash back arrestor could be equipped with both tanks</p>	Not Required	Will be verified in the next audit
6.2.3	OFI	<p><u>Existence of cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities.</u></p> <p>The FMU could enhance on the cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities such as records of meetings or collaboration projects, if any</p>	Not required	To be verified in the next audit
9.2.1	OFI	<p><u>Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCVFs.</u></p> <p>The FMU yet to consult others relevant stakeholders such as Wildlife World Fund (WWF), and UNIMAS.</p>	Not required	To be verified in the next audit

9.4.1	OFI	<p><u>Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU.</u></p> <p>The FMU could record location (Block & Coupe No.) if found any endangered, rare and threaten, and HCVF area in the monitoring form 'ERT list & Database RTE'</p>	Not required	To be verified in the next audit
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End of Report