



**PUBLIC SUMMARY  
SURVEILLANCE 2 AUDIT (2022) ON  
GERENAI FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate number: FMC-NF 00125  
Date of First Certification: 12 April 2020  
Audit Date: 29 Nov – 3 Dec 2022  
Date of Public Summary: 13 June 2023**

**Certification Body:**

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## EXECUTIVE SUMMARY

The Surveillance 2 audit for forest management certification on the Samling Plywood (Miri) Sdn. Bhd. – Gerenai FMU was conducted from 29 Nov – 3 Dec 2022. This was an audit conducted following the Surveillance 1 audit which was conducted on 29 Nov – 3 Dec 2021 on the overall forest management system and practices of the FMU against the revised requirements of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I SFM] using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of Samling Plywood (Miri) Sdn. Bhd. by a three-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Mohd Razman Salim and Puteri Arlydia Abdul.

The Forest Management Unit (FMU) is to be known as Gerenai FMU. The total area to be certified for Gerenai FMU only covers an area of 148,305 ha with the combination of Nakan-Kalulong Forest Reserved (8,794 ha), Tapang-Baiong Protected Forest (52,490 ha), proposed Ang Moh Protected Forest (19,694 ha), proposed Mujan Julan National Park (8,601 ha) and State Land (58,726 ha). It is worth to note that 48% (71,227 ha) of the FMU is within the Heart of Borneo (HoB) Corridor. The FMU has U-shape with the western section shared a common boundary with Usun Apau National Park, while the East-Southern section with Sg, Moh Wildlife Sanctuary. On the Southern part, about 47,859 ha have been excised for Provisional Lease which will be developed into a commercial oil palm plantation. The audit involved the verification of documentation and field visits and inspections. There were also consultations being held with the Forest Department Sarawak, Sarawak Forestry Corporation, NGO and relevant indigenous settlements within FMU.

A total of nine (9) Major (Indicator 2.2.2 [reissued], 2.3.1 [upgrade], 3.1.1 [upgrade], 3.1.2 [reissued], 3.3.2 [reissued], 4.4.1 [reissued], 4.5.2 [upgrade], 5.1.1 [upgrade], and 8.1.3 [upgraded]) and three (3) Minor Non-Conformance Reports (NCRs) [Indicator 6.3.1, 8.2.1 and 9.3.1] were raised on the Gerenai against the requirements of the MC&I SFM (MTCS ST 1002:2021). The audit team had examined all the proposed corrective action plans to address the NCRs raised by hand on 16 January 2023 and 26 January 2023 (amended) which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 16 February and has been accepted and closed on 24 February 2023.

The results of the audit findings showed that the audit objectives of the forest management have been fulfilled and the certification scope is appropriate to the Forest Management Certification of the Gerenai Forest Management Unit.

Based on the audit findings, it was found that the FMU had implemented the forest management certification in compliance with the requirements of the MC&I SFM (MTCS ST 1002:2021) standard.

The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit.

## 1.0 INTRODUCTION

### 1.1 Name of FMU

Gerena Forest Management Unit

### 1.2 Organizational Information/Contact Person

Name: KC Ling

Designation: Forest Manager

Address: Wisma Samling, Lot 296, Jalan Temenggong Datuk Oyong Lawai Jau, 98000 Miri, Sarawak.

### 1.3 General Background of the Forest Management Unit

The Forest Timber Licence (FTL) No. T/0413 was issued to Samling Plywood (Miri) Sdn. Bhd by the Forest Department of Sarawak from 1<sup>st</sup> September 1993 to 31<sup>st</sup> August 2018 to manage a total of 182,902 ha of the Nakan-Kalulong Forest Reserved, Tapang-Baiong Protected Forest and State Land, which is located within the Long Lama Baram District, Miri Division, Sarawak for an initial period of 25 years. It was subsequently renewed for another one-year form 26<sup>th</sup> July 2018 to 31<sup>st</sup> August 2019 and the land area was increased to 196,164 ha by the Forest Department of Sarawak.

The Forest Management Unit (FMU) is to be known as Gerena FMU. The total area to be certified for Gerena FMU only covers an area of 148,305 ha with the combination of Nakan-Kalulong Forest Reserved (8,794 ha), Tapang-Baiong Protected Forest (52,490 ha), proposed Ang Moh Protected Forest (19,694 ha) proposed Mujan Julan National Park (8,601 ha) and State Land (58,726 ha). It is worth noting that 48% (71,227 ha) of the FMU is within the Heart of Borneo (HoB) Corridor. The FMU has a U-shape with the western section sharing a common boundary with Usun Apau National Park, while the East-Southern section with Sg, Moh Wildlife Sanctuary. However, on the Southern part, about 47,859 ha have been excised for Provisional Lease by Sarawak State Government which will be developed into a commercial oil palm plantation; thus, this area was not part of the audit scope.

The forest area is situated approximately between Latitudes 2° 40' N to 3° 15' N and Longitudes 114° 34' E to 115° 16' E within the Miri Division, Sarawak, and accessible from Miri by the 111km sealed government road, then continue to the Miri-Bintulu Highway to Tuyut Logpond. The travelling continues with 79km of logging roads to Baram Central Base (CTB). The Gerena Camp is about 77km southeast of Baram Central Base (CTB). It covers a total distance of about 267 kilometres and took about 6-7 hours of travelling time from Miri to Gerena Camp.

The forest types in the FMU consist of dominant Mixed Dipterocarp Forest (MDF), Lower Sub-Montane Forest, Kerangas Forest scattered on sandy terraces, the riparian forest along rivers, and secondary or degraded forest. The FMU has about 16.6 % under terrain Class II, 71.7% under terrain Class III and the remaining 11.7% under Terrain Class IV. The general landform of the FMU ranges from a narrow riverside flat terrain behind which lies the more undulating relief leading to rugged, mountainous terrain with an elevation between 150m to 1,800m a.s.l.

### 1.4 Date of First Certified

12 April 2020

### 1.5 Location of the FMU

The FMU is located between Latitudes 2° 40' N to 3° 15' N and Longitudes 114° 34' E to 115° 16' E. The map of the FMU is attached in **Appendix 1**.

## 1.6 Forest Management System

Ten (10) Years Forest Management Plan (FMP) for Forest Timber Licence No. T/0413, Samling Plywood (Miri) Sdn Bhd (2018-2027) dated June 2019 was made available during the audit. A review of the FMP found that the plan had addressed all issues and requirements of Criterion 7.1. The FMP also provides maps specific to planned management activities and references to supporting documents that include Tables, Figures Charts, Graphs, Schedules, Budgets, SOPs and operation guidelines either as Annexes or Appendices. The FMP was approved by Forestry Department Sarawak (FDS) on 17 July 2019.

## 1.7 Annual Allowable Cut / Annual Harvest under the FMP

The rate of harvest for forest products was stated by FMP (2018-2027), it stated that the operable area for Gerenai FMU is 100,004ha and the mean annual operable area is 4,000 ha with a cutting cycle of 25 years. The AAC was determined by the Forest Department Sarawak based on the data simulation using the FORMIND growth simulation programme.

## 1.8 Environmental and Socioeconomic Context

Generally, there are about ten (10) local settlements (Long Selatong Dikan, Long Apu, Long Julan, Long Anap, Long Silat, Long Mekaba, Long Moh, Ba' Jawi, Long Selaan and Long Semiang) which are located within Gerenai FMU. Seven (7) local settlements (Long Selatong Tanjung Tepalit, Long Pelutan, Long Palai, Long Selawan, Long Jeeh, Long Tungan and Lio Matoh) are adjacent to the FMU, and five (5) settlements inside Provisional Lease (PL) area (Long Belaong, Long Jekitan, Ba' Purau, Long Tikan and Long Bee), with an estimated population of 11,472 peoples. The main ethnicity of the communities is Kenyah and Penan with most of them being Christian. The Kenyah originated from the Usun Apau plateau while the Penan in the Western Penan which is semi-settled for more than 25 years ago. The local communities living within and adjacent to the FMU still practising shifting cultivations along the logging roads from CTB to Gerenai Silat Camp.

The mechanisms to resolve disputes over tenure and use rights were found to be in place. Procedures on Land Claims and Guidelines on Conflict Resolution will be used if complaints arise against conflicts and grievances between the parties involved.

In terms of environmental aspects, an EIA for the Re-entry of Hill logging within Coupe 01AR to 07AR and 15AR Under the Forest Timber License (FTL) No. T/0413 at the Batang Baram-Sg Silat Area, Miri, Sarawak 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. Two (2) EIA reports were approved by the NREB, dated 15<sup>th</sup> June 2012 and the second on 10<sup>th</sup> September 2014. The Gerenai FMU Forest Management Plan (Revised June 2019) incorporated information from the assessment of environmental impacts.

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

## 2.0 AUDIT PROCESS

### 2.1 Audit dates

The Surveillance 2 audit for forest management certification on the Samling Plywood (Miri) Sdn. Bhd. – Gerenai FMU was conducted from 29 Nov – 3 Dec 2022. This was an audit conducted following the Surveillance 1 audit which was conducted on 29 Nov – 3 Dec 2021. The Surveillance 2 audit plan is attached in **Appendix 4**

## 2.2 Audit Team

The audit team comprised of the following members:

1. Khairul Najwan b. Ahmad Jahari (Lead Auditor)
2. Mohd Razman b. Salim
3. Puteri Arlydia bt. Abdul

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

## 2.3 Standard Used

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

## 2.4 Stakeholder Consultations

Stakeholder notifications were issued on September 9, 2022, and November 4, 2022 (amended), inviting relevant stakeholders to provide comments on the FMU. The comments received from stakeholders can be found in **Attachment 6**.

## 2.5 Audit Process

The assessment was conducted as planned using the methodology described in Section 2.0. Findings against each of the MC&I SFM are reported below.

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

For each Indicator, the auditors conducted either a documentation review, consultation with the relevant personnel of the FMU or stakeholders or field audit or a combination of these methods.

Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity report (NCR) (minor or major) or opportunities for improvement (OFI).

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

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

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

(ii) A minor NCR is a single observed lapse in compliance by the FMU with the MC&I

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

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

## 2.6 Peer Reviewer

Not applicable for surveillance audit

## 3.0 SUMMARY OF AUDIT FINDINGS

A total of nine (9) Major and three (3) Minor Non-Conformance Reports (NCRs) were raised on the Gerenai against the requirements of the MC&I SFM (MTCS ST 1002:2021). The audit team had examined all the proposed corrective action plans to address the NCRs raised by hand on 16 January 2023 and 26 January 2023 (amended) which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 16 February and has been accepted and closed on 24 February 2023.

The results of the audit findings showed that the audit objectives of the forest management have been fulfilled and the certification scope is appropriate to the Forest Management Certification of the Gerenai Forest Management Unit.

Based on the audit findings, it was found that the FMU had implemented the forest management certification effectively and in compliance with the requirements of the MC&I SFM (MTCS ST 1002:2021) standard.

The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit.

The MC&I Standard consists of nine (9) Principles that encompass the necessary requirements for promoting sustainable forest management, including compliance with legislation and addressing social, environmental, and economic aspects. The following table provides an overview of the audit coverage of the FMU's activities and presents general findings regarding compliance (strengths) and noncompliance (weaknesses) of the Gerenai FMU with respect to the MC&I requirements.

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance with Laws and Principles</b>	<p>The Gerenai Forest Management Unit (Gerenai FMU) had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&amp;I SFM were available in the office at the Gerenai Camp, Telang Usang District, Baram, Miri Division, Sarawak. The list of documents was updated on 29 November 2021 and no changes until this audit.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Gerenai Camp Office, as stated in the Licence Agreement.</p>	There were no negative findings.

Principle	Strengths	Weaknesses
	<p>Records of all payments made were kept at base camp and verified during the audit, e.g., forest royalty for batches no. MR0722A01 – MR0722A02, Bil Jabatan: F92207000946 was paid on 19 July 2022. Receipt No.: B105032672, Premium Kayu-Kayan (R&amp;D) for batches no. MR0722A01 – MR0722A02, Bil Jabatan: F92207000948 was paid on 19 July 2022. Receipt No.: B105032674.</p> <p>Documentation of any conflicts between laws, regulations and these principles and criteria was made available in the Forest Management Plan of Gerenai FMU. The forest managers had expressed their willingness to participate in the resolution of such conflicts if they arise.</p> <p>The documents governing the legal establishment and protection of the FMU were made available in the office in Gerenai Camp. Legal provisions were available for the establishment and protection of the Forest Management Unit. The Gerenai Forest Management Unit (FMU) is under Forest Timber Licence (FTL) No. T/0413 which was issued to Samling Plywood (Miri) Sdn Bhd by the Forest Department Sarawak on 1 September 1993 and was renewed and valid until 31<sup>st</sup> August 2022. The FMU has written a request letter and submitted the Application Form (FTLAP) to the FDS dated 24 June 2022 (Ref:MKH/CORR/22-08) for the renewal of FTL for the year 2023.</p> <p>Verification by the auditor during the audit found no recurrence findings of the previous Major NCR against Indicator 1.5.2. The verification on the ground as listed below:</p> <ol style="list-style-type: none"> <li>1) The sign boards on DF Circular 6/99 on “Pemulihan Hidupan Liar di Kawasan Lesen Pembalakan” where hunting and selling of wildlife are prohibited were displayed. Sign boards on control of hunting were erected at the strategic location. Posters on Total Protected Wildlife in Sarawak were also observed at the Gerenai Camp office.</li> <li>2) The control measures (e.g., signages, boundaries demarcation) to control encroachment, illegal harvesting, hunting, settlement, and other unauthorized activities was sufficiently erected along the license boundaries. The common Licence Boundary</li> </ol>	



Principle	Strengths	Weaknesses
	<p>of Gerenai FMU with Peninsular Rise Sdn. Bhd. (T/9075) was also demarcated on the ground as verified at Coupe 21. The Gerenai FMU external boundary was found clearly demarcated and painted with orange paint including signboards 'Common Licensed Boundary' and 'Gerenai FMU' erected along Sg Baram.</p> <p>3) The FMU has marked the temuda/shifting agriculture that belongs to local communities in the General Harvesting Plan (5 October 2022), Detailed Harvesting Plan for Coupe 02A (4 November 2022) and Detailed Harvesting Plan for Coupe 01A (29 January 2019).</p> <p>4) During the audit, there was no active harvesting area within Coupe 02A and Coupe 03A. The latest record on the removal of trees from Coupe 03A was on 7 July 2022 as verified by Removal Pass and Royalty Certificate. Field verification on the coupe boundary was done at Coupe 02A and Coupe 03A. The coupe boundary marking was found maintained and clearly visible with red paint marking. There was no unauthorized forest road as verified along skid trail S-2-3, feeder trail F-2-3-1 and F-2-3-2 in Coupe 03A.</p> <p>Therefore, the previous Major NCR against Indicator 1.5.2 was satisfactorily closed.</p> <p>The policy statement was displayed at prominent sites within the Gerenai FMU and had been communicated throughout the organization. The MC&amp;I awareness is set to be held once a year, and for 2022 it was held on 9 May 2022 and 5 October 2022. The Annual FMU Program &amp; Training Plan for 2022 was made available during the audit.</p> <p>An interview with the sampled workers indicated that they were aware of the Policies or statements on MC&amp;I SFM standard requirements. The FMU has briefed the workers twice in the year 2022. Therefore, the previous Major NCR against Indicator 1.6.2 was satisfactorily closed.</p>	
<p><b>Principle 2 Tenure and Use Rights and</b></p>	<p>Document entitled Forest Timber License (FTL) No. T/0413 was issued to Samling Plywood (Miri) Sdn Bhd (licensee) for 26 years valid from 1 September 1993 till 31 August 2018 and has been</p>	<p>The consultation held with local communities to identify and document areas traditionally used and sites of significant importance to them was not conducted. The</p>

Principle	Strengths	Weaknesses
<p><b>Responsibilities</b></p>	<p>renewed to be valid up to 31 August 2022. The FMU has written a request letter and submitted the Application Form (FTLAP) to the FDS dated 24 June 2022 (Ref:MKH/CORR/22-08) for the renewal of FTL for the year 2023.</p> <p>Legal documents such as The Constitution of the state of Sarawak, Land Code 1958 (Cap 81), Natives Court Ordinance 1992, Natives Customs (Declaration) 1996, Sarawak Cultural Heritage Ordinance 1993, Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87) has been made available at main office (Gerena Camp). The Land Claim Recognised Mechanism – SFM/PR001 Rev:0. Procedure on Land Claim 15<sup>th</sup> March 2017 was available</p> <p>Records showed that a total of 23,697 ha has been demarcated as Shifting Cultivation Area (SA) area inside the FMU, to villagers from Lio Mato upper river Batang Baram, to Long Selatong Dikan downstream Batang river.</p> <p>As advised by Forest Department Sarawak at Forest Management Certification Technical Committee Meeting (FMCTC No.1/2019) dated 9 April 2019, Land &amp; Survey Department has agreed that no land development can be approved on State Land within an FMU without prior agreement of Forest Department Sarawak. Minutes meeting on Forest Management Certification Technical Committee (FMCTC) No.1/2019 sighted during audit.</p> <p>Forest managers found to support legally recognised mechanisms for resolving land claims and have established the SFM/PR 001 Procedures on Land Claim Rev. 0 dated 15/03/2017 and SFM/GL 001 Guidelines on Conflict Resolution Rev. 0 dated 15/03/2017. The FMU also has set the Community Relation Committee (CRC) as a platform to cater for any issue that arises with local communities.</p> <p>Local communities with legal or customary tenure or use rights have maintained their control, to the extent necessary to protect their rights or resources, over forest operations. Under the Sarawak Government Gazette dated 29/09/2005</p>	<p>audit team has concluded that the corrective actions provided were not sufficiently implemented with recurrence found during this surveillance audit 2 (2022). <b>Thus, the Major NCR against Indicator 2.2.2 was reissued.</b></p> <p>During the consultation with affected local communities in surveillance audit 2, the audit team found that the mechanism for conflict resolution (land tenure and use rights) was not sufficient. Updated records of a dispute over tenure and use rights were also not available. Due to the <b>corrective actions provided were not sufficiently implemented, thus, previous Minor NCR against Indicator 2.3.1 was now upgraded to Major NCR</b></p> <p>The verified evidence are as listed below:</p> <ol style="list-style-type: none"> <li>1. Consultations with 2 NGOs as interest groups in Gerena FMU and community-based NGOs confirmed that there was inadequate consultation or engagement made on the Forest Certification Process and management. Local communities were confused about conflict resolution (land tenure and use rights).</li> <li>2. Attendance records showed that only a small number of local community representatives were involved during Awareness Program dated 11-21/01/2022.</li> <li>3. During SIRIM Stakeholders consultation with 24 villages (including unregistered) involving 297 people, it is confirmed that they don't understand: <ol style="list-style-type: none"> <li>a. Forest Certification process including the objectives and meaning of FMU (Forest Management Unit)</li> <li>b. Formation of CRC and FMCLC and their function and difference with current Community Camp</li> <li>c. Complaint &amp; grievance form</li> </ol> </li> <li>4. Grievance (Issue of Concern) raised during Awareness Program dated 11-21/01/2022 were not handled as per</li> </ol>

Principle	Strengths	Weaknesses
	<p>No. 3153 for Usun Apau National Park recognised the following inhabitants and privileges with user rights to access and use forest resources with the Gerenai FMU for own use only:</p> <ol style="list-style-type: none"> <li>1) Long Selatong (previously known as Kanan and Kiri and recently as Long Selatong Dikan and Long Selatong Tanjung Tepalit) - within Coupe 21A</li> <li>2) Long Apu - within Coupe 20A</li> <li>3) Long Anap - adjacent to Coupe 24A</li> <li>4) Long Julan - within Coupe 23A</li> <li>5) Long Pelutan - adjacent to Coupe 20A</li> <li>6) Long Palai - adjacent to Coupe 24A</li> <li>7) Long Jeeh - adjacent to Coupe 01A</li> <li>8) Long Belaong (shifting agriculture) - within Coupe 01A</li> <li>9) Long Moh - within Coupe 03A</li> <li>10) Long Mekaba - adjacent to Coupe 01A</li> <li>11) Long Jekitan - adjacent to Coupe 07A</li> <li>12) Long Tikan - adjacent to Coupe 07A</li> </ol> <p>Provisional Lease area (PL) (not part of the certification area) comprises of:</p> <ol style="list-style-type: none"> <li>1) Long Jekitan - adjacent to Coupe 07A</li> <li>2) Long Mekaba - adjacent to Coupe 01A</li> <li>3) Long Silat - adjacent to Coupe 01A</li> <li>4) Ba' Purau - adjacent to Coupe 07A</li> <li>5) Long Tikan - adjacent to Coupe 07A</li> </ol> <p>CRC and FMCLC were employed as a platform for dispute resolution mechanisms. In addition, there were two SOPs made available to resolve disputes over tenure claims and Use rights as in Procedure on Land Claim (SFM/PR 001[dated 15/3/2017]) and Guidelines on Conflict Resolution (SFM/GL 001)</p> <p>Samling Grievances Process Flow Chart and Guideline for Conflict resolution has been made publicly accessible at:  <a href="https://www.samling.com/sites/default/files/inline-Files/Forest%20Management%20Certification%20Procedure%20for%20Conflict%20Resolution%20-%20BM%20Version%20as%20at%2014032022.pdf">https://www.samling.com/sites/default/files/inline-Files/Forest%20Management%20Certification%20Procedure%20for%20Conflict%20Resolution%20-%20BM%20Version%20as%20at%2014032022.pdf</a></p>	<p>FMC/PRO-002 Procedure for Conflict Resolution dated 7 Feb 2022</p> <ol style="list-style-type: none"> <li>5. The harvesting activities at 17 blocks inside Coupe 02A (21-27, 36-45) were stopped due to native issues with Long Moh. However, these issues were not handled as per FMC/PRO-002 Procedure for Conflict Resolution dated 7 Feb 2022.</li> </ol>
<p><b>Principle 3</b></p>	<p>Documentation of the customary rights of indigenous peoples over the lands was available. As described in Indicator 2.1.1, a total of 23,697</p>	<p>During this surveillance 2 audit (2022), it was found that no record of dialogue and consultation held with communities and</p>

Principle	Strengths	Weaknesses
<p><b>Indigenous People's Rights</b></p>	<p>ha Shifting Cultivation Area (SA) inside the FMU area has been demarcated for local community use based on an aerial survey (satellite image analysis).</p> <p>There were two SOPs made available to resolve disputes over tenure claims and use rights, Procedure on Land Claim (SFM/PR 001[dated 15/3/2017]) and Guidelines on Conflict Resolution (SFM/GL 001). These SOPs have been made publicly accessible at <a href="https://www.samling.com/sustainability/corporate-social-responsibility-csr">https://www.samling.com/sustainability/corporate-social-responsibility-csr</a></p> <p>Based on records and interviews with communities of Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeeh, Long Selawan and Long Belaong, Gerenai FMU has not threatened or diminished, either directly or indirectly, the resources or tenure rights of indigenous peoples for 2020/2021 to the date of audit.</p> <p>No changes have been made to the previous list of species/resources used by indigenous peoples that have been identified in the SIA report, prepared by UPM Bintulu, entitled 'SIA Report for Gerenai FMU dated July 2018' and Forest Management Plan FMP 2018-2027 dated June 2019 (Chapter 12). Resources dependencies to forest area comprise housing, farming (shifting agriculture, planting mixed fruits, rubber, oil palm and other trees), water intake, burial area, free-ranging livestock, fishing, hunting – game meat, collection of jungle produce – rattan, bamboo and palm leaves, wild vegetables and fruits, cultural area, etc. Interviews with communities of Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeeh, Long Selawan and Long Belaong gathered information and current dependencies on forest areas are not changed.</p> <p>Procedures to Monitor Social, Ecological, Environmental and Economic Impacts (SFM/PR 009 dated 1/10/2017) and Maps F – The Location of the Settlements dated 21/05/2018 showing the timber licence boundary, main road, secondary road, area excised for Provisional Lease (PL), Sungai Moh Wildlife Sanctuary, Usun Apau National Park, buffer zones, water catchment,</p>	<p>relevant stakeholders on the documented customary rights of indigenous people was made available. The previous issues of customary rights conflicted between villages (status of indigenous people control over their land and territories) were still not clear for the following:</p> <ol style="list-style-type: none"> <li>1. between Long Semiang and Long Sela'an boundary demarcation</li> <li>2. the boundary between Long Jeeh and Long Moh on the user rights of their territorial domains</li> <li>3. Long Tungan, land claims on the Jamok Forest as communal forest</li> </ol> <p>It was noted that the Gerenai FMU has lacked engagement and identification of the customary rights of the indigenous communities within and surrounding the FMU. Furthermore, the status of indigenous people's control over their land and territories was still not clear. The corrective actions provided were not sufficiently implemented. <b>Thus, Minor NCR against indicator 3.1.1 was upgraded to Major NCR</b></p> <p>During this surveillance audit 2 (2022) it was found consultation with 24 villages indicated that they were not aware of FMU boundary and Forest certification process involving their customary/user rights lands and resources. The meeting was held only with community leaders and headmen. The majority of the communities at the village level were not adequately engaged and consulted. Dialogue and consultation records held with village communities and relevant stakeholders on the customary and user rights of indigenous people were not available.</p> <p>It was noted the engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources was inadequate. The engagement with communities was limited to community leaders. In addition, there was no record of delegation control with free, prior and informed consent to other agencies and/or parties available. <b>The corrective actions provided were not</b></p>

Principle	Strengths	Weaknesses
	<p>Gerennai FMU complex, and villages, were maintained with no changes.</p> <p>SFM/GL 001 Guidelines on Conflict Resolution dated 15/03/2017 has been made for internal use. Samling Grievances Process Flow Chart has been made publicly accessible at <a href="https://www.samling.com/sustainability/corporate-social-responsibility-csr">https://www.samling.com/sustainability/corporate-social-responsibility-csr</a></p> <p>To date, no records of grievance were raised on encroachment of Gerennai FMU to indigenous people's sites of special cultural, ecological, economic or religious significance. The FMU has taken measures to prevent loss or damage affecting local communities through demarcation and monitoring. General observation during the site audit found Gerennai FMU has not encroached on sites of special cultural, ecological, economic or religious significance to indigenous peoples as confirmed during interviews with communities of Long Moh, Lio Matoh, Long Tungan, Ba'Jawi, Long Selaan and Long Semiang</p> <p>Interviews with FMU managers and stakeholder's consultation with local communities from Long Moh, Lio Matoh, Long Tungan, Ba'Jawi, Long Selaan and Long Semiang, found no indigenous traditional forest-related knowledge and practices have been used by the FMU in forest operations.</p> <p>As the indigenous traditional forest-related knowledge is not used in FMU's forest management practices, a specific mechanism and compensation for the commercial utilization of traditional knowledge are not established.</p>	<p><b>sufficiently implemented, thus, Major NCR indicator 3.1.2 was reissued.</b></p> <p>Consultations with 3 NGO's as interest groups in Gerennai FMU and community-based NGO's confirmed that there was inadequate consultation or engagement made on the Forest Certification Process and management. Local communities were confused between Community Camp and CRC function. Attendance records show that only a small number of local community representatives were involved during Awareness Program dated 11-21 Jan 2022</p> <ol style="list-style-type: none"> <li>1. During SIRIM Stakeholders consultation with 24 villages (including unregistered) involving 297 people, it is confirmed that they don't understand: <ol style="list-style-type: none"> <li>a. Forest Certification process including the objectives and meaning of FMU (Forest Management Unit)</li> <li>b. Formation of CRC and FMCLC and their function and difference with current Community Camp</li> <li>c. Complaint &amp; grievance form</li> </ol> </li> <li>2. Grievance (Issue of Concern) raised during the Awareness Program dated 11-21/01/2022 was not handled as per FMC/PRO-002 Procedure for Conflict Resolution dated 7 Feb 2022</li> </ol> <p>Consultation with affected local communities on a mechanism for conflict resolution (sites of special cultural, ecological, economic or religious) was not sufficient. <b>The corrective actions provided were not sufficiently implemented, thus, Major NCR indicator 3.3.2 was reissued.</b></p>
<p><b>Principle 4 Community Relations and Workers' Rights</b></p>	<p>The communities within, or adjacent to the FMU have been given priority and opportunities for employment, training, and other services as addressed in Forest Management Plan FMP 2018-2027 dated June 2019.</p> <p>Sample workers from the List Worker Registration updated 2022 found 7 workers (Assistant</p>	<p>During SIRIM-Stakeholder's consultation with 24 villages in current surveillance audit 2 (2022), the majority of the communities at the village level were not adequately engaged and consulted during Social Impact Monitoring (SIM) Jan 2022 and SIM Apr – July 2022 (insufficient respondent to represent the local communities. The public summaries were not included the latest</p>

Principle	Strengths	Weaknesses
	<p>Surveyor, Survey Clerk, Senior Clerk, Survey crew) are from nearby communities.</p> <p>The verification on foreign workers found that,</p> <ul style="list-style-type: none"> <li>• Workers No. IP2307, Passport no.C7466850 valid 5 Feb 2026. BPA/13171/8490 valid 23 Mar 2022 and PTK-MG-BM-12200-203(A)-6(6) valid from 2 Aug 2020 – 1 Aug 2022.</li> <li>• Workers no. GF1148. Passport no. C5765459 valid 7 Aug 2025 with JTK-MG-BM-12200-203(A)(30) valid 10 Aug 2022</li> <li>• Workers no. KD0145 with passport no. C7466853 valid 5 Feb 2026. Working permits no. JTK-MG-BM-12200-181(A)(60) valid 26 June 2022</li> <li>• Workers no. GF1024, with passport no.C3839601 valid 5 Sept 2024. Working permits no.JTK-MG-BM-12200-203(A)(40) valid 22 Sept 2023</li> <li>• Workers no. FL0830 with passport no.C8215265 valid 7 Feb 2027. Having working permit no. JTK-MG-BM-12200-181(A)(60) valid 20 May 2022. Renewal process as Ruj: SST/Logging/2205-04 dated 20 April 2022, rujukan lesen PTK-MG-BM-12200-181(A)-7(23)</li> </ul> <p>Therefore, the previous Major NCR Indicator 4.1.3 was closed.</p> <p>Gerennai FMU has met all applicable laws and/or regulations covering the health and safety of employees. Records of dissemination and communication of up-to-date safety and health information were sighted e.g., Health, Safety and Environment Policy Statement dated 11/01/2020 placed at notice boards in respective areas.</p> <p>During the interview, it was confirmed the awareness of sampled workers against employees provident fund, employees’ social security, forests ordinance, labour ordinance, occupational safety and health (NADOPOD), pesticides handling and workmen’s compensation.</p> <p>The Safety and Health Committee Secretary and Safety and Health Committee members remained unchanged from the last audit. Operational procedures e.g., SFM/GL 003 Guidelines Storage and Handling of Hazardous Materials dated</p>	<p>listed total local communities (24 villages), listed significant important areas and the Social Impact Monitoring (SIM Jan 2022 and SIM Apr – July 2022) result for each village and no record acknowledgement by villages on receiving copies of SIM Jan 2022 and SIM Apr – July 2022 result. The audit found that the latest Social Monitoring Report results were not publicly accessible. The corrective actions provided were not sufficiently implemented. Therefore, <b>Major NCR against indicator 4.4.1 was reissued.</b></p> <p>During this surveillance audit 2 (2022), it was found,</p> <ol style="list-style-type: none"> <li>1. Procedures for Land Claim SFM/PR001 were used as a guideline for compensation payment with local communities surrounding the FMU. However, updated records on the status of compensation were not available.</li> <li>2. Consultations with 2 NGOs as interest groups in Gerennai FMU and community-based NGOs confirmed that there was inadequate consultation or engagement made on the Forest Certification Process and management. Local communities were confused between Community Camp and CRC function.</li> <li>3. Attendance records showed that only a small number of local community representatives were involved during the Awareness Program dated 11-21/01/2022.</li> <li>4. During SIRIM Stakeholders’ consultation with 24 villages (including unregistered) involving 297 people, it is confirmed that they don’t understand: <ol style="list-style-type: none"> <li>a. Forest Certification process including the objectives and meaning of FMU (Forest Management Unit)</li> <li>b. Formation of CRC and FMCLC and their function and difference with current Community Camp</li> <li>c. Complaint &amp; grievance form</li> </ol> </li> <li>5. During the stakeholder consultations, many of the communities were confused about the goodwill agreement</li> </ol>

Principle	Strengths	Weaknesses
	<p>15/03/2017 and SFM/GL 005 Safety Practices Guidelines dated 5/06/2017 also have been maintained with no changes.</p> <p>Gerena FMU has conducted Safety and Health meetings on 17<sup>th</sup> March 2022, 25<sup>th</sup> June 2022, and 25<sup>th</sup> September 2022. Safety and health records of forest workers were reported through JKPP 8 ref JKPP 8/99085/2021 dated 11th January 2022 to DOSH for incident records throughout 2020. The case of the incident including the near miss was recorded for 2021.</p> <p>Document on Right to Organize and Collective Bargaining (ILO Convention No. 98) has also been made available at the main office (Gerena FMU – Gerena Silat Camp). Labour Ordinance (Sarawak Cap 76), Employees Provident Fund Act 1991 and Employees’ Social Security Act 1969 were available. Records on payment showing the deductions made on the employee’s provident fund and social security were available.</p> <p>Interviews with workers confirmed that there were no restrictions for workers to freely organise into a union of their own choice in accordance with ILO Convention No. 87, hence to date workers choose not to have any union. Workers were aware that there were no restrictions for workers to organise and undertake collective bargaining and non- discrimination in the workplace. To date, there were no records showing collective bargaining had arisen for 2021/2022. SFM/PR 002 procedure on employees’ grievance resolution dated 15/03/2017 were still applicable. Box were place at office for employees to submit their grievance which for 2020/2021, no grievance has been raised.</p> <p>Payslips of sampled 6 surveyors and 1 senior clerk (paid by piece-rate and monthly paid) for August, September and October 2022 were verified and found to be more than RM1,500 per month and Total Deduction was less than 50% of their total salary were verified and confirmed the compliance against applicable laws including the permissible deduction for EPF, SOCSO, EIS, advance daily needs goods (JTKSWK/PG/245/2020(LAWAS)) – Permit</p>	<p>and compensation payment for trespassing ‘Temuda’ or lands belonging to the community.</p> <p>6. Grievance (Issue of Concern) raised during the Awareness Program dated 11-21/01/2022 was not handled as per FMC/PRO-002 Procedure for Conflict Resolution dated 7 Feb 2022</p> <p>The records of compensations against a fair agreement to resolve grievances to any loss and damage affecting the local communities were not available. The corrective actions provided were not sufficiently implemented.</p> <p><b>Thus, Minor NCR against Indicator 4.5.2 was upgraded to Major NCR</b></p>

Principle	Strengths	Weaknesses
	<p><i>Potongan daripada Gaji Pekerja di bawah Seksyen 114 Ordinan Buruh (Sarawak Bab 76)</i></p> <p>Based on the evidence provided, the previous Major against Indicator 1.1.1* satisfactorily closed.</p> <p><i>*The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations that were changed to Indicator 4.3.3 in MC&amp;I SFM.</i></p> <p>An initial SIA report was prepared by UPM Bintulu, entitled “SIA Report for Gerenai FMU dated July 2018”, and can be found in the Gerenai FMP 2018-2028 (Chapter 12) while Mitigation and Enhancement measures were suggested in the same Chapter 12 was made available during the audit. Based on the consultation session with the community during the audit in Long Palai, Long Moh, Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Mekaba, Long Jekitan, Long Selaan, Long Semiang, Long Silat, Long Belaong, Long Jeeh, Long Selawan, Lio Matoh and Long Tungan, the FMU representative has started visiting the respective villages to carry out social monitoring in December 2020.</p> <p>Provisions and measures have been taken by the FMU to prevent loss or damage affecting the local communities’ legal or customary rights, property, resources, or livelihoods briefly through Gerenai FMP, Chapter 12. Interviews with FMU managers and personnel have confirmed the awareness and understanding towards Adat e.g., Hutan Komunal/Pemakai Menoa/Pulau &amp; Temuda (Hunting Area, Shifting Agricultural Area, burial area etc.)</p>	
<p><b>Principle 5 Benefits from the Forest</b></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 based on evidence on these items.</p> <ol style="list-style-type: none"> <li>1. FMP (2018-2027) for Gerenai FMU clearly outlined the plan as stated in Chapter 3: Management Prescription (pg. C3-1 to C3-8),</li> </ol>	<p>A review of expenditures for the period covered Jul 21- June 22 found the total expenditure does not specify to include protection, research, conservation, and the environmental and social aspect. In addition, the expenditure for Operational was with separate records “Samling Group 2021/2022 Logging Operation Costing Report” Period</p>



Principle	Strengths	Weaknesses
	<p>Chapter 4: Planning for Forest Road and Harvesting System (pg. C4-1 to C4-3), Chapter 5: Pre-Harvesting Activities (pg.C5-1 to C5-10), Chapter 6: Harvesting Operation (pg 6-1 to C6-6), Chapter 7: EIA (pg. C7-1 to C7-9), Chapter 8: Forest Research (pg. C8-1 to C8-4), Chapter 9: Silviculture, Forest Rehabilitation and Reforestation (pg. C9-1 to C9-2), Chapter 10: Wildlife Management (pg. C10-1 to C10-5), and Chapter 11: Identification and Management of Protection Areas (pg. C11-1 to C11-3).</p> <ol style="list-style-type: none"> <li>2. Working plan entitled 'Gerena FMU FMC Unit Action Plan 2019/2020' is seen and verified.</li> <li>3. 'Preliminary Analyses of Forest Resource Assessment for Gerena FMU' prepared by the Management and Planning Division FDS dated June 2019.</li> <li>4. A report entitled 'Calculation of the AAC for Gerena FMU' prepared by Management and Planning Division FDS dated July 2019 [AAC per hectare = 22.02 m<sup>3</sup>/ha; 88,087.20 m<sup>3</sup> per annum] was verified and seen.</li> <li>5. All relevant guidelines related to RIL were available and seen namely, a) 'Guideline for RIL Systems in Forest Management Certification (Natural Forest) Area' 2019 by FD Sarawak, b) RIL Guidelines for Ground-based Harvesting Systems Vol. 1 &amp; Vol. 2, October 2017, and c) Compliance Assessment of RIL system (SFM/FDS/CP001). In addition, a sample of RILP [Operational Inventory Summary Sheet Covering Each Skid Trail of Individual Block (100% Tree enumeration for harvestable trees) for Block 26 that was approved by SFC (on 17/07/2019, Ref SFC 600-1/1/82.2(38) Jld.6) was verified during the audit.</li> </ol> <p>In order to encourage the optimal use of forest resources, Gerena FMU has conducted forest resource inventories with a total of 32 sampling units from 101 samplings that were planned earlier. Ten (10) of the FRA plots were then selected as Permanent Sample Plots and a Preliminary report by the Forest Department Sarawak (FDS) entitled 'Preliminary Analyses of Forest Resource Assessment for Gerena FMU' dated June 2019 was seen during the audit.</p>	<p>covered July 2021-June 2022 found to have exceeded the planned budget in the FMU. The document on "Gerena SFM Budget vs Actual for July 2022/ Oct 2023" and "expenditures for the period covered Jul 21-June 22" provided during the audit does not have endorsement or approval from the FMU management.</p> <p>The audit found the documentation on the annual budget for forest management contradicted expenditure records. The corrective action provided was not sufficiently implemented. <b>Thus, the previous Minor NCR against Indicator 5.1.1 was upgraded to Major NCR.</b></p>

Principle	Strengths	Weaknesses
	<p>A review of “Summary of Log Out from Coupe 01A” found the area was disputed by the local communities. Therefore, the harvesting activities were stopped to respect the local communities’ use rights. Thus, the previous Minor against Indicator 5.2.1 was closed.</p> <p>Except for water, no other non-timber forest products (NTFP) were exploited by the management of Gerenai FMU.</p> <p>Implementation of RIL to minimise damage for the residual stand from available guidelines is restricted to a few activities namely compliance with requirements from the state i.e., detailed harvesting plan and pre-felling inventories including obtaining RILP for a planned harvested coupe (and blocks).</p> <p>The Audit found that training has been given to workers by the external trainer from GFS. A review of the training Summary Report 13-20 Feb 2022, onsite training records of Coupe 02A, blocks 11 and 27, found 3 fellers have attended the training. The certificate of attendance and attendance list was reviewed. In addition, Gerenai FMU has been Compounded by the FDS. A review of records of Coupe Clearance Certificate No.118154, Line/Road 20/02A, blocks 011-012, 033-034 (4 blocks), with payment of compensation with receipt payment No. Bil Jabatan: F92211001523 dated 10 Nov 2022. Therefore, the previous Minor NCR against Indicator 5.3.1 was closed.</p> <p>During this surveillance 2 audit (2022), the audit found the RIL training by an external party was conducted on 14 – 18 February 2022. Interview with workers in Coupe 03A, Block 10 found they are aware of the RIL requirements. Evidence(s) of Doc. 02 (2) Road Survey Notes for FT20a-0-1, Doc. 03 (4) (a) Short RIL briefing to the contractor on site on 13 January 2022 given by Head of SEU Baram (Notes &amp; attendance list), (b) Request (21 January 2022) from Samling to FDS for further refresher training on 100% enumeration &amp; skid trail alignment for the contractor (Pinnacle) and SEU. (c) Letter dd 18 February 2022 from FDS agreeing to Samling request for training on 27</p>	

Principle	Strengths	Weaknesses
	<p>February to 5 March 2022 was reviewed and accepted by the auditor. Therefore, the previous Minor NCR against indicator 5.3.2 was closed.</p> <p>As per the audit period, there were no records of the production of a mix of forest products including the utilisation of non-timber forest products (NTFP) and services.</p> <p>Gerennai FMU operated within applicable guidelines to recognise and maintain the value of forest services and resources such as '<i>Guideline for RIL Systems in Forest Management Certification (Natural Forest) Area</i>' (FD Sarawak, 2019) and '<i>RIL Guidelines for Ground-based Harvesting Systems Vol. 1 &amp; Vol. 2</i>' (FD Sarawak, 2017).</p> <p>Verification of The Detail Harvesting Plan titled "Detailed Harvesting Plan (DP)/Road Plan for Coupe 02A (2020 Coupe Year) of T/0431, Samling Plywood (Miri) Sdn Bhd" dated 8 November 2021 (approved by FDS: MFO/T/0413 Jld 6-33) and the "RIL Map Coupe 02A Block 011" has shown harvesting was designed taking into consideration the need for the conservation of biological corridors and river buffer zones (Stream Bank Reserve [SBR]). The auditors visit the SBR buffer zone of Sg Silat and tributaries found the SBR boundary was painted blue with adequate signage.</p> <p>The rate of harvest for forest products is clearly stated in Gerennai FMU FMP (2019-2027), Chapter 3: Management Plan Prescriptions. It was stated that the operable area for Gerennai FMU is 100,004 ha and the mean annual operable area is 4,000 ha with a cutting cycle of 25 years. The AAC was determined by the FDS based on the data simulation using the FORMIND growth simulation programme. The AAC is calculated at 22.02 m<sup>3</sup>/ha and the annual AAC is 88,087.20 m<sup>3</sup> per annum. Currently, a review of "Summary of Log Out from Coupe 01A" found that the total area harvested was 2,618ha with actual tree harvested of 29,530m<sup>3</sup>.</p>	
<p><b>Principle 6 Environmental Impact</b></p>	<p>An EIA for the Re-entry Hill logging within Coupe 01AR to 07AR and 15AR under the Forest Timber License (FTL) No. T/0413 at the Batang Baram-Sg</p>	<p>Analysis of change of forest stand/species composition in relation to the pre-felling and post-felling inventories as "Procedure for</p>

Principle	Strengths	Weaknesses
	<p>Silat Area, Miri, Sarawak 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). Two (2) EIA reports were approved by the NREB, dated 15<sup>th</sup> June 2012 and on 10<sup>th</sup> September 2014.</p> <p>The Forest Management Plan of Gerenai FMU incorporated an assessment of environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna (ERT), and the need for biological corridors in the FMU as seen in Chapter 7.3.</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 provided in the procedures “Guideline for the Conservation of Genetic, Species and Ecosystem Diversity and Guidelines for Biological Corridors and Buffer Zone for Wildlife (WLMP 1996)” and SFC Guidelines on ERT Species (October 2013)</p> <p>There was existing cooperation between forest managers, conservation organizations and regulatory authorities in implementing conservation and management activities, ongoing project with SFC, ongoing research by Universiti Putra Malaysia (Bintulu Campus), FDS-Sampling Wildlife Assessment via Camera Trap in Gerenai FMU and Calculation of the AAC for Gerenai FMU – Management and Planning Division, FDS, Kuching, Sarawak.</p> <p>The awareness briefing on ERTs and HCV to local communities was also conducted during Stakeholder Consultation. Posters of Totally Protected Flora and Fauna Species were also distributed to Tuai Rumah for displaying at their longhouses. A Series of awareness programs were conducted jointly with the Forestry Department Sarawak from the 12<sup>th</sup> - 21<sup>st</sup> January 2022 covering all stakeholders briefing on the FMU concept, Forest certification, RTE, SIA, grievance procedures, HCV, Monitoring, User rights, CRC and FMCLC. The summary of this report and schedule was examined and verified during the field audit. Verification Consultations with</p>	<p>Post-Harvest Inventory Assessment” FMC/PRO-003 dated 1 Aug 2022” was not made available for closed harvesting blocks in Coupe 01A and 02A. <b>Therefore, Minor NCR was raised against Indicator 6.3.1.</b></p>

Principle	Strengths	Weaknesses
	<p>communities of Lio Mato, Long Tungan, Long Moh, Long Semiyang, Long Selaan and Long Julan Pelutan confirmed that the FMU and Forestry Department Sarawak had conducted awareness briefing at their respective villages and distributed Pamphlets on CRC/FMCLC, RTE and grievance forms. During the site visit, the RTE posters and publications were seen pasted on the Longhouse wall in the communal area.</p> <p>Protected areas (including HCV, Terrain IV, Water catchment, Stream buffer and others) were mapped in ‘Map H: Forest Zoning’: ‘Map K: Gerenai FMU within Heart of Borneo’; Map E: Forest Type: Map C: Terrain Class” for Gerenai FMU. Auditors visited the SBR buffer zone of Sg Silat and tributaries found the SBR boundary was painted blue with adequate signage.</p> <p>The FMU has conducted environmental monitoring to assess the impacts of forest operations at Gerenai FMU. The EMR on water quality and damage due to logging was submitted to the NREB quarterly.</p> <p>Management policy on the use of environmentally friendly non-chemical methods of pest management and avoiding the use of chemical pesticides were available in the “Environmental Policy” signed by the CEO on dated 5<sup>th</sup> June 2017.</p> <p>The activities of hunting, fishing, and collecting in the FMU were controlled by five (5) appointed Honorary Wildlife Rangers</p> <p>The FMU has conducted field patrolling and monitoring, e.g., in Coupe 3A (12/2/2022), Coupe 25A (19/10/2022), Coupe 3A (6/10/2022) and Coupe 1A (26/9/2022) to control and monitor any illegal encroachment, harvesting, hunting and settlement.</p> <p>During this surveillance audit 2 (2022), A Series of awareness programs were conducted jointly with the Forestry Department Sarawak from the 12 - 21 January 2022. Verification Consultations with communities of Lio Mato, Long Tungan, Long Moh, Long Semiyang, Long Selaan and Long Julan Pelutan confirmed that the FMU and Forestry</p>	

Principle	Strengths	Weaknesses
	<p>Department Sarawak had conducted awareness briefing at their respective villages and distributed Pamphlets on CRC/FMCLC, RTE and grievance forms. During the site visit, the RTE posters and publications were seen pasted on the Longhouse wall in the communal area. Therefore, Minor NCR against Indicator 6.2.5. was closed.</p> <p>The common boundary between Coupe 20A and Coupe 24A was inspected on the ground by the auditor and found to be marked and painted according to SOP. Inspected external (license T/0431) boundary at Long Palai was also inspected and found to meet boundary demarcation and maintenance guidelines.</p> <p>Management guidelines to assess post-harvest natural regeneration and enrichment planting were available for Gerenai FMU through the 'Guideline and Procedures for Enrichment Planting' (established by SFC), and in Chapter 9: Silviculture, Forest Rehabilitation and Reforestation in the Gerenai FMP outlined the objectives and silvicultural prescription guidelines (encompassing silvicultural treatment, Enrichment Planting and Silvicultural Treatment locations).</p> <p>Guidelines for the conservation of genetic, species and ecosystem diversity in the FMU were available in the "Guidelines for the Conservation of Genetic Species and Ecosystem Diversity and Guidelines for Biological Corridors and Buffer Zone for Wildlife" (In-house Samling documents) and the "Guidelines for Fauna Conservation and Ecosystem Management (SFC Guidelines ERT Species (2014)". In addition, Chapter Eleven – Identification and Management of Protection Areas in the Gerenai FMP was also available for implementation.</p> <p>Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations were identified and demarcated and protected in their natural state as per HCVF report titled 'High Conservation Value Assessment Report: Gerenai FMU T/0341 dated February 2019. The assessment report contained recommendations for the management and monitoring of the HCV areas</p>	

Principle	Strengths	Weaknesses
	<p>identified during the field HCV survey. Protected areas (including HCV, Terrain IV, Water catchment, Stream buffer and others) were mapped in “Map H: Forest Zoning”, “Map K: Gerenai FMU within Heart of Borneo”, “Map E: Forest Type”, “Map C: Terrain Class” for Gerenai FMU. Terrain IV areas were found protected, boundaries marked with blue paint and mapped.</p> <p>Site visit during verification audit to F-2-4-1 showing road was upgraded/repared to specification between 6-8m width. The roadside bund is formed to define the road width. The area of overwidth has now been planted with Kapur species. All debris in the buffer zone and the river was removed and cleared. RIL training by an external party was conducted from 14 to 18<sup>th</sup> February 2022. Interview with workers in Coupe 03A, Block 10 found they are aware of the RIL requirements. Evidence(s) of Doc. 02 (2) Road Survey Notes for FT20a-0-1, Doc. 03 (4) (a) Short RIL briefing to the contractor on site on 13 January 2022 given by Head of SEU Baram (Notes &amp; attendance list), (b) Request (21 January 2022) from Samling to FDS for further refresher training on 100% enumeration &amp; skid trail alignment for contactor (Pinnacle) and SEU. (c) Letter dd 18 February 2022 from FDS agreeing to Samling request for training on 27 February to 5 March 2022 was reviewed and accepted by the auditor. Therefore, the previous Major NCR raised against indicator 6.5.1 and Minor NCR against indicator 6.5.3 was closed.</p> <p>Site visit during verification audit to road S-2-4 found the area was restored, between Block 10 and 9 with logs and debris removed from SBR. The tag was removed from the PCT in SBR in Block 9 by the contractor when they returned to repair blocks in Coupe 3. Three other tags were removed by a contractor during repair [2 PCTs and 1 merchantable tree]. Therefore, the previous Major NCR against indicator 6.5.4 was closed.</p> <p>The Forest Fire Management Plan has been prepared and updated in the FMP Chapter 15: Fire Management Plan [pg. C15-1]. Therefore, Minor NCR against indicator 6.5.5 was closed.</p>	

Principle	Strengths	Weaknesses
	<p>The use of environmentally friendly non-chemical methods of pest management was stated in the Samling Policy Number 10: Pesticide Use in Natural Forest Management signed by CEO dated 5<sup>th</sup> June 2017.</p> <p>Guidelines on chemical handling was included in the “Guidelines Storage and Handling of Hazardous Materials: Samling Guidelines: SFM/GL 003)” dated 15<sup>th</sup> March 2017 on the use of chemicals in the forest approved by relevant regulatory authorities as per ‘Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 – Part II, Reg. 5, 15 &amp; 16 has been implemented in the FMU.</p> <p>Interviews with forest managers (General Manager) and nursery workers found they were aware of the environmental policy. Chemical Policy briefing was also included in the “MC&amp;I” awareness briefings held on 5 Oct 2022.</p> <p>SOP on disposal and storage of oil, fuel, tyres, containers, liquid and solid non-organic wastes was available in the “Guidelines on Disposal and Storage of Scheduled Waste: SFM/GL 002” dated 15<sup>th</sup> March 2017.</p> <p>Site visit to the Workshop at Gerenai basecamp found Generated scheduled waste SW409 (contaminated containers), SW408 (contaminated sand and sawdust), SW410 (rags and used oil filter), SW102 (used battery), SW306 (used lubricant hydraulic) and SW305 (used lubricant oil) were labelled, recorded and stored in designated places following the SOP. Appropriate signage was found adequately placed at the premises.</p> <p>Health, Safety and Environment (HSE) policy statements were found displayed on the notice board for worker awareness. Work instructions on “Handling used oil filter, handling contaminated sawdust, Management of used paint container, Management of used batteries and Management of used oil” were also sighted at the storage areas.</p>	



Principle	Strengths	Weaknesses
	<p>During a visit to Coupe 02A in Gerenai FMU, it was observed that no forest harvesting activities were taking place. Consequently, household waste and fuel containers (drums) at the workers' quarters in Gerenai Camp and Rumah Tarik were not present during the audit.</p> <p>There was no application of biological control agents in the FMU.</p> <p>A site visit to the Gerenai FMU found no exotic species were planted in the forest.</p> <p>There was no plan for converting the forest area to plantations. Conversion of natural forest into non-forest land use had not occurred within the FMU.</p>	
<p><b>Principle 7 Management Plan</b></p>	<p>Ten (10) Years Forest Management Plan (Gerenai Forest Management Plan) for Forest Timber Licence No. T/0413, Samling Plywood (Miri) Sdn Bhd (2018-2027) dated June 2019 was made available during the audit. A review of the FMP found that the plan had addressed all issues and requirements of Criterion 7.1. items (a) to (i) listed in Principle 7</p> <p>FMP (2018-2027) for Gerenai FMU clearly outlined the plan as stated in Chapter 3: Management Prescription (pg. C3-1 to C3-8), Chapter 4: Planning for Forest Road and Harvesting System (pg. C4-1 to C4-3), Chapter 5: Pre-Harvesting Activities (pg. C5-1 to C5-10), Chapter 6: Harvesting Operation (pg 6-1 to C6-6), Chapter 7: EIA (pg. C7-1 to C7-9), Chapter 8: Forest Research (pg. C8-1 to C8-4), Chapter 9: Silviculture, Forest Rehabilitation and Reforestation (pg. C9-1 to C9-2), Chapter 10: Wildlife Management (pg. C10-1 to C10-5), and Chapter 11: Identification and Management of Protection Areas (pg. C11-1 to C11-3).</p> <p>The FMU will periodically revise the forest management plan every 5 years, in 2023.</p> <p>Records of new scientific and technical information pertinent to the management of the area to be certified were also available to the forest managers. Records of new scientific and technical information and from monitoring</p>	<p>There were no negative findings.</p>

Principle	Strengths	Weaknesses
	<p>activities were covered in the FMP as cooperation between forest managers, conservation organizations and regulatory authorities in implementing conservation and management activities, such as Rapid Wildlife Assessment via Camera Trapping Inside the Proposed Mujan-Julan National Park, Miri by WWF (Malaysia) on July 2019 and joint program on a research project with University Putra Malaysia, Bintulu Sarawak Campus, with signed MOU on 3<sup>rd</sup> December 2018</p> <p>Gerennai's Forest Managers clearly defined and assigned specific roles and responsibilities of the forest worker to ensure effective implementation of the forest management plan as Gerennai FMU Operations Organisation chart (2021-2022). Gerennai FMU provides classroom facilities and training has been planned as per The Annual FMU Program &amp; Training Plan for the year 2022. Progressive communication and planning have been done with Samling HQ and supported by SFC, Forest Department Sarawak and STA.</p> <p>The summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 were made available at <a href="http://www.samling.com/doc/Public%20Summary%20FINAL%2017%20June%202019%20(004).pdf">http://www.samling.com/doc/Public%20Summary%20FINAL%2017%20June%202019%20(004).pdf</a></p>	
<p><b>Principle 8 Monitoring and Assessment</b></p>	<p>The Gerennai FMU complies with the regulatory monitoring procedures in accordance with relevant federal and state guidelines of the Forest Department Sarawak and other relevant agencies.</p> <p>The FMU management has appropriately included all relevant information needed to monitor items listed in (a) to (e) of Criterion 8.2.</p> <p>For Gerennai FMU, tracing the forest product (logs) from its origin, a process known as the “chain of custody”, leaving the certified area, was verified through selected records and relevant documents presented. The documents were verified to be in order.</p> <p>The public summary of the management plan for Gerennai FMU can be accessed on the FMU website.</p>	<p>A review of the management review meeting minute dated 10 October 2022, titled 'Minute of Meeting on the Status of Closure Actions Taken for the NCRs Raised in Last Audit for Gerennai FMU,' found did not cover the required topics specified in Appendix A, such as changes in external and internal issues, organization's performance including monitoring and measurement results, and opportunities for continual improvement. In addition, the Internal audit conducted on 5-7 October 2022, did not comply with the 'Procedure for Internal Audit, Management Review and Risk Assessment' (Rev. 1 October 2022) and Appendix A (MC&amp;I SFM standard). The internal audit report lacked the root cause analysis and corrective action plans for the six Minor NCRs.</p> <p>It was found that the corrective action plan</p>

Principle	Strengths	Weaknesses										
	<p>Gerennai FMU was found to have their own set of procedures and guidelines specifically for monitoring purposes e.g., Procedures on Hunting Control &amp; Wildlife Monitoring [Ref: SFM/PR-003], Procedure on Establishment of Treatment Lines and Plots in Harvested Block [Ref. SFM/PR-004], Procedure on Silviculture Treatment and Schedule [Ref: SFM/PR-005], and others.</p> <p>All the said procedures available are by the state (Forestry Department) guidelines and regulatory monitoring procedure. Set of procedures/guidelines from the state and other agencies also adopted by the Gerennai FMU to monitor the forest management operations e.g., Instruction for the Inspection of Logging Areas 1982 by FDS, Procedure for the Inspection of Harvesting Areas 1999 by FDS, Technical Manual for Forest Resource Assessment [Ref.: SFM/MPD/FDS-01] by FDS and others.</p> <p>Gerennai FMU management also has a programme for annual area patrolling and monitoring schedules. The programme for 2019 is available and verified during the audit. The monitoring is scheduled to be done twice a month with four types of patrolling/monitoring, namely general monitoring &amp; surveillance survey, water catchment area survey, stream bank reserve (SBR) boundary patrolling and common license boundary patrolling.</p> <p>For monitoring and assessment purposes, the relevant information was gathered based on the following indicators.</p> <p>a) Yield of all forest products harvested. The logging activity has been conducted at Coupe 02A from October 2021 to June 2022. The AAC calculated in Clause 3.4 of FMP</p> <p>b) Composition and observed changes in the flora and fauna. Composition and changes of flora are done through FRA and PSP plots systematically established by the Gerennai FMU management and reported as explained in item (b) above. For composition and changes of fauna, Gerennai FMU management has established periodical monitoring fauna activities.</p>	<p>was not effectively implemented. As a result, the <b>previous Minor NCR against Indicator 8.1.3. was upgraded to a Major NCR</b></p> <p>During site inspection at PSP No.16 found the point of measurement of diameter at breast height (dbh) from the ground was based on estimation. Thus, affecting the accuracy of measurement.</p> <table border="1" data-bbox="943 537 1403 751"> <thead> <tr> <th>Tree no.</th> <th>Height from the ground (meter)</th> </tr> </thead> <tbody> <tr> <td>1B-01 (Benu)</td> <td>1.1</td> </tr> <tr> <td>4B-21 (Resak)</td> <td>1.2</td> </tr> <tr> <td>4B-27 (Maik)</td> <td>1.2</td> </tr> <tr> <td>4A-11 (Benu)</td> <td>1.4</td> </tr> </tbody> </table> <p>Furthermore, the measurement of the horizontal distance of Base Line 4A was not corrected using the slope correction table. The measurement of slope for Base Line 1A using a clinometer was incorrectly applied. <b>Therefore, Minor NCR was raised against Indicator 8.2.1</b></p>	Tree no.	Height from the ground (meter)	1B-01 (Benu)	1.1	4B-21 (Resak)	1.2	4B-27 (Maik)	1.2	4A-11 (Benu)	1.4
Tree no.	Height from the ground (meter)											
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Principle	Strengths	Weaknesses
	<p>Fauna data was collected from (i) Incidental Wildlife Sightings and (ii) Camera Trapping. Data collections were conducted in the year 2021 and 2022. The Incidental Wildlife Sighting records were collected from Scheduled Wildlife Monitoring based on direct sightings, tracks and calls.</p> <p>The FMU has used 1 unit of camera trap to capture wildlife in Coupe 02A for almost 4 months from March to June 2022. A total of 25 units of camera traps were deployed in Coupe 22A, 23A and 24A for almost 5 months from October 2021 to February 2022. The results of the assessment were reported in the 'Annual Report for Wildlife Monitoring (2021-2022)'</p> <p>c) Environmental and social impacts of harvesting and other operations  The EIA report for Gerenai FMU was prepared by Ecosol Consultancy Sdn. Bhd. in 2012 [Ref. No. NREB/6-3/2H/30] and 2014 [Ref. No. NREB/6-3/2H/37]. The same consultant also prepared the environment monitoring quarterly report. (3) 3rd quarter of EMR for July-Sept 2022 dated 7 September 2022 was seen and verified. In terms of social impact, the initial SIA report was prepared by UPM Bintulu, entitled 'SIA Report for Gerenai FMU', and also can be found in the Gerenai FMU FMP 2019-2028 [pg. C12-8 to C12-10] while Mitigation and Enhancement measures were suggested in chapter 12.9 [pg. 12-23 to C12-30]. Cost, productivity and efficiency of forest management. The Social impact evaluations and monitoring were carried out by Gerenai FMU in 3 phases (2<sup>nd</sup> week of April 4<sup>th</sup> week of April and 1<sup>st</sup> week of May 2022). The Social Impact Evaluations and Monitoring covers both the villages within (10) and adjacent (15, previously 12 in the 2018 SIA) of FMU</p> <p>d) The annual budget and allocation of Gerenai  The annual budget and allocation of Gerenai FMU is controlled by the Samling office headquarters and managed by the finance. Data on the spending and profit are properly</p>	

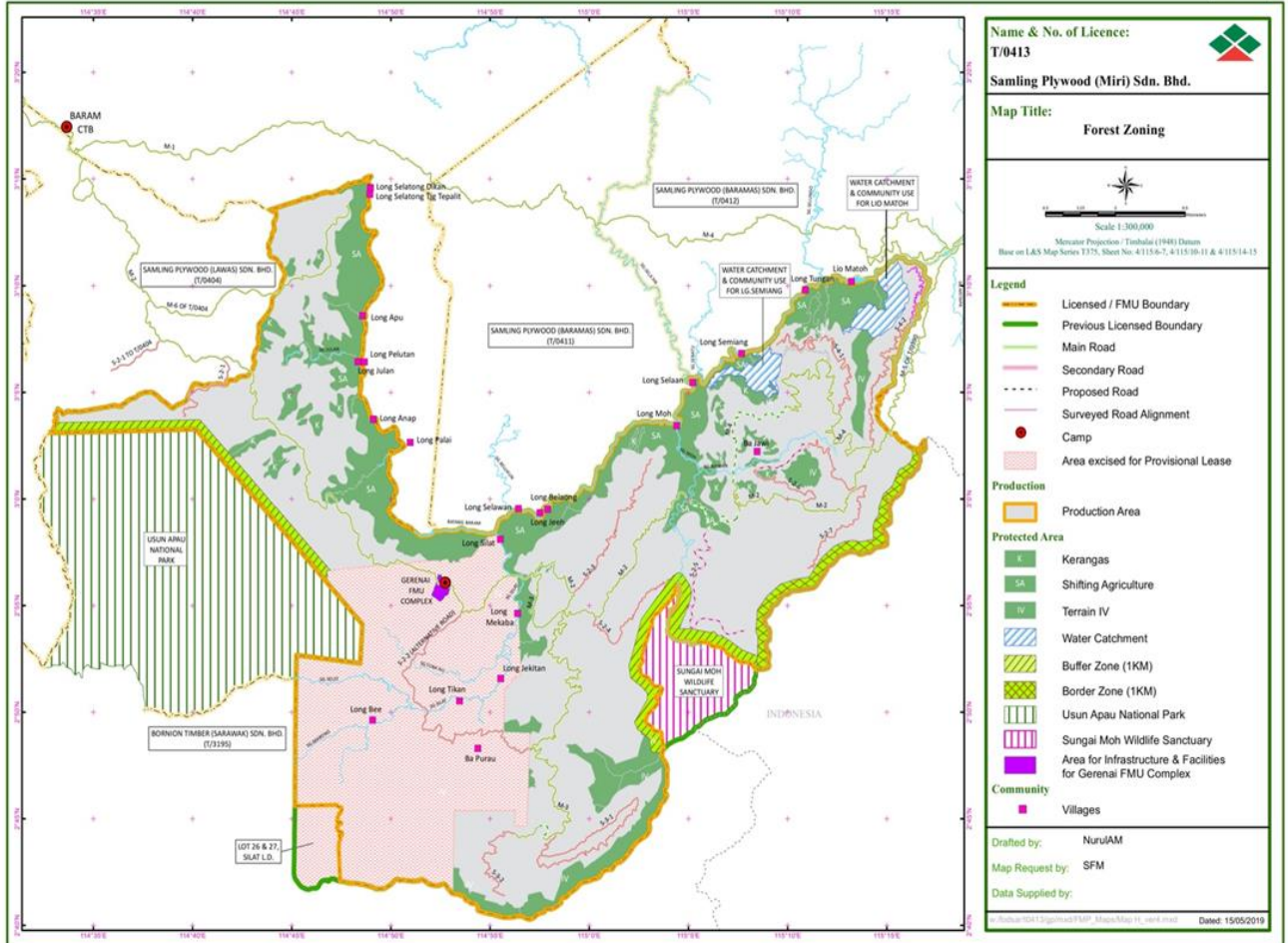
Principle	Strengths	Weaknesses
	<p>monitored and systematically recorded so that cost, productivity and efficiency will be assessed annually.</p> <p>e) Growth rates, regeneration and condition of the forest.  A total of 32 sample units of FRA plots were established from a total of 101 sample units that were planned. The FRA plots will give the information on the regeneration and condition of the trees (forest). Preliminary result was reported by the FD Sarawak in the document entitled 'Preliminary Analyses of Forest Resource Assessment in Gerenai FMU' dated June 2019 and included in Gerenai FMU FMP 2019-2028 [pg. C2-1 to C2-6]. Ten plots from the FRA plots that had been inventoried were then selected as Permanent Sample Plot (PSP). All data has yet to be analysed but 'Overview Analysis of FRA' form 10 PSPs was seen during the audit. Nevertheless, the growth of the forest also was obtained by using simulation program as reported in the document entitled 'Calculation of the AAC Gerenai FMU' by FD Sarawak and in the Gerenai FMU FMP (2019-2028) [pg. C3-6 to C3-7]. The condition of the forest based on stock density was also obtained from satellite imagery as reported in the FMP [pg. C3-5].</p> <p>The "Chain of Custody (CoC) Flow Chart" was available for implementation In Gerenai FMU. The tracing of the forest product (logs) from its origin, a process known as the "chain of custody", leaving the certified area, was possible through verification of records and relevant documents. At Gerenai FMU, KM83 has been approved as PORM (Place of royalty marking) and CTB Stumping Point and Tuyut Camp as CDC (Collection and Distribution Centre) respectively.</p> <p>Records of Removal Pass (Royalty) along with the associated Log Specification Form for Royalty Certificate for Batch No MR0722A01-01 dated 5.7.2022 (removal pass No. C372561), and Batch No.MR0722A01-01 dated 5.7.2022 (removal Pass No. FDS0013812) including Log transportation documentation on Removal Pass transit for Royalty Certificate was verified during the audit.</p>	

Principle	Strengths	Weaknesses
	<p>The Gerenai FMU FMP 2018-2027 clearly stated that all results of the research and monitoring will be taken into consideration for mid-term review in the fifth year [pg. C3-7]. Based on the interview with the officers and personnel of the Gerenai FMU during the audit, all the data needed is still being gathered and will be incorporated in any revision of the FMP and during the mid-term review of the FMP in the fifth year.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2 of the Gerenai FMU can be accessed at <a href="https://www.samling.com/sites/default/files/inline-files/Gerenai%20FMU%20Public%20Summary%20_%20v.17June2019(004)_5March.pdf">https://www.samling.com/sites/default/files/inline-files/Gerenai%20FMU%20Public%20Summary%20_%20v.17June2019(004)_5March.pdf</a></p>	
<p><b>Principle 9 Maintenance of High Conservation Values</b></p>	<p>Assessment on the presence of the attributes consistent with HCVF was found in the report entitled “High Conservation Values Assessment Report; Gerenai Forest Management Unit: FTL T/0413” dated February 2019, prepared by SFC.</p> <p>A Technical Expert Consultation was held on 5th July 2019 at the WWF Office in Kuching to discuss the High Conservation Value (HCV) Assessment Report of Gerenai FMU (T/0413). Stakeholders such as WWF-Malaysia, FDS, STA, and Gerenai FMU representatives participated in the consultation. Valuable comments and feedback were received, which were taken into consideration during the finalization of the HCV report.</p> <p>The FMU has demonstrated that the identified HCVs are protected in their forest operation as stated in the Gerenai FMP (2018 – 2027) in Chapter 11. Specific measures were outlined in the Gerenai FMP for recognizing HCVF areas in the form of a map entitled “Map HCV1.1; Map HCV 1.4; Map HCV2.0 (Part A &amp; B); Map HCV3.0; Map HCV4.1; Map HCV4.2; Map HCV5 and Map HCV6.”</p> <p>Measures recommended for maintenance of the HCV attributes included the following:</p> <ol style="list-style-type: none"> <li>1. Buffer zones shall be maintained along the boundaries of TPAs.</li> </ol>	<p>The local communities were consulted between 11th and 21st January 2022 (e.g., Kpg Lepo Gah Tanjung Tepalit, Lg. Julian Asal, Lg. Palai, Lg. Selaan, Lg. Jekitan, and others) to identify potential High Conservation Value (HCV) areas such as salt licks, Rafflesia, and Ipoh trees. However, no follow-up action was taken to locate, mark, and protect these HCV areas until November 2022.</p> <p>Furthermore, the HCV area of Bindang (Agathis sp.) at Block 24, Coupe 02A was inaccessible during the audit. The auditor only reached Block 18 of Coupe 02A during the site inspection, which prevented verification of the FMU's efforts to mark and protect the HCV area.</p> <p>The FMU did not take the necessary steps to mark, maintain, or enhance the HCV areas as required. The measures to protect areas of high conservation value within the FMU could not be confirmed during the audit. As a result, <b>Minor NCR was raised against Indicator 9.3.1.</b></p>

Principle	Strengths	Weaknesses
	<ol style="list-style-type: none"> <li>2. The “No hunting” policy be maintained and enforced to the extent possible (although local communities are allowed to hunt for food)</li> <li>3. The DF Circular 6/99 should be prominently displayed to reinforce the “no hunting” policy.</li> <li>4. Any critical temporal use area and salt licks should be excluded from the operation area. Buffer zones must be established.</li> </ol> <p>Results and findings of the HCVFs monitoring activities in Gerenai FMU shall be incorporated into the implementation and revision of the Gerenai Forest Management Plan.</p>	

Map of Gerenai Forest Management Unit

MAP H





## Details of Auditors and Qualification

Names of Audit Team	Role	Qualification and Experience
<p>Khairul Najwan Ahmad Jahari</p>	<p>Audit Team Leader / Forester</p>	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Currently serving as a Senior Lead Auditor at the Food, Agriculture, and Forestry Section (FAF) of SIRIM QAS International since 2009. Involved in conducting assessments for forest management certifications such as MC&amp;I, MYNI of RSPO P&amp;C, MSPO, MyTLAS, STLVS, and other management systems including ISO 9001, 14001, and OHSAS 18001.</p> <p>Formerly was appointed as a Research Officer in the Natural Forest Division of the Forest Research Institute of Malaysia (FRIM) in 2001. Responsible for conducting and coordinating research on the 8th Malaysian Plan Project. Producing technical reports, meetings, seminar, and conference reports, as well as quarterly physical and financial reports. Also involved in coordinating and participating in field work, multi-level meetings, seminars, conferences, and workshops. Additionally, contributed to other ongoing projects within FRIM as an organizing committee member, participating in division level activities and projects.</p> <p>Training / Research Areas: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
<p>Mohd Razman Salim</p>	<p>Auditor/ Forester</p>	<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</p>

		<p>QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> <li>• Auditor Training Course on MC&amp;I Sustainable Forest Management organized by MTCC, 18 August 2020.</li> </ul>
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: 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>

## Comments by Stakeholders and Responses from Audit Team

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	<p>Name: Celine Lim Designation: Manager Organization: SAVE Rivers Received on 4 Oct 2022</p>	<p>Community consultations are not adhering to the Free Prior and Informed Consent (FPIC) requirements. This is evident through the collective letters of protests that communities have sent to all relevant authorities/actors in the certification process.</p> <p>Community members have also since 2019 have expressed their grievances through the SIRIM audit processes.</p> <p>The communities also vented these grievances through the MTCC Dispute Resolution Process which was put on hold citing the defamation lawsuit against SAVE Rivers (defendant) by Samling (plaintiff). The fact that there are grievances documented by the communities within the FMU shows major non-compliances.</p> <p>SAVE Rivers as an active stakeholder in the GERENAI FMU audit and certification process is being sued by Samling. It is our mandated role as a stakeholder to review and assess them. The fact that there is vague and ambiguous and even NO fail-safe protection of stakeholders in playing their role in this process is concerning for any future FMU audits. This means as stakeholders, we cannot play our role fully without the fear of persecution.</p> <p>As a stakeholder within the FMU audit process, SAVE Rivers would also like to highlight that we were ONLY informed of this audit process on 30th September via email. This gives us merely a week before the audit date of 10th October 2022 which was stated also in the email from your establishment. For reference, this is from your publicly available documents</p>	<p>During the consultation with affected local communities during surveillance audit 2, the audit team has raised Major NCR that related to the comments, i.e.,</p> <ul style="list-style-type: none"> <li>• Indicator 2.2.2 [reissued] - Consultations held with local communities to identify and document areas traditionally used and sites of significant important to them were not conducted.</li> <li>• Indicator 2.3.1 [upgrade] - Updated records of a dispute over tenure and use rights.</li> <li>• Indicator 3.1.1 [upgrade] - Lack of engagement and identification of the customary rights of the indigenous communities within and surrounding the FMU and the status of indigenous people's control over their land and territories was still not clear.</li> <li>• Indicator 3.1.2 [reissued] - Engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources was inadequate, engagement with communities was limited to community leaders and no record of delegation control with free, prior, and informed consent to other agencies and/or parties were available.</li> <li>• Indicator 3.3.2 [reissued] - Consultation with affected local communities on the mechanism for conflict resolution (sites of special cultural, ecological, economic, or religious) was not sufficient.</li> <li>• Indicator 4.5.2 [upgrade] - The records of compensations against a fair agreement to resolve grievances to any loss and damage affecting the local communities were not available.</li> </ul> <p>The MTCC Dispute Resolution Process were beyond the Certification Body's control. Therefore, we are unable to respond to this comment. However, the Save River representative and other NGOs were consulted by the auditor on 28.11.2022.</p>

		<p>on <a href="https://mtcc.com.my/wp-content/uploads/2016/11/ACB-FMC-1-4-Stakeholder-Consultation-Issue-2-1-Jul-2013.pdf">https://mtcc.com.my/wp-content/uploads/2016/11/ACB-FMC-1-4-Stakeholder-Consultation-Issue-2-1-Jul-2013.pdf</a></p> <p>ACB-FMC 1-4 section 4.5 where it states that “The CB shall inform the stakeholder groups identified in para 4.3 above at least <b>one month</b> before the start of the audit (for stage 2, surveillance or recertification)” Please take note that this has not been adhered to in this case of this surveillance process.</p>	<p>The stakeholder engagement process for providing feedback to Sirim QAS is not restricted to just one month before the audit. Stakeholders have the opportunity to share their feedback at any time. The Certification Body (CB) would officially inform stakeholders one month prior to the audit as a reminder. However, there are occasions when the dates might change unexpectedly. The auditor diligently recorded and verified all comments received from stakeholders, whether they were submitted before or within the one-month period during the audit process.</p>
	<p>Name: Undisclosed Designation: Campaigner Organization: Bruno Manser Fund</p> <p>Date: 5.10.2022</p>	<p>a. Community consultations are not adhering to the Free Prior and Informed Consent (FPIC) requirements:</p> <p>I. This is evident through the collective letters of protests that communities have sent to all relevant authorities/actors in the certification process.</p> <p>II. We acknowledge that Samling organized briefings earlier this year to inform the communities about the Gerenai FMU. However, during these briefings in the villages it became very clear that people do not have much knowledge about the FMU and MTCS, much less have given their consent to MTCS, as was reported to us by people attending this meetings. This briefing cannot be considered consent. Apparently, Samling has not done any follow-up since then.</p> <p>III. SAVE Rivers has voiced out community concerns with the lack of consultations and FPIC by Samling in the Gerenai FMU. Consequently, Samling sued SAVE Rivers in a SLAPP suit (Strategic Lawsuit Against Public Participation). The Free in FPIC refers to « free from coercion », but a lawsuit for defamation is coercion. In this way, communities are silenced and prevented from participating as SAVE Rivers plays a key role as community voice in the certification/auditing process. As long as the SLAPP suit is pending, « free » in FPIC can never be met.</p>	<p>I. All comments received by the stakeholders either before or within one month was taken by the auditor and verified during the audit. The Save River representative and other NGOs representative were consulted by the auditor on 28.11.2022.</p> <p>II. During the consultation with affected local communities during surveillance audit 2, the audit team has raised Major NCR that related to the comments, i.e.,</p> <ul style="list-style-type: none"> <li>• Indicator 2.2.2 [reissued] - Consultations held with local communities to identify and document areas traditionally used and sites of significant important to them were not conducted.</li> <li>• Indicator 2.3.1 [upgrade] - Updated records of a dispute over tenure and use rights.</li> <li>• Indicator 3.1.1 [upgrade] - Lack of engagement and identification of the customary rights of the indigenous communities within and surrounding the FMU and the status of indigenous people’s control over their land and territories was still not clear.</li> <li>• Indicator 3.1.2 [reissued] - Engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources was inadequate, engagement with communities was limited to community leaders and no record</li> </ul>

	<p>IV. According to our knowledge, a proper CRC (Community Representative Committee) still has to be set up. The existing one was set up without the knowledge of many of the appointed members from the communities as became evident during the above mentioned briefings.</p> <p>b. As a stakeholder within the FMU audit process, the Bruno Manser Fund would also like to highlight that we were ONLY informed of this audit process on 30th September via email. This gives us merely a week before the audit date of 10th October 2022 which was stated also in the email from your establishment. The guidelines require communications at least one month before the start of the audit. Please take note that this has not been adhered to in this case of this surveillance auditing process.</p> <p>c. In order to meaningfully participate, we and the local communities need access to all relevant documents and request full transparency. Specifically, we request minutes of meetings between Samling/Sirim and the communities, full SIAs and EIAs as well as any updated relevant maps.</p> <p>d. The Green Book of the Forest Department Sarawak requests zoning into community use zones, water catchment zones, protection zones and so on. Samling’s maps lack most of these categories and are sketchy at best. When is this zoning with the communities meant to happen? Why was the certificate granted without proper zoning prior to the issuance?</p> <p>e. Samling’s published Forest Management Plan for Gerenai FMU mentions an excised area of about a quarter of the total area. Sometimes Samling writes that the area “will be excised”, sometimes that it “was excised”. What is the status of the excisement? Is the timber cut under salvage logging in the excised area also MTCS certified? Has there been an HCV assessment completed before the excisement? The MTCS</p>	<p>of delegation control with free, prior and informed consent to other agencies and/or parties were available.</p> <ul style="list-style-type: none"> <li>• Indicator 3.3.2 [reissued] - Consultation with affected local communities on the mechanism for conflict resolution (sites of special cultural, ecological, economic or religious) was not sufficient.</li> <li>• Indicator 4.5.2 [upgrade] - The records of compensations against a fair agreement to resolve grievances to any loss.</li> </ul> <p>III. The MTCC Dispute Resolution Process were beyond the Certification Body’s control. Therefore, we are unable to respond to this comment. However, the Save River representative and other NGOs were consulted by the auditor on 28.11.2022, a day before surveillance audit 2 conducted at Gerenai FMU</p> <p>IV. The auditor has raised a Major NCR against Indicator 3.1.2 [reissued] - Engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources was inadequate, engagement with communities was limited to community leaders and no record of delegation control with free, prior and informed consent to other agencies and/or parties were available.</p> <p>b. The stakeholder engagement process for providing feedback to Sirim QAS is not restricted to just one month before the audit. Stakeholders have the opportunity to share their feedback at any time. The Certification Body (CB) would officially inform stakeholders one month prior to the audit as a reminder. However, there are occasions when the dates might change unexpectedly. The auditor diligently recorded and verified all comments received from stakeholders, whether they were submitted before or within the one-month period during the audit process.</p> <p>c. The stakeholders shall request the specified documents and records directly to the Gerenai FMU.</p>
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## Surveillance 2 Audit Plan (2022)

DAY	TIME	PROGRAM		
		AUDITOR 1, 2 and 3		
<b>Travelling &amp; Stakeholder Consultation</b>  <b>Monday</b>  <b>Travel Day 1</b>  <b>28.11.2022</b>	6.00 am – 11.45 am	All Auditors will arrive at Miri Airport on Monday, 28 Nov 2022, Flight MH2574, ETD 08:55, ETA 11:25		
	12.00 pm – 2.00 pm	Stakeholder Consultation with NGOs and communities at Pullman Miri Lobby (if any)		
	2.00 pm – 6.00 pm	Traveling to Gerenai CTB		
<b>Audit Day 1</b>  <b>Tuesday</b>  <b>29.11.2022</b>	7.30 am 10.30 am – 12.00 pm	<ul style="list-style-type: none"> <li>• Travel to Gerenai Camp</li> <li>• Opening Meeting with representatives of FMU</li> <li>• Briefing session by Forest Manager of the FMU</li> <li>• Q&amp;A Session</li> <li>• Follow up on audit findings Surveillance 1 Audit</li> <li>• Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> <li>○ Local Communities</li> <li>○ Government agencies</li> <li>○ NGOs</li> </ul> </li> </ul>		
	12.00 pm – 1.00 pm	Lunch break		
	1.00 pm – 7.30 pm	Documentation and records review		
		Najwan • Principle 5 – Benefits from the forest	Razman • Principle 1 – Compliance with Laws and Principles	Lydia • Principle 2 – Tenure and Use Rights and Responsibilities

		<ul style="list-style-type: none"> <li>• Principle 6 – Environmental Impact</li> <li>• Principle 9 – Maintenance of High Conservation Value (HCV)</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 7 – Management Plan</li> <li>• Principle 8 – Monitoring and Assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Principle 3 – Indigenous Peoples’ Right</li> <li>• Principle 4 - Community Relations and Worker’s Rights</li> </ul>
<b>Audit Day 2</b>  <b>Wednesday</b>  <b>30.11.2022</b>	7.30 am – 1.00 pm	Site visit  <ul style="list-style-type: none"> <li>• Inspection of harvesting area</li> <li>• Inspection of Coupe Boundary</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Fauna monitoring sites/HCV</li> <li>• PSP</li> <li>• Consultation with Local Communities Long Palai</li> <li>• Licence boundary</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Moh</li> <li>• SA area along M-2 Road</li> </ul>
	2.00 pm – 5.30 pm	<ul style="list-style-type: none"> <li>• PSP plots</li> <li>• Inspection of stumping site (if any)</li> <li>• Check on workshop, SW &amp; chemical store (if any)</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Day 2 Findings by Audit Team Leader</li> </ul>	
<b>Audit Day 3</b>  <b>Thursday</b>  <b>1.12.2022</b>	7.30 am – 1.00 pm	Site visit  <ul style="list-style-type: none"> <li>• Boundary of FMU License boundaries near and consultation Long Silat, Long Belaong (if any) Long Jeeh, Long Selawan</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Anap, Long Julan, Long Pelutan, Long Apu</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities Lio Match, Long Tungan, Ba’Jawi</li> <li>• Stay at Kelisa Camp</li> </ul>
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>• Review of Day 3 Findings by Audit Team Leader</li> </ul>		
<b>Audit Day 4</b>  <b>Friday</b>	7.30 am – 1.00 pm	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Mekaba, Long Jekitan</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Selatong Dikan, Long</li> </ul>	Site visit  <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Selaan, Long Semiang</li> </ul>



<b>2.12.2022</b>	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> <li>• HCV Salt Lick</li> <li>• Licence boundary</li> </ul>	Selatong Tjg Tepalit <ul style="list-style-type: none"> <li>• Licence Boundary of FMU</li> <li>• Stay at CTB</li> </ul>	<ul style="list-style-type: none"> <li>• Stay at CTB</li> </ul>
<b>Audit Day 5</b>  <b>Saturday</b>  <b>3.12.2022</b>	8.30 am – 1.00 pm  2.00 pm-3.00 pm  3.00pm	<ul style="list-style-type: none"> <li>• Documentation and records review</li> <li>• Travel to CTB</li> <li>• Preparation of audit report and finding</li> <li>• Briefing to representatives of FMU on the findings of the audit</li> <li>• Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> <li>• Adjourn Closing Meeting</li> </ul>		
<b>Travelling</b> <b>4.12.2022</b>	9.50 am – 16.30 pm	All auditors travel back to Miri Flight MH2575 ETD 12:10, ETA 14:30		

- END OF REPORT -