



**PUBLIC SUMMARY
SURVEILLANCE 2 AUDIT (2nd CYCLE) ON
LANA FPMU
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC - FP 00116
Date of First Certification: 12 May 2017
Audit Date: 12 - 14 April 2022
Date of Public Summary: 20 November 2022**

Certification Body:

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EXECUTIVE SUMMARY

The Surveillance 2 audit for forest management certification on the Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU was conducted 12th -14th April 2022. The audit was conducted with the full cooperation of the Samling Reforestation (Bintulu) Sdn. Bhd. by two-member team comprising Hj.Roslee Jamaludin (Lead Auditor) and Angelica Sinimis Suimin (Auditor).

The Forest Plantation Management Unit (FPMU) managed by Samling Reforestation (Bintulu) Sdn. Bhd. covers an area of 9,393 ha, which is part of the 81,900 ha of LPF/0006 - Lana Reforestation areas. The scope of the audit was limited to the forest plantation management system and practices of the Plantation Forest area within the Belaga, Kapit, Sarawak. The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the Sarawak Forestry Department and relevant indigenous settlements near to FPMU.

In general, the findings of this Surveillance 2 audit have indicated that the LPF/0006 - Lana Reforestation FPMU had complied with most of the requirements of the MC&I SFM despite the issuance of total one (1) Major, eight (8) Non-Conformance Report (NCRs) and one (1) Opportunity for Improvement on the LPF/0006 - Lana Reforestation FPMU, against the requirements of the MC&I SFM stipulated for Sarawak.

During the Surveillance 2 audit, audit team had also verified on the implementation and correctives action taken by the LPF/0006 - Lana Reforestation FPMU for 4 Minor Non-Conformance Report (NCRs) including 3 Opportunities for Improvement (OFI) as raised during previous audit (2020).

The Audit Team Leader after consultation with team members recommended that certification of Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU against the MC&I SFM to continue to be certified conditional upon acceptance of corrective action plans and evidence of implementation for 1 Major NCRs within three (3) months from the date of the Surveillance 2 Audit.

The FPMU had submitted proposed corrective action plans and evidence of implementation to address the NCRs raised during this Surveillance 2 Audit which has been accepted by the audit team leader. The evidence of corrective action taken for Major NCRs have been accepted and closed. For Minor NCR the corrective action will be verified in the next audit.

1. INTRODUCTION

1.1 Name of FMU

Samling Reforestation (Bintulu) Sdn Bhd - Lana Reforestation FPMU

1.2 Contact Person and Address

Name : Patrick Thai Yuk Tin
Designation : Plantation Manager
Address : Wisma Samling,
Lot 296, Jalan
Temenggong Datuk
Oyong Lawai Jau,
98000 Miri,
Sarawak

Phone # : 011-14057908 (Lana Refor Camp)
E-mail : thaiyt@samling.com.my

1.3 General Background on the Lana Reforestation FPMU

Samling Reforestation (Bintulu) Sdn. Bhd. has signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8th December 1998 – 7th December 2058 with a total area of 81,900 ha to establish and maintain a planted forest in the LPF/0006 - Lana for a period of 60 years in accordance with the **Forests (Planted Forests) Rules 1997**.

The certified Forest Plantation Management Unit (FPMU) managed by Samling Reforestation (Bintulu) Sdn. Bhd. covers an area of 9,393 ha, which is part of the 81,900 ha of LPF/0006 - Lana areas in the Belaga, Kapit, Sarawak. Other compartments that were not listed in the table were not certified due to conversion after year 2010 as compliance of indicator 6.10.1 in MC&I. The certified forest plantation area only covers limited areas as in Table 1 below:

Table 1: Areas covered in the audit

Forest Plantation Management Unit	Audit Scope	Area
LPF/0006 Lana Reforestation FPMU	Main Office of Samling Reforestation (Bintulu) Sdn Bhd	Wisma Samling, Lot 296, Jalan Temenggong Datuk Oyong Lawai Jau, 98000 Miri, Sarawak
	LPF/0006 Lana Reforestation	Coupe 1 (part), 2A, 3 (part), 4A (part), 5A (part), 17A, 18A (part) and 19A
	Settlement within FPMU	No settlement
	Village adjacent/near to the FPMU	1. Kg Punan Bah (40km from FPMU, about 2 hours travelling form Lana Camp) 2. Kg. Punan Biau (30 minutes, travelling by road from Kg. Punan Bah) 3. Kg. Punan Sama (40 minutes, travelling by river from Kg. Punan Biau)

For the certified area, the FPMU has classified ITP productive area (planted, plantable and potential area which cleared before 31 Dec 2010) and non-productive area such as conservation area, buffer zone, gully & steep, road line, etc. The area covered by both productive and non-productive area as in Table 2 below:

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Table 2: Classification of productive and non-productive area in the certified area as at July 2016

Certified area classification	Area (ha)
ITP Productive area (planted, plantable and potential area which cleared before 31 Dec 2010)	6,442
Non-Productive area (conservation area, buffer zone, gully & steep, road line, etc)	2,951
Gross area	9,393

However, for uncertified area of 72,507 ha, there are unplanted area, conservation area, gully area, steep area (> 35⁰), rocky area, oil palm plantation area and local community villages.

The plantation was started in June 2007. To date, fast growing quality timber species with *Acacia mangium* (57%), *Eucalyptus pellita* (27%) *Falcataria moluccana* (9%) and *Gmelina arborea* (5%) had been selected for the planting programs. Harvesting rotation of 8 to 12 years is planned to ensure efficient timber production as compared to natural forest harvesting. With tree planted area of 50% of the total area, the forest operations involved activities such as slashing, pruning, herbicide spraying and tree planting.

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

1.4 Date First Certified

12 May 2017

1.5 Location of the FPMU

The certified FPMU is located at the Nanga Merit area in the Nanga Merit Sub-district and Belaga District of Kapit Division at approximately latitudes 2⁰ 25' 0" N to 2⁰ 35' 0" N and longitudes 113⁰ 10' 0" E to 113⁰ 30' 0" E. The area is bordering with Bah-Sama Protected Forest and also adjacent to Batang Rajang which is about 30km to south east of FPMU.

1.6 Forest Management System

The Lana Reforestation FPMU had followed the principles of sustainable forest plantation management and the requirements of the License Agreement of the State government. The Forest Plantation Management Plan for the MTCS Area within LANA LPF/0006 for period 1st December 2016 to 30th November 2026, edition 2, revised on 10th April 2022 was made available during the audit.

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

The Sustainable Allowable Annual Cut Calculation for Lana (LPF/0006) had projected volume of 66,501 m³/year for the year 2021-2022. The prescribed cutting cycle will be in 10-12 years.

1.8 Environmental and Socioeconomic Context

The EIA report for the FPMU titled 'Environmental Impact Assessment Report for the Lana Forest Plantation (LPF/0006) in Nanga Merit-Punan Bah Area, Kapit Division, Sarawak prepared in January 2003 as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994 had been examined during the audit. Measures to mitigate environmental impacts caused by harvesting activities identified in the EIA study had been incorporated in the FPMP. The mitigation measures as recommended in the Environmental Monitoring Report (EMR) and the EIA Report had been implemented. The report has concluded that no major impact to the environment.

Locals, practice farming or smallholders (oil palm) or some working for forest plantation and oil palm companies in the region. Hill paddy and fruit tree cultivation meets household subsistence needs and generate income for households. Hunting was less important compared to the past. Fishing was conducted in the river. Villagers also collected non-timber forest products (rattan, bamboo, food, handicraft materials) from the nearby forests. Priority of employment was given to locals. Record showed Lana LPF had a total of 55 employees, comprising 13 Sarawak local workers (34%), 17 Local communities and 40 foreign workers. List of both types of workers were displayed on the notice board of the main office.

A total of 1,855 ha Shifting Agriculture (SA) area outside the MTCS certified area (9,393 ha) but within LPF/006 area (81,900 ha) were allocated by Samling for use by the residents of Kg. Punan Bah. The SA areas were mapped in Plantation Base Map of LPF/006 Lana Reforestation titled.

'Map A LPF/0006 Lana Reforestation' dated 20 May 2018. The LPF does not affect the NCR land which any native has prior to the issue of the license, lawfully acquired under the Land Code.

Consultations with consultation the communities of Punan Bah, Punan Sama, Punan Biau, and Punan Data Ba, on the 13th April, 2022 confirmed that the FPMU managers did not make use indigenous traditional forest-related knowledge and practices in forest plantation operations.

2. AUDIT PROCESS

2.1 Audit Dates

12th -14th April 2022

2.2 Audit Team

1. Hj. Roslee Jamaludin (Lead Auditor)
2. Angelica Sinimis Suimin (Auditor)

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 MC&I SFM standard using the verifiers stipulated for Sarawak.

2.4 Stakeholder Consultations

A stakeholder notification was issued in March 2022 for a period of one month inviting relevant stakeholders to give comments on the FPMU. However, there was no comment received from the stakeholders on Samling Reforestation (Bintulu) Sdn Bhd - LPF/0006 - Lana Reforestation FPMU during the period. The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Surveillance 2 audit. Details of the consultation with the stakeholders are showed in the audit plan as well as in the Surveillance 2 audit report in Principles 2, 3 and 4.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the FPMU, current documentation, Standard Operating Procedures (SOPs) and field practices in forest management with the detailed of the listed in the MC&I SFM, using the verifiers stipulated for Sarawak, Malaysia.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity (NCR) (minor or major) or opportunities for improvement (OFI).

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

- i) A major NCR is a non-compliance deemed by the Auditor to be critical and is likely to result in an immediate hazard to the quality or standard of forest management system and practices in the FPMU.

The FPMU is requested to notify SIRIM QAS International Sdn Bhd (SIRIM QAS International) of the proposed corrective actions taken within one month from the last date of the audit. The corrective actions as notified by the FPMU shall be verified by the Audit Team Leader or a member of the audit team within three months from the last date of audit.

- ii) A minor NCR is a single observed lapse in compliance by the FPMU to the MC&I.

The FPMU shall respond in writing to SIRIM QAS International within one month from the last date of audit detailing the actions to be taken to address all minor NCRs. The effectiveness of the resulting actions taken by the FPMU must be verified at the next surveillance visit.

- iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

Consultations were held with all local communities in Kg. Punan Data Bah, Kg. Punan Ba and Kg. Punan Biau. Interview with workers were also conducted.

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

The FPMU had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim surveillance 2 audit report and sent it to the Lana FPMU for comment. A second draft of surveillance 2 audit report which had incorporated the comments received from the Lana FPMU was then prepared.

3. SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance 2 audit, it was found that by Samling Reforestation (Bintulu) Sdn. Bhd. had continued to manage the Lana PFMU in compliance with most of the requirements of the MC&I SFM. This surveillance 2 had resulted in the issuance of 1 major, 8 minor NCRs and 1 OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by by Samling Reforestation (Bintulu) Sdn. Bhd. to address the 1 major NCR raised during this surveillance 2 audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this major NCR. The audit team had also reviewed and accepted the proposed corrective actions to address the 8 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the Syarikat Samling Sdn. Bhd to address the 4 Minor NCRs and 3 OFIs which were raised during the previous audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in Attachment 6.

It was noted that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the management.

Regarding Criterion 6.10, 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.

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

The summary on the findings of the Surveillance 2 on the Lana FPMU against the requirements of the MC&I SFM standard are as follows:

Principle	Strengths	Weaknesses
<p>Principle 1 Compliance with Laws and Principles</p>	<p>The FPMU has maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest plantation management, and were available in the meeting room, Lana Camp office.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Lana Camp Office.</p> <p>Records on payment of royalty for timber harvesting were available as evident in Royalty Statement (Logs) for the month of March 2022 from license No. LPF/0006.</p> <p>Forest managers are aware and/or knowledgeable of the applicable federal, state, and local laws, as well as the regulatory framework for forest management.</p> <p>Monitoring on control of encroachment, illegal harvesting, hunting, fishing and settlement, and other un-authorized activities in the forest plantation management unit was carried once a month. Recorded in 'Plantation Monitoring and Patrolling' logbook.</p> <p>Written policy statement of commitment to forest plantation management practices dated 1st December 2014 were made available during the audit, and communicated throughout the organization and contractors.</p>	<p>Inspection of employment contract for 2 local workers (3 female and 2 male) and 7 Indonesian workers (4 male 3 female) were carried out during this audit. It was discovered that employment contract for two workers sampled (as shown below) indicated that it has not included annual leave, sick leave, termination of contract of service by notice in accordance with Labour Ordinance Sarawak Cap 76 (1958 Ed).</p> <p>i. LN6197 ii. LN6243</p> <p>Therefore, OFI raised during the previous audit was upgraded to Minor NCR AS01/2022 for Indicator 1.1.1.</p>

<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>Samling Reforestation (Bintulu) Sdn. Bhd. signed a License Planted Forests LPF/0006 with the Sarawak State Government on 8th December 1998 to establish and maintain a planted forest in the LPF/0006 - Lana for a period of 60 years until 7th December 2058.</p> <p>There was a total of 15,450 ha identified as SA located outside the certified area but within LPF/0006 area. This area was shown in Plantation Base Map of Lana Reforestation dated 7 January 2020.</p> <p>Action was taken to protect the identified sites of significant importance, involved demarcation of the burial ground or “<i>Sengeliang</i>”, remains of <i>Kelirieng</i> (burial pillars) and sacred place where rituals during Gawai (Harvest Festival) are performed.</p> <p>The Punan Bah Communities Relation Committee (CRC) was established in 2018 as the mechanism to enable actions to be taken to prevent loss or damage affecting the local peoples’ legal or customary rights, property, resources, or their livelihoods.</p>	<p>There were no negative findings.</p>
<p>Principle 3 Indigenous People’s Rights</p>	<p>Documentation of the customary rights of indigenous peoples’ lands was available.</p> <p>Forest plantation management practices on indigenous people’s lands do not threaten or diminish, either directly or indirectly, as evidence by,</p> <ol style="list-style-type: none"> i. The FPMU manager did not utilize the 15,450ha identified as SA. ii. The FPMU, has marked on the map, the protected sites of religious and cultural significance within the certified area (burial ground in Coupe 1) and outside certified area but within the SA of the LPF/0006 (4 burial grounds in Coupe 3). iii. FPMU activities did not result in threatening or diminishing indigenous resources or tenure rights. This was indicated by 10 villagers in Punan Sama during audit consultation on 13th April, 2022. <p>The indigenous peoples are allowed to visit the religious and cultural sites. Villagers have confirmed that they have free access to visit and hold cultural and religious ceremony at</p>	<p>No CRC was established since the dissolution of the committee in 2019. Based on the LPF/006, SOP PR002 on Conflict Resolution has included CRC and FMLC as a platform for conflict resolution to raise community issues to relevant authorities.</p> <p>Therefore, a Minor NCR AS02/2022 for Indicator 3.1.3 was raised.</p>

	<p>the sites.</p> <p>FPMU managers did not make use indigenous traditional forest-related knowledge and practices in forest plantation operations.</p>	
<p>Principle 4 Community Relations and Workers' Rights</p>	<p>Forest plantation manager has provided, where appropriate, support for training, retraining, local infrastructure, facilities, and social programmes commensurate with the scale and intensity of forest plantation management operations as planned in Annual Training Plan 2021-2022.</p> <p>Priority of employment was given to locals. Record showed Lana LPF had a total of 55 employees, comprising 13 Sarawak local workers (34%), 17 Local communities and 40 foreign workers. List of both types of workers were displayed on the notice board of the main office.</p> <p>Management policies addressing the occupational safety and health of forest plantation workers and their families with current legislation and/or regulations entitled 'Health, Safety (HSE) and Environment Policy dated 1 April 2016' were placed on notice board at the Lana Camp office, quarters, workshops and clinic.</p> <p>Occupational Safety and Health (OSH) officer had been appointed for the plantation. As required by the Occupational Safety and Health Act 1994 a Health and Safety Committee had been established.</p> <p>The FPMU has conducted Safety & Health Meeting which was conducted by quarterly as verified through safety meeting minutes.</p> <p>The latest chemical exposure monitoring for Isopropylamine, Malathion and welding will be conducted in August, 2022.</p> <p>The pictorial signage such as 'Danger', 'Explosive', 'No Smoking', 'Flammable' and safety first was clearly displayed at the scheduled waste, Fuel, oil and Lubricant store and workshop.</p> <p>Joint Consultative Committee (JCC) is the mechanism to resolve conflict/issue of workers through consultation. The workers'</p>	<p>Field visits from 12-13 April, 2022 to Punan Data Bah, Punan Bah, Punan Biau and Punan Sama indicated that there were changes in village demographics profile and socio-economic conditions. Punan Data Bah is now not part of Punan Bah.</p> <p>Therefore, an OFI for Indicator 4.4.2 raised during previous audit was upgraded to Minor NCR AS03/2022 for Indicator 4.4.2.</p>

	<p>representatives are members of the JCC. This committee meets thrice annually.</p>	
<p>Principle 5 Benefits from the Forest</p>	<p>The investments and reinvestments forest plantation management plan including for forest plantation administration, research (R&D), human resource development, environmental (operation) and social aspects (native compensation) can be seen in Camp Administrative Budget 2021/2022 was presented during the assessment.</p> <p>The FPMU had conducted tree planting for <i>Acacia mangium</i> from July 2021, September 2021, October 2021, January 2022, and February 2022, with a total of 308.7ha</p> <p>The FPMU has established and implemented guidelines for reduced/low impact logging to minimise damage to other forest resources and wastage.</p> <p>The internal training on Reduced Impact Logging was conducted on 4th August 2022, attended by 10 forest workers involved in forest harvesting.</p>	<p>During site inspection to active harvesting Block 17, Coupe 18A (partially), it was found that, there is a different in block number between, Harvesting General Map and Permit to Harvest Coupe. Harvesting General Plan for Coupe 18A(Partially) refer to Block 17, however, Permit to Harvest Coupe approved by FDS Ref. No. LPF0006/22/18A (II) refer to block 14. Besides that, Coupe Boundary in the Harvesting General Map was demarcated across the active harvesting area and Special Management Zone (SMZ) was not demarcated in Harvesting General map.</p> <p>Therefore, a Minor NCR RJ 05/2022 for Indicator 5.6.1 was raised.</p>
<p>Principle 6 Environmental Impact</p>	<p>The EIA report for the FPMU titled 'Environmental Impact Assessment Report for the Lana Forest Plantation (LPF/0006) in Nanga Merit-Punan Bah Area, Kapit Division, Sarawak prepared in January 2003 as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994 had been examined during the audit.</p> <p>Assessment of environmental impacts are carried out, including the potential impacts on rare, threatened and endangered species of flora and fauna, and the need for biological corridors in forest plantation areas as reported in the EIA in Section 3.2 Biological Environment.</p> <p>Cooperative efforts with governmental agencies especially the Sarawak Forestry Corporation was initiated on 29 January 2016 based on MoU agreement between both parties.</p> <p>Hunting and fishing within the FPMU were not allowed. Monthly patrolling for the FPMU was recorded in the 'Patrol Report'. Latest monitoring was conducted on 8 March 2022.</p>	<p>There were no negative findings.</p>

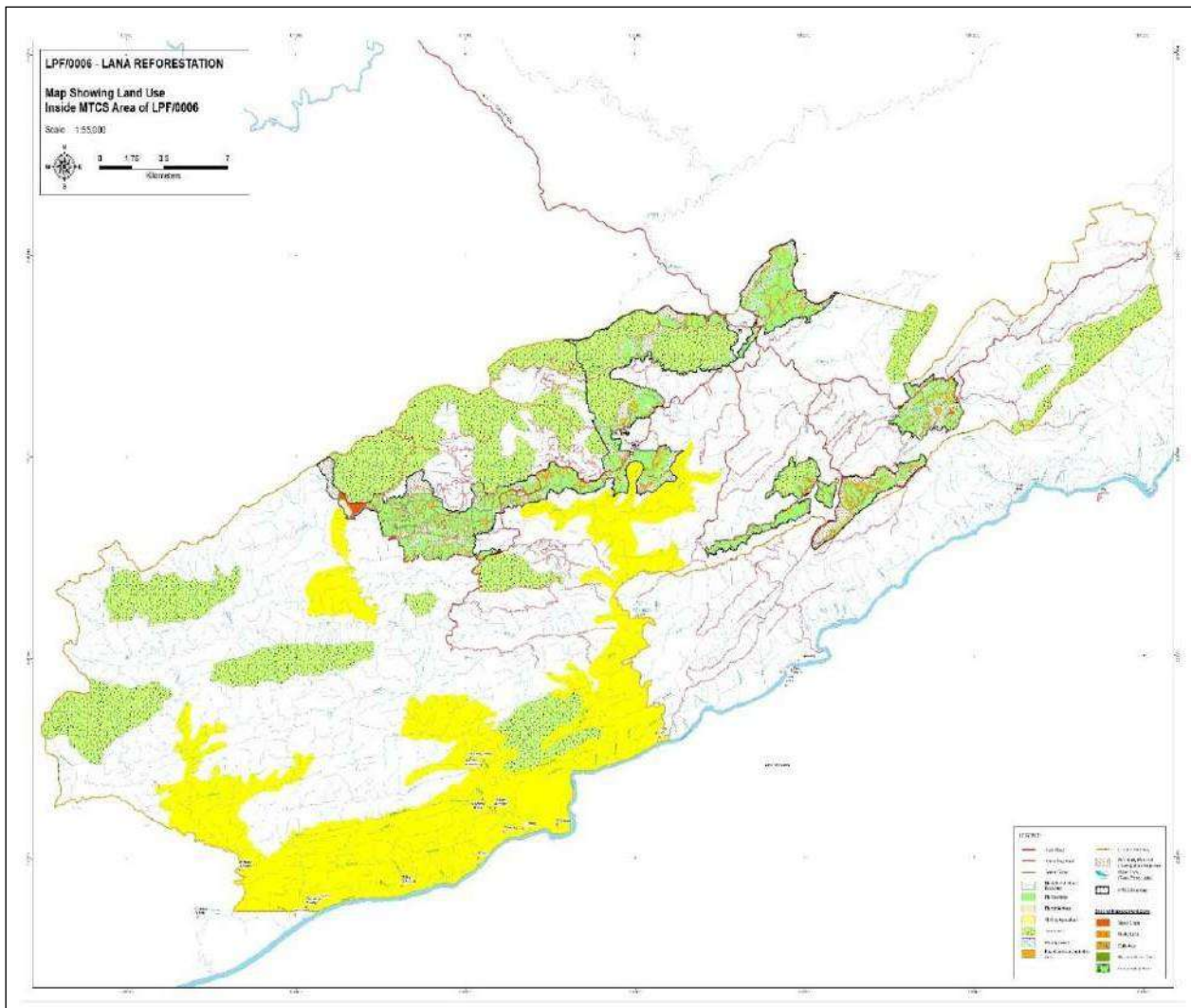
	<p>Guidelines for the conservation of genetic, species and ecosystem diversity in the forest plantation areas titled 'Guidelines for the Conservation of Genetic, Species & Ecosystem Diversity' was made available at camp office. The buffer belts were observed to be intact without damages to the vegetation and of the specified width. These riparian buffers were demarcated on the ground with poles and signage RBZ – riparian buffer zone.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner.</p> <p>Site inspection to the active harvesting areas in Block 17, Coupe 18A, it was evidenced that the road construction was according to the guideline for forest road layout.</p> <p>There was no application of biological control agents in the FPMU.</p> <p>8 exotic species (Acacia hybrid, Acacia mangium, Eucalyptus pellita, Gmelina arborea, Khaya ivorensis, Melia dubia, Pinus caribea and Swietenia macrophylla) were planted within the FPMU and list of all the species was presented in the Forest Plantation Management Plan. Establishment and silvicultural regimes were included in the management plan including careful monitoring of these species to avoid adverse ecological impacts.</p>	
<p>Principle 7 Management Plan</p>	<p>The Forest Plantation Management Plan for the MTCS Area within LANA LPF/0006 for period 1st December 2016 to 30th November 2026, edition 2, revised on 10th April 2022 was made available during the audit.</p> <p>Records of new scientific and technical information pertinent to the management of the planted area were also available to forest manager provided by Samling Forest Management Certification Department.</p> <p>The publicly available summary of the forest plantation management plan was presented in the web page http://www.samling.com/doc/Lana%20FPM%20PUBLIC%20SUMMARY%20%20%20DEC%2016.pdf</p>	<p>It was found that the Supporting Document such as Fire prevention and Control in Para C, and Description of Stakeholders Consultation as in Para J, was not evidenced in the Forest Plantation management Plan for the MTCS areas within Lana LPF/0006 for the Period of 1st December 2016- 30th November 2026. (Revised 10th April 2022- Edition 2).</p> <p>Therefore, a Minor NCR RJ 01/2022 for Indicator 7.1.1 was raised.</p> <p>The knowledge of officers and workers responsible for handling of</p>

		<p>the chain of custody in the logpond, and PSPs could further be improved by conducting refresher course on “Chain of Custody” and PSPs establishment and on the use of instrument respectively.</p> <p>Therefore, an OFI was raised for Indicator 7.3.2</p> <p>Para 3.1 of Forest Plantation Management Plan MTCS area within Lana LPF/0006, the public summary was still referring to MC&I Forest Plantation v.2 and has not been change to the new Standard: MC&I SFM.</p> <p>Therefore, a Minor NCR RJ 02/2022 for Indicator 7.4.1 was raised.</p>
<p>Principle 8 Monitoring and Assessment</p>	<p>The FPMU has established permanent sample plots (PSPs) to monitor growth characteristic, performance and management of the selected species for forest plantation.</p> <p>Forest managers has gathered 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>The movement of harvested logs from stump to mill according to set procedures (Chain of Custody) was monitored by both SFD and Lana FPMU.</p>	<p>Minor NCR RJ 03/2022 for indicator 8.1.3 was reissued due to as following: -</p> <ol style="list-style-type: none"> 1. Review of Internal audit report conducted on 12th – 14th January 2021 found that the following information were not included: <ul style="list-style-type: none"> (i) Frequency of internal audit (ii) Methods and responsibilities (iii) Audit criteria and audit scope (iv) Issuance of non-compliance report (v) Closure of non-compliance report (vi) Timeframe of reporting of internal audit report 2. Management Review conducted on 30th March 2022, found that, the review did not include the requirement as listed in Appendix A: <ol style="list-style-type: none"> a. An annual management review shall be conducted

		<p>and include at least the following: i) the status of action from previous management reviews; ii) changes in external and internal issues that are relevant to the management system; iii) information on the organization's performance, including trends in non-conformities and corrective actions, monitoring and measurement result and audit result; iv) opportunities for continual improvement.</p> <p>b. The output of the management review shall include decision related to continual improvement opportunities and any need for changes to the management system.</p> <p>c. Documented information as evidence of the result of management reviews shall be retained.</p> <p>During the previous audit, the auditor has found that there was no record on monitoring activities on social assessment, hence no results and findings of the monitoring activities being incorporated into the forest plantation management plan. Therefore, a Minor NCR LHF 02/2020 was raised for Indicator 8.4.1. However, during this Surveillance 2 audit, the finding has not been addressed.</p> <p>Therefore, the Minor NCR has been upgraded to Major NCR</p>
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		<p>RJ06/2022 for Indicator 8.4.1.</p> <p>Review of the printed public summary presented during the audit, it was found that the FPMU did not incorporate the results of monitoring listed in criterion 8.2 into the public summary and made it publicly available.</p> <p>Therefore, a Minor NCR RJ04/2022 for Indicator 8.5.1 was raised.</p>
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>The identification and management of High Conservation Value Forests Guidelines for LPF/0006 Lana Reforestation had been completed. The assessment report titled 'High Conservation Value (HCV) Assessment FMC area within Lana Reforestation LPF/0006, Sarawak' was presented. All the identified sites in the report had been protected as conservation area and riparian buffer belts.</p> <p>The list of relevant stakeholders consulted regarding the HCVFs was made available during the audit.</p> <p>The FPMU has established a monitoring procedure for HCV area titled 'Common Guidelines for the Management & Monitoring of High Conservation Values' to assess the effectiveness of the measures in the management of the HCV area in forest plantation areas.</p>	<p>There were no negative findings.</p>

Map of Lana Reforestation FPMU (LPF/0006)



Details of the Auditors and their Qualification

Names of Audit Team	Role	Qualification and Experience
Hj.Roslee Jamaludin	Lead Auditor	<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 <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.</p>

<p>Angelica Suimin SInimis</p>	<p>Auditor (social)</p>	<p>Currently, as independent consultant on Social Forestry, Corporate Social Responsibility, land use conflict mediation and Social Impact Assessment. She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resource Management (UM), a competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global Services. Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the forestry related industries both in Sabah and Sarawak (10 years) for 28 years in different capacities (e.g independent researcher, Rural Sociologist, Sr. Training and Administrator, Human Resources Executive, Emergency Medical Technician, Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia. Has done consultancy work in Malaysia and Papua New Guinea both for Forest and palm oil plantation since 2012.</p> <p>Has attended the following course:</p> <ol style="list-style-type: none"> 1. MTCC Forest certification standards for Forest Management and Plantation, 2013, SIRIM QAS 2. FSC Forest certification standards for Forest Management and Control Wood, 2015, Nepcon 3. Lead Assessor Course ISO 140001 (Exemplar Global Certified LEMS01), 2016, SIRIM QAS 4. Diplomacy Training (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of Law, Uni New South Wales 5. MC&I Natural Forest and Plantation.v2 standars, 2017 – MTCC 6. FSC Training – Forest Management and controlled wood in Bogor Indonesia by SCS Global, USA on Sept 2018.
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Comments Received from Stakeholders and Responses by Audit Team Leader

Stakeholder	Stakeholders Comment	Auditors Comment
	No Comment Received	

Surveillance 2 Audit Plan (2022)

DAY	TIME	PROGRAM	
		AUDITOR 1 Hj.Roslee	AUDITOR 2 Angelica
Day 0 Monday (11/04/2022)		<ul style="list-style-type: none"> Hj. Roslee and Azrul travel from KLIA to Bintulu by (MH2742; ETD0820 – ETA10.40) Angelica travel from Kota Kinabalu to Kuching (AK6351: ETD08.00 – ETA 09.25), Kuching to Bintulu (AK 6054: ETD11.10- ETA12.05). Stakeholders' consultation with Sarawak Forest Department, Bintulu (FDS). All auditors travel to Lana Base Camp Verification on CoC process at Lana Log Pond Briefing by Audit Team Leader on the audit plan 	
Day 1 Tuesday (12/04/2022)	8.30 am – 12.30 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU on progress of forest activities Q&A Session Evaluation of changes to the management of the FPMU Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance Check on complaints, stakeholder comments and follow-up actions with Government agencies and NGOs Check on NCRs raised during the previous audit Check on internal audit and management review 	
	2.00 – 5.00 pm	Documentation and records review <ul style="list-style-type: none"> Principle 4 - Community Relations and Worker's Right (Indicator 4.2.5) Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 7 – Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value Forests 	Documentation and records review <ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right (Criterion 4.1, 4.2, 4.3, 4.4 & 4.5)
		<ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader 	

Day 2 Wednesday (13/04/2022)	8.00 am – 5.00 pm	Site visit: <ul style="list-style-type: none"> • PSP Plots – Block 12B, Block 12A Coupe 2A, • Inspection of harvesting area- Block 17, Coupe 18A • Inspection of replanting area- 12A, Coupe 2A • Inspection of FPMU's boundary – Block 1A, Coupe 2A and FPMU LPF/0006 and KTS LPF 0012 • Inspection of RND Plot- Block 05D, Coupe 4A • HCVF/ riparian buffer zone – Sg. Jemili • Interview with field workers at operating area • Nursery and Clinic 	Site visit & consultations: <ul style="list-style-type: none"> • Consultation with local communities- Kg. Punan Data Ba, Kpg. Punan Ba and Kg. Punan Biau. • Inspection of FPMU's boundary – LPF/0006 and SP T/3670 • Burial Ground.
		<ul style="list-style-type: none"> • Review of Day 2 Findings by Audit Team Leader 	
Day 3 Thursday (14/04/2022)	8.00 am	<ul style="list-style-type: none"> • Workshop • Scheduled waste store • Genset House 	<ul style="list-style-type: none"> • Interview with field workers (local and foreign workers)
	10.00- 12.30	<ul style="list-style-type: none"> • Documentation and records review 	
	2.00 – 4.30 pm	<ul style="list-style-type: none"> • Preparation of audit report and finding • Closing meeting 	
	5.00 pm	<ul style="list-style-type: none"> • Travel to Bintulu • Stay at New World Suites Hotel, Bintulu 	
Friday (15/04/2022)		<ul style="list-style-type: none"> • HJ. Roslee and Azrul travel from Bintulu to KLIA (MH2743; ETD 11.25 – ETA 13.40) • Angelica travel from Bintulu to Kuching (AK 6059; ETD 18.55 – ETA 19.45), Kuching to Kota Kinabalu (AK 6358; ETD 22.15- ETA 23.45) 	

Surveillance 2 Audit (2022) Findings and Corrective Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken
<p>Major</p> <p>NCR: RJ06/2022</p>	<p>Requirement: Indicator 8.4.1 - Forest managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest management plan.</p> <p>Finding: The results and findings of the monitoring activities were not included into the revision of the forest plantation management plan.</p> <p>Objective evidence:</p> <p>Review of the Forest Plantation Management Plan for the MTCS Area LANA LPF/0006 for the period of 1st December 2016 to 30th November 2026, revised 10th April 2022 (Edition 2), found that the records on monitoring activities on social assessment, changes in flora and fauna were not incorporated into the new FPMP.</p> <p>Previous Minor NCR LHF 02/2020 upgraded to Major NCR RJ 06/2022</p>	<p>Result of investigation and determination of root cause:</p> <p>The OE is correct.</p> <p>The results and findings of the monitoring activities (i.e., social assessment & changes in flora and fauna) were not incorporated into revised FPMP. It was an oversight.</p> <p>Correction and corrective action plan including completion date:</p> <p>The revised FPMP will incorporate with information regarding records on social impact monitoring and changes in flora and fauna.</p> <p>Expected to be completed by 7 July 2022.</p>
<p>Minor</p> <p>NCR: AS 01/2022</p>	<p>Requirement: Indicator 1.1.1 - Records and availability of up-to-date relevant federal and state laws, regulations, and policies, in particular those related to forest plantation management.</p> <p>Finding: Employment agreement for workers not in accordance with Labour Ordinance Sarawak Cap.76 (1958 Ed)</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>The OE is correct.</p> <p>Employment contract for LN6197 & LN6243 was not updated to included AL, SL, and termination of contract as these contracts are in the earlier format. However, all workers still enjoy the current Samling terms of service in respect of annual leave, sick leave, termination of contract of service etc in accordance with Labour Ordinance Sarawak Cap 76 (1958 Ed).</p>

	<p>Employment contract of two workers were verified and showed that it has not included annual leave, sick leave, termination of contract of service by notice in accordance with Labour Ordinance Sarawak Cap 76 (1958 Ed).</p> <ul style="list-style-type: none"> i. LN6197 ii. LN6243 <p>Previous OFI upgraded to Minor NCR AS01/22.</p>	<p>Correction and corrective action plan including completion date:</p> <p>Employment contract for LN6197 & LN6243 will be revise according to OE by HR Dept.</p> <p>Expected to complete by 30 June 2022.</p>
<p>Minor NCR: AS 02/2022</p>	<p>Requirement: Indicator 3.1.3: Availability and use of appropriate mechanisms to resolve any conflicts and grievances between parties involved.</p> <p>Finding: Community Relations Committee (CRC) has not been established as a platform for conflict resolution</p> <p>Objective evidence: The SOP (FMC/PRO-002) was inspected, and it has included the CRC and FMLC as platform for Conflict Resolutions. However, interviews with local communities at Kg. Punan Bah, Kg. Punan Biau and Kg.Punan Sama indicated that CRC was not established as a platform for conflict resolutions.</p>	<p>Result of investigation and determination of root cause: CRC awareness briefing by Forest Department Sarawak was planned for December 2020 but unfortunately was cancelled due to COVID19 concern by villagers. The new proposed date was yet to be provided.</p> <p>Correction and corrective action plan including completion date:</p> <p>FMU will continue to engage and communicate with FDS and any relevant parties to assist villagers to form their CRC.</p> <p>Expected to have progress by the next SA.</p>
<p>Minor NCR: AS03/2022</p>	<p>Requirement: Indicator 4.4.2 - Forest plantation planning and management practices shall consider and incorporate the results of such evaluations.</p> <p>Finding: Social Impact Assessment was not updated to include update of villages, village's demographic profile and socio-economic conditions</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> 1. No updates of Social Impact Assessment Report, 2. Field visits to Punan Data Bah, Punan Bah, Punan Biau and Punan Sama indicated that there were changes in village demographics profile and socio- 	<p>Result of investigation and determination of root cause: The OE is correct.</p> <p>The information regarding the changes in village demographic profile and socio-economic condition was not yet collected. Punan Data Bah is a breakaway from Punan Bah (previously they were a single community). Punan Data bah is not yet approved by Belaga District Office.</p> <p>SIA Report is not updated because the information is not yet collected.</p> <p>Correction and corrective action plan including completion date:</p> <p>The SIA Report will be updated after data collection regarding Punan Data Bah demographic and socio-economic is complete.</p>

	<p>economic conditions. Punan Data Bah is now not part of Punan Bah.</p> <p>Previous OFI upgraded to Minor NCR AS03/2022</p>	<p>Expected to complete by next SA.</p>
<p>Minor NCR: RJ05/2022</p>	<p>Requirement: Indicator 5.6.1 - Rate of harvest shall be in accordance with the prescribed rotation length as in the Forest Plantation Management Plan. (FP).</p> <p>Finding: There is a different in block number between, Harvesting General Map and Permit to Harvest Coupe.</p> <p>Objective evidence:</p> <p>During site inspection to Coupe 18A - Block 17, it was found that: -</p> <ul style="list-style-type: none"> - Block number for Harvesting General Plan for Coupe 18A (Partially) refer to Block 17, however, Permit to Harvest Coupe approved by FDS REF. NO. LPF0006/22/18A (II), refer to block 14. - There is a Coupe Boundary demarcated in the Harvesting General Map. - Special Management Zone (SMZ) was not demarcated Harvesting General map. 	<p>Result of investigation and determination of root cause:</p> <p>The OE is correct for all three items.</p> <p>A] Unfortunately FDS sometimes changes the block numbers on issuing a PHC whilst all the Samling documentation and records refer to the original block numbers. This leads to much confusion.</p> <p>B] The coupe boundary was correctly located on the ground but was incorrectly shown on the map.</p> <p>C] The present SMZ (steep natural forest) on site was not demarcated in Harvesting General Map. It is an oversight.</p> <p>Correction and corrective action plan including completion date:</p> <p>A] AGM Refor has already broached this with FDS Bintulu & he will now write to FDS HQ. Pending the outcome of further discussion with FDS the documentation and maps will refer to both the PHC block number and the original block number eg: Blk. 14 (old Blk.17)</p> <p>B] GIS section Miri, HQ will correct the mapping error.</p> <p>C] Lana Refor management will ensure SMZ data is sent to Miri for update of the GIS data base & shown on the Harvesting General Map.</p> <p>All expected to complete by next SA.</p>
<p>Minor NCR: : RJ 01/2022</p>	<p>Requirement: Indicator 7.1.1 - Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</p> <p>Finding: The Supporting Document were not sufficient to cover Forest Plantation Management Plan.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>The OE is correct.</p> <p>The revised FPMP was not incorporated with Fire Prevention and Control and FPMP has yet to provide Description of Stakeholder's Consultation. It is an oversight.</p> <p>Correction and corrective action plan including completion date:</p> <p>The FMP will be revised to include reference to the Fire Prevention and</p>

	<p>The Forest Plantation Management Plan for the MTCS areas within LANA LPF/0006 for the period 1st December 2016 to 30th November 2026 (Revised 10th April 2022- Edition 2) did not provide;</p> <ul style="list-style-type: none"> a. Fire prevention and control (Paragraph C in Criterion 7.1) b. Description of stakeholder’s consultation (Paragraph J in Criterion 7.1) 	<p>Control and Description of stakeholder’s consultation.</p> <p>Completion date: Before the next surveillance audit.</p>
<p>Minor NCR: RJ 02/2022</p>	<p>Requirement: Indicator 7.4.1 - A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 shall be made publicly available.</p> <p>Finding: Para 3.1 of FPMP Public summary for Lana FPMU – LPF /0006 still referring to MC&I Forest Plantation v.2.</p> <p>Objective evidence:</p> <p>Para 3.1 “Our Commitment” of the Public Summary for Forest Plantation Management plan MTCS Area within Lana LPF/0006, has not been change to the new Standard: MC&I SFM.</p>	<p>Result of investigation and determination of root cause:</p> <p>It is true that para 3.1 “Our Commitment” of the Public Summary for Forest Plantation Management plan MTCS Area within Lana LPF/0006, has not been change to the new Standard: MC&I SFM. This was an oversight.</p> <p>Correction and corrective action plan including completion date:</p> <p>Public Summary will be revised to refer to “MC&I SFM”.</p> <p>It will be uploaded before end of June 2022.</p>
<p>Minor NCR: RJ 03/2022</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 APPENDIX A.</p> <p>Finding: Annual Internal audit and management review conducted not as stipulated in Appendix A.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>It is true that annual Internal Audit was not conducted as stipulated in Appendix A. Previously this was not an MC&I requirement.</p> <p>Correction and corrective action plan including completion date:</p> <p>An SOP for Internal Audit and Management Review as stipulated in Appendix A is now in place and will be followed for next Internal Audit.</p>

	<p>1. Review of Internal audit report conducted on 12th – 14th Jan 2021 found that the following information were not included:</p> <ul style="list-style-type: none">(i) Frequency of internal audit(ii) Methods and responsibilities(iii) Audit criteria and audit scope(iv) Issuance of non-compliance report(v) Closure of non-compliance report(vi) Timeframe of reporting of internal audit report <p>2. Management Review conducted on 30th March 2022, found that, the review did not include the requirement as listed in Appendix A:</p> <ul style="list-style-type: none">a. An annual management review shall be conducted and include at least the following;<ul style="list-style-type: none">i. the status of action from previous management reviews;ii. changes in external and internal issues that are relevant to the management system;iii. information on the organization's performance, including trends in: non conformities and corrective actions, monitoring and measurement result and audit result.iv. opportunities for continual improvement.b. The output of the management review shall include decision related to continual improvement opportunities and any need for changes to the management system.c. Documented information as evidence of the result of management reviews shall be retained.	
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<p>Minor NCR: RJ04/2022</p>	<p>Requirement: Indicator 8.5.1 - A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made publicly available.</p> <p>Finding: Summary of the results of monitoring indicators, including those listed in Criterion 8.2, was not made publicly available.</p> <p>Objective evidence:</p> <p>Review of the printed public summary presented during the audit, it was found that the FPMU did not incorporate the results of monitoring listed in criterion 8.2 into the public summary and made it publicly available.</p>	<p>Result of investigation and determination of root cause:</p> <p>It is true that summary of results of monitoring indicators, including those listed in Criterion 8.2 not made publicly available. This was an oversight.</p> <p>Correction and corrective action plan including completion date:</p> <p>To integrate those requirements into the public summary.</p> <p>Expected to complete by end June 2022</p>
<p>OFI Indicator 7.3.2</p>	<p><u>Availability of programmes to train forest workers to their respective roles for proper implementation of the forest management plan.</u></p> <p>The knowledge of officers and workers responsible for handling of the chain of custody in the logpond, and PSPs could further be improved by conducting refresher course on “Chain of Custody” and PSPs establishment and the use of instrument respectively.</p>	<p>Not required</p>

Verification on Previous Surveillance 1 Audit (2020) Findings and Action Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p>Indicator 1.5.2</p> <p>NCR: ANS01/2020</p>	<p>Major</p>	<p>Requirement: Indicator 1.5.2 – Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. PMU has yet to inform authorities on the illegal harvesting and encroachment in the FPMU area. 2. Current monitoring and patrolling to prevent illegal harvesting and encroachment was not effective. <p>Objective evidence:</p> <p>During site inspection at Coupe 2 block 5, and based on Camp Reporting Form dated 2 December 2019, the FPMU has reported the illegal harvesting and encroachment to Samling HQ, however the was no evident that this incident has been inform to the Forestry Department.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. The FPMU camp management had reported the illegal harvesting and encroachment to Samling HQ, but the report had not yet been sent to FDS (the relevant authority). 2. It is not correct to say that the monitoring & patrolling are not effective: patrolling is not, & cannot be expected to be, a scheduled daily activity. However, it should be noted that the illegal activity was noted within about 24 hrs. of its occurrence & that a report had been sent to Samling HQ a day later (on the 2 Dec 2019). <p>The AGM had emailed the harvesting manager on the matter. At the time of audit AGM was still awaiting a reply with some further details before completing the report and sending it to FDS.</p> <p>Correction and Corrective action plan including completion date: A report will be sent to FDS HQ Before 16 February 2020</p>	<p>Evidence below was verified and accepted on 10 February 2020:</p> <p>The company has sent a report to Sarawak Forestry Department, the Report of Encroachments Incident at Coupe 2A Block 05A at Lana Reforestation LPF/0006, (SRB/LPF0006/MTCS. Encroach/20-01) dated 29 January 2020.</p> <p>Status: Closed</p>

<p>Indicator 5.1.2</p> <p>NCR: MNS01/2020</p>	<p>Minor</p>	<p>Requirement Indicator 5.1.2 – Provisions and management are made to maintain, restore, or enhance the productive capacity and ecological functions of the forest plantation areas to ensure its economic viability.</p> <p>Finding: Work instruction for Field Maintenance [WI/OP/04/04] in section 6.4 'Removal of Multiple Leaders and Branches from Planted Trees' items I and (f) were not followed</p> <p>Objective evidence:</p> <p>Site visit to the PSP plot in Coupe 2A namely Block 09 Plot 1 (tree #26, #38, #39) and Block 14 Plot 1 (Tree #8, #27) were found to have multiple leader (classified as MF) but not removed as per Work Instruction fo Field Maintenance.</p>	<p>Result of investigation and determination of root cause:</p> <p>Some trees do have multiple leaders. However, as the trees are now 2 years old it was not possible to be sure what the diameter of the leaders would have been at the time pruning was done and whether one of them would have been <5cm diameter & eligible for removal. (Section 6.4 (f) of the Work Instruction states that branches >5cm diameter should not be removed.)</p> <p>Correction and Corrective action plan including completion date:</p> <p>Toolbox talks will be given by the Silviculture Executive to all workers undertaking pruning Before the next SA.</p>	<p>Toolbox Briefing regarding the “Work Instruction For Field Maintenance (Pruning), was conducted to 8 pruning workers on 28 Jan. 2022.</p> <p>Status: Closed</p>
<p>Indicator 8.1.3</p> <p>NCR: MRS 01/2020</p>	<p>Minor</p>	<p>Requirement: Indicator 8.1.3- Forest plantation managers shall undertake annual internal audit and management review of forest plantation management.</p> <p>Finding: The management meeting was not conducted with presentation of the plantation manager and no evidence of discussion/review on MC&I compliance and forest plantation management.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> (i) It was correct that the plantation manager did not chair the Management Review meeting. He had been called down to Miri unexpectedly. (ii) The format of the IA did not identify the findings to the relevant indicators. (iii) The pre-arranged Management Review was not postponed until the manager’s return. This would 	<p>1.Review of Internal audit report conducted on 12th – 14th Jan 2021 found that the following information were not included:</p> <ul style="list-style-type: none"> i.Frequency of internal audit ii.Methods and responsibilities iii.Audit criteria and audit scope iv. Issuance of non-compliance report v.Closure of non-compliance report iv.Time frame of reporting of internal audit report

		<p>Objective evidence:</p> <p>The minute of management review titled 'Minutes for Management Review MTCS Internal Audit' dated 18 November 2019 was made available. However, the meeting was not chaired by plantation manager. The meeting minute also only discuss on internal audit findings and action taken without discussion/review on MC&I compliance and forest plantation management.</p>	<p>have allowed him to chair the meeting.</p> <p>(iv) The IA team failed to present the findings in the correct format so that the findings could be related to the relevant indicator and non-compliance. This would have allowed any non-compliance to be reviewed and discussed.</p> <p>Correction and Corrective action plan including completion date:</p> <p>The 2020 Management Review Meeting will be chaired by the manager. An improved reporting format will be used for the next Internal audit.</p>	<p>2.Management Review conducted on 30th March 2022, found that, the review did not include the requirement as listed in Appendix A:</p> <ul style="list-style-type: none"> a. An annual management review shall be conducted and include at least the following; <ul style="list-style-type: none"> i) the status of action from previous management reviews; ii) changes in external and internal issues that are relevant to the management system; iii) information on the organization's performance, including trends in: non conformities and corrective actions, monitoring and measurement result and audit result. iv) opportunities for continual improvement. b. The output of the management review shall include decision related to continual improvement opportunities and any need for changes to the management system. c. Documented information as evidence of the result of management reviews shall be retained.
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				Status: The previous Minor NCR was Closed, and Reissued with new Minor NCR
Indicator 8.2.1 NCR: LHF 01/2020	Minor	<p>Requirement: Indicator 8.2.1- Forest plantation managers shall gather the relevant information, appropriate to the scale and intensity of the forest plantation management, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>Finding:</p> <p>The FPMU has yet to gather relevant information on social impact of harvesting and other forest operation.</p> <p>Objective evidence:</p> <p>Audit assessment has found that a social impact monitoring form was prepared but not implemented to gather the necessary information.</p>	<p>Result of investigation and determination of root cause:</p> <p>It is correct that social impact monitoring has yet to be implemented. But it was evident from FPMU contact with the communities that there were no serious issues. A social impact monitoring form has only just been drafted and had yet to be field tested.</p> <p>Correction and Corrective action plan including completion date:</p> <p>A social impact monitoring form has only just been drafted and had yet to be field tested. Field tests the form, revise as necessary and then implement its use Before the next SA</p>	<p>A social impact monitoring form has been prepared and implemented to gather the necessary information. The latest Social Monitoring Form was on the 5th of January 2022 for Punan Data Ba.</p> <p>Status: Closed</p>
Indicator 8.4.1 NCR: LHF02/2020	Minor	<p>Requirement: Indicator 8.4.1- Forest plantation managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan.</p> <p>Finding:</p> <p>The results and findings of the monitoring activities has yet to be incorporated into the</p>	<p>Result of investigation and determination of root cause:</p> <p>The social monitoring form had not yet started to be used hence there were no results or findings. However, it was evident from the FPMU contacts with the four communities that there were no serious issues arising in the year. Given that the relationship with the three of the four communities is relatively good and that no problems</p>	<p>Review of the Forest Plantation Management Plan for the MTCS Area LANA LPF/0006 for the period of 1st December 2016 to 30th November 2026, revised 10th April 2022 (Edition 2), found that the records on monitoring activities on social assessment, changes in flora and fauna were not incorporated into the new FPMP.</p> <p>Status: Previous Minor NCR LHF 02/2020 upgraded to Major NCR RJ 06/2022</p>

		<p>implementation and revision of the forest plantation management plan.</p> <p>Objective evidence:</p> <p>Audit assessment has found that there was no record on monitoring activities on social assessment, hence no results and findings of the monitoring activities being incorporated into the forest plantation management plan.</p>	<p>had arisen this past year there was a perceived lack of urgency in starting the social impact monitoring process.</p> <p>Correction and Corrective action plan including completion date:</p> <p>Implement the use of the form for the social impact monitoring process before the next SA.</p>	
Indicator 1.1.1	OFI	<p>Requirement Indicator 1.1.1- 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: Employment agreement for workers is available and there is room for improvement to include matters such as leaves and termination of contract service by notice, to be in line with Labour Ordinance Sarawak 1952 (Act A1237</p>	Not required	<p>Employment contract of two workers were verified and showed that it has not included annual leave, sick leave, termination of contract of service by notice in accordance with Labour Ordinance Sarawak Cap 76 (1958 Ed).</p> <ul style="list-style-type: none"> i. LN6197 ii. LN6243 <p>OFI raised during the previous audit was upgraded to Minor NCR AS01/2022 for Indicator 1.1.1.</p>
Indicator 4.4.2	OFI	<p>Requirement Indicator 4.4.2 – Forest plantation planning and management practices shall consider and incorporate the results of such (SIA) evaluations.</p> <p>Finding: To include the update of villages,</p>	Not required	<ul style="list-style-type: none"> i. No updates of Social Impact Assessment Report, ii. Field visits to Punan Data Bah, Punan Bah, Punan Biau and Punan Sama indicated that there were changes in village demographics profile and socio-

		village's demographic and socio-economic conditions and traditional land use within the Coupe 20 by villagers in Punan Sama.		economic conditions. Punan Data Bah is now not part of Punan Bah. Previous OFI upgraded to Minor NCR AS03/2022
Indicator 6.7.1	OFI	<p>Requirement Indicator 6.7.1- Oil, fuel, containers, liquid and solid non-organic wastes, shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: The management had informed DOE on scheduled waste generated by Lana FPMU on 14 February 2019. The FPMU also had registered at DOE online system – eSWIS. However, management has yet to notify and submit inventory of scheduled waste through this online system. The printed hardcopy records also could be made available at camp office.</p>	Not required	<p>The FMU has submitted the Inventory of Schedule waste through online system – eSWISS. The inventory of Schedule Waste for the month of January, February and March 2022 were made available during this audit. The Schedule Waste for SW 102, SW 305, SW 306, SW 312, SW 408, SW 409, and SW 410.</p> <p>Status: Closed</p>

End of Report