



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
MENGIONG – GAAT FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number : FMC – NF 00135
Date of First Certification: 30 November 2022
Audit Date : 15 - 18 February 2022
Date of Public Summary : 16 December 2023**

Certification Body:

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

TABLE OF CONTENTS

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

Attachment

1. Map of Mengiong-Gaat FMU	23
2. Experiences and Qualifications of Audit Team Members	25
3. Comments Received from Stakeholders and Responses by Audit Team Leader	27
4. Stage 2 Audit Plan	28
5. _Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken	29

EXECUTIVE SUMMARY

This stage 2 audit on the STIDC T/3401 (Piramid Intan Sdn. Bhd.) Mengiong-Gaat Forest Management Unit (hereafter referred as the Mengiong-Gaat FMU) was conducted on 15 to 18 February 2022 (12 auditor days) to assess the compliance of the overall forest management system of the Mengiong-Gaat FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak. The scope of this stage 2 audit was limited to the forest management system and practices on the Baleh Protected Forest and Kapit Stateland Forest located within the Mengiong-Gaat FMU.

This stage 2 audit was conducted by a three (3) member team comprising (Mohd Razman Salim (Lead Auditor), Mohd Annas Amin Hj Omar (Auditor) and Angelica Sinimis Suimin (Auditor).

Based on the findings of this stage 2 audit, it was found that Mengiong-Gaat FMU had complied with the requirements of the MC&I (Natural Forest). This stage 2 audit had resulted in the issuance of one (1) major and eleven (11) minor Non Conformity Reports (NCRs) respectively. In addition, three (3) Opportunities for Improvements (OFIs) were raised.

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

1.0 INTRODUCTION

1.1 Name of FMU

Piramid Intan Sdn. Bhd. – Mengiong-Gaat Forest Management Unit

1.2 Contact Person and Address

Name : Mr Ling Ting Sie
Designation : Camp General Manager
Address : Bangunan Hung Ann,
No. 1, Jalan Bujang Suntong,
96000 Sibu,
Sarawak.
Phone # : 084 326155
Fax # : 084 316160

1.3 General Background on the Mengiong – Gaat FMU

Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) was issued Forest Timber Licence (FTL) No. T/3401 by the Sarawak Forestry Department to manage an area of 82,000 ha. The FTL area was revised to 92,179 ha by the Sarawak Forestry Department during the renewal of the licence for a period of 12 April 2022 to 11 April 2023. The FTL T/3401 (92,179 ha) comprised of Mengiong -Gaat FMU which covered an area of 36, 091 ha and the rest comprised of Baleh Hydroelectric Projects-HEP which has been excluded from the scope of the audit.

The Mengiong-Gaat FMU is managed by the STIDC T/3401 (Piramid Intan Sdn Bhd). The FMU comprised of Baleh Protected Forest and Kapit Stateland Forest. The forest types in the Mengiong-Gaat FMU were Hill Mixed Dipterocarp Forest (MDF) and a small portion of Kerangas Forest. The general landform of the FMU ranged from gentle to considerably uneven terrain with an elevation between 200m to 2,200m above sea level (a.s.l). The FMU area of 36,091 ha was covered by an operable area (33,482 ha), shifting agriculture area (2,077 ha), and HCV area (532 ha).

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

1.4 Date First Certified

30 November 2022

1.5 Location of the FMU

The FMU is located between latitudes 01° 41' 30" N to 01° 53' 30" N and longitudes 113° 18' 00" E to 113° 25' 30" E within the Kapit Division, Sarawak.

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the Sarawak State Forestry Department. A Forest Management Plan (FMP) (2020) to (2045) was presented during this audit.

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

The FMU had established and inventoried 21 Permanent Sample Plots (PSP) data (100 m x 100 m). These data were used in the preliminary calculation of the AAC for the Forest Management Plan 2020-2045 (15 PSPs). The AAC was calculated at 30.037 m³/ha where the FMU would harvest only 70% from the average production per ha of 42.91 m³/ha for a projection period of 25 years. The annual AAC is 29,743.3643 m³. In this stage 2 audit, the size of the FMU audited was 36,091 ha.

1.8 Environmental and Socioeconomic Context

Environmental impact assessments had been carried out, including landscape level considerations, as well as the impacts of on-site processing facilities for Mengiong-Gaat FMU in 2013 as required under item 2(i) of the First Schedule of the said Order under Section 11A (1) of the Natural Resources and Environmental Ordinance. The EIA report titled 'Environmental Impact Assessment for The Hill Logging Under Timber License No. T/3401 (Part A) at the Batang Baleh–Sg. Gaat–Sg. Mengiong Area, Kapit Division, Sarawak' had been approved by Natural Resources and Environment Board (NREB) on 23 September 2013.

Assessment of environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna, and the need for biological corridors in the FMU had been implemented in the FMU and mitigation measures were presented in Chapter 10 – Conservation of Biodiversity and Protection of Ecosystem in the Forest Management Plan (FMP). Also included in the FMP are mitigation measures to reduce deforestation and forest degradation titled 'Reducing Emission of Carbon by deforestation and degradation (REDD)'.

There were guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU. These were available in the 'Guidelines to Identify Endangered, Rare, Threatened or Protected Forest Tree Species in Sarawak' and 'Guidelines on ERT Species' in the FMP. There were also guidelines referred to SOP HP04 Management and Monitoring of High Conservation Value (HCV) Area established according to existing forest ecosystems.

A social impact assessment (SIA) titled "Socio-Impact Assessment (SIA) for Hill Logging under Timber Licence No. T/3401 at the Batang Balleh-Sg.Gaat-Sg.Mengiong Area, Kapit Division, Sarawak" had been conducted in 2011 by Ecosol Consultancy for Mengiong-Gaat FMU. The SIA had identified eighteen (18) local indigenous settlements located within and surrounding the FMU area which were both directly and indirectly impacted by forest harvesting operations. These settlements comprised mainly of Iban communities and were still practicing shifting cultivations along the logging roads in Pyramid Intan Sdn.Bhd. Other economics activities are farming, poultry, hunting and jungle produce collecting, fishing and working in logging camp.

The results of SIA had been incorporated into Chapter 11 of the Mengiong-Gaat updated Forest Management Plan (T/3401) dated January 2022 (2nd Revision).

2.0 AUDIT PROCESS

2.1 Audit Dates

15 to 18 February 2022 (12 auditor days)

2.2 Audit Team

Mohd Razman Salim (Lead Auditor)
Mohd Annas Amin Hj Omar (Forester)
Angelica Sinimis Suimin (Forester/Sociologist)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A one-month stakeholder consultation had been conducted commencing on 14 January 2022 to solicit feedback from stakeholders on the compliance of the Mengiong-Gaat FMU against the requirements of the MC&I (Natural Forest). The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Mengiong-Gaat FMU's current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I (Natural Forest), using the verifiers stipulated for Sarawak.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the FMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I (Natural Forest);
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I (Natural Forest); and
- (iii) an OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I (Natural Forest) but without sufficient objective evidence to support a non-conformance.

Consultations were held with thirteen (13) indigenous settlements of local communities during the assessment. They were Rh. John, Rh. Bansa (1), Rh. Sana, Rh. James, Rh. Sebuang, Rh. Biduk, Rh. Bansa, Rh. Gendang, Rh. Sait, Rh. Tajai, Rh. Melintang, Rh. Tunku and Rh. Jegai respectively as well as contractors and workers operating in the FMU. The audit team had also held meetings with the officers and the uniformed field staff of the Sarawak Forest Department.

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

Mengiong-Gaat FMU had sent corrective action plans 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 stage 2 audit report and sent it to the FMU for comment. A second draft Stage 2 audit report which had incorporated the comments received from the FMU was then prepared and sent to two peer reviewers for independent reviewing. A final Stage 2 audit report was prepared after the incorporation of comments from the peer reviewers.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that the Mengiong-Gaat FMU had managed to be in compliance with most of the requirements of the MC&I (Natural Forest). This stage 2 audit had resulted in the issuance of one(1) major, eleven (11) minor NCRs and three (3) OFIs. The details on the NCRs/OFIs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Mengiong-Gaat FMU to address the one (1) major NCR raised during this stage2 audit. The audit team was satisfied that the corrective actions had been effectively implemented and had therefore closed out the major NCR. The audit team had also reviewed and accepted the FMU's proposed corrective actions to address the eleven(11) minor NCRs. However, these corrective actions would be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the FMU to address the issues of concern which were raised during the Stage 1 audit on the FMU. 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 5**.

On indigenous peoples' rights, there were documentation available on customary rights of indigenous peoples' lands. Management and use of the lands were controlled by the indigenous people. There were also mechanisms in place to resolve conflicts and grievances over tenure and use rights through the Community Relations Committee (CRC).

With regard to Criterion 6.10, there was no conversion of the natural forest to forest plantations or other non-forest land uses during the intervening period since the last audit.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Mengiong-Gaat FMU for five (5) years from 30 November 2022 to 29 November 2027.

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

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>Copies and records of all relevant national, local laws, regulations and policies related to forest management were maintained by the FMU. Copies of all relevant laws, policies and regulations stipulated in the MC&I SFM fundamental for the FMU management were available in the office at the Mutiara Camp. The latest documents were on minimum wages which were updated in May 2020. The forest manager had demonstrated an awareness and understanding of the federal, state and local laws and regulatory framework for forest management.</p> <p>There was no violation of any law by the FMU as verified and there was no record of compound or penalty imposed by the relevant authorities since 2021.</p> <p>This includes the latest DF Circular No. 2/2017, New Rate of Hill Timber Premium (Sarawak Foundation Fund) effective 1st July 2017. However, there was no payment made since no harvesting was conducted in Mengiong-Gaat FMU at the time of audit.</p> <p>Records of renewal of Forest Timber License (FTL) No T/3401 - Perbadanan Kemajuan Perusahaan Kayu Sarawak was approved for one (1) year effective 12 April 2021 until 11 April 2022.</p> <p>The forest managers were aware of all the binding international agreements and these documents were available at the Mutiara Camp.</p> <p>Documentation of any conflicts between laws, regulations and these principles and criteria was available. Mechanism to resolve any conflicts and grievances had been established through the Community Relations Committee (CRC).</p> <p>Legal provisions were available for the establishment and protection of the Forest Management Unit i.e. a Forest Timber Licence (FTL) No. T/3401 was issued to "Perbadanan Kemajuan Perusahaan Kayu Sarawak" (STIDC) by the Forest Department of Sarawak in 2021 and was renewed until 2022.</p> <p>In 2021, Pyramid Intan Sdn Bhd was appointed by STIDC as the main</p>	<p>Although there was an agreement between Sarawak Timber Industry Development Corporation (STIDC) with Pyramid Intan Sdn. Bhd. dated 3 August 2021, there was no mention on policies or statements regarding the commitment to Principles and Criteria.</p> <p>Thus, Minor NCR ANS01/2022 was raised against Indicator 1.6.2</p>

Principle	Strengths	Weaknesses
	<p>contractor.</p> <p>License boundaries and shifting agriculture area were progressively managed and demarcated as scheduled in “T/3401-Boundary Demarcation on the Ground and Planning” and “Summary for Shifting Cultivation (SA)”. Monitoring of forest logging activities and wildlife patrolling monitoring were carried out and monitoring of license boundary between the FMU and neighbouring license FTL T/3250 was also conducted.</p> <p>Sign boards including posters on <i>Pemulihan Hidupan Liar di Kawasan Lesen Pembalakan</i> where hunting and selling of wildlife was prohibited were displayed at the strategic locations.</p> <p>There was a written policy and signed the Director on February 2021. by entitled “Sustainable Forest Management Policy” and was displayed at prominent sites within the FMU and communicated throughout the organization.</p> <p>The policies or statements of commitment to forest management practices consistent with these Principles and Criteria were made available at Mengiong-Gaat FMU website https://www.pi.wtkfmu.com/policies/</p>	
Principle 2 Tenure and Use Rights and Responsibilities	<p>Legal provisions were available for the establishment and protection of the Forest Management Unit, a Forest Timber Licence (FTL) No. T/3401 issued to Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) by the Forest Department of Sarawak on 12th April 2001 to 11th April 2021. The FTL was subsequently renewed from 12 April 2021 to 11 April 2022 for re-entry logging.</p> <p>Total licensed area for Forest Timber Licence (FTL) No. T/3401 was 92,179 ha and Mengiong-Gaat FMU covered an area of 36,091 ha for forest certification that consisted of Baleh Protected Forest and Kapit Stateland Forest. The Kapit Stateland Forest is currently, being managed and in compliance with the requirements of the MC&I SFM as stipulated in the FMP 2020-2045.</p> <p>A legal documentation on gazetteement records under the Sarawak Gazette Schedule II was available.</p>	<p>There were no negative findings under this Principle</p>

Principle	Strengths	Weaknesses
	<p>There was no native customary rights'(NCR) land or civil courts pertaining to legal customary tenure in the FMU at the time of audit. All long houses were residing inside the State Land area.</p> <p>The FMU had acknowledged and identified the Shifting Agriculture (SA) which included water catchment area, settlements & burial sites within the FMU and together with local communities. The SA area had been documented in the map entitled 'Forest Zoning FMU (T/3401)' in the updated Forest Management Plan dated January 2022 (2nd Revision).</p> <p>The FMU had recognised, respected and collaborated with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws, in activities that may affect such rights. Sites utilized by local communities such as locations of longhouses, burial ground of villagers, water catchment area, salt licks and gravesites., were in progress of being demarcated within the FMU. (2nd Revision).</p> <p>During the stakeholder consultation with 14 villagers around and within the FMU; there were no documented new land claims by local communities.</p> <p>The FMU had established SOP HP14-Resolve Land Claims and Land Use Rights dated 3rd March 2021, Conflict Resolution/Management, and SOP Processes Flow to Address Grievances/Conflicts. There was a documented mechanisms for conflict resolution titled 'Mechanisms for Resolving Conflicts with Local Communities' was available. The FMU had carried out a series of community awareness programs on FMU, FMCLC, CRC and Forest Certification at sixteen (16) longhouses.</p> <p>The relevant documentation on the customary rights of indigenous peoples' lands was available at Mengiong-Gaat FMU Base Camp including a map on Forest Zonation in the updated Forest Management Plan (T/3401) dated January 2022 (2nd Revision) which showed burial ground of villagers, catchment area and salt lick at the Shifting Agriculture area of longhouses.</p>	

Principle	Strengths	Weaknesses
Principle 3 Indigenous People's Rights	<p>Documentation on the customary rights of indigenous peoples' lands was available. A total of 2,077 ha Shifting Cultivation/Area (SA) inside the FMU area had been demarcated for local community use but currently, is in progress of ground demarcation.</p> <p>Consultation with longhouse communities visited /contacted during the audit confirmed that management and use of such lands and resources were controlled by the communities unless they delegate the control with free, prior and informed consent to other parties.</p> <p>Mechanism to resolve any conflicts and grievances had been established through the Community Relations Committee (CRC) which was based on 'Forest Department Sarawak-The Green Book' manuals, procedures and Guidelines for Forest Management Certification for Conflict Resolutions.</p> <p>The FMU had carried out series of awareness programs with local communities on the FMU operation area, forest certification, MC&I SFM, FMCLC, CRC, HCVs, and updates of SIA.</p> <p>Chapter 11 of Forest Management Plan (FMP) (second edition, January 2022) on Community Development had defined the general objectives of community development to enable effective community participation in sustainable forest management. These were established to improve the social well-being of the local community and to develop viable options to provide permanent employment opportunities for local communities.</p> <p>The FMU had taken actions to prevent or mitigate adverse impacts included marking sites for shifting agriculture, burial ground, settlements and water catchment on the ground and mapped in the 'Map on Forest Zonation' in the updated Forest Management Plan (T/3401) dated January 2022.</p>	<p>Although the FMU had carried out series of awareness programs; there were issues raised by the local communities during consultation during the audit such as CRC which was not yet established, SOP on conflict resolution not publicly available and no timeline for complaint resolution.</p> <p>Hence, a Major NCR AS01/2022 under Indicator 3.1.3 was raised:</p> <p>It was found during the consultation with communities; there were issues such as no proper identification and protection of special cultural, ecological, economic or religious significance to indigenous peoples conducted, no records of dialogue and no consultation with three (3) longhouses and relevant stakeholders, no clear explanation on role of CRC, no record on the application of any traditional forest-related knowledge and practices of natives in forest operations and no record on the application of any traditional forest-related knowledge</p>

Principle	Strengths	Weaknesses
		<p>and practices of natives in forest operations.</p> <p>Hence, a Minor NCR AS02/2022 was raised against Indicator 3.3.1</p>
Principle 4 Community Relations and Workers' Rights	<p>Facility and training programmes for implementation of the forest management plan had been provided for forest workers by the FMU. There was an Annual Scheduled Training Programme for Year 2022 available. presented during the audit including MC&I awareness by the Malaysian Timber Certification Council on October 2021.</p> <p>Qualified people in communities living within, or adjacent to the FMU were given preference for employment and contract works. The FMU had employed five (5) local communities from longhouse within the FMU and they were engaged in Survey and Workshop sections.</p> <p>Records showed that a total of 60 local workers were employed in the Mengiong-Gaat FMU. The FMU did not employ or did not get involved in the employment of illegal immigrants or underage workers.</p> <p>The FMU had also given assistance to longhouses communities from time to time comprising road maintenance, supplying fuel, mechanical assistance to level housing lots, donation for celebration and others.</p> <p>The FMU had disseminated updated information on all applicable laws and/or regulations covering occupational safety and health of forest workers on 16 July 2021. There was occupational safety and health policy established titled 'Health and Safety Policy Statement' and a Safety and Health Officer (SHO) had been appointed to manage and monitor the compliance of safety requirements such as Factories and Machineries Act 1967 and Occupational Safety and Health Act 1994</p> <p>First aid box and proper procedures had been provided at all working areas and workers quarters such as survey team, office, canteen & staff quarters.</p> <p>All workers had been provided with PPE such as gloves, safety shoes, safety helmet and vest and they had demonstrated awareness on the need to use PPE when working.</p>	<p>It was found that some safety and operational equipment were not maintained by the FMU management as below:</p> <ul style="list-style-type: none"> i. Wood structure for re-fueling diesel for lorry at diesel storage station was unstable. ii. Safety harness was not provided at re-fueling diesel storage station iii. The Certificate of Fitness registration number was not marked on the air compressor at the workshop. iv. First aid box at workshop was made available and maintained as verified. However, a splint kit and triangle bandage were not provided. It was also discovered that paracetamol was also included in the first aid box. v. Awareness signages such as Danger and PPE, etc were faded at

Principle	Strengths	Weaknesses
	<p>There was adequate demarcation and handling (with adequate secondary containment) of hazardous material at the Chemical Store, Scheduled Wastes Store and Workshop and had complied with legal requirements.</p> <p>Emergency Response Procedures had been established including displaying PPE pictogram and hazard signages to accommodate emergencies during fire occurrence.</p> <p>There was provisions for workers to freely organize through the display of policy statement on freedom to join and organize and undertake collective bargaining to agreements displayed at the Mengiong-Gaat FMU base camp.</p> <p>There were records available on the deductions made on Employees Provident Fund (EPF), Employment Insurance system (EIS), and Social Security (SOCSO)</p> <p>Mengiong-Gaat FMU had identified all the longhouses located within and surrounding the FMU area which is affected by forest harvesting operation through social impact assessment titled 'Socio-Impact Assessment (SIA) for Hill Logging under Timber Licence No. T/3401 at the Batang Balleh-Sg.Gaat-Sg.Mengiong Area, Kapit Division, Sarawak' November, 2011 for Piramid Intan Sdn Bhd by Ecosol Consultancy profiling the eighteen (18) longhouse communities (comprised of Iban communities) within and surrounding the Mengiong-Gaat Forest Management Unit in 2011. The communities were still practicing shifting cultivations along the logging roads in Piramid Intan Sdn.Bhd.</p> <p>The results of SIA had been incorporated into Chapter 11 of the Mengiong-Gaat updated Forest Management Plan (T/3401) dated January 2022 (2nd Revision) on Community Development. The relevant documentation on the customary rights of indigenous peoples' lands was kept at Mengiong-Gaat Base Camp. The Map on Forest Zonation in the updated Forest Management Plan (T/3401) dated January 2022 (2nd Revision) showed burial ground of villagers, catchment area, salt lick at shifting Agriculture Area</p>	<p>the genset room.</p> <p>Hence, a Minor NCR MRS 01/2022 against Indicator 4.2.3 was raised.</p> <p>Based on inspection of employment contracts and salary slips of workers; it was found that the right of workers to employment benefits and social protection under Labour Ordinance [Cap. 76 (1958 Ed.)] were not fully complied. Rejang Hartamas Timber Sdn Bhd had no approval of accumulated rest days (2 months) from the Labour Department as per requirement of the Sarawak Labour Ordinance (Cap 76) under Section 105B. The employment contract of 5 workers of Rejang Hartamas Timber Sdn Bhd a sub-contractor of Lambang Megajaya had also not included annual leave, maternity and sick leave provision for the workers which contravenes section 105D of the Sarawak Labour Ordinance.</p> <p>Hence. a Minor NCR AS03/2022 against Indicator 4.3.3 was raised.</p> <p>There was a SOP HP08 Procedures to address complaints and grievances raised by workers approved on 3rd March 2021 with process flow to address workers' grievances/conflicts. However, based on interview with storekeeper, dump truck driver and mechanic indicated that they were not aware of the procedures to address grievances.</p> <p>Thus, Minor NCR ANS02/2022 against Indicator 4.3.4 was raised.</p>

Principle	Strengths	Weaknesses
	<p>The local community's customary rights were guided by the Sarawak Land Code (Cap 81) to ensure the rights of the indigenous communities within and adjacent to the FMU operations. Demarcation of the shifting agriculture area was in progress as verified in the 'T/3401-Boundary Demarcation on the Ground and Planning for 2022' during the audit.</p>	
<p>Principle 5 Benefits From the Forest</p>	<p>Mengiong-Gaat FMU was found to be committed to investment and reinvestment for forest management activities. Details of the allocation were found to be consistent with FMU tenure particularly on forest, administration, research, human resource development, protection, economic, conservation environmental and social aspects. Sampled records of expenditure for Nursery and PSP activities were available and verified from the accounting records for the year 2021.</p> <p>Provisions and management prescriptions made to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability were available and adequate e.g. in the FMP (2020- 2045), report on calculation of the AAC, and relevant guidelines related to RIL.</p> <p>It was noted that assessment of forest stand/species composition on the harvestable tree, potential crop tree and protected tree including mother tree (tree selection, enumeration, recording of tree data and tree tagging) would be conducted in year 2022 for all blocks in Coupe 1.</p> <p>Silviculture activity was carried out aimed towards improving the stocking and growing volume of production forest. Requirements of forest restoration was explained in the FMP in 'Chapter 9 Silviculture, Forest Rehabilitation and Reforestation'. The FMU had demarcated an area for nursery at the base camp. The enrichment planting programme would be conducted in Coupe 1A once logging operation was completed and as recommended by the Post-Felling assessment that expected to be in year 2024.</p> <p>In order to encourage the optimal use of forest resources, the FMU had</p>	<p>There were no negative findings under this Principle.</p>

Principle	Strengths	Weaknesses
	<p>established and inventoried 21 Permanent Sample Plots (PSP) data (100 m x 100 m). These data were used in the preliminary calculation of the AAC for the Forest Management Plan 2020-2045 (15 PSPs). The FMU aimed to complete all 75 PSPs before mid-term review of the FMP.</p> <p>It was noted that there was no harvesting of non timber forest products (NTFP) by the FMU. Only local communities were collecting forest products such as timber, wild fruits, wild vegetables from secondary forest, rattan, bamboo and bemban for making handicrafts. The other non-timber resources included wild gingers, ferns and wild bananas. The forest products were collected for their personal use and daily subsistence.</p> <p>The FMU had incorporated the RIL aspects during the planning stage during submission of the General Harvesting Plan (GP) and had held training on Guidelines for RIL and attended by the forest workers.</p> <p>In addition, the FMP had identified the protected areas demarcated in the maps which included Kerangas forest (61 ha), Terrain Class IV (134 ha), buffer zone (244 ha), buffer for water catchment (13 ha) and saltlick (14 ha).</p> <p>The FMU had also addressed the planning and management (including mitigation measures) of climate change and greenhouse gas (GHG) emission reduction in the Chapter 13 of the FMP.</p> <p>The rate of harvest for forest products was clearly stated in the FMP (2020-2045) in Chapter 3: Management Plan Prescriptions. Actual harvesting area was stated to be 36,091 ha with net operable harvesting area is 33,482 ha.</p> <p>The mean of annual harvesting area (36,091 ha) divided over cutting cycle of 25 years equalled to 1,443.64 ha annually. This was in accordance with the General Harvesting Plan (GP) that was approved by the Sarawak Forestry Department.</p> <p>The AAC was calculated at 30.037 m³/ha where the FMU will harvest only 70% from the average production per ha of 42.91 m³/ha for a projection period of 25 years. The annual AAC is 29,743.3643 m³. The mean annual growth was also calculated by the simulation programs.</p>	

Principle	Strengths	Weaknesses
	<p>However, since there was no record of the quantity of timber harvested available, this requirement would be verified during the next audit for Coupe 1A.</p>	
<p>Principle 6 Environmental Impact</p>	<p>Environmental impact assessments (EIA) had been carried out, including landscape level considerations, as well as the impacts of on-site processing facilities for Mengiong-Gaat FMU in 2013 as required under item 2(i) of the First Schedule of the said Order under Section 11A (1) of the Natural Resources and Environmental Ordinance. The EIA report titled 'Environmental Impact Assessment for the Hill Logging Under Timber License No. T/3401 (Part A) at the Batang Baleh–Sg. Gaat–Sg. Mengiong Area, Kapit Division, Sarawak' was available. The EIA report was approved by Natural Resources and Environment Board (NREB) on 23 September 2013.</p> <p>The impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks were included in the FMP 2020-2045:</p> <p>There was an assessment on environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna, and the need for biological corridors in the FMU available and implemented by the FMU and mitigation measures were presented in Chapter 10 – Conservation of Biodiversity and Protection of Ecosystem.</p> <p>In addition, there were mitigation measures to reduce deforestation and forest degradation titled 'Reducing Emission of Carbon by deforestation and degradation (REDD)' incorporated in the Forest Management Plan.</p> <p>'The Environmental Monitoring Report (EMR) for Hill Logging under Timber Licence No. T/3401 (Part A) was available and showed the FMU had complied with all the parameters monitored within Class I to IIB standards of the NWQSM.</p> <p>Guidelines to identify and protect endangered, rare and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU were available. The list of the endangered, rare and threatened species of flora and fauna in</p>	

Principle	Strengths	Weaknesses
	<p>the FMU was included in Chapter 10 Conservation of Biodiversity and Protection of Ecosystem in the FMP.</p> <p>There were guidelines to establish representative conservation and protection areas according to existing forest ecosystems i.e. referred to SOP HP04 Management and Monitoring of High Conservation Value (HCV) Area.</p> <p>It was noted that there was an existing cooperation between forest managers, conservation organizations and regulatory authorities in implementing conservation and management activities e.g wildlife conservation, wetland and watershed conservation.</p> <p>Prevention of activities on hunting, fishing and collecting activities and inappropriate activities in the FMU were controlled by appointed Honorary Wildlife Rangers. Wildlife monitoring programs were also scheduled and carried out by the FMU.</p> <p>Forest workers and contractors had been briefed on endangered, rare and threatened (ERT) species (through posters both flora and fauna), and FMU policies and procedures by FMU's Trained Honorary Wildlife Ranger on 8 July 2021.</p> <p>Social visits and awareness programs were carried out by the FMU to 16 out longhouses and briefings were made on the FMU operations, MC&I SFM, SIA, HCVs etc.</p> <p>Management guidelines to assess post-harvest natural regeneration and enrichment were available for Mengiong-Gaat FMU:</p> <p>Although there were harvesting procedures established; there was no forest harvesting activity in the FMU area due to the 2nd submission of the revised General Harvesting Plan (GP) which had just been approved by FDS on 8 February 2022. The revision had excluded the affected licensed area by the HEP project (salvage logging area) from the FMU area as referred to the letter titled 'Submission of Forest Management Plan (FMP) for Mengiong-Gaat FMU under Forest Timber Licence (FTL) No. T/3401' dated 9 November 2020.</p> <p>Guidelines for the conservation of genetic,</p>	<p>The FMU had planned to protect the representative area of existing forest ecosystem that located in Coupe 18 in their natural state. This area covered an area of 36 ha and protected for seedling collection and research plot. However, this area had yet to be mapped and included in the Forest Management Plan 2020-2045.</p> <p>Hence, a Minor NCR MRS 02/2022 against Indicator 6.4.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>species and ecosystem diversity in the FMU were available in Chapter 11 Identification and Management of Protection Areas in the FMP.</p> <p>The FMU had implemented the guidelines for forest road layout and construction, including log landings and drainage requirements such as adequate culverts, side drains and cross drains.</p> <p>The buffer zone had been marked with Stream Bank Reserve (SBR) on the ground as provided in the “<i>Procedures for Identifying and Demarcating Sensitive Areas for the Protection of Soil and Water, 1999</i>”.</p> <p>The FMU had established a Fire prevention and control plan titled ‘Forest Fire Prevention and Control Plan for Mengiong-Gaat Forest Management Unit’ dated January 2021. The FMU had also prepared map of Fire Management Zones, ground patrol and aerial monitoring (drone), watch tower, fire danger rating system, permanent water bodies, awareness programme and fire prevention and control strategies.</p> <p>There was an ‘Environmental Management Policy’ dated January 2021 available which prohibits the unnecessary use of chemical pesticides and encouraging the use of environmental friendly non-chemical methods of pest management practices’.</p> <p>A procedure on scheduled waste management titled ‘SWI 07 – Buangan Terjadual (Schedule Wastes)’ had been established by the FMU.</p> <p>The FMU had not applied biological control agents and FMU had no plan for converting the natural forest area within the audit scope into forest plantations or non-forest land use. It was noted that there was no conversion of severely degraded forests to forest plantations.</p>	<p>Inspection on buffers strip demarcation behind the Mutiara basecamp workshop, showed that demarcation of buffer zone was not available.</p> <p>Hence, Minor NCR ANS03/2022 against Indicator 6.5.4 was raised.</p> <p>Although there was procedure on scheduled waste; it was found scheduled wastes management at Mutiara Camp had not complied with Environmental Quality (Scheduled Wastes) Regulations 2005 as listed below:</p> <ul style="list-style-type: none"> i.No training record available for scheduled waste handlers. ii.No record of notification to DOE for all scheduled wastes generated and stored at workshop iii.No record of inventory for all scheduled wastes generated. iv.Address, telephone number, scheduled waste code and hazardous pictogram were not labelled at the scheduled waste container. v.Design area for storage of scheduled waste was not effective to prevent spillage or leakage of scheduled wastes. vi.Design/structure of re-fueling diesel station for light vehicles had not considered prevention of diesel spillage or leakage. <p>Hence, Minor NCR MRS 03/2022 against Indicator 6.7.1 was raised.</p>

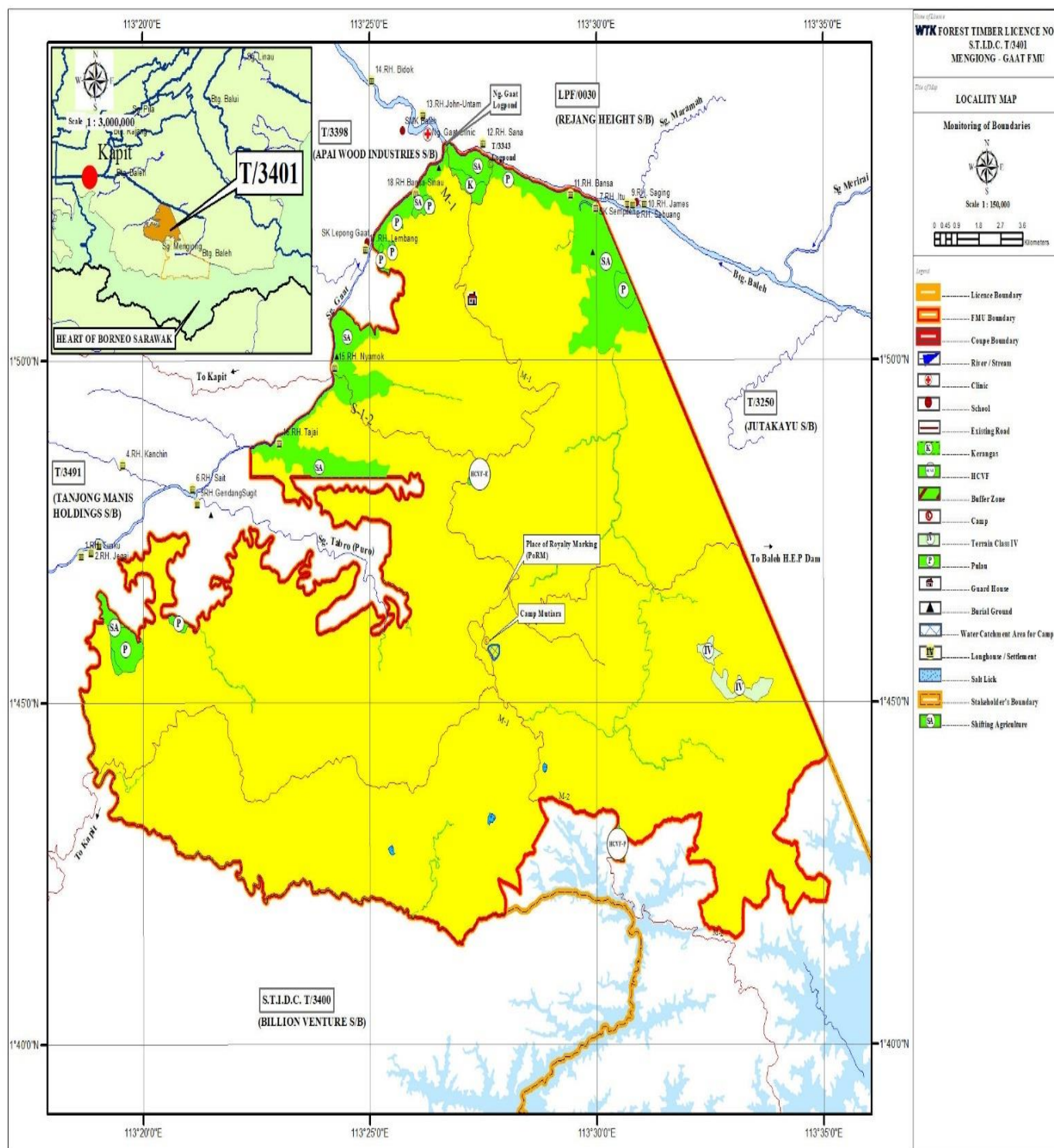
Principle	Strengths	Weaknesses
Principle 7 Management Plan	<p>Forest Management Plan (FMP) for Forest Timber Licence (FTL) No. T/3401, Mengiong-Gaat Forest Management Unit for the period 2020 to 2045 dated January 2022 (2nd Revision) had been approved by Sarawak Forestry Department (FDS). The FMP would be reviewed at every five years with latest revision in year 2024.</p> <p>The FMP had addressed all requirements of Criterion 7.1. items (a) to (i) listed in Principle 7 including consideration of risks and opportunities as below:</p> <ul style="list-style-type: none"> a) Management objectives – (Chapter 3) b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands – (Chapter 1) c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories – (Chapter 2, FRA) (Silviculture in Chapter 9) d) Rationale for rate of annual harvest and species selection – (Chapter 3) e) Provisions for monitoring of forest growth and dynamics – (Chapter 8) f) Environmental safeguards based on environmental assessments – (Chapter 7) g) Plans for the identification and protection of rare, threatened and endangered species – (Chapter 10) h) Maps describing the forest resource base including protected areas, planned management activities and land ownership – (Appendices) i) Description and justification of harvesting techniques and equipment to be used – (Chapter 6) <p>Through FMU's organization chart titled 'Piramid Intan Sdn Bhd – Carta Organisasi 2021/2022' ; forest managers had clearly defined and assigned specific roles and responsibilities of the forest worker (Camp Manager, FMU Manager, Foreman, Chief Excavator, etc.) to ensure effective implementation of the forest management plan.</p> <p>There was facility and training programmes for forest workers for implementation of the forest management plan available in the FMU. A training plan for 2022 covering various training, pertaining to Forest Certification and field operations was available.</p>	<p>It was found that the FMP had not been updated with the following information:</p> <ul style="list-style-type: none"> i. Information of community (name of villages and population data) located within and adjacent was not available. ii. Monitoring and maintenance of tree planting stated at section 9.2.3 Maintenance in the FMP was not consistent with the tree replanting procedure. iii. Description of stakeholder consultation with relevant government agencies, NGOs, local community. <p>Hence, Minor NCR MRS 05/2022 against Indicator 7.1.1 was raised</p> <p>It was noted that the camp manager and FMU Manager had attended training on MC&I SFM, and safety and health. However, the management had yet to plan and provide training for forest managers to enhance their knowledge on forest management, forest certification, carbon stock/ green-house gas emission, forest technology, environmental management, etc.</p> <p>Hence, Minor NCR MRS 04/2022 against Indicator 7.2.2 was raised.</p>

Principle	Strengths	Weaknesses
	<p>It was noted that field workers had implemented the policies and all requirements of safety, protection of environment (ERT, HCVs, riparian, etc.), and establishment of PSPs.</p> <p>A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 was made publicly available at https://www.pi.wtkfmu.com/public-summary/</p>	
Principle 8 Monitoring and Assessment	<p>Forest monitoring procedures titled 'HP05 Monitor Social, Ecological, Environment and Economic Impacts' were available. The procedure had followed the guidelines in the Green Book, 2019 that developed by the Forest Department of Sarawak as listed below:</p> <ul style="list-style-type: none"> • Guideline 4: Procedures to identify Production, Protection and Community Use Areas based on Forest Zoning • Guideline 5: Guidelines for Monitoring of High Conservation Values • Guideline 6: Guidelines and Procedures for Social Impact Assessment and Monitoring of Forest Management Operations for Forest Management Certification in Sarawak • Guideline 7: Guidelines to Identify Endangered, rare, Threatened or Protected Forest Tree Species in Sarawak • Guideline 8: Guidelines for Fauna Conservation and Ecosystem Management • Guideline 12: Conflict Resolution Guidelines for Sustainable Forest Management <p>The FMU had conducted consultation with longhouse communities i.e. Rh Melintang, Rh Jegai, Rh. Tunku, Rh. Gendang, Rh. Tajai, Rh. Sait, Rh. James Ak Bandak, Rh. Sana, Rh. Sebuang Ak Mambang, Rh. Bansa 1, Rh. Bansa 2, Rh. Saging, Rh. Lembang and Rh. John Ak Katil.</p> <p>There was no active harvesting operation in the FMU and therefore, no monitoring of the impact of forest harvesting operation was carried out.</p> <p>An internal audit had been conducted on 19-23 July 2021 on the compliance of MC&I SFM standard as verified in the</p>	<p>The required documented information for nonconformity raised during the internal audit dated 19-23 July 2021 as listed below was not available:</p> <p>(i) Determining the causes of the nonconformity</p>

Principle	Strengths	Weaknesses
	<p>audit plan. The internal audit team had raised 10 non conformities (NC). The findings were presented in the management review meeting based on Minutes of Management Review Meeting dated 25 October 2021.</p> <p>The FMU had established and inventoried 21 Permanent Sample Plots (PSP) data (100 m x 100 m). These data were used in the preliminary calculation of the AAC for the Forest Management Plan 2020-2045.</p> <p>There was a procedure on COC system established titled 'SOP on Chain of Custody'. However, since there was no active harvesting operation in the FMU, the implementation of the COC system would be verified in the next subsequent audit.</p> <p>A summary of the results of monitoring for wildlife for year 2021 as required by Criterion 8.2 was made publicly available. The FMU was still in the process of collecting, compiling and analysing data especially on PSPs and social impact assessment. The website link for</p> <p>(i) Summary of Wildlife Recorded by Animals Classification in Year 2021, and</p> <p>(ii) Summary of Wildlife Patrolling and Monitoring Results for Year 2021,</p> <p>Is as below:</p> <p>https://www.pi.wtkfmu.com/public-summary/monitoring-result/</p>	<p>(ii) Review the effectiveness of corrective action taken</p> <p>(iii) Document as evidence of the results of any corrective action</p> <p>Hence, an OFI against Indicator 8.1.3 was raised.</p> <p>All sampled trees in the PSP plot had been tagged. The practice could also be applied to the sampled seedlings and saplings. Any forest gap and old skid trail could be marked in the inventory form / PSP plot diagram.</p> <p>Hence, an OFI against Indicator 8.2.1 (e1) was raised.</p>
<p>Principle 9 Maintenance of High Conservation Values</p>	<ul style="list-style-type: none"> • Sarawak Biodiversity Centre • Department of Land and Survey • WWF (Malaysia) • Department of Agriculture • Mabong District office <p>The FMU had incorporated HCV information into the Forest Management Plan under Chapter Ten: 'Conservation of Biodiversity and Protection of Ecosystem'.</p> <p>The website link for HCV specific measures that ensured the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach was as below:</p>	<p>Records of consultation on the identified HCVs was conducted with local community on 20 January 2022. Local communities that had attended the briefing were Rh. Gendang, Rh. Kanchin & Rh. Sait. Meeting minutes, attendance list and pictures were verified during the audit. In addition to this, consultation with other relevant stakeholders from government agencies, NGOs, research institutions i.e. Sarawak Forest Department, UNIMAS and WWF could be initiated by the FMU for the identified HCVs and any potential new HCVs area within the FMU area.</p> <p>Hence, an OFI against Indicator 9.2.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>https://www.pi.wtkfmu.com/public-summary/forest-management-plan/chapter-10-conservation-of-biodiversity-and-protection-of-ecosystem-management/</p> <p>The FMU had also established monitoring procedure to assess the effectiveness of the measures in the management of the HCVs titled 'Management and monitoring of high conservation value (HCV) Area (HP04)' dated 13 September 2021.</p> <p>Results and findings of the HCVs monitoring activities would be incorporated into the Forest Management Plan during the revision of FMP in 5th year or in year 2024</p>	<p>Based on documentation review on a report entitled "Survey and Identification of 'High Conservation Value (HCV) Assessment Report T/3401 Mengiong Gaat FMU, dated December 2019 by WTK Desk; it was found that the HCV map was not consistent with the HCV map in the Forest Management Plan and General Harvesting Plan (GP) for Mengiong Gaat Forest Management Unit, January 2022 (2nd revision).</p> <p>Hence, a Minor NCR ANS04/2022 against Indicator 9.3.1 was raised.</p>

Map of Mengiong- Gaat FMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualifications and Experience
Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: B. Sc. of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in 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 & 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&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSA 18001</p> <p>Training / Research Areas:</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)] 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. • Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.
Mohd Annas Amin Hj. Omar	Auditor/ Forester	<p>Academic Qualification: <i>Diploma in Forestry, UPM</i> <i>B. Sc. In Forestry, UPM</i></p> <p>Work Experience: Six years as Assistant Forest Officer at Perak State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations.</p> <p>Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p>

		<p>Training / Research Areas:</p> <p>Program of MTCS Training Course (MC& I) In Kuantan (9-12 July 2018)</p> <p>Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 Ogos 2018)</p> <p>Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.</p>
Angelica Sinimis Suimin	Auditor / workers' & community issues and related legal issues	<p>Academic Qualification:</p> <p><i>B. Sc. Social (USM)</i></p> <p><i>MSc. Environmental Management (UNIMAS)</i></p> <p>Work Experience:</p> <p>Various experience in forest industries especially on social aspect with (i) social consultant/researcher – 3 years, (ii) Sabah Forest Industries Sdn. Bhd. (SFI) – 6 years, (iii) Subur Tiasa Holdings Bhd – 4 years & (iv) Freelance consultant – SAGE Consult with Sabah Forest Industries Sdn Bhd (SFI) from 2011 to 2015.</p> <p>Other consultancy work experience for other organisations:</p> <ol style="list-style-type: none"> High Conservation Values Assessment (HCV) – Jambongan Island Due Diligence Social Assessment at SAFODA area, Pitas District Social Baseline and Strategic CSR intervention, Hijauan Bengkoka Plantations- Pitas District High Conservation Value Assessment (HCV) and pre-liminary social baseline for proposed Oil palm project- Kerema, Gulf Province, Papua New Guinea. Part-time Consultant for Hijauan Bengkoka Plantations <p>Attended and pass in the following training programmes:</p> <ol style="list-style-type: none"> Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. EMS 14001: 2004 Training, 2013 OHSAS 18001: 2007 Awareness Training, 2012. FSC Expert Lead Auditor, NEPCON-Tawau, 2015. Social Impact Assessment (SIA) by ENSEARCH, Kota Kinabalu, 2012. Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team
1	<p>Received comments by email dated 22 February 2022:</p> <p>Our conversation yesterday refers.</p> <p>I am one of the JKKK from Tr. Lembang, Ng Sedugau Gaat would like clear clarification with regards to the above audit. The above audit is planned to be conducted from 15th - 18th February 2021, however until such date no further information or notification to our and/or the other nearby kampungs representatives to attend the briefing.</p> <p>Thus, we are worried that our concern and feedback did not reach and be heard accordingly. Based on the previous timber concession or contractors, the local community is not being consulted, neglected and/or there is no engagement prior to their operation. Worse still environmental protection is at its worst.</p> <p>We are glad for your clarification and way forward for we to give our feedback for your verification and included in your audit report. We will compile our feedback and submit it to SIRIM.</p>	<p>During audit, auditor had visited Rh. Lembang, however nobody was around at the longhouse. Thus, the auditor decided to contact Tr. Lembang and his representative Mr. Ganya. Auditor had made <i>multiple attempts</i> to reach every <i>phone</i> number provided by the FMU to call Tr. Lembang and Mr. Ganya from Rh. Lembang, however, there was no response to the call.</p> <p>Once received the email from Gaing Sadok, one of the JKKK from Rh. Lembang on 22 February 2022, auditor had consulted him through phone call. From the consultation, the JKKK had informed that the community from Rh. Lembang did not understand the functions of Community Representative Committees (CRC) as mechanism to resolve conflicts and grievances between parties. They also were not consulted or visited by FMU to carry out the awareness programmes on FMU, FMC, CRC and FMCLC.</p> <p>During closing meeting, the audit team had agreed and decided that Major NCR AS 01/2022 against Indicator 3.1.3 be raised due to the Community Representative Committees (CRC) as a mechanism to resolve conflicts and grievance between the FMU and local communities including for Rh. Lembang had yet to be established.</p> <p>The FMU had invited Tr. Lembang and representative from Rh. Lembang for a meeting on 27 April 2022 at Hotel Meligai, Kapit for the establishment of CRC and FMCLC. The meeting was attended by one of JKKK from RH Lembang, Ganja Ak Muli and other representatives from the affected longhouses that located within and surrounding of the FMU. Therefore, the Major NCR was closed by the audit team.</p>

Stage 2 Audit Plan

DAY	TIME	PROGRAM		
Travel Day 1 14.2.22 Monday	06.00am-10.30am	<ul style="list-style-type: none"> All Auditors travelling from KLIA to Sibu on 14 February 2022 		
	1.00pm	<ul style="list-style-type: none"> Travel to Mutiara Camp (KM28) 		
Audit Day 1 15.2.22 Tuesday	8.00 am – 1.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on issues of concern from Stage 1 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs Evaluate on internal audit and management review Documentation and records review 		
	2.00 pm – 5.00 pm	Razman	Annas	Angelica
		<ul style="list-style-type: none"> Principle 6 – Environmental Impact Principle 7 – Management Plan Principle 8 – Monitoring and Assessment 	<ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principle 2 – <u>Tenure and Use Rights and Responsibilities</u> Principle 4 - Community Relations and <u>Worker's Right</u> Principle 5 – Benefits from the forest Principle 9 – Maintenance of High Conservation Value (HCV) 	<ul style="list-style-type: none"> Principle 2 – Tenure and <u>Use Rights</u> and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - <u>Community Relations and Worker's Right</u>
		Review of Day 1 Findings by Audit Team Leader		
Audit Day 2 16.2.22 Wednesday	8.00 am – 5.00pm	Site visit: <ul style="list-style-type: none"> Inspection of Coupe Boundary – Coupe 1 Inspection of Block Boundary – Block 1-4 Inspection of Pre-harvesting area – Block 1-4, Coupe 1 HCV area – salt lick Coupe 2 Wildlife monitoring – camera trap (Coupe 2) Silviculture treatment activities – Coupe 25 Inspection of Central Stumping Site 	Site visit: <ul style="list-style-type: none"> Inspection of FMU Licenses boundary <ul style="list-style-type: none"> (i) Salvage logging T/3401(S) – Coupe 2 & Coupe 8 (ii) Jutakayu Sdn Bhd – Coupe (iii) Apai Wood Sdn Bhd T/3398 – Coupe (iv) Gaat-Mengiong FMU Stream bufferzone Forest fire management - Watch Tower - Coupe 6 	Site visit: <ul style="list-style-type: none"> Consultation with Local Communities Rh. John Rh. Bansa (1) Rh. Sana Rh. James Rh. Sebuang Rh. Biduk Rh. Bansa (2) Tel. call: Rh. Kachin Rh. Lembang

				Rh. Saging (cannot visit due to death/mourning) Rh. Itu (cannot visit due to death/mourning)
		Review of Day 2 Findings by Audit Team Leader		
Audit Day 3 17.2.22 Thursday	8.00 am – 5.00pm	Site visit: <ul style="list-style-type: none"> • Inspection of PSP plots (i)PSP17 – Coupe 4 (ii)PSP21 - Coupe 5 	Site visit: <ul style="list-style-type: none"> • Inspection of staff quarters • Check on workshop, genset room, SW store, skid tank, etc. • Nursery • Consultation with contractors and workers operating (i)Piramid Intan Sdn Bhd (ii)Lambang Megajaya Sdn Bhd (iii)WTK Heli Logging Sdn Bhd (iv)Rejang Hartamas Timber Sdn Bhd 	Site visit: <ul style="list-style-type: none"> • Consultation with Local Communities Rh. Gendang Rh. Sait Rh. Tajai Done assessment: Rh. Melintang Rh. Tunku Rh. Jegai Rh. Nyamok (cannot visit due to Covid-19 infection at the long house)
		Review of Day 3 Findings by Audit Team Leader		
Audit Day 4 18.2.22 Friday	8.30 am – 1.00 pm	<ul style="list-style-type: none"> • Documentation and records review • Preparation of audit report and finding • Briefing to representatives of FMU on the findings of audit 		
	2.00pm-5.00 pm	<ul style="list-style-type: none"> • Closing Meeting and presentation of findings of audit and discussion on follow-up activities • Adjourn Closing Meeting 		
	5.00 pm	<ul style="list-style-type: none"> • Travelling from Base Camp to Sibu 		
Travel Day 19.2.22 Saturday		All Auditors travelling from SIBU to KLIA/Kota Kinabalu on 19 February 2022.		

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

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 3.1.3	Major NCR: AS 01/ 2022	<p>Requirement: Indicator 3.1.3 – Availability and use of appropriate mechanisms to resolve any conflicts and grievances between parties involved</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. Community Representatives Committee (CRC) as a mechanism to resolve conflicts and grievance between parties was yet to be established 2. Dispute mechanism was not made publicly available 3. Insufficient information and no timeline in the Mengiong-Gaat Complaint form <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Consultations with 13 longhouses sampled (Rh. Jegai, Rh. Melintang, Rh. Tunku, Rh. Gendang, Rh. Sait, Rh. Tajai, Rh. John, Rh. Saging, Rh. Sebuang, Rh. Sana, Rh. Bansa (1), Rh. Bansa (2) and Rh. James) confirmed that Community Representative Committees were yet to be established as a mechanism to resolve conflicts and grievance between parties. 2. Dispute mechanism process was not made publicly available to be accessed by the communities in the local language 3. Mengiong -Gaat FMU Complaint form for stakeholder has no timeline and 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> i. Pre-arranged on forming of CRC was postponed due to Covid-19 pandemic and state election. ii. Awareness programme to local communities was delayed due to Covid-19 Pandemic. iii. Old format of complaint form. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> i. To form CRC in April 2022. ii. To prepare dispute mechanism in Bahasa Melayu and publicly available. iii. Contact person and timeline will be updated accordingly. iv. Completion Date: April 2022 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Received evidence of implementation on 12 July 2022:</p> <ol style="list-style-type: none"> 1. Awareness programme conducted on 12-16 March 2022 by Forest Department Sarawak (FDS) on the establishment of CRC and FMCLC. 2. On 27 April 2022, CRC and FMCLC were established with representatives from each longhouse within/adjacent to the FMU in the presence of Resident Office Kapit, Land and Survey Department, FDS, licensee (STIDC) and camp management. The meeting was attended by head of village and representatives from RH Nyamok, RH Bidok, RH Melintang, RH Tunku, RH Jegai, RH Sebuang, RH Bansa, RH Said, RH Tajai, RH Gendang, RH Sana, RH John, RH. James, RH Kanchin, RH Ambun, and RH Lembang. 3. Consultation with local community from RH. Kalat and Rh. Saging were conducted on 29 June 2022 and 30 June 2022.

		<p>contact information.</p> <p>4. Consultations with 4 of the Longhouse communities (Rh. Gendang, Rh. James, Rh. Sebuang and Rh. Lembang) indicated that the community representatives don't understand the functions of CRC as mechanism to resolve conflicts and grievances between parties. Rh. Lembang representative had also informed that the longhouse communities were not consulted or visited by FMU to carry out the awareness programmes on FMU, FMC, CRC and FMCLC.</p>		<p>4. Verified the Community Representative Committee (CRC) Organization Flow Chart for CRC and FMCLC.</p> <p>5. Dispute mechanism in Bahasa Melayu titled 'HP14-Menyelesaikan Tuntutan Tanah dan Hak Guna Tanah' was made available at website https://www.pi.wtkfmu.com/public-summary/forest-management-plan/chapter-7-impact-assessments/</p> <p>6. The Complaint Form (Borang Aduan) has been revised with contact person and timeline of 2 weeks for remedial action.</p> <p>Status: Closed</p>
Indicator 1.6.2	<p>Minor</p> <p>NCR: ANS 01/ 2022</p>	<p>Requirement: Indicator 1.6.2 - Policies or statements are communicated throughout the organisation and contractors, and are made available to the public.</p> <p>Finding: The policies or statements are not communicated throughout the organisation and contractors</p> <p>Objective evidence: The agreement between Sarawak Timber Industry Development Corporation with Pyramid Intan Sdn. Bhd. on 19 August 2002, did not mention on policies or statement regarding on the commitment to Principles and Criteria of MC&I.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> i. Previous agreement is based on conventional logging activities. ii. Restructuring exercise caused time constraint to carry out awareness on company policies and statements to workers. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> i. To revise the agreement to include the commitment to principles and criteria of MC&I SFM. ii. FMU Manager will conduct awareness on company policies and statements to workers. iii. Completion Date: July 2022 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

<p>Indicator 3.3.1</p>	<p>Minor</p> <p>NCR: AS 02/ 2022</p> <p><i>(Upgraded to Major NCR as recommended by Peer Reviewers)</i></p>	<p>Requirement: Indicator 3.3.1 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>Finding: Identifying and protecting special cultural, ecological, economic or religious significance to indigenous peoples were not properly conducted</p> <p>Objective evidence: Identifying and protecting special cultural, ecological, economic or religious significance to indigenous peoples were not properly conducted whereas: 1.SOP HP16 – Identifying and Protecting 2.Indigenous People Used Sites were not followed 3.Records of dialogue and consultation held with natives and other relevant stakeholders 4.Consultation with local communities (Rh. James, Rh. Sebuang and Rh. Gendang) during audit observed that they were not aware with the process of identification and ground demarcation</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> i. New appointed contractor ii. Awareness on the procedure to the surveyor and contractor was not adequate. iii. A standard template form was yet to be filled/identified/ground demarcation for protected area. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> i. To conduct stakeholder consultation. ii. To form CRC. iii. To conduct briefing on the procedure to contractor, surveyor, and FMU PIC. <p>Completion Date: August 2022</p>	<p>Corrective action plan was accepted by audit team on 23 March 2022. Received evidence on 22 September 2022.</p> <p>1)Briefing record of procedure 'SOP HP16 Identifying and Protecting Indigenous People Used Sites' to local community was conducted on 9 September 2022. There were 14 representatives from local community; Rh. Tajai, Rh. Sait, Rh. Bansa, Rh. Gendang, Rh. Sebuang, Rh. Melintang, Rh. Nyamok, Rh. Bansa Gaat, Rh. Tungku, and Rh. Sana. The meeting/training was conducted at WTK Nanga Amang Logpond office.</p> <p>ii)The above training was also attended by FMU management, FMU Manager, Camp Manager, Trained Honorary Wildlife Ranger, Contractor, and Surveyors.</p> <p>Status: Closed</p>
<p>Indicator 4.2.3</p>	<p>Minor</p> <p>NCR: MRS 01/ 2022</p>	<p>Requirement: Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the workplace.</p> <p>Finding: Safety and operational equipment were not in good working condition and maintained.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> i. No budget allocated. ii. No proper monitoring and recording system. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> i. To allocate budget for safety equipment and facilities. ii. An annually schedule for safety 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

		<p>Safety and operational equipment were not maintained by the FMU management as listed below:</p> <ul style="list-style-type: none"> i. Wood structure for re-fueling diesel for lorry at diesel storage station was unstable. ii. Safety harness was not provided at re-fueling diesel storage station. iii. The Certificate of Fitness registration number was not marked on the air compressor at the workshop. iv. First aid box at workshop was made available and maintained as verified. However, splint kit and triangle bandage were not provided. It was also discovered that the paracetamol was also included in the first aid box. v. Awareness signages such as Danger and PPE, etc were faded at the genset room. 	<p>monitoring with template form to be practiced.</p> <p>iii. Completion Date: August 2022</p>	
<p>Indicator 4.3.3</p>	<p>Minor</p> <p>NCR: AS 03/ 2022</p> <p><i>(Upgraded to Major NCR as recommended by Peer Reviewers)</i></p>	<p>Requirement: Indicator 4.3.3 The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations.</p> <p>Finding: The right of workers to employment benefits and social protection under Labour Ordinance [Cap. 76 (1958 Ed.)] were not fully complied.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. There was no approval of accumulated rest days (2 months) from Labour Department as per requirement of the Sarawak Labour Ordinance (1958). 2. Employment contract of 5 workers of Rejang Hartamas Timber Sdn Bhd a sub-contractor of Lambang Megajaya has not included Annual leave, Sick leave and Maternity leave entitlement as stipulated in 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> i. New contractor accumulated the rest days entitlement of their workers either once a month or once in 2 months for workers to enjoy longer stay with their families. ii. New contractor is not aware of the legal requirement. iii. Leave entitlement was given to employee by new contractor under Addendum of Employment Contract. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> i. Our contractor will ensure that sufficient leave entitlement is given to workers inclusive of rest days, public holidays, annual leaves and 	<p>Corrective action plan was accepted by audit team on 23 March 2022. Received evidence on 22 September 2022.</p> <p>i) Verified application letter to Labour Department, Kapit dated 1 September 2022 and 5 September 2022 from Rejang Hartamas Timber Sdn Bhd titled 'Permohonan untuk mendapatkan Permit Pengumpulan Cuti Rehat Mingguan di bawah Sesyen 105B(3) Ordinan Buruh (Sarawak Bab 76)'. The application was accepted by Labour Department on 15 September 2022. Verified also workers consent form that signed by all 38 workers titled 'Persetujuan untuk Pengumpulan Cuti Rehat Mingguan'.</p>

		the Sarawak Labour Ordinance (1958).	<p>(sick leave and maternity leave - if any) according to Labour Law. The Person-In-Charge of our contractor will make sure the adequateness of employment contract and apply to Labour Department for approval.</p> <p>Completion Date: October 2022</p>	<p>ii) Employment contract of 5 workers of Rejang Hartamas Timber SB and a sub-contractor of Lambang Megajaya has been revised and added the clauses annual rest day, annual leave, sick leave and maternity leave.</p> <p>Sampled of employment contract under Lambang Megajaya (Contractor) and Rejang Hartamas Timber SB (Sub-Contractor) as below:</p> <ol style="list-style-type: none"> 1)Angga Anak Gindar 2)Johari Chedang 3)Su Tung Soon 4)Stephen Kenny Anak Sagong 5)Ting Siong Teck <p>Status: Closed.</p>
Indicator 4.3.4	<p>Minor</p> <p>NCR: ANS 02/ 2022</p>	<p>Requirement: Indicator 4.3.4 - Availability of appropriate procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p>Finding: Awareness of workers on conflict resolution to address grievances was not sufficient.</p> <p>Objective evidence: Based on interview with storekeeper, dump truck driver and mechanic indicated that they were not aware about the procedures to address grievances.</p>	<p>Result of investigation and determination of root cause: No awareness programme on conflict resolution to address grievances was conducted to the workers.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> i. To carry out awareness programme on conflict resolution to the workers. ii. Completion Date: May 2022 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>
Indicator 6.4.1	<p>Minor</p> <p>NCR: MRS 02/ 2022</p>	<p>Requirement: Indicator 6.4.1 - Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations, identified and selected under 6.2.2, are demarcated, mapped and protected in their natural state.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> i. Stakeholder consultation (FDS, WWF, local communities) was delayed due to Covid-19 pandemic. ii. Time constraint to carry out assessment work as the GP is just 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

		<p>Finding: The FMU has yet to demarcate, mapped and protect the representative areas of existing forest ecosystems in their natural state.</p> <p>Objective evidence: The FMU has planned to protect the representative areas of existing forest ecosystem that located in Coupe 18 in their natural state. This area covers an area of 36 ha and protected for seedling collection and research plot. However, this area is yet to be mapped and included in the Forest Management Plan 2020-2045.</p>	<p>approved recently.</p> <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> i. Assessment work for the representative areas of existing forest ecosystems will be done in stages. ii. The assessment to be updated in the FMP in July 2022. iii. Completion Date: July 2022 	
Indicator 6.5.4	<p>Minor</p> <p>NCR: ANS 03/2022</p>	<p>Requirement: Indicator 6.5.4 – Availability and implementation of guidelines for management of natural hydrology of wetlands and guidelines for conservation of buffer strips along streams and rivers.</p> <p>Finding: Buffer zone not clearly demarcated.</p> <p>Objective evidence: Inspection on buffers strip demarcation behind the Mutiara basecamp workshop found that demarcation of buffer zone was not available.</p>	<p>Result of investigation and determination of root cause: The said buffer zone is located in Coupe 3 where PEC is yet to be issued by Forest Department Sarawak.</p> <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> i. Marking of stream buffer zone will be carried out after approval of PEC for Coupe 3. However, we will demarcate this specific SBR to prevent disturbance into this area. <p>Completion Date: May 2022</p>	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>
Indicator 6.7.1	<p>Minor</p> <p>NCR: MRS 03/2022</p>	<p>Requirement: Indicator 6.7.1 – Oil, fuel, tyres, containers, liquid and solid non-organic wastes, shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: Management of scheduled waste at Mutiara Camp has not complied with the</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> i. Insufficient training to workers at workshop. ii. Insufficient monitoring record. iii. The safety and Health Officer was not explaining SOP in handling Scheduled Waste to workers. 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

		<p>Environmental Quality (Scheduled Wastes) Regulations 2005</p> <p>Objective Evidence: Scheduled wastes management at Mutiara Camp has not complied with Environmental Quality (Scheduled Wastes) Regulations 2005 as listed below:</p> <p>i.No training record available for scheduled waste handlers.</p> <p>ii.No record of notification to DOE for all scheduled wastes generated, stored at workshop</p> <p>iii.No record of inventory for all scheduled wastes generated.</p> <p>iv.Address, telephone number, scheduled waste code and hazardous pictogram were not labelled at scheduled waste container.</p> <p>v.Design area for storage of scheduled waste was not effective to prevent spillage or leakage of scheduled wastes.</p> <p>vi.Design/structure of re-fueling diesel station for light vehicles has not considered prevention of diesel spillage or leakage.</p>	<p>Correction and corrective action plan including completion date:</p> <p>i. The activities listed i to vi above will be updated accordingly.</p> <p>ii. Safety and Health Officer to conduct sufficient training to our workers to ensure work efficiency by following the SOP in handling scheduled waste.</p> <p>iii. Completion Date: September 2022</p>	
Indicator 7.1.1	<p>Minor</p> <p>NCR: MRS 04/2022</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: Certain information in the FMP 2020-2045 need to be updated and synchronize with SIA report, operational procedure and related stakeholder.</p> <p>Objective evidence: The FMP 2020-2045 was not updated with the following information:</p>	<p>Result of investigation and determination of root cause:</p> <p>i. We have just updated our SIA report due to movement restriction to combat the ravaging Covid-19 pandemic.</p> <p>ii. Time constraint to incorporate the latest information into FMP.</p> <p>Correction and corrective action plan including completion date:</p> <p>i. We will review and incorporate all shortcomings in the FMP.</p>	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

		<p>i.Information of community (name of villages and population data) located within and adjacent was not available.</p> <p>ii.Monitoring and maintenance of tree planting stated at section 9.2.3. Maintenance in the FMP was not consistent with the tree replanting procedure.</p> <p>iii.Description of stakeholder consultation with relevant government agencies, NGOs, local community</p>	<p>ii. Completion Date: September 2022</p>	
Indicator 7.2.2	<p>Minor</p> <p>NCR: MRS 05/2022</p>	<p>Requirement: Indicator 7.2.2 - 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.</p> <p>Finding: Management has yet to provide training on new scientific and technical information for sustainable forest management for forest managers.</p> <p>Objective evidence: Camp Manager and FMU Manager had attended training on MC&I SFM, and safety and health. However, the management is yet to plan and provide training for forest managers to enhance their knowledge on forest management, forest certification, carbon stock/ green-house gas emission, forest technology, environmental management, etc.</p>	<p>Result of investigation and determination of root cause:</p> <p>i. Newly appointed FMU Manager.</p> <p>ii. No timeline for such training.</p> <p>Correction and corrective action plan including completion date:</p> <p>i. Training on forest management according to schedule of FMU training list.</p> <p>ii. Completion Date: December 2022</p>	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

Indicator 9.3.1	Minor NCR: ANS 04/ 2022	<p>Requirement: Indicator 9.3.1 - Measures to demarcate, maintain and/or enhance the HCV attributes are documented in the forest management plan and effectively implemented.</p> <p>Finding: HCV map in the forest management plan not consistence with HCV assessment report.</p> <p>Objective evidence: Based on documentation review on a report, entitled "Survey and Identification of 'High Conservation Value (HCV) Assessment Report T/3401 Mengiong Gaat FMU, dated December 2019 by WTK Desk found that the HCV map was not consistence with the HCV map in the forest management plan for Mengiong Gaat Forest Management Unit, January 2022 (2nd revision)</p>	<p>Result of investigation and determination of root cause: HCV map was not updated according to the approved GP.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> To update the HCV map in consistent with approved GP and FMP. Completion Date: August 2022 	<p>Corrective action plan was accepted by audit team on 23 March 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>
Indicator 8.1.3	OFI#1 <i>(Upgraded to Minor NCR as recommended by Peer Reviewers)</i>	<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 APPENDIX A.</u></p> <p>The required documented information for nonconformity raised during internal audit dated 19-23 July 2021 as listed below was not available:</p> <ol style="list-style-type: none"> Determining the causes of the nonconformity Review the effectiveness of corrective action taken Document as evidence of the results of any corrective action 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> Remote Audit caused some breakdowns in information transferred. Newly appointed FMU Manager was lack of knowledge in handling proper documentation. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> To prepare Standard Operating Proedure (SOP) on internal auditor activity to determine root cause, review effectiveness of corrective action plan & keep record of evidence of implementation. To conduct training on internal audit process especially on handling of non- 	<p>Corrective action plan was accepted by audit team on 26th September 2022.</p> <p>Status: The effectiveness of implementation will be verified during next audit.</p>

			compliance findings by internal auditor.	
Indicator 8.2.1(e1)	OFl#2	<p><u>Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</u></p> <p>i.All sampled tree in the PSP plot has been tagged as verified. The practice could also be applied for the sampled seedlings and saplings.</p> <p>ii.Any forest gap and old skid trail could be marked in the inventory form / PSP plot diagram.</p>	Not required for corrective action plan.	Status: Will be verified the implementation during next audit.
Indicator 9.2.1	OFl#3	<p><u>Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCV areas</u></p> <p>The stakeholder's consultation could be further improved to include other relevant stakeholders from agencies and NGOs, not only community as to maintain or enhance the identified HCVFs as stated in FMP.</p>	Not required for corrective action plan.	Status: Will be verified the implementation during next audit.