



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

**Certificate Number: FMC-NF 00124  
Date of First Certification: 16<sup>th</sup> March 2020  
Audit Date: 25<sup>th</sup> - 29<sup>th</sup> July 2022  
Date of Public Summary: 11<sup>th</sup> December 2022**

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## **EXECUTIVE SUMMARY**

This Surveillance 2 Audit on the Pasin Sdn Bhd - Pasin Forest Management Unit (hereafter referred as the Pasin FMU) was conducted on 25<sup>th</sup> – 29<sup>th</sup> July 2022 to assess the compliance of the overall forest management system of the Pasin 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 2 Audit was limited to the forest management system and practices on the Protected Forest (PRF) and Stateland Forest within the Pasin FMU.

This Surveillance 2 Audit was conducted by a 3-member team comprising Hj.Roslee Jamaludin (Lead Auditor), Mohd Razman Salim (Auditor), and Puteri Arlydia Abdul (Auditor) . Based on the findings of this Surveillance 2 Audit, it was found that Pasin FMU had complied with the requirements of the MC&I SFM.

This Surveillance 2 Audit had resulted in the issuance of one (1) major, and seven (7) minor Non-Conformity Reports (NCRs) respectively. There was also two (2) Opportunity for Improvements (OFIs) was raised. This public summary contains the general information on the Pasin FMU, the findings of the Surveillance 2 Audit, NCRs raised as well as the decision on the certification of the FMU.

## 1. INTRODUCTIONS

### 1.1 Name of FMU

Pasin Sdn Bhd - Pasin Forest Management Unit

### 1.2 Contact Person and Address

Name : Mr. Nelson Bijack James Chas

Designation : Forest Manager  
(Sustainable Forest Management Department, Ta Ann Holdings Berhad)

Address : Ta Ann Building,  
No. 6, Jalan Rawang,  
96008 Sibu Sarawak,  
Malaysia

Phone # : (+60-84) 312 299)

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### 1.3 General Background on the Pasin Sdn Bhd – Pasin FMU

Pasin FMU is in the central region of Sarawak within Kapit Division. The FMU covers 65,625 ha of Protected Forest (PF) and 66,526 ha of Stateland Forest. The Protected Forest consists of 35,351 ha of Baleh PF, 27,804 of Katibas Bangkit PF and 2,470 ha of Tekalit PF. It consists of logged-over lowland mixed dipterocarp forest (MDF) with elevation from 75 to 880 m above sea level. The camp, office and workers quarters are located at Woodley Camp in Coupe 2.

The FMU is bordered by alienated land along Batang Rajang in the North. The eastern FMU boundary is bordered with Kapit FMU (T/3491 Tanjong Manis Holdings Sdn Bhd). The western area is bounded by Sg. Katibas. For southern area, it reached Malaysia-Indonesia International boundary, LPF0010 Ta Ann Plywood Sdn Bhd and Lanjak Entimau Wildlife Sanctuary.

Pasin FMU is under the Forest Timber Licence No. T/3135 issued to Pasin Sdn. Bhd. for Natural Forest Management (NFM). Currently, the license of this FMU is annually renewed for one year to annual license renewal from 14 January 2022 to 13 January 2023. The 60-year tenure will be granted once the area is certified.

The FMU covers 89,554 ha (68%) are production areas, 37,465 ha (28%) are set aside for community use areas and 5,132 ha (4%) are conservation areas. Conservation areas were identified and protected, and these were confined mostly on areas with steep terrain  $\geq 350$ , river area and river buffer. The forested area of the FMU primarily consists of (a) logged-over hill mixed dipterocarp forest and (b) secondary forests.

The Forest Management Plan for Pasin Forest Management Unit for period 10 years (1<sup>st</sup> January 2018 – 31<sup>st</sup> December 2027) Rev.02, April 2021), approved on 12 May 2021 by Forest Department of Sarawak.

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

### 1.4 Date First Certified

16<sup>th</sup> March 2020

### 1.5 Location of the FMU

The FMU is located between 1 0 32' 00" and 20 00' 00" N and 1120 22' 00" and 1120 43' 00" E.

## 1.6 Forest Management System

Pasin 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 for Pasin FMU (2018 – 2027) was presented during this audit.

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

The Annual Allowable Cut (AAC) was calculated at 102,915.457 m<sup>3</sup> /year or not more than 3,582.20 ha/year on average for the 25 years of cutting cycle. The quota of monthly production limit approved by Sarawak FD for July 2022 – June 2022 (WPO.903.201(XVII)-29; 27 June 2022) were 8,576 m<sup>3</sup> as verified during the audit.

## 1.8 Environmental and Socioeconomic Context

An EIA for the proposed Timber Harvesting Operation in Pasin FMU under Forest Timber Licence (FTL) No. T/3135 was conducted as required under item 2(i) of the First Schedule of the said Order (Section 11A (1) of the Natural Resources and Environmental Ordinance). The EIA report was acknowledged by the NREB on 21 December 2017. The potential impacts and strategies to mitigate the impacts on-site and at landscape level were considered.

A social impact evaluation has been conducted and a report titled “Social Impact Assessment for the Timber Harvesting within the Pasin FMU Under Forest Timber Licence No T/3135 at Sg Katibas-Batang Rajang Area, Kapit Division, Sarawak, 2019”. Based on the SIA report, the FMU had identified 112 settlements of local communities (53 settlements living inside the FMU and 59 settlements located within 3 kilometres from the FMU boundaries. Some of them have legal Native Customary Right (NCR) land (based on Sarawak Land Code, Chapter 81) including shifting agriculture that was officially gazetted by Land and Survey Department under Land Code Ordinance (1958). The report outlined the socio-economic environment, social impact and mitigation, land ownership and land issues, and also mitigation measures and monitoring on these communities during forest operation.

Pasin FMU also had acknowledged and identified the local communities' settlements in the FMU area which was called 'Shifting Agriculture (SA) land' as directed by the Sarawak Forest Department. This area has been demarcated in the map titled 'Forest Zoning Map of Pasin FMU' and General Harvesting Plan (GP) which were attached in the FMP. On site demarcation between FMU areas and “Shifting agriculture” areas had been continually implemented. The total area of Shifting Agriculture (SA in Kapit FMU area is 37,465 hectares.

Forest managers had recognized, respected, and collaborated with holders of duly recognised legal or customary tenure or use rights of the local communities. This was verified from the minutes of the meeting with Community Representative Committee (CRC). During the meeting, the FMU had consulted with the local communities to identify, document and protect sites of significant importance to them (e.g. burial ground and water catchments). Mitigation measures on local communities was explained in the FMP at Chapter 7.3.5 Socio-economic management recommendations.

No traditional forest-related knowledge, and practices of indigenous peoples in the use of forest species or management systems in forest operations.

## 2. AUDIT PROCESS

### 2.1 Audit Dates

25<sup>th</sup> -29<sup>th</sup> July 2022 (15 man-days)

### 2.2 Audit Team

Hj. Roslee Jamaludin (Lead Auditor)  
Mohd Razman Salim (Forester)  
Puteri Arlydia Abdul. (Forester)

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 SFM using the verifiers stipulated for Sarawak.

### 2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning June 2022 to solicit feedback from stakeholders on the compliance of the Pasin FMU against the requirements of the MC&I SFM. However, there was no comment received from the stakeholders on Pasin FMU during the period.

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

### 2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Pasin 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 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 the local communities in Rh Enggong, Rh.Akang, Rh Silo, Rh.Kana, Rh. Jabu, Rh Gong, Rh. Lasin Rh Bada, Rh Sebastian, Rh. Kunyo and Rh. Anthony. The audit team had also held meetings with the officers and the uniformed field staff of the FMU, and Jabatan Tenaga Kerja.

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

This surveillance 2 audit had resulted in issuance of one (1) Major NCR, with seven (7) Minor NCR and 2 OFI raised. The audit team had prepared an interim surveillance 2 audit report and sent it to the Pasin FMU for comment. A final report of surveillance 2 audit report which had incorporated the comments received from the Pasin FMU was then prepared.

## 3. SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance 2 audit, it was found that the Pasin Sdn Bhd. had continued to manage the Pasin FMU in compliance with most of the requirements of the MC&I SFM. This surveillance 2 audit had resulted in the issuance one (1) Major, seven (7) NCR and 2 OFIs. The details on NCR raised are shown in **Attachment 5**.

The audit team had also verified the corrective actions taken by the Pasin to address two (2) Minor NCR and one (1) OFI 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 Minor NCR and OFIs are as in **Attachment 6**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through the SOP 'Communication with Natives' and 'Native Claims and Compensation' established by Kapit FMU). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against Pasin FMU.

Regarding Criterion 6.10, there was no plan for converting the forest area to plantations in Pasin 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 to Pasin Sdn Bhd – Pasin FMU to be maintained.

The summary on the findings of the surveillance 2 audit on the Pasin FMU against the requirements of the MC&I SFM are as follows:

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance with Laws and Principles</b>	<p>The Pasin FMU had updated and maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest management MC&amp;I SFM which updated in May 2021 was made available at the Woodley base camp in meeting room.</p> <p>Consultation with forest manager and management of FMU, found that they were aware of the federal and state laws and regulatory framework related to forest management.</p> <p>All applicable and legally prescribed fees, royalties, taxes, and other charges were presented during the audit.</p> <p>Documents on all the binding international agreements which Malaysia is a signatory were present at Woodley Base Camp and made available to the forest managers.</p> <p>Conflicts documented between these Principles and Criteria and laws and regulations on ILO Convention No. 87 (union), 105 (discrimination on employment) &amp; 111 (forced labour). Records of discussions under the Forest Management Certification Technical Meeting where all the FMUs under Ta Ann Holdings involved.</p> <p>The statement of commitment to forest management practices consistent with these principles and criteria can be accessed <a href="http://www.pasinfmu.com.my/about-us/">http://www.pasinfmu.com.my/about-us/</a>.</p>	There were no Negative Findings
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	<p>Long-term tenure and the use rights to the land and forest resources had been clearly defined, documented, and legally established. Forest Timber Licence – no T/3135 – Pasin Sdn Bhd for period 14/01/2022 – 13/01/2023 (reff: (75) JHS/WPO.628.345(VI) dated 12/01/2022). Originally WPO.628.345(VI)-15 approved on 21/07/2019 was made available.</p> <p>Forest managers has continuously support legally recognised mechanisms for resolving land claims. Records of participation in the resolution of land claims within the FMU were kept in file named as Records/Principle 2 (01).</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>Mechanisms to resolve disputes over tenure claims and use rights were made publicly accessible – TA-SOP-COM-01 SOP Communication with Local Communities and</p> <p>Native used 1/11/2016, ver 03 last review 12/02/2022 and website</p> <p><a href="http://www.pasinfmu.com.my/tommy/proces-s-of-conflict-resolution/">http://www.pasinfmu.com.my/tommy/proces-s-of-conflict-resolution/</a>.</p>	
<b>Principle 3 Indigenous People's Rights</b>	<p>Relevant documents on the customary rights of indigenous peoples' lands were kept at Woodland Base Camp office. Map of Annual Coupe (T/3135) and General Harvesting Plan (GP) for Pasin FMU presented showed locations of longhouses, burial ground, and water Consultations with the communities in the respective 17 longhouses indicated that written grievance to the company was not given response in due time. Inspection of documents at the Woodley office revealed that several complaints and other Page 9 of 28 catchment within and adjacent the FMU all in the Shifting Agriculture (SA) sites.</p> <p>There was no application of any traditional forest-related knowledge and practices of natives in forest operations. However, SOPs titled 'Compensation for commercial utilization of traditional forest related knowledge' and 'Management and monitoring of native forest – related traditional knowledge and special sites' were available whenever applicable.</p>	<p><b>Minor NCR LYD 01/2002 for Indicator 3.3.1</b> has been raised as map for special cultural, ecological, economic, or religious significance area and ground demarcation for protection were not yet conducted. Ground verification and demarcation of special sites for protection were not conducted as per TA-SOP-CON-06 Sop Management and Monitoring of Native Forest-Related Traditional Knowledge and Special Sites Ver 06 last review 18/12/2018 for:</p> <ul style="list-style-type: none"> <li>a) Pre harvesting area Coupe 04 – Rh Silo &amp; Rh Kana</li> <li>b) Active harvesting area Coupe 04 – Rh Jabu, Rh Gong, Rh Lasin, Rh Bada</li> <li>c) Post harvesting area Coupe 03 – Rh Sebastian, Rh Kunyo and Rh Anthony</li> </ul>
<b>Principle 4 Community Relations and Workers' Rights</b>	<p>Forest managers has provided appropriate support for training, retraining, local infrastructure, facilities, and socio-economic programmes that commensurate with the scale and intensity of forest management operations.</p> <p>Communities living within, or adjacent to, the FMU are given preference for employment and contract works as per addressed during FMU consultation with villagers and this has also been confirmed during stakeholder consultation with CRC members.</p> <p>The right of workers to benefits and protection at Pasin FMU was assured under applicable laws, i.e., Labour Ordinance 1952 (Sarawak, Cap 76), Employees Provident Fund Act 1991 and Employees' Social Security Act 1969. An appropriate Standard Operating Procedures to address grievances raised by workers and for worker</p>	<p>Storage and handling of hazardous material does not comply to the Guidelines on Storage and Handling of hazardous Materials. Site Inspection at Rumah Tarik at Block 63 in Coupe 04A found that 2 bottles of vegetable oil were filled with spent lubricant oil for chainsaw usage, without labelled.</p> <p>Therefore, <b>a Minor NCR RJ01/2022 for Indicator 4.2.5</b> was raised.</p>



Principle	Strengths	Weaknesses
	<p>conflict resolution was available (Ref: 'Employee Grievances': TA-SOP-HR-01).</p> <p>Site inspection to Scheduled Waste Store, chemical store, Fuel Oil Lubricant (FOL) Depot etc. has confirmed the implementation are as SOP inclusive of hazard and warning signage's as required under the OSHA were placed at strategic areas.</p> <p>Based on the interview with selected workers, no restrictions for workers to freely organise into union of their own choice in accordance with ILO Convention No. 87. Employee Representative Committee (ERC) has been established.</p> <p>All applicable laws and/or regulations covering health and safety of employees were made available and had been explained to them.</p> <p>Safety and Health Committee had been established by the FMU and meetings had been conducted.</p>	
<p><b>Principle 5</b> <b>Benefits From the Forest</b></p>	<p>The "Expenditure for Pasin FMU 2021" and "2022 Annual Budget for Pasin FMU" statements, were presented during the audit. The budget included provisions for forest administration, research (scientific collaboration and PSP), human resource development, protection (patrolling), economic (operating), conservation (HCV), environmental (EMR and ECA) and social aspects (CSR and compensation).</p> <p>Site inspection to closed harvesting area, the silvicultural treatment, or planned activities (Kelampayan enrichment planting) in open logged over area were conducted at closing block such as Block 53 in Coupe 03 (61ha) which was inspected by the auditor.</p> <p>The Annual Allowable Cut (AAC) was calculated at an average of 102,915.457 m<sup>3</sup>/year or not more than 3,582.2 ha/year on average for the 25 years of cutting cycle.</p> <p>The quota of monthly production limit approved by Sarawak FD for July 2022 – June 2023 was Reservation Quota- 5,146 m<sup>3</sup>. Export Quota- 3,430 m<sup>3</sup> = 8,576 m<sup>3</sup>.</p> <p>Site inspection of active harvesting activities in Block 52 and Block 63, Coupe 04 and post-harvesting area in Block 43, Block 47 and Block 46 in Coupe 04 found</p>	<p>There were no negative findings</p>

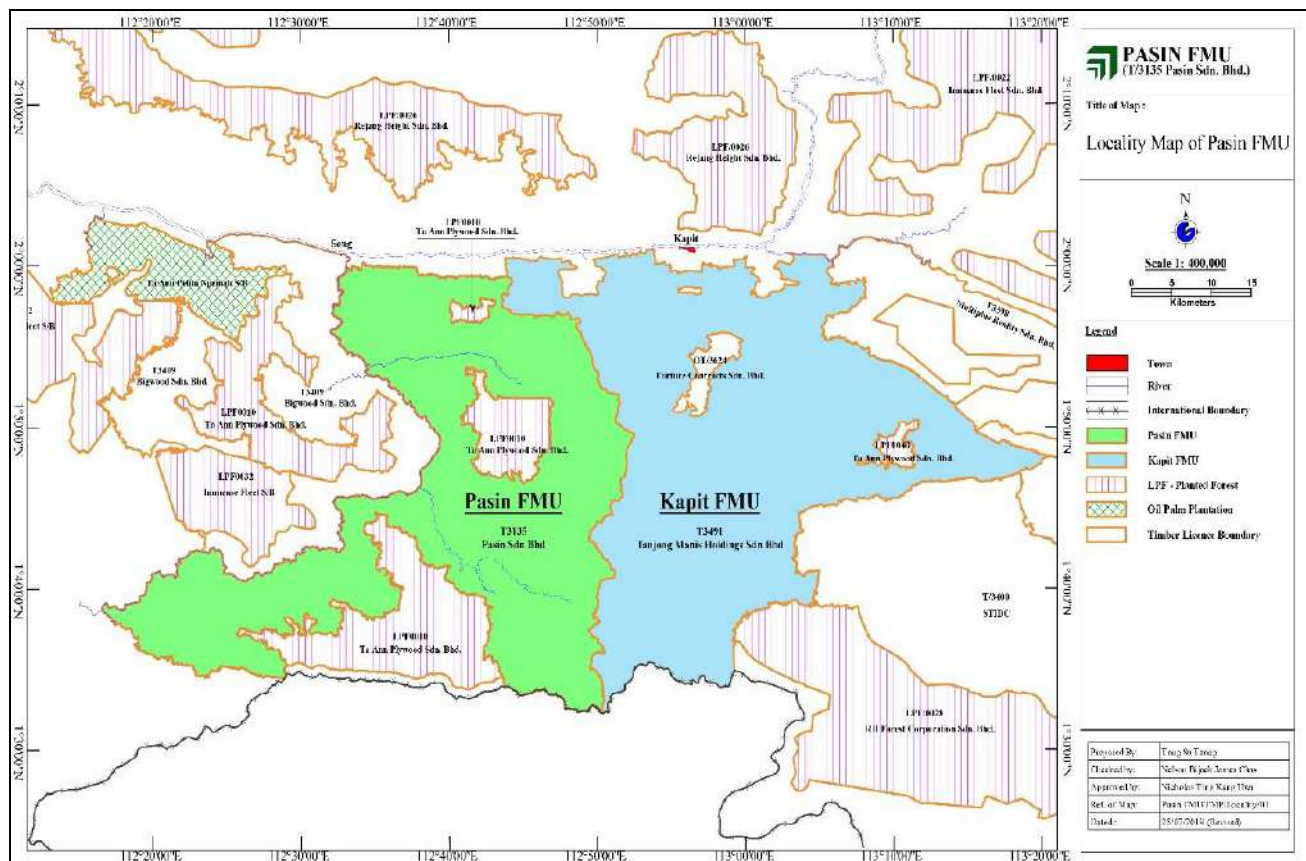
Principle	Strengths	Weaknesses
	<p>the damage to residual stand was minimal. The harvesting activities followed established SOP which was based on the "Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest); Second edition 2014".</p> <p>Regular training was also conducted for the staff on techniques of reduced -impact logging.</p> <p>Pasin FMU has no plan for production of a mixed commercial forest product including the utilisation of non -timber forest products.</p> <p>The sensitive areas were demarcated and protected for protection of soil and water, watercourses and wetlands which include riparian buffers, Terrain IV, water catchments and other HCVF.</p>	
<p><b>Principle 6 Environmental Impact</b></p>	<p>'Environmental Impact Assessment prepared in July 2017 for Timber Harvesting Within Pasin Forest Management Unit (FMU) Under the Forest Timber Licence (FTL) No. T/3135 at the Sg. Katibas-Batang Rajang Area Kapit Division, Sarawak' was presented during the audit.</p> <p>Environmental Monitoring Report (EMR) was prepared quarterly as required by NREB that included assessment on the impacts on ERT of flora and fauna, conservation of riparian buffer, etc. and was verified during the audit. The series of EMR report concluded that the water quality of the waterway was found to be good, with all parameters monitored within Class I to IIB standards of the NWQSM. (1<sup>st</sup> Quarter 2022 (January - March) and (2<sup>nd</sup> Quarter 2022 (April - June).</p> <p>SOP for identification and protection of rare, threatened, and endangered species of flora and fauna dated 15 Jan 2022 as available. The FMU has taken positive steps to identify and protect those features, including special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU.</p> <p>There was existing cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities at Pasin FMU. collaboration with UNIMAS to monitor the wildlife around the salt licks using camera trap.</p>	<p>Construction of forest road and bridge were not effective to prevent clogged of water and encroached buffer zone.</p> <ol style="list-style-type: none"> <li>1. At secondary road S-2-2 near to closing block area at Block 43, Coupe 4, it was found that no sump and water diversion.</li> <li>2. The same area mentioned above, it was found that bund constructed along the side drain prevented running water from middle of road to discharge to the side drain.</li> <li>3. Bridge located between Block 52 &amp; Block 46 was constructed without sump and encroached into the buffer zone at the side of the bridge.</li> </ol> <p>Therefore, <b>Minor NCR MRS 01 2022 for Indicator 6.5.3.</b> was raised</p> <p>The storage and maintenance of forest fire equipment were not effectively implemented.</p> <ol style="list-style-type: none"> <li>1. Record of testing and maintenance of forest fire equipment were not available.</li> <li>2. Storage of forest fire equipment (water pump, hose reel &amp; hoe) were not centralized.</li> <li>3. Condition of storeroom for storage of water pump was not in good condition. Wooden stair was unstable and slippery.</li> </ol> <p>Therefore, <b>Minor NCR MRS 02 2022 for Indicator 6.5.5</b> was raised.</p>

Principle	Strengths	Weaknesses
	<p>Enrichment planting is conducted in degraded sites to enrich the residual stand. The FMU has planted 11,809 seedlings and 8,236 seedlings in Coupe 3 (post-harvest) and Coupe 04 (active harvesting).</p> <p>The FMU has identified and set aside representative areas of the existing forest ecosystem (RoEFE) that is located near Woodley Base Camp. The area covered about 63 ha which represented the natural state of the forest area.</p> <p>Waste disposal and recycling of liquid and solid non-organic wastes was implemented through the SOP titled "Waste Management" (TA-SOP-EMS-01).</p> <p>The labelling of pictogram and information written for each scheduled wastes followed the procedure of Waste Management.</p> <p>There was no application of biological control agents in the FMU.</p>	<p>The management of chemical mixing residue and safety of chemical handler were not adequately implemented:</p> <ol style="list-style-type: none"> <li>1. There was no sump to collect water residue from chemical pesticides mixing area at nursery.</li> <li>2. No eye washes available at chemical mixing area.</li> </ol> <p>Therefore, <b>Minor NCR MRS 03 2022</b> for <b>Indicator 6.6.2</b> was raised.</p>
<b>Principle 7 Management Plan</b>	<p>The Forest Management Plan for Pasin Forest Management Unit for period 10 years (1st January 2018 – 31st December 2027) Rev.02, April 2021), approved on 12 May 2021 by Forest Department of Sarawak, was presented during the audit. The FMP provided items (a) to (i) as per requirements of Criteria 7.1.</p> <p>Pasin FMU forest manager is aware of new scientific and technical information pertinent to the management of the natural forest.</p> <p>The FMU has planned annual training programme for 2022 titled '2022 Briefing and Training Program for Pasin FMU'. Training of workers in their respective roles in the implementation of the FMP was implemented in 2022.</p> <p>A summary of the primary elements (a) to (i) of the Pasin FMU Forest Management Plan (2018 – 2027) implemented under Indicator 7.1.1 was made publicly available through website: <a href="http://www.pasinfmu.com.my/fmp/">http://www.pasinfmu.com.my/fmp/</a>.</p>	<p>There were no negative findings</p>
<b>Principle 8 Monitoring and Assessment</b>	<p>Monitoring of license boundaries were conducted regularly. Schedule of the monitoring for year 2022 was available and implemented by the FMU.</p> <p>Quarterly monitoring of the FMU is conducted by Ecosol Consultancy Sdn Bhd.</p>	<p>The Pasin FMU Management could improve on harvesting assessment form and PSPs inventory scheduling as below:</p> <ol style="list-style-type: none"> <li>1. Harvesting assessment form could be improved by adding location of inspected main road, feeder road,</li> </ol>

Principle	Strengths	Weaknesses
	<p>The latest report for 1<sup>st</sup> Quarter 2022 (January - March) and 2<sup>nd</sup> Quarter 2022 (April – June) were inspected.</p> <p>The Forest Management Plan for the FMU has been revised in April 2021 (Revision 02) valid for the period 1 January 2018 to 31<sup>st</sup> December 2027.</p> <p>The results of monitoring for the FMU have been made publicly available. The public summary that can be accessed from the Pasin FMU website - <a href="http://www.pasinfmu.com.my/public-summary/monitoring">http://www.pasinfmu.com.my/public-summary/monitoring</a>.</p>	<p>skid trail (MT, FT &amp; ST).</p> <p>2. Management could prepare target schedule for re-measurement of existing PSPs and for establishment of remaining 11 new PSPs.</p> <p>Therefore, <b>an OFI for Indicator 8.1.2</b> was raised.</p> <p>There was no section for root cause in the NCR form that used for internal audit.</p> <p>Therefore, <b>an OFI for Indicator 8.1.3</b> was raised.</p> <p>Social impacts evaluation not yet conducted. The following objective evidence were found to be noncompliance,</p> <p>1) Verification against records and local communities' consultation during this audit has found that the social impacts evaluation was not yet conducted for the following villages:</p> <p>a) At Pre harvesting area Coupe 04 – Rh Enggong, Rh Akang, Rh Silo &amp; Rh Kana</p> <p>b) At Active harvesting area Coupe 04 – Rh Jabu, Rh Gong, Rh Lasin, Rh Bada</p> <p>c) At Post harvesting area Coupe 03 – Rh Sebastian, Rh Kunyo and Rh Anthony</p> <p>2) Details on Monitoring of social, did not cover frequency, methodology and reporting in “TA-SOP-MTR-01 SOP Monitoring of Social, Ecological, Environmental and Economic Impact “Ver 01 last review 23/06/2017.</p> <p>Therefore, a <b>Minor NCR LYD 02/2022 for Indicator 8.2.1</b> was raised</p> <p>During site inspection at active harvesting area, it was found that tagging of felled logs at harvesting area was not implemented as per procedure.</p> <p>1. Logs at the end of MT-1 at Block 52, Coupe 4 were not tagged as found on 28/7/2022. The logs tags were kept at skid house by feller for 2 days (26-27/7/2022) due to rain. The felled logs as listed below:</p>

Principle	Strengths	Weaknesses																									
		<table><tr><th>No.</th><th>Strip line</th><th>Tree no.</th><th>Tree species</th><th>DBH (cm)</th></tr><tr><td>1</td><td>7</td><td>10</td><td>MRTM</td><td>85.2</td></tr><tr><td>2</td><td>7</td><td>9</td><td>MRTM</td><td>59.1</td></tr><tr><td>3</td><td>7</td><td>11</td><td>MRTM</td><td>79.4</td></tr><tr><td>4</td><td>7</td><td>12</td><td>MRTM</td><td>77.1</td></tr></table> <p>2. 2<sup>nd</sup> log tag for tree species EMBU, Stripe line 7, Tree no.13, DBH 71.5 cm was not available.</p> <p>Therefore, <b>Major NCR MRS 04 2022</b> for <b>Indicator 8.3.1</b> was raised.</p>	No.	Strip line	Tree no.	Tree species	DBH (cm)	1	7	10	MRTM	85.2	2	7	9	MRTM	59.1	3	7	11	MRTM	79.4	4	7	12	MRTM	77.1
No.	Strip line	Tree no.	Tree species	DBH (cm)																							
1	7	10	MRTM	85.2																							
2	7	9	MRTM	59.1																							
3	7	11	MRTM	79.4																							
4	7	12	MRTM	77.1																							
<b>Principle 9 Maintenance of High Conservation Values</b>	<p>The HCV report titled ‘Assessment of High Conservation Value (HCV) Site within Pasin Forest Management Unit (FMU), Song’ – revised in June 2019 was made available.</p> <p>Consultation with relevant stakeholders had been conducted on 21 December 2015 which includes, Forest Department of Sarawak, Sarawak Forestry Corporation (SFC), Wildlife World Fund (WWF), and Sarawak Timber Association (STA).</p> <p>Consultation with local communities was conducted on 15 August 2019 during FMCLC and CRC formation.</p> <p>Training on the identification of the reported RTE/Endemic species of flora titled ‘The Identification and Protection Measures for the Rare, Threatened and Endangered (RTE) Species for Flora and Fauna’ was conducted on 16 February 2022 to surveyors and harvesting crews.</p>	<p>Monitoring of identified HCV area was not conducted annually to assess the effectiveness of the measures in the management of the HCV areas. The last monitoring of HCVs area for Temukuh salt lick and Terrain IV were conducted on 13 November 2020 and 31 December 2020. No record of monitoring of these HCVs area in year 2021.</p> <p>Therefore, <b>Minor NCR MRS 05 2022</b> for <b>Indicator 9.4.1</b> was raised.</p>																									

# Map of Pasin FMU



## Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualifications and Experience
Hj.Roslee Jamaludin	Assessment Team Leader	<p><b>Academic Qualification:</b> B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma of Forestry, Mara Institute of Technology, Malaysia.</p> <p><b>Work Experience:</b> 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&amp;I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&amp;I. Has attended several forestry Conference overseas and local. A member of IRIM (Institute Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p><b>Attended training programmes:</b></p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organised by MTCC, 9 – 10 July 2015</li> <li>• EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</li> <li>• Briefing on RSPO Principle &amp; Criteria (HCV) organised by SIRIM QAS (Food, Agri &amp; Forestry Section) 21 August 2015.</li> </ul> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri &amp; Forestry Section) 26 Jan 2016.</p> <ul style="list-style-type: none"> <li>• Forest Management Certification (FMC) Workshop' organised by SIRIM (Food, Agr. &amp; Forestry Section )06 &amp; 07 December 2016</li> <li>• Forest Management Certification (FMC) Workshop 2017 organised by SIRIM (Food,Agr. &amp; Forestry Section)08 – 09 May 2017</li> <li>• 'Forest Management Certification (FMC) Workshop' for 2017 organised by SIRIM (Food,Agr. &amp;Forestry Section)28 &amp; 29 November 2017.</li> </ul>

		<ul style="list-style-type: none"> <li>• FMC Workshop for 2018 organised by SIRIM (Food, Agr. &amp; Forestry) 22 November 2018</li> <li>• COC Workshop 2018 organised by SIRIM 26 November 2018</li> </ul> <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19<sup>th</sup> -20<sup>th</sup> December 2018.</p>
Mohd Razman Salim	Auditor	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long-term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local &amp; international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001.</p> <p>Training / Research Areas: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>
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&amp;I (both Natural and Plantation Forest).</p>



		<p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> <li>1. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012</li> <li>2. MC&amp;I (Natural and Plantation) Lead Auditor Course 9-10/07/2015</li> <li>3. Training on ISO 9001:2015 (final version) dated 21/09/2015</li> <li>4. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015</li> <li>5. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016</li> <li>6. Schedule Waste Handling dated 1/06/2016</li> <li>7. ISO 14001:2015 dated 18/09/2017</li> <li>8. PEFC CoC by MTCC dated 6 &amp; 14/12/2017</li> </ol>
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**Comments Received from Stakeholders and Responses by Audit Team Leader**

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

## Surveillance 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (Hj.Roslee)	AUDITOR 2 (Razman)	AUDITOR 3 (Puteri)
<b>Day 0 (Sunday) 24/07/2022</b>	<b>6.00 am- 5.00pm</b>	All Auditors travel from Kuala Lumpur to Sibul by flight MH 2712 (ETD: 8.30 - ETD 10.30). Travel to Woodley Base Camp, Pasin FMU.		
<b>Day 1  Monday  25/07/2022</b>	8.00 am – 12.30 pm	<ul style="list-style-type: none"> <li>• Opening Meeting with representatives of FMU</li> <li>• Briefing session by Forest Manager of the FMU</li> <li>• Follow up on NCR from previous audit</li> <li>• Check on complaints, stakeholder comments and follow-up actions (if any)</li> </ul>		
	2.00 – 5.00 pm	<u>Documentation and records review</u> <ul style="list-style-type: none"> <li>• Principle 1 – Compliance with Laws Areas</li> <li>• Principle 5 – Benefits from the forest</li> <li>• Principle 7 – Management Plan</li> <li>• Principle 4 - Community Relations and Worker's Right. (Indicator 4.2.5)</li> </ul>	<u>Documentation and records review</u> <ul style="list-style-type: none"> <li>• Principle 6 – Environmental Impact</li> <li>• Principle 8 – Monitoring and Assessment</li> <li>• Principle 9 – Maintenance of High Conservation Value</li> </ul>	<u>Documentation and records review.</u> <ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 - Community Relations and Worker's Right</li> <li>• Consultation with staff and workers at camp</li> </ul>
		• Review of Day 1 Findings by Audit Team Leader		
<b>Day 2  Tuesday  26/07/2022</b>	8.00 am –5.00 pm	<b>AUDITOR 1 (Hj.Roslee )</b> <ul style="list-style-type: none"> <li>• Camp inspection - diesel storage, lubricant store, SW store, workshop, housing &amp; genset</li> <li>• Nursery and chemical store</li> <li>• Fire Equipment</li> <li>• Logpond Ng.Lajan-Batang Rejang.</li> </ul>	<b>AUDITOR 2 (Razman)</b> <ul style="list-style-type: none"> <li>• Inspection of PSP- PSP 12- SU 45, Coupe 02.</li> <li>• Inspection of Post-Harvest damage assessment plot- Block 43,Coupe 04.</li> <li>• Closed Block- Block 43,Coupe 04.</li> <li>• Inspection of pre-harvesting area. –</li> <li>• Inspection of Post-harvest area</li> <li>• Inspection of external Boundary</li> </ul>	<b>AUDITOR 3 (Puteri)</b> <ul style="list-style-type: none"> <li>• Consultation with CRC representative – In Song</li> <li>• Community Consultation- Rh Enggong, Rh Akang, Rh Silo s &amp; Rh Kana.</li> </ul> Overnight In Song
		Review of Day 2 Findings by Audit Team Leader		

<b>Day 3</b> <b>Wednesday</b> <b>27/07/2022</b>	8.00 am – 5.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b> <ul style="list-style-type: none"> <li>• Inspection of active harvesting area - Block 63, Coupe 04</li> <li>• Pre-Harvest area- Block 21,Coupe 04</li> <li>• Closed Block- Block 46, Coupe 04</li> <li>• Inspection of riparian buffer- Sg. Mino, Block 21, Coupe 04.</li> <li>• Inspection of post harvesting - Enrichment planting -Block 53,Coupe 03.</li> <li>• Interview with workers in the field.</li> <li>• Inspection of Coupe Boundary.- Coupe 03/04.</li> <li>• Inspection of Conservation area/ HCVF- Terrain IV, Block 14,Coupe 04.</li> </ul>	<b>AUDITOR 2</b> <b>(Razman)</b> <ul style="list-style-type: none"> <li>• Inspection of Pre-Harvest area- Block 28,Coupe 04</li> <li>• Inspection of Active Harvesting area.- Block 52, Coupe 04</li> <li>• Buffer Zone</li> <li>• Faunal Monitoring- Block 54, Coupe 03</li> <li>• HCV Terrain IV- Block 12, Coupe 04</li> <li>• Licence Boundary- East PSN- Kapit FMU.</li> <li>• Interview with workers in the field.</li> </ul>	<b>AUDITOR 3</b> <b>(Puteri)</b> <p>Consultation with communities- Future Harvesting Area-in Sg. Bangkit- In Song.: Rh Jabu, Rh Gong, Rh Lasin, Rh Bada, and Rh Sebastian.</p> <p>Overnight in Song.</p>
		• Review of Day 3 Findings by Audit Team Leader		
<b>Day 4</b> <b>Thursday</b> <b>28/07/2022</b>	8.00 am –5.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b> <ul style="list-style-type: none"> <li>• Inspection of PSP- PSP 8, SU 31</li> <li>• Licence Boundary- T3135/LPF 0100.</li> </ul>	<b>AUDITOR 2</b> <b>(Razman)</b> <ul style="list-style-type: none"> <li>• Inspection of CoC at PoRM.</li> <li>• Inspection of CoC at CDC.</li> </ul>	<b>AUDITOR 3</b> <b>(Puteri)</b> <ul style="list-style-type: none"> <li>• Visit to JTK in Kapit</li> <li>• Consultation with Communities:Rh Kunyo and Rh Anthony Selat.</li> <li>• Consultation with workers on worker's right..</li> </ul>
		• Review of Day 4 Findings by Audit Team Leader		
<b>Day 5</b> <b>Friday</b> <b>29/07/2022</b>	8.00 am -1.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b>	<b>AUDITOR 2</b> <b>(Razman)</b>	<b>AUDITOR 3</b> <b>(Puteri)</b>
		<ul style="list-style-type: none"> <li>• Continue documentation and record review.</li> <li>• Audit team discussion and preparation of audit finding and reports.</li> <li>• Briefing to representatives of FMU on the findings of audit.</li> </ul>		
	2.00 - 5.00 pm	<ul style="list-style-type: none"> <li>• Closing Meeting and presentation of findings of audit.</li> <li>• Travel back to Sibu and Overnight in Tanah Mas Hotel.</li> </ul>		
<b>30/07/2022</b>		All Auditors travel back to Kuala Lumpur by flight MH 2715 (ETD: 11.15- ETA: 13.15).		

## Details on NCRs and OFIs Raised During this Surveillance 2 Audit and Corrective Actions Taken (2022)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor																									
<b>Indicator 8.3.1</b>  Major  NCR No. : MRS 04 2022	<p><b>Requirement: Indicator 8.3.1</b> - Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in <u>APPENDIX B</u>.</p> <p><b>Finding:</b> Tagging of felled logs at harvesting area was not implemented as per procedure.</p> <p><b>Objective evidence:</b></p> <p>1. Logs at the end of MT-1 at Block 52, Coupe 4 were not tagged as found on 28/7/2022. The logs tags were kept at skid house by feller for 2 days (26-27/7/2022) due to rain. The felled logs as listed below:</p> <table><tr><th>No.</th><th>Strip line</th><th>Tree no.</th><th>Tree species</th><th>DBH</th></tr><tr><td>1</td><td>7</td><td>10</td><td>MRTM</td><td>85.2</td></tr><tr><td>2</td><td>7</td><td>9</td><td>MRTM</td><td>59.1</td></tr><tr><td>3</td><td>7</td><td>11</td><td>MRTM</td><td>79.4</td></tr><tr><td>4</td><td>7</td><td>12</td><td>MRTM</td><td>77.1</td></tr></table> <p>2. 2<sup>nd</sup> log tag for tree species EMBU, Stripe line 7, Tree no.13, DBH 71.5 cm was not available.</p>	No.	Strip line	Tree no.	Tree species	DBH	1	7	10	MRTM	85.2	2	7	9	MRTM	59.1	3	7	11	MRTM	79.4	4	7	12	MRTM	77.1	<p><b>Root cause:</b> Workers are aware of the SOP but did not comply.</p> <p><b>Corrective action plan:</b></p> <p>-To conduct briefings to all operators on Logs Chain of Custody SOP.</p> <p>- To conduct CoC monitoring and inspection.</p> <p>-Expected completion date of the above corrective action plan by Oct 2022.</p>	<p>1. The FMU has conducted twice (2) Monitoring and Refresher Training on CoC at Pasin FMU. The first Monitoring and Training was conducted on 27<sup>th</sup> -28<sup>th</sup> September 2022 and on 19<sup>th</sup> October 2022. The monitoring and training conducted by Licencee (Pasin Sdn. Bhd) representative together with operators in Blocks 52,57,58, and 59 Of Coupe 04 (27-28/9/2022) and in Block 55,56 and 57 in Copue 04 (19<sup>th</sup> October 2022). The training involved hand on training and briefing. The sample of 10 logs has been selected in both training. The sampled logs were tagged at stumps and at both ends immediately at felling site. The harvested logs were recorded daily in DFR form as per harvesting date. The Briefing on CoC SOP was conducted to the operators in all the said blocks. The briefing involved the following agenda:</p> <p>a. The operators were briefed on the CoC requirement to ensure traceability of log origin.</p> <p>b. The operators were reminded to strictly comply with the SOP on CoC.</p> <p>c. The operators were interviewed on their knowledge regarding CoC requirement (SOP). Based on the report the Awareness</p>
No.	Strip line	Tree no.	Tree species	DBH																								
1	7	10	MRTM	85.2																								
2	7	9	MRTM	59.1																								
3	7	11	MRTM	79.4																								
4	7	12	MRTM	77.1																								

			<p>and knowledge level of the interviewed operators was satisfactorily.</p> <p>2. Beside the above monitoring and refresher training, The Pasin FMU has also conducted RIL SOP Briefing on 3<sup>rd</sup> August 2022 to all harvesting crews in Block 61, Coupe 04 Pasin FMU. They were briefed the correct working methods, which includes.</p> <ul style="list-style-type: none"> <li>a. Reading Comprehensive Harvesting Plan (CHP) map.</li> <li>b. Skid Trail (SKT) opening.</li> <li>c. Directional Felling (to protect PCT, PT preferably fell toward SKT)</li> <li>d. Buffer zone protection (stream buffer, Terrain IV and HCV areas)</li> <li>e. Chain of Custody tagging method</li> <li>f. Filling in Daily Felling Record (DFR) for both harvested trees and trees cannot be harvested due to unavoidable reasons.</li> <li>g. Skidding of logs, debarking, fixing 'S' hook for crack logs.</li> <li>h. SKT closing (Cross drain, water bars)</li> <li>i. Landing site arrangement.</li> </ul> <p>3. A letter dated 30<sup>th</sup> September 2022 from Pasin FMU to Hariwood Sdn. Bhd. Title 'Compliance of MC&amp;I Sustainable Forest Management (SFM) Requirement 'to reminding Hariwood to comply to and adhere to MC&amp;I SFM during operation.</p> <p><b>Status: Closed</b></p>
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<p><b>Indicator 3.3.1</b></p> <p>Minor</p> <p>NCR No. LYD-01/2022</p>	<p><b>Requirement: Indicator 3.3.1</b> - Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</p> <p><b>Finding:</b> Map for special cultural, ecological, economic or religious significance area and ground demarcation for protection were not yet conducted.</p> <p><b>Objective evidence:</b></p> <p>1) Maps depicting locations of important cultural, ecological, economic, or religious sites in the FMU</p> <p>2) Ground verification and demarcation of special sites for protection were not conducted as per TA-SOP-CON-06 Sop Management and Monitoring of Native Forest-Related Traditional Knowledge and Special Sites Ver 06 last review 18/12/2018 for:</p> <p>a) Pre harvesting area Coupe 04 – Rh Silo &amp; Rh Kana</p> <p>b) Active harvesting area Coupe 04 – Rh Jabu, Rh Gong, Rh Lasin, Rh Bada</p> <p>c) Post harvesting area Coupe 03 – Rh Sebastian, Rh Kunyo and Rh Anthony</p>	<p><b>Root cause:</b></p> <ul style="list-style-type: none"> <li>- Survey of the location has been conducted however map yet to be produced.</li> <li>- Native refuse to sign letter of consent “borang kebenaran memasuki dan menanda kawasan perlindungan”. Therefore, no evidence of verification and demarcation of special sites for the listed longhouses.</li> </ul> <p><b>Corrective action plan:</b></p> <ul style="list-style-type: none"> <li>- To get consent from the above listed local community on permission for ground verification and demarcation using “borang kebenaran memasuki dan menanda kawasan perlindungan” by Oct 2022.</li> <li>- To prepare map depicting locations of important cultural, ecological, economic, or religious sites in the FMU by Oct 2022.</li> </ul>	<p>Corrective action plan was received on 8<sup>th</sup> August 2022 and accepted by audit team.</p> <p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>Indicator 4.2.5</b></p> <p>Minor</p> <p>NCR No.</p>	<p><b>Requirement: Indicator 4.2.5</b> – Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p><b>Finding:</b> Storage and handling of hazardous material not comply to the Guidelines on Storage</p>	<p><b>Root Cause:</b> -</p> <p>Workers were trained and aware of the requirement to label container containing fuel, oil or lubricants. However, it was not implemented accordingly.</p>	<p>Corrective action plan was received on 8<sup>th</sup> August 2022 and accepted by audit team.</p>

RJ 01/2022	and Handling of hazardous Materials.  <b>Objective evidence:</b> Site Inspection at Rumah Tarik at Block 63 in Coupe 04A found that 2 bottles of vegetable oil was filled with spent lubricant oil for chainsaw usage, without labelled.	<b>Corrective action plan:</b> - Conduct refresher briefings and workplace inspections periodically. - Expected completion date Oct 2022.	<b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.
<b>Indicator 6.5.3</b>  Minor  NCR No. MRS 01 2022	<b>Requirement: Indicator 6.5.3</b> Availability and implementation of guidelines for forest road layout and construction, including log landings and drainage requirements.  <b>Finding:</b> Construction of forest road and bridge were not effective to prevent clogged of water and encroached buffer zone.  <b>Objective evidence:</b>  1. At secondary road S-2-2 near to closing block area at Block 43, Coupe 4, it was found that no sump and water diversion. 2. The same area mentioned above, it was found that bund constructed along the side drain has prevented running water from middle of road to discharge to the side drain. 3. Bridge located between Block 52 & Block 46 was constructed without sump and encroached into the buffer zone at the side of the bridge.	<b>Root Cause:</b> - Sump and cross drain were not constructed according to SOP by the road maintenance and construction team.  <b>Corrective action plan:</b> - To construct sump and cross drain at water crossing point. - To conduct refresher training to road maintenance and construction team - To ensure road drainage structure is maintained. - To rehabilitate encroached buffer zone and to be completed by end of October 2022	Corrective action plan was received on 8 <sup>th</sup> August 2022 and accepted by audit team.  <b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.
<b>Indicator 6.5.5</b>  Minor	<b>Requirement: Indicator 6.5.5</b> – Fire prevention and control plan to be prepared and implemented for all fire prone forest types.  <b>Finding:</b> Storage and maintenance of forest fire	<b>Root Cause:</b> - - Firefighting equipment was tested and maintained however no record was produced. - No fire depot to centralize the	Corrective action plan was received on 8 <sup>th</sup> August 2022 and accepted by audit team.



<p>NCR No. MRS 02 2022</p>	<p>equipment were not effectively implemented.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Record of testing and maintenance of forest fire equipment were not available.</li> <li>2. Storage of forest fire equipment (water pump, hose reel &amp; hoe) were not centralized.</li> <li>3. Condition of storeroom for storage of water pump was not in good condition. Wooden stair was unstable and slippery.</li> </ol>	<p>firefighting equipment.</p> <ul style="list-style-type: none"> <li>- Lack of proper housekeeping and upkeep of the storeroom.</li> </ul> <p><b>Corrective action plan: -</b></p> <ul style="list-style-type: none"> <li>- To produce a schedule and record of testing and maintenance of forest fire equipment by end of Oct 2022.</li> <li>- To establish/build a fire depot at a suitable location by Mar 2023.</li> </ul>	<p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>Indicator 6.6.2</b></p> <p>Minor</p> <p>NCR no. MRS 03 2022</p>	<p><b>Requirement: Indicator 6.6.2</b> - Availability and implementation of guidelines and/or procedures on the use of chemicals in the forest approved by relevant regulatory authorities.</p> <p><b>Finding:</b> Management of chemical mixing residue and safety of chemical handler were not adequately implemented.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. There was no sump to collect water residue from chemical pesticides mixing area at nursery.</li> <li>2. No eye washes available at chemical mixing area.</li> </ol>	<p><b>Root Cause: -</b></p> <ul style="list-style-type: none"> <li>- Management of chemical mixing residue was available but insufficient.</li> <li>- The eye washer facility prepared at the nursery (normal pipe with hose) is not up to standard.</li> </ul> <p><b>Corrective action plan: -</b></p> <ul style="list-style-type: none"> <li>-To construct sump (or any related equipment) to collect water residue from chemical pesticides mixing area at nursery by end of Oct 2022.</li> <li>- To make available of eye washes at the chemical mixing area at woodley nursery by end of Oct 2022.</li> </ul>	<p>Corrective action plan was received on 8<sup>th</sup> August 2022 and accepted by audit team.</p> <p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>Indicator 8.2.1</b></p> <p>Minor</p>	<p><b>Requirement: Indicator 8.2.1</b> - Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the</p>	<p><b>Root Cause: -</b></p> <ul style="list-style-type: none"> <li>- Consultation with local community has been done but social impact monitoring is yet to be conducted.</li> </ul>	<p>Corrective action plan was received on 8<sup>th</sup> August 2022 and accepted by audit team.</p>

<p>NCR No. LYD- 02/2022</p>	<p>items (a) to (e) listed in Criterion 8.2. – c) Environmental and social impacts of harvesting and other operations.</p> <p><b>Finding:</b> Social impacts evaluation were not yet conducted.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Verification against records and local communities' consultation during this audit has found that the social impacts evaluation was not yet conducted for the following villages: <ol style="list-style-type: none"> <li>a) At Pre harvesting area Coupe 04 – Rh Enggong, Rh Akang, Rh Silo &amp; Rh Kana</li> <li>b) At Active harvesting area Coupe 04 – Rh Jabu, Rh Gong, Rh Lasin, Rh Bada</li> <li>c) At Post harvesting area Coupe 03 – Rh Sebastian, Rh Kunyo and Rh Anthony</li> </ol> </li> <li>2. Details on Monitoring of social, did not cover frequency, methodology and reporting in “TA-SOP-MTR-01 SOP Monitoring of Social, Ecological, Environmental and Economic Impact “Ver 01 last review 23/06/2017</li> </ol>	<p>- The current SOP was insufficient to cover social impact monitoring.</p> <p><b>Corrective action plan: -</b></p> <ul style="list-style-type: none"> <li>- To evaluate social impacts for the listed longhouses by Mar 2023.</li> <li>- To revise SOP to cover details on monitoring of social, methodology and reporting by Dec 2022.</li> </ul>	<p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>Indicator 9.4.1</b> Minor NCR No.: MRS 05 2022</p>	<p><b>Requirement: Indicator 9.4.1</b> - 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 HCV areas in the FMU.</p> <p><b>Finding:</b> Monitoring of identified HCV area was not conducted annually to assess the effectiveness of</p>	<p><b>Root Cause: -</b></p> <ul style="list-style-type: none"> <li>- Road accessed to identified HCV was disconnected and coupe was closed as part of preventive measures in control poaching by local communities</li> </ul> <p><b>Corrective action plan: -</b></p>	<p>Corrective action plan was received on 8<sup>th</sup> August 2022 and accepted by audit team.</p>

	<p>the measures in the management of the HCV areas.</p> <p><b>Objective evidence:</b> The last monitoring of HCVs area for Temukuh salt lick and Terrain IV were conducted on 13 November 2020 and 31 December 2020. No record of monitoring of these HCVs area in year 2021.</p>	<p>- To conduct annual monitoring to confirm the existence and activeness of the identified salt lick. - Expected completion date by Oct 2023.</p>	<p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>OFI no.1</b></p> <p><b>Indicator 8.1.2</b></p>	<p><u>Forest managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</u></p> <p>1.Management could prepare target schedule for re-measurement of existing PSPs and also for establishment of remaining 11 new PSPs. 2.Harvesting assessment form could be improved by adding location of inspected main road, feeder road, skid trail (MT, FT &amp; ST).</p>	<p>Not required for corrective action plan.</p>	<p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>
<p><b>OFI No.2</b></p> <p><b>Indicator 8.1.3</b></p>	<p><u>Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in <b>APPENDIX A.</b></u></p> <p>Section for root cause could be add in the NCR form that used for internal audit.</p>	<p>Not required for corrective action plan.</p>	<p><b>Status:</b> Effectiveness of implementation of corrective action plan will be verified during next audit.</p>

## Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit (2021)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<b>Indicator 2.3.1</b>  <b>Minor</b>  <b>NCR: ISMA 01 2021</b>	<p><b>Requirement Indicator 2.3.1:</b> Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights.</p> <p><b>Finding:</b> The SOP titled 'Communication with Natives' (TA-SOP-COM-01) for grievances from the natives was not followed.</p> <p><b>Objective evidence:</b> Based on grievances/request records review, there was no evidence that the form titled '<i>Borang Aduan</i>' provided for recording of the grievances/request from natives and steps when addressing them as in the SOP was used for the following:</p> <ol style="list-style-type: none"> <li>1) Record of grievances and request (either verbally or in writing) from the natives onto the form by the FMU Camp Manager either directly or as attachment to the form.</li> <li>2) Record of acknowledgement and decision of Camp Manager or General Manager in resolution of the grievance/request.</li> <li>3) Record of the Camp Manager or General Manager decision delivered in writing to the complainant/requester.</li> </ol>	<p><b>Root cause:</b> FMU record grievances and request (verbally or in writing) from natives in the form of field/consultation report or minutes of meeting without using the "Borang Aduan".</p> <p><b>Corrective action plan:</b></p> <ol style="list-style-type: none"> <li>i. To review SOP titled 'Communication with Natives (TA-SOP-COM-01) for the recording of; <ul style="list-style-type: none"> <li>• grievances and request,</li> <li>• decision made by FMU, and</li> <li>• delivering decision made in writing to the complainant/requester.</li> </ul> </li> <li>ii. To ensure that the revised SOP is being implemented.</li> </ol>	<p>Verification conducted during current audit has found that record of grievances and request (either verbally or in writing) from the natives onto the form by the FMU Camp Manager either directly or as attachment to the form. Borang Aduan has been filled in dated 18/08/2021, investigation on 21/08/2021 and close by 12/07/2022. Record of acknowledgement and decision of Camp Manager or General Manager in resolution of the grievance/request. Also, the Borang Aduan – Section Cadangan Di Luluskan (approved) dated 12/07/2022 for resolution with compensation. The record of the Camp Manager or General Manager decision delivered in writing to the complainant/requester were then acknowledgement by Mr Sambang on 12/07/2022. No recurrence found during current audit. Therefore, Minor NCR ISMA 01/2021 for Indicator 2.3.1 has been satisfactorily closed.</p> <p><b>Status: Closed</b></p>

<p><b>Indicator 9.2.2</b></p> <p><b>Minor</b></p> <p><b>NCR: MRS 01 2021</b></p>	<p><b>Requirement: Indicator 9.2.2</b> Forest managers shall demonstrate that the forest management operations protect areas of high conservation value in the FMU.</p> <p><b>Finding:</b> HCV 1.2 and 1.3 for FMU were not adequately protected from forest management operations in the FMU.</p> <p><b>Objective evidence:</b> Measure for protection of HCV 1.2 – Threatened and endangered species as well as HCV 1.3 – Endemic species for species flora was found to be inadequate. Measures to protect these species during forestry operations are not possible as the staff involved are not able to identify many of these species. The location of the species within the FMU is not known. Current identification of tree species is not undertaken to species level for the PSP plots as well as for the comprehensive harvesting plans. As such the trees if present in forest harvesting areas may not be protected.</p>	<p><b>Root cause:</b> Surveyors unable to identify some of the reported RTE/endemic species during pre-harvest inventory.</p> <p><b>Corrective action plan:</b> i. To conduct training for the identification of the reported RTE/Endemic species. ii. To protect the identified RTE/Endemic species (if any) during harvesting.</p>	<p>Training on the identification of the reported RTE/Endemic species of flora titled 'The Identification and Protection Measures for the Rare, Threatened and Endangered (RTE) Species for Flora and Fauna' was conducted on 16 February 2022 to surveyors and harvesting crews. Posters of RTE/Endemic species were available and displayed at the base camp and at the gate entrance into the FMU. Consultation with surveyors and harvesting crews during the inspection of active logging sites in Blocks 52 in Coupe 04 and post-harvest at Block 43 in Coupe 4 indicated that these field workers were aware of the need to protect RTE/Endemic species of flora. Protected trees have been tagged for protection and are not damaged during the felling operations inspected in Blocks 52 and 63 in Coupe 04 and at post-harvest area at Block 43 and 46 in Coupe 04. Tree felling operation in these inspected areas indicated that fellers are knowledgeable of felling directions and the need to protect RTE/Endemic species.</p> <p><b>Status: Closed</b></p>
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<p><b>Indicator</b> <b>7.2.2</b> <b>OFI#1</b></p>	<p><u><b>Forest managers shall be aware of new scientific and technical information, including any applicable traditional and indigenous knowledge pertinent to the management of the FMU.</b></u></p> <p>Operational Manager and Senior Forest Executive had attended training on forest conservation and related laws for year 2021. General Manager also could participate on awareness training for forest management, and any new scientific and technical information in future.</p>	<p>Not required corrective action plan.</p>	<p>Conference on The Malaysian Conservation Conference 2022 (MCC) in Kuching, Sarawak from 29<sup>th</sup> to 31<sup>st</sup> March 2022 has been conducted physically and virtually via a hybrid online webinar. The Conference were attended by GM of RP &amp;FP from T Ann Plywood &amp; Resource Planning (Mr. Ling Tiing Tchin), GM of Kapit FMU cum FM-SFMD (Mr. Nelson Bijack Jamaes Chas)-TAHB- SFMD &amp; Kapit FMU, and GM of – Raplex, Pasin &amp; Questate (Mr. George Wong- Pasin FMU, Raplex FMU. Organised by Sarawak Forestry Corporation (SFC), in collaboration with KETSA (PERHILITAN), Sabah Parks and Sabah Wildlife Department. Therefore. OFI for 7.2.2 raised in previous audit was satisfactorily closed.</p> <p><b>Status: Closed</b></p>
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**End of Report**