



**PUBLIC SUMMARY
2ND SURVEILLANCE AUDIT ON
MELATAI-PARA FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00123
Date of First Certification: 27 November 2019
Audit Date: 18 - 21 May 2022
Date of Public Summary: 4 January 2023**

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EXECUTIVE SUMMARY

The Surveillance 2 audit for forest management certification on the Solid Hartabina Sdn Bhd – Melatai-Para FMU was conducted from 18-21 May 2022. This was an audit conducted following the Surveillance 1 audit which was conducted in 21 – 23 Sept 2020 on the overall forest management system and practices of the FMU against the 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 the Solid Hartabina Sdn. Bhd. by a three -member team comprising Mohd Annas Amin Bin Haji Omar (Lead Auditor), Mohd Razman Salim and Haji Roslee Jamaludin.

The Melatai-Para FMU only covers an area of 49,574 ha of Baleh Protected Forest (part only) and other area of 70,325 was proposed for Totally Protected Area of Proposed Baleh National Park, and another remaining 2,854 ha (adjacent to Proposed Baleh National Park area) was not included in the scope of certification due to unreachable area. The forest area is situated approximately between Latitudes 1° 13' 98" N to 1° 34' 02" N and Longitudes 113° 39' 13" E to 114° 11' 35" E in upper part of Batang Baleh within the Kapit Division, Sarawak, about 95km Southeast from Kapit town and accessible by the Batang Rajang and Batang Baleh from Sibu Town to Kapit and to Nanga Gaat Log Pond, and continue with logging roads through Licensees T/3401 (STIDC) and T/3148 (First Count) and passing through Sungai Melatai Bridge. It covers a distance of about 118 kilometers and took about 13 hours of travelling time from Sibu to Berkakap Camp.

The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the Forest Department Sarawak, Sarawak Forestry Corporation and relevant indigenous settlements within FMU.

In general, the findings of this surveillance audit have indicated that the Melatai-Para FMU had complied with most of the requirements of the MC&I SFM despite the issuance of total one (1) Major, and fourteen (14) Minor Non-Conformance Report (NCRs) and one (1) Opportunities for Improvemenr (OFI) against the requirements of the MC&I SFM.

The audit team had also verified on the issues of concern taken by the Melatai-Para FMU to address all the finding raised during the previous surveillance audit.

The Audit Team Leader after consultation with team members recommends that certification of Melatai-Para FMU to be maintained against the MC&I SFM for certification conditional upon acceptance of corrective action plans within one (1) month from the date of the Surveillance audit and subject to verification audit.

The FMU had submitted a proposed corrective action plans to address the NCRs raised during the Surveillance audit by mail on 8 July 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCR was received on 22 August 2022.

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

1.0 INTRODUCTION

1.1 Name of FMU

Melatai-Para Forest Management Unit

1.2 Contact Person and Address

Name : Wong Ting Chung
Designation : Forest Management Certification Coordinator
Address : No.17, 2nd & 3rd Floor,
Jalan Wong Nai Siong
96000 Sibu, Sarawak
Phone # : 084 335335
Fax # : 084 318380

1.3 General Background on the Melatai-Para FMU

The Forest Timber Licence (FTL) No. T/3343 was issued to Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) by the Forest Department Sarawak on 17th June 1997 to 16th June 2017 to manage a total 126,442 ha of the Baleh Protected Forest (part only), which is located within the Seventh Division, Southeast of Kapit Division, Sarawak for an initial period of 20 years. It was subsequently renewed on 22nd May 2017 to 16th June 2018 and continued until 16 June 2022. Solid Hartabina Sdn. Bhd. was appointed by the Perbadanan Kemajuan Perusahaan Kayu Sarawak to manage the part of area or known as Melatai-Para Forest Management Unit (FMU).

The Melatai-Para FMU only covers an area of 49,574 ha of Baleh Protected Forest (part only) and other area of 70,325 was proposed for Totally Protected Area of Proposed Baleh National Park, and another remaining 2,854 ha (adjacent to Proposed Baleh National Park area) was not included in the scope of certification due to unreachable area.

The forest area is situated approximately between Latitudes 1° 13' 98" N to 1° 34' 02" N and Longitudes 113° 39' 13" E to 114° 11' 35" E in upper part of Batang Baleh within the Kapit Division, Sarawak, about 95km Southeast from Kapit town and accessible by the Batang Rajang and Batang Baleh from Sibu Town to Kapit and to Nanga Gaat Log Pond, and continue with logging roads through Licensees T/3401 (STIDC) and T/3148 (First Count) and passing through Sungai Melatai Bridge. It covers a distance of about 118 kilometers and took about 13 hours of travelling time from Sibu to Berkakap Camp, adjacent to Kalimantan on the south side.

The forest types in the FMU consist of mix of broken terrain and rugged mountain conditions. The FMU has about 78% under terrain Class III and the remaining 22% under Terrain Class IV. The general landform of the FMU ranges from hilly to mountainous terrain with elevation between 750ft to 4000ft a.s.l.

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

1.4 Date First Certified

27 November 2019

1.5 Location of the FMU

The FMU is located between Latitudes 1° 13' 98" N to 1° 34' 02" N and Longitudes 113° 39' 13" E to 114° 11' 35" E.

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. A Forest Management Plan (FMP: 2022-2026). was presented during this audit.

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

For the Twelfth Malaysia Plan (2021-2026), the annual allowable cut (AAC) for the FMU had been set at 2,505 ha. During this stage 2 surveillance audit, the size of the FMU is 37,972 ha.

1.8 Environmental and Socioeconomic Context

The audit is basically limited to the Melatai-Para FMU, a gazetted entity under the management of KTS Plantation Sdn Bhd (KTSP), and demarcated on the ground by clear boundaries. The total area of 57,247 ha was subjected to the certification process. The physical environment, related forest-based operations and community areas referred to in the audit, and their associated documentation, are confined within the borders of the said FMU. Similarly, the socioeconomic context referred to in the audit is also confined within the FMU borders. The audit report does not concern with matters outside the designated FMU boundaries.

2.0 AUDIT PROCESS

2.1 Audit Dates

18-21 May 2022 (12 auditor days)

2.2 Audit Team

1. Mohd Annas Amin Omar (Lead Auditor)
2. Mohd Razman Salim (Forester)
3. Haji Roslee Bin Jamaludin (Forester)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A stakeholder notification was issued on April 2022 for a period of one month inviting relevant stakeholders to give comments on the FMU. However, there was no comment received from the stakeholders on Melatai-Para FMU during the period.

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

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

2.5 Audit Process

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

For each Indicator, the auditors had 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 nonconformity (NCR) (minor or major) or opportunities for improvement (OFI).

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

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

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

The FMU shall respond in writing to SIRIM QAS International within one month from the last date of audit detailing the actions to be taken to address all minor NCRs. The effectiveness of the resulting actions taken by the 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 closing of an OFI shall be made during the next surveillance audit.

3.0 SUMMARY OF AUDIT FINDINGS

A total of **One (1) Major** [Indicator 6.7.1], and **fourteen (14) Minor Non-Conformance Report** (NCRs) [Indicator 4.1.1, 4.2.3, 4.3.4, 5.3.2, 6.1.2, 6.3.1, 6.5.3, 6.5.4, 6.9.1, 7.1.1, 8.2.1, 8.3.1, 8.4.1 and 8.5.1] and one (1) OFI (9.2.1) were raised on the Melatai-Para FMU against the requirements of the MC&I SFM. The audit team had examined all the proposed corrective action plans to address the NCRs and OFI raised during the audit by mail/email on 8 July 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 22 August 2022.

FMU had showed their commitment to address the non-conformities by establishing action plans as detailed in **Attachment 4**. The summary on the findings of the Stage 2 surveillance audit on the Melatai-Para FMU against the requirements of the MC&I (Natural Forest) are given below.

The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and OFIs were verified by the audit team with the details given in **Attachment 5**. Previous findings and corrective action taken are shown in **Attachment 6**.

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	<p>The forest management had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations were available in the office at the Berkakap Base Camp. Consultation with management officers of the FMU showed that they had demonstrated an awareness and understanding of the federal, state and local laws and regulatory framework for forest management. Records of compounds issued by the Forestry Department Sarawak were sighted.</p> <p>The current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Berkakap Camp Office. The documents, including other charges, e.g.</p>	

Principle	Strengths	Weaknesses
	<p>First Schedule [Section 52(2)] 17th June 1997, were verified.</p> <p>The forest managers were aware of all the binding international agreements such as the International Labour Organisations Conventions (ILO), Convention of Biological Diversity (CBD) and the International Tropical Timber Agreement 1994. These documents were made available to the forest managers at the Berkakap Base Camp.</p> <p>Documentation of any conflict between laws, regulations and these principles and criteria was made available in Berkakap Camp dated 14 April 2022. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise. Since there is no permanent local settlement within the Melatai-Para FMU, issue of socio-economic impact of forest management does not arise.</p> <p>Legal provisions were available for the establishment and protection of the FMU. A Forest Timber Licence (FTL) No. T/3343, issued to <i>Perbadanan Kemajuan Perusahaan Kayu Sarawak</i> (STIDC) was sighted. The Agreement was dated 17th June 1997 to 16th June 2017 and renewed until 16th June 2018. It was subsequently continued until 16th June 2019 and renewed from 2 July 2020 to 1 July 2021. Documents governing the legal establishment and protection of the FMU were made available in the office in Berkakap Camp. The FMU was adequately protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities. Field visits verified adequate boundary demarcation, signage and records of monitoring.</p> <p>A written policy entitled "Policy Statement for The Sustainable Forest Management of Revised Melatai-Para Forest Management Unit" was available and presented during the audit. The commitment to undertake forest management certification under the Malaysian Timber Certification Scheme for well-managed forest was clearly stated. The policy statement was displayed at prominent sites within the FMU and had been communicated throughout the organization.</p>	
Principle 2 Tenure and Use Rights and	The Forest Timber License (FTL) No. T/3343 issued to <i>Perbadanan Kemajuan Perusahaan Kayu Sarawak</i> (STIDC) by the	

Principle	Strengths	Weaknesses
Responsibilities	<p>Forest Department Sarawak was effective from 17th June 1997 to 16th June 2017. The license is to manage a total 126,442 ha of the Baleh Protected Forest (part only), which is located within the Seventh Division, Southeast of Kapit Division, Sarawak for an initial period of 20 years. The timber license was subsequently renewed from 1st July 2021 to 16 June 2022. However, renewal of the license (FTL T/3433) for year 2023 is pending from the Forest Department Sarawak. The receipt of payment for processing fee for renewal of forest timber license dated 18/04/2022 was verified. The FMU managers had stated their willingness to establish and support legally recognized mechanisms for resolving land claims, if any, through the mechanism of the “Land Claim” SOP.</p> <p>As stated above, the FMU had acknowledged that there are no local communities living within the FMU area nor the presence of any ‘Shifting Agriculture (SA) land’. Forest managers however, shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws, in the future.</p> <p>The FMU Forest managers are willing to resolve disputes over tenure claims and use rights if these should eventuate in the future.</p>	
Principle 3 Indigenous People’s Rights	<p>The only local settlement found is located outside the Malatai-Para FMU area, about 23 km away from the north-east boundary. As such, the matter regarding delegation of control, customary rights, or mechanism for conflict resolution, do not arise.</p> <p>Given the absence of indigenous community within the Melatai-Para FMU the existing management practices of the FMU will not impact on them either directly or indirectly.</p> <p>No sites of special cultural, ecological, economic or religious significance to indigenous peoples are found or located within the Melatai-Para FMU. The FMP has however shown preparedness in Chapter 11.3 “Proposal for future interaction with local communities” and Chapter 11.5 “Establishment of SFM Liaison Committee to foster good relationship & facilitate communication between the local communities, management & the</p>	

Principle	Strengths	Weaknesses
	<p>government.</p> <p>There is no application of indigenous people traditional knowledge with regards to the use of forest species or management systems in forest operations in the Melatai-Para FMU.</p>	
Principle 4 Community Relations and Workers' Rights	<p>Qualified members of local communities of Long Singut, located far from FMU boundary, were still given preference for employment and contract works. Employment records were verified. Records sighted also verified that the FMU does not employ or was not involved in the employment of illegal immigrants. There were only two (2) foreign workers employed. There was also no child labour involved in FMU operation.</p> <p>Up-to-date information on all applicable laws and/or regulations covering occupational safety and health of forest workers has been disseminated to them in Bahasa Malaysia and/or English. Management policies addressing the occupational safety and health of forest workers and their families in accordance with current legislation and/or regulations are available. Policy statement (12 September 2018) was widely displayed. Safety and operational equipment and apparels were in good working condition and with proper operational procedures. These include work instruction, Hazard Identification and Risk Assessment and Risk Control (HIRARC). Hazard and warning signage as per OSHA requirement were placed at strategic areas within the logging camps. Demarcation of hazardous areas was observed including warning signage and PPE mandatory signs.</p> <p>Workers were aware of the freedom to form/join union of their own choice. The audit however found that there was no union established in the FMU despite its allowance as stated in the ILO Convention No. 87 and No. 98 documents which were made available. Records on payment showing deductions made on employee's provident fund and social security were available. The mechanism to resolve conflict/issue of workers through consultation was also in place.</p> <p>There is no permanent local settlement within the Melatai-Para FMU as stated earlier. Hence the concern on impact of forest operation and its relevance to forest planning and management does not arise.</p>	<p>Consultation with workers was conducted on 18 Aug 2020 regarding work contract agreements on RIL, dated 23 July 2020. The workers were trained on Tree Felling (Chainsaw) (Natural Forest) and Log extraction Tractor (Natural Forest) on 1 March 2020. However, record on training for Schedule waste management and Nursery management was not available.</p> <p>Therefore, a Minor NCR ANS04/2022 was raised against indicator 4.1.1</p> <p>Although safety and operational equipment were generally in good working condition, four sets of Chain Blocks used by a lorry (registration No. 8022) at the Bekakap workshop were found without safety latch. A minor NCR RJ03/2022 was thus raised against Indicator 4.2.3.</p> <p>Although the FMU has established the mechanism to resolve worker conflict/issue through consultation, an interview with two senior FMU staff (conservation officer and chief mechanic) suggests that they were not aware of the procedures to address grievances. A Minor NCR ANS01/2022 was therefore raised against indicator 4.3.4.</p>

Principle	Strengths	Weaknesses
	<p>A Social Impact Assessment (SIA) Report on Solid Hartabina Forest Management Unit T/3343 dated July 2016 was made available. No permanent local indigenous settlement was found within the Melatai-Para FMU. The concern on customary rights and community grievances are thus not applicable.</p>	
Principle 5 Benefits from the Forest	<p>Investments and reinvestments in forest management at Melatai-Para FMU included provisions such as for forest administration, research (scientific collaboration and PSP), human resource development, protection (patrolling), economic (operating) and conservation (HCV). Provisions and management prescriptions were also made to restore and enhance productive capacity. The FMP ensured regeneration and growing stock improvement. Site visits verified post-harvest enrichment planting with native species and restoration of degraded sites.</p> <p>Forest management practices encouraged the optimal use of forest resources. The determination of the AAC ensured sustainability in timber production. For the FMU, the AAC averaged 98,650 m³/year or below 2,505 ha/year on average for the first 15 years (within the 25 years of cutting cycle). A moratorium on logging will be observed for the next 10 years (after the first 15 years) within the cycle. A total of 24 permanent sample plots (PSP) were established to accurately assess stand growth. The timber production quota for the FMU was 8,306 m³/year for local consumption and export. Timber is the only product since no non-timber forest products were harvested from the FMU.</p> <p>Forest department guidelines for reduced/low impact logging (RIL) were implemented to minimise damage to residual stand and product wastage in log extraction operations. The Detailed Harvesting Plan (DP)/Road Plan was sighted for the current logging. The established SOPs for RIL implemented in the FMU were also sighted. Regular training was conducted for the staff on techniques of reduced-impact logging. The training covered log extraction, loading and RIL.</p> <p>Besides logs, Melatai-Para FMU has no plan for production of a mixed commercial forest product such as the utilisation of non-timber forest products (NTFP). Local communities are however allowed to collect such products for domestic consumption.</p>	<p>In-house RIL training was conducted on 15 March 2022. However, only 3 field workers (skidding & surveyor) have so far attended the training. The other workers (engaged in felling, skidding, road construction and survey) have yet to undergo their RIL refresher training. A Minor NCR MRS 01 2022 against Indicator 5.3.2 was thus raised.</p>

Principle	Strengths	Weaknesses
	<p>Documentation review and site visit verified that sensitive areas were demarcated and protected for protection of soil and water, watercourses and wetlands which include stream buffer reserves (SBR) or riparian buffers, Terrain IV, water catchments, salt licks and other HCVPs. The relevant FMU document on procedures, and detailed harvesting/road plans demarcating such areas were also sighted. The FMU has implemented guidelines on enhancing the value of forest services and resources including climate positive practices as stated in the FMP. Management has set objective to mitigate climate change.</p> <p>The FMP has indicated the rate of harvest to not exceed the estimated regrowth of the residual stand based on PSP assessment of 25-year cycle, and a total production area of 37,972 ha. The AAC was set not to exceed 98,650 m³/year based on DIPSIM simulation data. The FMU has also kept records of log production for 2021 and 2022. This was evident from the monthly production record for year 2021 and Jan – April 2022 which showed total log production at below the maximum quota limit for local use and export.</p>	
Principle 6 Environmental Impact	<p>The FMU has conducted EIA prior to commencement of forest operations. A new EIA report was approved by the NREB (Natural Resources and Environment Board) in August 2021 and sighted during audit. The potential impacts on rare, threatened endangered species of flora and fauna, and rare and vulnerable ecosystems were assessed in the EIA, and also described in the FMP. The recommended mitigation measures and best management practices were also included and the need for biological corridors was also specifically mentioned.</p> <p>The Sarawak State has issued standard guidelines on rare and threatened (ERT) species of flora and fauna, including features of special biological interest in their habitats. The ERT endemic species list was also included in the FMP and in the Wildlife Protection Ordinance (1998). The FMU has established procedures to demarcate representative, conservation and protection areas, in accordance with existing forest ecosystems. Various documents (MoU,</p>	<p>During the previous audit an OFI on indicator 6.1.2 was raised on the oversight in the EIA report that has not included the impacts of fire risks, pollution or siltation of water courses and wetlands, and the amount of forest carbon stocks. However, during this surveillance audit, the said omission remained unavailable in the revised EIA Report. Therefore, the OFI for Indicator 6.1.2 was upgraded to Minor NCR RJ01/2022.</p> <p>Field verification visit during audit however discovered that analysis results and recommendation for any silvicultural treatment were not included in the PCTs assessment. A Minor NCR MRS 02/2022 for Indicator 6.3.1 was therefore raised.</p> <p>Although forest road design, layout and construction followed the designated guidelines, and are</p>

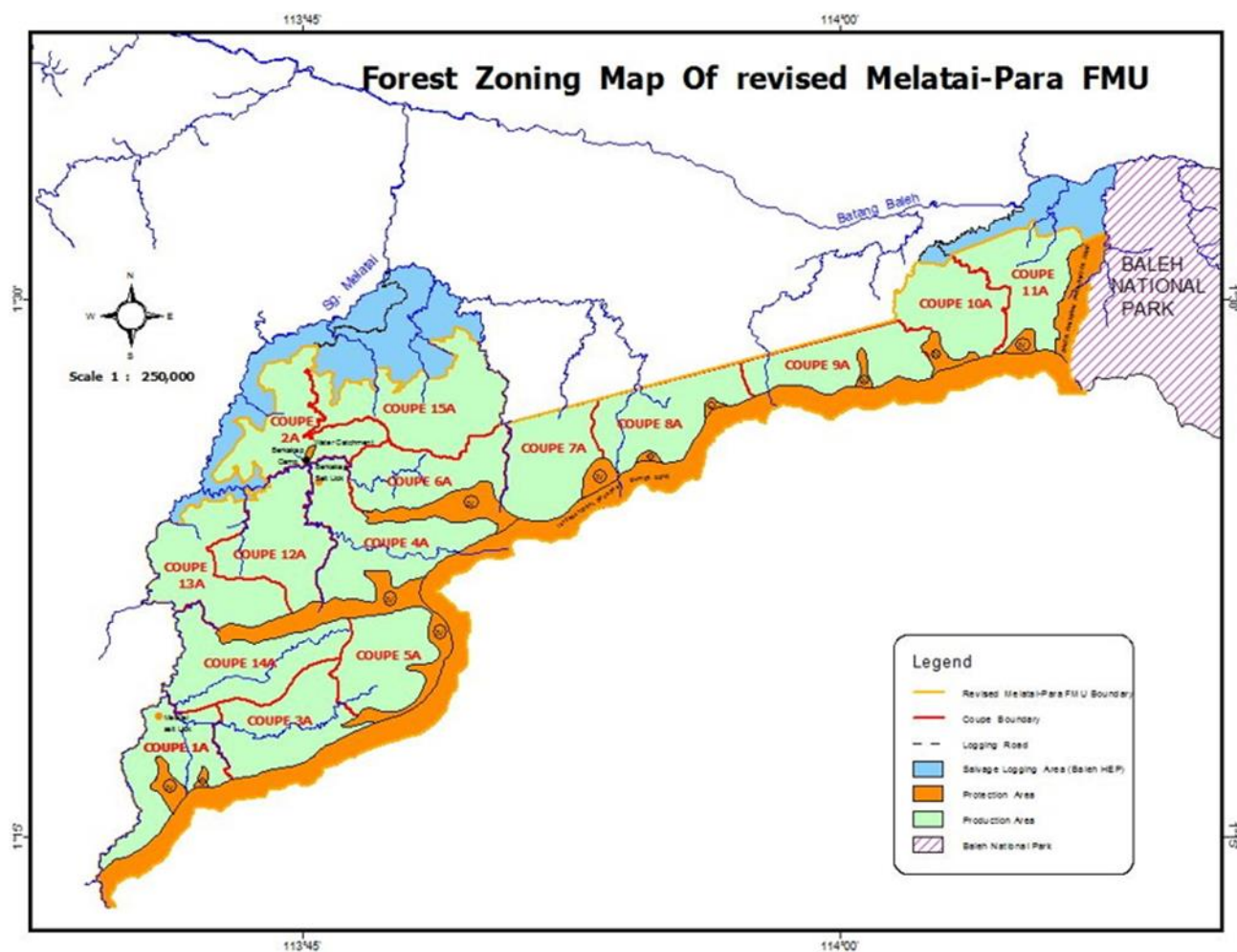
Principle	Strengths	Weaknesses
	<p>reports, letter) were sighted as evidence of existing cooperation between forest managers, conservation organizations and regulatory authorities in implementing conservation and management activities. Scheduled patrolling and monitoring activities of boundary areas, logging roads, and HCV areas were conducted to control illegal activities such as hunting, fishing, and collecting forest products. Knowledge on ERT species was communicated to FMU workers by the FMU management via in-house MC&I training and strategically distributed informative posters. These were intended to increase awareness among the workers.</p> <p>Manual, procedures and guidelines were available to assess post-harvest natural regeneration in the FMU. The assessment of PCTs was verified in field visit including records of changes in crop trees and stand composition. Post-harvest skid trails were restoratively planted to minimise soil degradation. Various guidelines for the conservation of genetic, species and ecosystem diversity were available during the audit. To implement those guidelines the FMU has adopted the 'Selective Logging' method in RIL in which minimum cutting limits for Dipterocarp was designated at 50cm and Non-Dipterocarps 45cm. Harvesting is designed by taking into consideration the need for the conservation of biological corridors and buffer zones. These were included in the "The Detailed Harvesting Plan (DP)/Road Plan (DP)" sighted in the field.</p> <p>Representative forest ecosystems found in the FMU are mapped in the FMP and the GP. Protected areas including Terrain of Class IV and HCVFs are excluded from logging activities. Appropriate action is taken to protect such sites as verified in the audit site visit.</p> <p>Guidelines including RIL and roading were implemented to reduce soil impact and erosion during harvesting. The documents were sighted during audit. The management of natural hydrology of wetlands and conservation of buffer strips along streams and rivers in the FMU followed set guidelines. The Fire prevention and control plan in the FMP was also implemented for all fire-prone forest types.</p>	<p>included in in the Detailed Harvesting Plan (DP)/Road Plan (DP) prior to harvesting, the site visit to a skid trail found the slope to have exceeded the 35% maximum limit. A Minor NCR RJ 04/2022 for Indicator 6.5.3 was thus raised.</p> <p>Site inspection along a logging road (in Simpang Ulu Melatai, before Coupe 1) revealed that the riparian buffer zone was not demarcated on the ground. A Minor MCR ANS 02/2022 for Indicator 6.5.4 was thus raised.</p> <p>Site inspection at the Berkakap workshop during this surveillance 2 audit found that oil, fuel, containers, liquid and solid non-organic wastes, were not disposed off in an environmentally appropriate and legal manner. A Major NCR RJ02/2022 for Indicator 6.7.1 was thus raised of the oversight.</p> <p>The audit found that the exotic species of <i>Mucuna bracteate</i> was planted on exposed slopes along a logging road (Simpang Ulu Melatai, before Coupe 1) in the active FMU area. However, record of monitoring and control of the exotic species was not made available. Permit for use of exotic species from the authority was also not available. Therefore, a Minor NCR MRS 03/2022 for Indicator 6.9.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>The FMU does not use chemical pesticides in its nursery operation since the scale is negligible. Site visit and interviews conducted confirmed this. Further, the non-use of chemicals is also included in the management Environmental Policy (2018).</p> <p>Site inspection at the Berkakap workshop during this surveillance 2 audit found that oil, fuel, containers, liquid and solid non-organic wastes, were not disposed off in an environmentally appropriate and legal manner. A Major NCR RJ02/2022 for Indicator 6.7.1 was thus raised of the oversight.</p> <p>No biological control agents were used in FMU management.</p> <p>There is no conversion of natural forest to plantation or other land use in the FMU.</p> <p>No conversion of severely degraded forests to forest plantations occurs in the FMU.</p> <p>No afforestation occurs on ecologically important non-forest ecosystem in the FMU.</p>	
Principle 7 Management Plan	<p>A Forest Management Plan is available for the Forest Timber Licence No. T/3343, Covering Part of Baleh Protected Forest Under Melatai-Para Forest management Unit (2022-2026). The FMP was updated in January 2022 and covered a period of 15 years.</p> <p>Periodic revision of the FMP was conducted every 5 years. Interim records of new scientific and technical information, and from monitoring activities were included in the revised FMP. Records of new scientific and technical information pertinent to the management of FMU were also available to the forest managers. One example is the WWF Kuching report on wildlife assessment conducted using camera traps.</p> <p>The FMU has clearly defined the specific roles and responsibilities assigned to forest workers as included in their job agreements. The audit verified the various roles assigned to workers involved in harvesting operations and in the workshop. The training programme for 2022 was sighted by the auditors. The training included equipment, loading, log identification, RIL, and MC&I.</p> <p>A summary of the primary elements of the</p>	<p>In the previous audit the FMP was found to have missed some important information; namely risks and opportunities, stakeholders' consultations, and economic cut. This was however not addressed by the time of the present audit. The OFI raised earlier was thus upgraded to Minor NCR ANS03/2022, Indicator 7.1.1.</p>

Principle	Strengths	Weaknesses
	forest management plan as prepared and implemented under Indicator 7.1.1 was made available to the public at http://www.solidhartabina.com/forest-management-plan/	
Principle 8 Monitoring and Assessment	<p>The FDS has conducted harvesting monitoring as per prescribed guidelines that included pre-felling inspection on coupe boundaries and buffer zone areas. Internal RIL assessment was also conducted by the FMU management. Procedures to monitor social, ecological, environmental and economic impacts for forest management operations were made available. The monitoring was found effective. An internal audit was conducted on April 2022 which raised 21 NCRs. The Report was verified during the audit. All requirements as stipulated in the APPENDIX A of MC&I SFM standard were sufficiently addressed.</p> <p>The relevant information needed to monitor the items (a) to (e) as listed in Criterion 8.2 were available and sighted by the auditor.</p> <p>Logs leaving the logged stand to stumping area are issued with a Transit Bill, prepared by the FMU, where all relevant, information is recorded. The Removal Pass was verified by the auditor. Some tree stumps in the logged stand were also verified for cutting girths and tagging.</p> <p>The 5-year periodically revisions of the FMP provisioned for the inclusion new research results and reports of monitoring activities. The FMP for the Forest Timber Licence No. T/3343 Covering Part of Baleh Protected Forest Under Melatai-Para Forest management Unit (2017-2032) was updated on December 2018. The document was made available and presented to the auditors.</p> <p>The audit verified that the summary of results of monitoring in Indicator 8.2.1 was made public at the Solid Hartabina's website http://www.solidhartabina.com/forest-management-plan/</p>	<p>The audit discovered, in a documentation review, that the Environmental Monitoring Report (EMR) prepared by the FMU in March 2022 was not delivered to the National Resources and Environment Board (NREB) for approval. Further, in the assessment of PSP No: 11A2 in Coupe 1A, tree tagging during establishment did not comply with the guidelines and slope correction was not made. Due to this non-compliance on Indicator 8.2.1, a Minor NCR MRS 04 2022 was raised.</p> <p>Based on review of invoices and removal passes in the field the auditor found no specific claims of 100% PEFC Certified of Products. A Minor NCR ANS05/2022 was thus raised against indicator 8.3.1.</p> <p>The audit verified that the FMP (2022-2026) has yet to incorporate the results and findings of the monitoring activities as required by the items (a) to (e) listed in Criterion 8.2.: These include forest yield, flora and fauna composition, environmental and social impacts and cost and productivity of management. Therefore, a minor NCR MRS05/2022 was raised against Indicator 8.4.1.</p> <p>The audit also identified several monitoring results that are still not available at the FMU's website. The information included harvest yield, changes in flora composition, social impacts, management costs, stand growth rate, regeneration status and forest condition. A Minor NCR MRS 06 2022 was raised against Indicator 8.5.1.</p>

Principle	Strengths	Weaknesses
Principle 9 Maintenance of High Conservation Values	<p>HCVFs in the FMU were earlier identified in 2016 and documented. There was no new assessment conducted since then.</p> <p>FMU consultation on HCVFs were only made with the Forest Department of Sarawak and Sarawak Forest Corporation.</p> <p>The FMU has successfully documented in the FMP the demarcation and attribute of HCVFs thus identified in its area. A public summary of the HCVFs at the Solid Hartabina website was also verified during audit and can be accessed at the link: http://www.solidhartabina.com/forest-management-plan/</p> <p>To assess the effectiveness of management measures undertaken on HCVFs in the FMU, a monitoring procedure was followed based on different HCV categories. Monitoring on wildlife was also conducted. Various annual monitoring reports covering salt licks, water catchments, and steep terrains were presented for audit. The forest managers interviewed also confirmed that new results and findings related to HCVF monitoring activities will be implemented in the next revision of the FMP.</p>	<p>The HCVFs could be further enhanced if the FMU expanded their stakeholder consultation to include NGOs, Universities and other relevant agencies. An OFI for Indicator 9.2.1 was thus raised on this.</p>

Map of Melatai-Para FMU



Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Mohd Annas Amin Bin Haji Omar	Audit Team / Forester	<p>Academic Qualification: Diploma in Forestry, UPM B. Sc. In Forestry, UPM</p> <p>Work Experience: Six years as Assistant Forest Officer at Perak Forestry State Department in the year from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Also appointed to be Investigative Officer in Investigations into a case involved Ayer Chepam Forest Reserve and Cased Prosecuted in Court.</p> <p>Attended and pass the following training programmes: <ul style="list-style-type: none"> • Program of MTCS Training Course (MC&I) in Kuantan (9-12 July 2018) • Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 August 2018) </p>
Mohd Razman Salim	Auditor/ Forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long-term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSA 18001</p> <p>Training / Research Areas: Was attending and pass in the following training programmes: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p>

Haji Roslee Jamaludin	Auditor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience:</p> <p>A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Training / Research Areas:</p> <p>Had Attended and Passed the following Training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015.</p> <p>EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</p> <p>Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS ((Food, Agri & Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016.</p> <p>FMC Workshop 28th -29th November 2017.</p> <p>FMC Workshop for 2018 organised by SIRIM (Food,Agr. &Forestry) 22 November 2018.</p> <p>COC Workshop 2018 organised by SIRIM 26 November 2018.</p> <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.</p> <p>MSPO Training Course 16-17 Feb 2019 organised by SIRIM.</p> <p>COC Workshop 27/6/2019 FAF SIRIM QAS.</p> <p>FMC 25-26/6/2019 organised by FAF SIRIM QAS.</p>
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Comments Received from Stakeholders and Responses by Audit Team Leader

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

Stage 2 Surveillance Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (ANNAS)	AUDITOR 2 (RAZMAN)	AUDITOR 3 (HJ ROSLEE)
Travel Day 1 16 May 2022 Monday	04.00pm-11.00pm	All Auditors travelling from KLIA to SIBU on 16 May 2022 Flight from Kuala Lumpur (KUL) to Sibu (SBW) MH2718 ETD-16:10, ETA-18:15 Staying at Tanahmas Hotel		
Travel Day 2 17 May 2022 Tuesday	8.00 am – 6.00 pm	Travelling to Melatai-Para Camp		
Audit Day 1 18 May 2022 Wednesday	8.00 am – 1.00 pm	<ul style="list-style-type: none"> • Opening Meeting with representatives of FMU • Briefing session by Forest Manager of the FMU • Q&A Session • Follow up on findings raised during last audit • Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> ○ Local Communities ○ Government agencies ○ NGOs <p>Documentation and records review</p>		
	2.00 pm - 5.00 pm	<ul style="list-style-type: none"> • Principle 1 – Compliance with Laws and Principles • Principle 4 - Community Relations and Worker's Right • Principle 7 – Management Plan 	<ul style="list-style-type: none"> • Principle 2 – Tenure and Use Rights and Responsibilities • Principle 5 – Benefits from the forest • Principle 8 – Monitoring and Assessment 	<ul style="list-style-type: none"> • Principle 3 – Indigenous Peoples' Right • Principle 6 – Environmental Impact • Principle 9 – Maintenance of High Conservation Value (HCV)

Audit Day 2 19 May 2022 Thursday	7.30 am – 1.00 pm	Site visit	Site visit	Site visit
	2.00 pm – 5.00pm	<ul style="list-style-type: none"> • Inspection of Pre-harvesting area and Tree tagging area • Consultation with contractors and workers • Inspection of FMU Licenses Boundaries • Conservation area/HCVF and PSP plots 	<ul style="list-style-type: none"> • Inspection of active harvesting area • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. • Inspection of Central Stumping Site 	<ul style="list-style-type: none"> • Inspection of Post-harvesting area at Coupe 01A and Silviculture treatment • Inspection of PSP • Inspection of FMU Licenses
		Review of Day 2 Findings by Audit Team Leader		
Audit Day 3 20 May 2022 Friday	7.30 am – 1.00 pm	<ul style="list-style-type: none"> • Inspection of active harvesting area • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, • Inspection of Nursery 	<ul style="list-style-type: none"> • Conservation area/HCVF • Inspection of PSP • Inspection of FMU Licenses Boundaries 	<ul style="list-style-type: none"> • Inspection of active harvesting area • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, • Inspection on workshop Berkakap, SW store machineries maintenance and Equipment.
	2.00 pm – 5.00pm			
Audit Day 3 21 May 2022 Saturday	8.30 am – 1.00 pm	<ul style="list-style-type: none"> • Documentation and records review 		
	2.00pm- 3.00 pm	<ul style="list-style-type: none"> • Preparation of audit report and finding • Briefing to representatives of FMU on the findings of audit 		
	4.00 pm	<ul style="list-style-type: none"> • Closing Meeting and presentation of findings of audit and discussion on follow-up activities • Adjourn Closing Meeting 		
Travel Day 1 22 May 2022 Sunday	7:30am - 6.00 pm	<ul style="list-style-type: none"> • Travelling from Kapit to Sibu • Staying at Tanahmas Hotel 		
Travel Day 2 23 May 2022 Monday		<ul style="list-style-type: none"> • All Auditors travelling back from SIBU to KLIA on 23 May 2022 • MH2715 ETD-11:15, ETA-13:15 		

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

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
MAJOR NCR: RJ02/2022	<p>Requirement Indicator 6.7.1 – Oil, fuel, tyres, containers, liquid and solid non-organic wastes, shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: The storage and disposal of schedule waste did not adhere to Environmental Quality (Schedule waste) Regulation 2005</p> <p>Objective evidence: Site inspection to Bekakap Workshop, Scheduled waste & Store.</p> <ol style="list-style-type: none"> There was no evidence that the schedule wastes generated by the FMU has been disposed according to the Environmental Quality (Schedule waste) Regulation 2005, as there was no consignment note made available. The FMU has not register for e-Swis on schedule waste management for notification and disposal. <p><u>Under Part VI: Labelling and Relabeling under Occupational Safety and Health Act 1994 (Act 514).</u></p> <ol style="list-style-type: none"> 15 drinking water bottles were filled with benzene and Lubricant oil at “Rumah Tarik” in Block 5, Coupe 3A were not labelled as a requirement in Part VI: Labelling and Relabeling under Occupational Safety and Health Act 1994 (Act 514). 2 drinking water bottles filled with lubricant oil and 1 bottle with hydraulic oil were without 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> Lack of competent Safety Officer Inadequate supervision and training provided to workers handling hazardous materials and wastes <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> Get consignment note in connection with disposal of scheduled waste cited by auditor Register e-SWIS account for FMU or re-activate expired account All containers in the workshop, store and “Rumah Tarik” to be properly labelled as required <p>Corrective Action Plan</p> <ol style="list-style-type: none"> Identify suitable staff member to be trained and to function as Safety Officer Issue circular to disallow use of drinking bottles for storing hazardous liquids and wastes Purchase new and appropriate containers for the storage of hazardous liquids and wastes SQAS/MSC/FOR/03-12 Issue 1 Rev. 1 Prioritize and seek safety training as part of the Annual Training Programme 2022 	<p>The FMU had submitted a proposed corrective action plans to address the NCRs raised during the Surveillance audit by mail on 8 July 2022 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCR was received on 22 August 2022.</p> <ol style="list-style-type: none"> Consignment Note for Scheduled waste SW305 (Used Lubricant Oil) dated 8 August 2022 by TLM Tiasa Hijau Sdn Bhd The FMU has registered for E SWIS on Schedule waste management for notification and disposal. Registered under Reliwood Sdn Bhd. Mr Gratong Anak SAP has training on Occupational Safety and Health Coordinator (OSH-C) Workshop dated 4-6 July 2022. <i>Arahan mewajibkan pekerja melabelkan Bekas simpanan minyak dengan label yang sesuai</i> based on Letter MPFMU-2022/Memo (005) dated 20 June 2022. <p>Status Closed</p>

	<p>label as a requirement in Part VI: Labelling and Relabeling under Occupational Safety and Health Act 1994 (Act 514) at Bekakap store.</p> <p><u>Under Environmental Quality (Schedule waste) Regulation 2005</u></p> <ol style="list-style-type: none"> 1. Two (2) Plastic containers (1000 lit. each) of SW 305 (spent lubricating oil) at schedule waste store were labelled with the date of first generated on August 2020. The SW has not been disposed after 180 days. 2. Three (3) plastic containers (1000 lit. each) of SW 305 stored at schedule waste store were not label and without the date of first generated. 3. SW 102 (used batteries) were without label and without the date of first gereated. 4. One (1) drum of SW 410 was stored at the workshop, not at the schedule waste store without label and date of first generated. 		
<p>Minor NCR ANS04/ 2022</p>	<p>Requirement: Indicator 4.1.1 - Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and socio-economic programmes that commensurate with the scale and intensity of forest management operations.</p> <p>Finding: Appropriate training not conducted.</p> <p>Objective evidence: Record of training on Schedule waste management and Nursery management not available.</p>	<p>Result of investigation and determination of root cause:</p> <p>a) Cancellation of all physical training courses by STAT and other training providers due to the covid-19 pandemic b) Movement Control Order in Sarawak for the better part of 2 years since March 2020 c) Unavailability of specialized training in certain work disciplines such as PSP Establishment, HCV Identification and Protection, Enrichment Planting, etc</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction Conduct in-house training where and</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>

		when possible, based on updated ATP 2022 Corrective Action Plan 1) Request for resumption of physical training by STAT and other relevant institutions for the critical areas of forestry operations 2) Where possible or available, conduct in-house training or send staff for training based on updated ATP 2022.	
Minor NCR RJ03/2022	<p>Requirement: Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the workplace.</p> <p>Finding: Appropriate safety and operational equipment was not made available to forest workers in the work place.</p> <p>Objective evidence:</p> <p>4 sets of Chain Blocks used by a lorry with registration No. 8022 at Bekakap workshop were without safety latch.</p>	<p>Result of investigation and determination of root cause:</p> <p>a) Lack of Safety Officer to manage and monitor safety matters</p> <p>b) Lack of Safety Training for workshop workers</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction Install safety latches on all Chain Blocks</p> <p>Corrective Action Plan</p> <p>1) Identify suitable staff member to be trained and to function as Safety Officer</p> <p>2) Conduct in-house training on workshop safety</p>	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.
Minor NCR ANS01/ 2022	<p>Requirement: Indicator 4.3.4 - Availability of appropriate procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p>Finding:</p> <p>Awareness of workers on conflict resolution to address grievances was not sufficient.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause:</p> <p>Inadequate procedure to address grievances, if any, raised by workers</p> <p>Correction and corrective action plan including completion date:</p> <p>Corrective Action Plan</p> <p>1) Improve existing procedure by incorporating a 'Grievance Form' that may be submitted for</p>	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.

	Based on interview with Conservation officer and Chief mechanic indicated that they were not aware about the procedures to address grievances.	deliberation at the Worker Representative Committee 2) Conduct briefing to workers on improved grievance procedure 3) Issue circular informing all staff of the improved procedure to raise grievances, if any	
Minor MRS01/20 22	<p>Requirement: Indicator 5.3.2 – Training shall be conducted for the staff on techniques of reduced-impact logging.</p> <p>Finding: RIL refresher training was not covered all field workers.</p> <p>Objective evidence: In-house RIL training has been conducted on 15 March 2022. However, only 3 field workers (skidding & surveyor) have attended the training. The remaining field workers for felling (4 workers), skidding (3 workers), road construction (2 workers) and surveyor (6 workers) yet to be arranged for RIL refresher training.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Inability of management to schedule all targeted workers to be trained in 2021/2022 through in-house training, STAT and FDS • Shortage of field workers especially trained workers. <p>Correction and corrective action plan including completion date:</p> <p>Correction As soon as possible, conduct another in-house basic RIL training to cover all remaining untrained field workers.</p> <p>Corrective Action Plan</p> <ol style="list-style-type: none"> 1) Officially request for resumption of physical training by STAT and Forest Department Sarawak in RIL and RILrelated work disciplines. 2) Where possible or available, send staff for training based on updated ATP 2022 	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.
Minor NCR RJ01/2022	Requirement: Indicator 6.1.2 – Environmental impact assessments are carried out, including the potential impacts on rare, threatened endangered species of flora and fauna, and rare and vulnerable ecosystems, and the need for biological corridors in the FMU, appropriate to the scale and intensity of forest management; as well as consideration of the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks.	<p>Result of investigation and determination of root cause:</p> <p>The fire-risk and other impact assessments were only conducted late in 2021 AFTER the completion of the EIA Report in April 2021</p> <p>Correction and corrective action plan including completion date:</p>	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.

	<p>Finding: Consideration of the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks are not available.</p> <p>Objective evidence: Environmental Impact Assessment (EIA) for The Timber Harvesting of The Melatai-Para Forest Management Unit (FMU) Under Forest Timber Licence No. T/3343 at The Upper Sg.Melatai – Sg.Para Area, Kapit Division,Sarawak, dated April 2021, did not include the consideration of the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks.</p> <p>The OFI raised during the previous audit was upgraded to Minor NCR RJ01/2022.</p>	<p>Correction To incorporate Fire Risk and other impact assessments to existing EIA Report (in collaboration with Ecosol Consultancy)</p>	
<p>Minor NCR MRS02/2022</p>	<p>Requirement: Indicator 6.3.1 - Availability and implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded areas, where necessary, in the FMU.</p> <p>Finding: Analysis of change of forest stand/species composition in post-harvesting area in relation to the pre-felling inventories was not evident.</p> <p>Objective evidence: Assessment of PCTs has been conducted during pre-felling and post-harvest for Coupe 1A as verified in the 'Stock Sheet for List of Potential Crop Tree (PCT)'. Record of Internal Reduce Impact Logging Assessment on changes of PCTs or forest stand/composition was made available for Coupe 1A. However, there was no analysis results and recommendation for any silvicultural treatment from the PCTs assessment.</p>	<p>Result of investigation and determination of root cause:</p> <p>Data for pre- and post-harvest PCT data for Coupe 1A were not properly compiled with only 2 blocks (4&5) of pre-harvest PCT available for analysis • No instruction from management to analyze and report on the PCT data.</p> <p>Correction and corrective action plan including completion date: Corrective Action Plan a) Retrieve available pre- and post-harvest PCT data for Coupe 1A and report for management review b) Mandate the submission of both pre- and post-harvest data for every block of Coupe 3A and future coupes by the survey contractor c) Mandate compilation and analysis of PCT data by the Survey team for reporting to Management Review</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>

<p>MINOR</p> <p>NCR</p> <p>RJ04/2022</p>	<p>Requirement: Indicator 6.5.3 - Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements.</p> <p>Finding: Slope for skid trail construction exceeded the maximum allowable percentage for slope and excessive blading in skid trail construction.</p> <p>Objective evidence: Site inspection to Block 6 Coupe 03A at MT – 6B found the following;</p> <p>a. The slope for the skid trail constructed was 40%, which is more than 35% (maximum) as a requirement in Guideline 10A – Guidelines for Reduced Impact Logging: Part 1, para 4.2 and para 4.3 (b)</p> <p>b. The blading of the earth in skid trail construction, involved the excessive blading of the earth, as a result, the earth being pushed into the slope/ravine at the skid trail.</p>	<p>Result of investigation and determination of root cause:</p> <p>a) Lack of Supervision and monitoring capacity (especially Forest Manager) to oversee skid trail construction</p> <p>b) Poor implementation of existing SOP on RIL Implementation by untrained field workers</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction Close the non-complying skid trail and rehabilitate degraded areas with tree planting Corrective Action Plan 1) Mandate use of existing ‘Log-Fisher’ and winch system on steep terrain approaching 35% gradient 2) Improve RIL Implementation checklist by emphasizing compliance of skid-trail construction with RIL Guidelines 3) Whenever possible, send field workers for training in RIL and RIL-related disciplines.</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>
<p>MINOR</p> <p>NCR</p> <p>RJ04/2022</p>	<p>Requirement: Indicator 6.5.4 – Availability and implementation of guidelines for management of natural hydrology of wetlands and guidelines for conservation of buffer strips along streams and rivers.</p> <p>Finding: Buffer zone not clearly demarcated.</p> <p>Objective evidence: Inspection on buffers strip demarcation between Coupe 1 with Coupe 3 and Stream Buffer River along logging road Simpang Ulu Melatai before entering to Coupe 1 found that demarcation of buffer zone was not available.</p>	<p>Result of investigation and determination of root cause:</p> <p>a) Shortage of trained surveyors b) Lack of monitoring by the management/supervision persone</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction a) To demarcate on the ground as required Corrective Action Plan 1) To conduct in-house Refresher Training to all surveyors on Protected Area survey and demarcation 2) To conduct regular monitoring of boundary demarcation and signage</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>

<p>Minor NCR MRS03/20 22</p>	<p>Requirement: Indicator 6.9.1 - Document, control and monitor on the use of exotic species to avoid adverse ecological impacts. Only native species shall be used in enrichment planting. (NF)</p> <p>Finding: 1. Permit for usage of exotic species from authority was not available. 2. Records of monitoring and control on the use of exotic species Mucuna bracteata was not available to avoid adverse ecological impacts.</p> <p>Objective evidence: Evidence on usage, monitor and control of exotic species Mucuna bracteata was not available during audit: 1. Permit to Import Plants from Department of Agriculture was not available for exotic species Mucuna bracteata. 2. Auditor has found the usage of exotic species Mucuna bracteata at exposed slopes along logging road Simpang Ulu Melatai before entering to Coupe 3. However, records of monitoring and control of the exotic species was not available during audit.</p>	<p>Result of investigation and determination of root cause:</p> <p>Mucuna bracteata was brought in by a previous forester-consultant to help slow down soil erosion from areas. degraded by logging road construction activities. <input type="checkbox"/> Ignorance on the part of camp management and personnel that Mucuna bracteata is an exotic species.</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction • Enquire with Agriculture Department about permit to import Mucuna bracteata • Cut and destroy where deemed likely to spread beyond control Corrective Action Plan 1. Identify areas of growth for monitoring and control 2. Come up with a schedule for monitoring and cutting for these areas</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>
<p>Minor NCR ANS03/202 2</p>	<p>Requirement: Indicator 7.1.1 - Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</p> <p>Finding: The supporting documents were not sufficient to cover Forest Management Plan</p> <p>Objective evidence: Review of the The Forest Management Plan (Melatai-Para Forest Management Plan) for Forest Timber Licence No. T/3343 Covering Part of Baleh Protected Forest Under Melatai-Para Forest management Unit (2022-2026) updated January</p>	<p>Result of investigation and determination of root cause</p> <p>Oversight by FMU Management and consultant for FMP</p> <p>Correction and corrective action plan including completion date:</p> <p>Corrective Action Plan 1. The missing sections would be written up and in due course incorporated as addendums to the FMP</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>

	<p>2022 found the following information not included in the FMP:</p> <ol style="list-style-type: none"> The risk and opportunities, and implementation was not available in the forest management plan. Description of stakeholder's consultation (Paragraph J in Criterion 7.1) The economical cut does not mention in the FMP. However, the FMU have differ harvesting in Coupe 2/2020 without basis of uneconomical cut. <p>The OFI raised during the previous audit was upgraded to Minor NCR ANS03/2022</p>	<p>2. Stakeholder consultation will be carried out before the next Surveillance Audit</p> <p>3. Retrieve enumeration or survey records in connection with the deferment of Coupe 2</p>	
<p>Minor NCR MRS04/20 22</p>	<p>Requirement: Indicator 8.2.1 - Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>Finding:</p> <ol style="list-style-type: none"> No approval for Environmental Monitoring Report (EMR). Establishment of PSP plot and tree tagging were not following PSPs guideline. <p>Objective evidence:</p> <ol style="list-style-type: none"> Documentation review found that the Environmental Monitoring Report (EMR) prepared by FMU on March 2022 has not been sent to National Resources and Environment Board (NREB), Sarawak for approval. During assessment of PSP No: 11A2 in Coupe 1A, it was found that establishment of PSP plot and tree tagging were not following the guideline: <ol style="list-style-type: none"> Slope correction was not applied as inspect from point D to point A where distance of PVC pole to 	<p>Result of investigation and determination of root cause</p> <p>Omission by FMU management due in part to virgin coupe's exemption from EIA requirements</p> <ul style="list-style-type: none"> Internal environmental monitoring results may be forwarded to NREB as ECA (Environmental Compliance Audit) report. But ECA can only be prepared by qualified auditor. For FMU without qualified environmental auditor, NREB requires quarterly EMR submitted by EIA consultant. Poor supervision of PSP establishment team for PSP No. 11A2 <p>Correction and corrective action plan including completion date:</p> <p>Correction (For PSP No.11A2)</p> <ol style="list-style-type: none"> To apply slope correction and adjust for all distance markings in the PSP To check and rectify sampled tree tags and markings as well as untagged trees as required by the guideline <p>Corrective Action Plan</p> <ol style="list-style-type: none"> To pursue training in usage of clinometer and 	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>

	<p>the next subplot was measured and marked at 10m.</p> <p>ii. Some of sampled trees (>10 cm dbh) were not tagged and not marked with red line at point of measurement.</p> <table border="1"> <thead> <tr> <th>No.</th><th>Quadrat</th><th>Tree species</th><th>Diameter size</th></tr> </thead> <tbody> <tr> <td>1</td><td>60</td><td>Empenit</td><td>56 cm</td></tr> <tr> <td>2</td><td>81</td><td>Lun</td><td>142cm</td></tr> <tr> <td>3</td><td>100</td><td>Kayu malam</td><td>54cm</td></tr> <tr> <td>4</td><td>100</td><td>Ubah</td><td>20cm</td></tr> </tbody> </table>	No.	Quadrat	Tree species	Diameter size	1	60	Empenit	56 cm	2	81	Lun	142cm	3	100	Kayu malam	54cm	4	100	Ubah	20cm	<p>slope correction as well as PSP establishment in general</p> <p>2. To engage a EIA consultant for the purpose of preparing and submitting quarterly EMR to NREB</p> <p>3. To expose and request training for existing conservation officers as Environmental Compliance Auditors</p>	
No.	Quadrat	Tree species	Diameter size																				
1	60	Empenit	56 cm																				
2	81	Lun	142cm																				
3	100	Kayu malam	54cm																				
4	100	Ubah	20cm																				
Minor NCR ANS05/ 2022	<p>Requirement: Indicator 8.3.1 - Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in APPENDIX B.</p> <p>Finding: No evident Specific claims to communicate the origin of products are specified in Appendix B</p> <p>Objective evidence:</p> <p>Based on document review of Invoices and removal passes found no specific claims 100% PEFC Certified of Products.</p>	<p>Result of investigation and determination of root cause Oversight of FMU management</p> <p>Correction and corrective action plan including completion date: Corrective Action Plan To design and procure appropriate stamping devices for affixing PEFC certification claim on all transaction and log movement documents</p>	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.																				
Minor NCR MRS05/20 22	<p>Requirement: Indicator 8.4.1 - Forest managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest management plan.</p> <p>Finding: The FMU has yet to incorporate the results and findings of the monitoring activities into the revision of the forest management plan.</p> <p>Objective evidence:</p>	<p>Result of investigation and determination of root cause Absence of a person-in-charge (PIC) to compile the results and findings from the monitoring activities.</p> <p>Correction and corrective action plan including completion date: Corrective Action Plan</p>	Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.																				

	<p>The FMP (2022-2026) has yet to incorporate the results and findings of the monitoring activities as required by the items (a) to (e) listed in Criterion 8.2.:</p> <p>a) Yield of all forest products harvested.</p> <p>b) Composition and observed changes in the flora and fauna.</p> <p>c) Environmental and social impacts of harvesting and other operations.</p> <p>d) Costs and productivity of forest management.</p>	<p>1. To appoint a PIC for compiling the results and findings from monitoring activities</p> <p>2. To develop a specific template for compiling and summarizing monitoring results of key parameters listed in Criterion 8.2 for reporting purposes</p> <p>3. To prepare updates for the FMP in due course</p>	
<p>Minor</p> <p>NCR MRS06/20 22</p>	<p>Requirement: Indicator 8.5.1 - A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made publicly available.</p> <p>Finding: Summary of the results of monitoring those listed in Criterion 8.2, yet to be made publicly available.</p> <p>Objective evidence: The following monitoring results yet to be made available at the FMU's website:</p> <p>a) Yield of all forest products harvested.</p> <p>b) Composition and observed changes in the flora</p> <p>c) Social impacts of harvesting and other operations.</p> <p>d) Costs of forest management.</p> <p>e) Growth rates, regeneration and condition of the forest.</p>	<p>Result of investigation and determination of root cause</p> <p>Absence of a person-in-charge (PIC) to compile the results and findings from the monitoring activities.</p> <p>Correction and corrective action plan including completion date:</p> <p>Corrective Action Plan</p> <p>1. To appoint a PIC for compiling the results and findings from monitoring activities</p> <p>2. To develop a specific template for compiling and summarizing monitoring results of key parameters listed in Criterion 8.2</p> <p>3. To upload the Public Summary of such monitoring results to the FMU's website in due course</p>	<p>Status: Accepted. Effectiveness of implementation of the action plan will be verified during next audit.</p>
<p>OFI 9.2.1</p>	<p>Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCV areas.</p> <p>Consultation with relevant stakeholders on the options to maintain or enhance the identified HCV areas could further be improved to include NGOs, Universities and other relevant agencies.</p>	<p>Not required</p>	<p>Not required</p>

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Major NCR: KN02/2020	<p>Requirement: Indicator 4.2.4 - Forest managers shall maintain up-to-date safety records in compliance with all applicable laws and/or regulations covering health and safety of forest workers.</p> <p>Finding: Safety records in compliance with all applicable laws and/or regulations covering health and safety of forest workers were not up to date</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> No safety meeting committee conducted since 2 July 2018. There was no evidence of on-line reporting (JKKP 8 form) submitted to OSHA Department (JKKP) Putrajaya, Malaysia. 	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> Safety committee was operating without any terms of reference. Some members of the committee have no work relations with health and safety matters at the FMU. The safety officer overlooked some of his works requirements, including the requirement to report online to OSHA Lack of operating guidelines (TOR) for the safety committee Some inappropriate committee membership Inadequately trained safety Officer <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> Carryout online reporting to OSHA Department (JKKP 8 form) (immediate) Draw up a proper and practical Terms of Reference to guide the working of the safety committee by end November 2020 Reappoint the committee with members able to contribute to the FMU on health and safety issues by end of November 2020 Incorporate safety training into the annual training programme by end of November 2020. 	<p>During this surveillance audit (2022) found that meeting committee was conducted 6 April 2022 and the minutes of meeting was sighted. In addition, there was evidence of on-line reporting (JKKP 8 form) submitted to OSHA Department (JKKP) Putrajaya, Malaysia on 2021. Terms of Reference to guide the working of the safety committee dated 15 Jan 2021 and Organization chart of safety and health committee member, approved by Managing Director dated 15 Jan 2021 was made available at Berkakap Camp. Thus, Major NCR KN02/2020 was raised against Indicator 4.2.4 was satisfactorily closed.</p>
Major NCR: KN01/2020	<p>Requirement: Indicator - 5.3.1 – Implementation of guidelines for reduced/low impact logging to minimise damage to residual stand, and log extraction operations to minimise product wastage.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> From May till Sept 2020, felling operation were carried out without Forest Manager who retired in 	<p>Corrective action plan received on 22 October 2020 and latest evidence received on 10 March 2021 was verified as below:</p>

	<p>Finding: Implementation of guidelines for reduced/low impact logging to minimise damage to residual stand, and log extraction operations to minimise product wastage were not followed</p> <p>Objective evidence:</p> <ul style="list-style-type: none"> During the site visit to MT-28C and F-2-1-1 at Block 28 of Coupe 01A, it was found: <ul style="list-style-type: none"> Five (5) un-tagged trees i.e. Yellow Meranti 55cm (dbh), Durian 37cm (dbh), Tampar Hantu 29cm (dbh), and Ubah 36cm (dbh), Bawang Hutan 45cm (dbh) were felled during the forest harvesting operation. Four (4) trees were tagged with supplement tag of X2584 59 (dbh), X4261 92cm (dbh), X4262 61cm (dbh), and X2583, were felled. However, the supplement tags were not controlled and not reported to Forest Manager as part of the control measure. During the site visit to MT-30A at Block 30 and FT-24D-0-1 at Block 24 of Coupe 01A, it was found: <ul style="list-style-type: none"> Four (4) un-tagged trees felled during the forest harvesting operation. Three (3) trees were tagged with supplement tag of X2523 90cm (dbh), X2525 60cm (dbh), and X2535, were felled at MT-24D-01, Block 24 of Coupe 01A. The supplement tag were not controlled and not reported to Forest Manager as part of the control measure During the site visit to MT-2A at Block 29 of Coupe 01A, it was found: <ul style="list-style-type: none"> One (1) block boundary tree with size of 51cm (dbh) was felled during the forest 	<p>May 2020</p> <ul style="list-style-type: none"> Existing RIL Procedure does not provide adequate guidance/instruction for: <ul style="list-style-type: none"> Felling untagged trees Use and control of supplement tag 5 of the felling crew concerned were from salvage operation and have not been trained or properly briefed on RIL. Poor operation management due to lack of forest manager to manage and monitor RIL. Deployment of untrained tree fellers, including one untrained supervisor <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> Appoint a new Forest Manager or officer to take charge of felling operations (immediate) Improve the existing RIL procedure to include clear instructions on <ul style="list-style-type: none"> Felling of untagged trees Controlled use of supplement tags (by end of December 2020) Prioritize untrained operations staff for attending relevant RIL courses conducted by STA and Government authorities (by December 2020) 	<ul style="list-style-type: none"> Letter of promotion to acting forest manager dated 28 July 2020, and accepted on 5 Sept 2020 RIL monitoring procedure & checklist (revised 2021), approved by Managing Director on 15 Jan 2021 Report on Closure & Rehabilitation of Skid Trail FT-24d-0-1 Extension, dated 20 Nov 2020 Report on cleaning up & rehabilitation of Buffer Zone F-2-1-1 dated 17 Nov 2020 Memorandum to Melatai Para FMU workers on restriction on buffer zone, felling untagged tress and prohibition on constructing new skid trail without approval dated 20 November 2020 <p>Status: Closed</p>
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	<p>harvesting operation.</p> <ul style="list-style-type: none"> Four (4) trees were tagged with supplement tag of X3324 Meranti 69cm (dbh), X4038 Meranti 80cm (dbh), X4041 Meranti 65cm (dbh) and X4049 Meranti 72cm (dbh), were felled. The supplement tag was not controlled and not reported to Forest Manager as part of the control measure. 		
Major NCR MNS01/20 20	<p>Indicator 6.5.2 – Implementation of reduced/low impact logging to minimise damage to the environment.</p> <p>Finding: Guidelines 10A and Guideline 10B for Reduced and Low Impact Logging [Manual, Procedure and Guidelines for Sustainable Forest Management Certification] were not effectively implemented</p> <p>Objective evidences: Inspection done in Coupe 01 on 22/09/2020 found that;</p> <ol style="list-style-type: none"> Length of skid trail in FT24d-0-1 in RILP Map for Block 24 is 405m but on-site inspection found it was exceeded about 50m more. Site visit in Block 28 (MT-28c), Block 24(FT24d-0-1) and buffer zone at F-2-1-1, found that the debris and earth materials from the road construction either were not deposited in stable areas and enter the waterways, or were pushed into the waterways (see RIL for Ground-Based Harvesting System 3.0 pg. 247) 	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> From May till Sept 2020, felling operation were carried out without Forest Manager who retired in May 2020 Existing RIL Procedure does not provide adequate guidance/instruction for: <ul style="list-style-type: none"> Felling untagged trees Use and control of supplement tag 5 of the felling crew concerned were from salvage operation and have not been trained or properly briefed on RIL. Poor operation management due to lack of forest manager to manage and monitor RIL. Deployment of untrained tree fellers, including one untrained supervisor <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> Appoint a new Forest Manager or officer to take charge of felling operations (immediate) Improve the existing RIL procedure to include clear instructions on <ul style="list-style-type: none"> Felling of untagged trees Controlled use of supplement tags (by end of December 2020) Prioritize untrained operations staff for attending relevant RIL courses conducted by STA and Government authorities (by December 2020) 	<p>Corrective action plan received on 22 October 2020 and latest evidence received on 10 March 2021 was verified as below:</p> <ul style="list-style-type: none"> Letter of promotion to acting forest manager dated 28 July 2020, and accepted on 5 Sept 2020 RIL monitoring procedure & checklist (revised 2021), approved by Managing Director on 15 Jan 2021 Report on Closure & Rehabilitation of Skid Trail FT-24d-0-1 Extension, dated 20 Nov 2020 Report on cleaning up & rehabilitation of Buffer Zone F-2-1-1 dated 17 Nov 2020 Memorandum to Melatai Para FMU workers on restriction on bufferzone, felling untagged trees and prohibition on constructing new skid trail without approval dated 20 November 2020 <p>Status: Closed</p>

<p>Major</p> <p>NCR ANS02/2020</p>	<p>Indicator 8.1.2 - Forest managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</p> <p>Finding: The procedures to monitor social, ecological, environmental and economic impacts were not effectively implemented</p> <p>Objective evidence: Monitoring of social (workers), ecological, environmental and economic impacts were not effectively implemented and discussed during MRM as stated in the procedure "Procedures to Monitor Social, Ecological, Environmental and Economic Impacts" dated 23 August 2019. Thus, the Minor NCR NCR:KN01/2019 was upgrading to Major ANS02/2020.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Lack of meeting secretary to record and follow-up with deliberations especially those on impact monitoring. • Economic / financial matters were not openly or fully discussed. • In ecological and environmental monitoring, data have been lacking for meaningful discussion. • Lack of proper TOR for the Management Review Committee • Lack of proper Meeting Secretary to record minutes and follow up with matters arising. • Insufficient data points for some monitoring areas (e.g., social, ecological) for meaningful reporting <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> • To formally appoint a MR Meeting Secretary (immediate) • To introduce a Management Review TOR to mandate reporting on impact monitoring by December 2020 • To improve monitoring and reporting of budget information with 3 focus areas namely maintenance, training and manpower by November 2020 • To increase the use of monitoring checklists for HCV and water-quality in the FMU by December 2020 	<p>Corrective action plan received on 22 October 2020 and latest evidence received on 10 March 2021 was verified as below:</p> <ul style="list-style-type: none"> • Appointment of MR Meeting Secretary dated 9 October 2020, by Managing Director • Terms of Reference management review committee, Melatai Para FMU, Approved by Managing Director dated 15 Jan 2021 • Financial Performance for the year 2019 against Budget • Melatai Para financial performance review, quarterly result for the year 2019 • Report on the Monitoring of High Conservation Value Forest (HCVF) in Melatai-Para Forest Management Unit 2020, prepared by Ag. Forest Manager dated 31 Jan 2021 <p>During this Surveillance 2 audit (2022), audit found monitoring of social, ecological, environmental and economic impacts have been effectively implemented. The evidence sighted as below:</p> <ol style="list-style-type: none"> 1.The monitoring results had been discussed during 'Minutes of Management Review Committee Meeting' dated 14 April 2022. 2.The Terms of Reference for Management Review Meeting was verified that stated 'Meeting agenda shall include the tabling of monitoring
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			<p>reports on the economic, social, and environmental impacts of harvesting operations in the FMU'.</p> <p>3. Budget and expenses for year 2021 and 2022 have covered on social, ecological, environmental and economic.</p> <p>Therefore, previous Major NCR ANS02/2020 against Indicator 8.1.2 was satisfactorily closed.</p> <p>Status: Closed</p>
<p>Minor NCR ANS01/2020</p>	<p>Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p>Finding: Current monitoring and patrolling to prevent encroachment were not effectively implemented</p> <p>Objective evidence: There were no proper patrolling activities conducted in the FMU since December 2019 as in Daily Mobile Patrolling checklist (encroachment/ poaching/wildlife) within Melatai-Para FMU</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • Driver entrusted with daily mobile patrolling duties was replaced without handing over said duties. • The line of reporting and follow-up action from the patrolling checklist is unclear. • Patrol reporting (by way of the checklist) is not in the duty list of the driver making the rounds. • Responsibility for patrolling reporting and follow-up is not properly documented or assigned. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> • Patrol-reporting to be written into duty list of Daily Transport Driver by end of October 2020 • Daily Mobile Patrolling checklist to be improved with clearer line of reporting by end of November 2020 • SOP for dealing with report of serious encroachment to be drawn up by end of December 2020 	<p>During this surveillance audit, Mobile Patrolling Form (Borang rondaan bergerak) on 19 March 2022, 24 February 2022 and 21 January 2022 noted encroachment has been controlled by FMU.</p> <p>SOP for Handling of serious Encroachment Into FMU, approved by Managing Director dated 15 Jan 2021 was made available during the audit.</p> <p>Thus, Minor NCR ANS01/2020 was satisfactorily closed.</p>
<p>Minor NCR</p>	<p>Indicator 7.3.2 - Availability of programmes to train forest workers to their respective roles for proper implementation of the forest management plan.</p>	<p>Result of investigation and determination of root cause:</p> <ul style="list-style-type: none"> • During 2020, a number of external and internal 	<p>During this surveillance audit, Training programme for year 2022 was included the:</p>

MNS02/20 20	<p>Finding: Training programme for the year 2020 was not adequately implemented to ensure proper implementation of the management plan</p> <p>Objective evidence: Interview on the workers in the workshop on 21/9/2020 and on-site workers in Block 28 and Block 29 of Coupe 01 found that the workers have not adequately understood the purpose of the MC&I audit.</p>	<p>training courses were not conducted due to Covid 19 pandemic and movement restrictions imposed by the government.</p> <ul style="list-style-type: none"> • No pre audit briefing was given to the rank and file of Berkakap camp, only executives were briefed. • Some workers did not comprehend or appreciate some of the technical training and briefing sessions. • Postponement or cancellation of training activities due to Covid 19 Pandemic • Inadequate pre audit preparation • Lack of readily understood training/briefing materials for manual workers. <p>Correction and corrective action plan including completion date:</p> <ul style="list-style-type: none"> • The annual training program will be updated to carry forward or implement any outstanding training activities therein by end of December 2020 • Pre-audit preparation process to be documented and implemented for future audits by end of December 2020 • Briefing and training materials, including those on policies and procedures will be prepared in Bahasa Malaysia for better comprehension by the manual workers by end of December 2020 	<p>Tree Felling chainsaw, log extraction tractor and Log Loading. 18 February 2022</p> <p>Tree log identification. 18 January 2022</p> <p>Ril Briefing. 15 March 2022</p> <p>MC&I Awareness FMC 21 April 2022</p> <p>Therefore, Minor MNS02/2020 was satisfactorily closed.</p>
Indicator 5.5.2 (MC&I SFM)	<p><u>Implementation of management guidelines, where appropriate, to maintain and/or enhance the value of forest services and resources including climate positive practices such as green-house gas emission reduction.</u></p> <p>There was no implementation of guidelines on enhance the value of forest services and resources at the Forest Management Plan.</p>	Not required	<p>Mitigation measures to reduce climate change and guidelines to maintain and/or enhance forest resources such as:</p> <ol style="list-style-type: none"> Implementation of RIL techniques as contained in 'The Green Book' Enrichment planting Rehabilitation of open and degraded area

			<p>iv. Forest fire management</p> <p>Therefore, previous OFI Indicator 5.5.2 as raised during Surveillance 1 audit was satisfactorily closed.</p>
<p>Indicator 8.1.3 (MC&I SFM)</p>	<p><u>Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in APPENDIX A.</u></p> <p>The annual internal audit and management review not conducted properly.</p>	<p>Not required</p>	<p>Management review meeting (MRM) was conducted on 14 April 2022 to review MC&I performance for the year 2021. The meeting was chaired by Forest Manager, including person in-charge from headquarters and committee members. The minutes of meeting was verified by the auditor and found the management had discussed the forest certifications, encroachments, annual work plan, field audit and other activities conducted and made recommendations to address the findings on the internal audits results. These activities have been carried out and includes all required requirements as stipulated in the APPENDIX A of MC&I SFM standard. Therefore, previous OFI against Indicator 8.1.3 as raised during Surveillance 1 (2020) was satisfactorily closed.</p>
<p>Indicator 7.3.1 (MC&I SFM)</p>	<p><u>Forest managers shall clearly define and assign specific roles to and responsibilities of the forest worker to ensure effective implementation of the forest management plan.</u></p> <p>There were no clearly define and assign specific roles to and responsibilities of the forest worker to ensure effective implementation of the forest management plan.</p>	<p>Not required</p>	<p>The Melatai Para FMU has clearly define and assign specific roles to and responsibilities of the forest worker in job agreement. Thus, OFI Indicator 7.3.1 was satisfactorily closed.</p>

<p>Indicator 7.1.1 (MC&I SFM)</p>	<p><u>Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</u></p> <p>The risk and opportunities, and implementation was not available in the forest management plan.</p> <p>Description of stakeholder consultation and description of silvicultural and/or other management system including fire prevention and control, based on the ecology of the forest in question and information gathered through resource inventories not available.</p>	<p>Not required</p>	<p>Review of the The Forest Management Plan (Melatai-Para Forest Management Plan) for Forest Timber Licence No. T/3343 Covering Part of Baleh Protected Forest Under Melatai-Para Forest management Unit (2022-2026) updated January 2022 found the following information not included in the FMP:</p> <p>a) The risk and opportunities, and implementation was not available in the forest management plan.</p> <p>b) Description of stakeholder's consultation (Paragraph J in Criterion 7.1)</p> <p>c) The economical cut does not mention in the FMP. However, the FMU have differ harvesting in Coupe 2/2020 without basis of uneconomical cut.</p> <p>The OFI raised during the previous audit was upgraded to Minor NCR ANS03/2022</p>
<p>Indicator 6.1.2 (MC&I SFM)</p>	<p><u>Environmental impact assessments are carried out, including the potential impacts on rare, threatened endangered species of flora and fauna, and rare and vulnerable ecosystems, and the need for biological corridors in the FMU, appropriate to the scale and intensity of forest management, as well as consideration of the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks.</u></p> <p>Consideration of the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks are not available.</p>	<p>Not required</p>	<p>During this surveillance audit, the impacts on risks of fire and pollution or siltation of water courses and wetlands and forest carbon stocks were not available in the revised EIA Report. Therefore, the OFI for Indicator 6.1.2 was upgraded to Minor NCR RJ01/2022.</p>

<p>Indicator 6.5.5 (MC&I SFM)</p>	<p><u>Fire prevention and control plan to be prepared and implemented for all fire prone forest types.</u></p> <p>Melatai-Para FMU was found to not have a fire prevention and control plan and implemented for all fire-prone forest types</p>	<p>Not required</p>	<p>Management of natural hydrology of wetlands and conservation of buffer strips along streams and rivers in the Melatai-Para FMU sites is guided by “The Green Book: Manual, Procedures and Guidelines for Forest Management Certification in Sarawak (Natural Forest) 2019”. The latest EMR report dated 11March 2022 for water quality monitoring was presented during the audit. However,the EMR was not sent to NREB for approval. Therefore, a Minor NCR RJ 02/2022 was raised under Indicator 8.2.1.</p>
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End of Report