



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
NIBONG FOREST MANAGEMENT UNIT (FMU) T/3432
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number : FMC - NF 00136
Date of First Certification : 30 December 2022
Audit Date : 14 to 19 June 2022
Date of Public Summary : 20 January 2023**

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EXECUTIVE SUMMARY

This stage 2 audit on the Shin Yang Sdn Bhd – Nibong Forest Management Unit T/3432 (hereafter referred as the Nibong FMU T/3432) was conducted on 14 to 19 June 2022 to assess the compliance of the overall forest management system of the Nibong FMU T/3432 against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Sarawak. The scope of this stage 2 audit was limited to the forest management system and practices on the natural forest within the Nibong FMU T/3432.

This stage 2 audit was conducted by a 4-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Mohd Annas Amin Haji Omar (Auditor), Puteri Arlydia Abdul (Auditor), and Azrul Ikhsan Mohamed (Trainee Auditor).

Based on the findings of this stage 2 audit, it was found that Nibong FMU T/3432 had complied with the requirements of the MC&I (Natural Forest). This stage 2 audit had resulted in the issuance of six (6) minor Non Conformity Reports (NCRs) respectively. There were no major NCRs and Opportunities For Improvement (OFI) raised during this Stage 2 audit.

This public summary contains the general information on the Nibong FMU T/3432, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FMU.

1.0 INTRODUCTION

1.1 Name of FMU

Nibong Forest Management Unit (FMU) T/3432

1.2 Contact Person and Address

Mr. Lau Keiw Hieng / Mr. Andy Wong Ko Hock
FMU Certification in Charge/ Executive Director
Lot 515, Jalan Datuk Edward Jeli,
Piasau Industrial Estate,
P.O. Box 1599, 98000 Miri, Sarawak
Phone # : 085 656699 / 019 8152099
Fax # : 085 664999 / 085 668299

1.3 General Background on the Nibong FMU T/34322

The Forest Timber Licence (FTL) No. T/3432 was issued to Sarawak Timber Industry Development Corporation (STIDC) by the Forest Department Sarawak to manage a total 66,967 ha of Balui Stateland Forest, part of the Balui Protected Forest and part of Bahau Protected Forest located within the Batang Balui, Belaga, Kapit Division, Sarawak. The area had elevations ranging from 800 ft. to over 2500 ft. above mean sea level (amsl). The terrain of the area was classified in accordance with Forest Type Map B produced by the Forest Department of Sarawak (FDS). 90% of the area comprised of fairly steep terrain with slopes predominantly in the 5-35° range (terrain Classes II and III).

Shin Yang Sdn. Bhd had been appointed contractor to manage the area or known as Nibong Forest Management Unit (FMU)T/3432. The Nibong FMU T/3432 covered an area of 54,143.00 ha of Stateland Forest and part of Protected Forest. The Shin Yang Sdn. Bhd. had prepared a 25-year Forest Management Plan (FMP) dated February 2021 and general SOPs for the management of Nibong FMU T/3432. The FMP was approved on 19 February 2021 by the Sarawak Forestry Department.

Harvesting operation had started since May 2022 and currently, harvesting activities had been carried out in Block 1, Block 12, Block 13 and Block 15 of Coupe 01AR (1,929ha) in Nibong FMU T/3432. The Nibong FMU T/3432 had identified three (3) local communities identified living within and outside of FMU areas as stated in the Social Impact Assessment (SIA) dated August 2020. Apart from the local communities, Nibong FMU T/3432 had also identified stakeholders affected by the activities of timber harvesting. They were Forest Department Sarawak (FDS), Land & Survey (L&S), District Office (D.O), Sarawak Timber Industry Development Corporation (STIDC) and others.

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

1.4 Date First Certified

30 December 2022

1.5 Location of the FMU

The forest camp area is situated approximately between Latitudes 20 14' 4.06" N to 1140 25' 33.49" E in the Kapit Division

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement stipulated by the Sarawak Forestry Department. A Forest Management Plan (FMP) of 25 years i.e. from year 2021 to year 2046 was presented during this audit.

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

The Annual Allowable Cut (AAC) had been calculated to be 51,081 m³/year or not more than 1,854 ha/year for 25 years of the cutting cycle. During this stage 2 audit, the size of the FMU was 54,143 ha.

1.8 Environmental and Socioeconomic Context

The Environmental Impact Assessments (EIA) including landscape level considerations, as well as the impacts of on-site processing facilities appropriate to the scale and intensity of forest management operations and uniqueness of the affected resources, prior to commencement of forest operations in the FMU had been carried out. The Report of Environmental Impact Assessment (EIA), titled "Proposed Re-entry Forest Logging at Batang Balui, Kapit Division, Sarawak Under Licence T/3432" was generated in December 2008 and was approved on 24 February 2009 by CNF Consultancy Sdn Bhd. The Environmental Monitoring Report (EMR) for the 4th Quarter of 2021 (October to December 2022) and 1st Quarter of 2022 (January- March 2022) was presented during the audit.

The EIA carried out had included the potential impacts on rare, threatened endangered (ERT) 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. The list of ERT species had been incorporated in the Forest Management Plan (FMP) including measures to mitigate the environmental impacts identified in the assessments.

The social impact assessment (SIA) in the FMP had incorporated preventive and mitigative measures covering water catchment, river water quality, forest resources, occupation and income, job opportunities, eco-tourism, general local development (road), health and safety, wildlife disturbance, historical and cultural sites. Forest managers had evaluated, through consultations, the social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations as in Report on Social Impact Assessment (SIA) Nibong FMU T3432 dated 9-12/06/2020. The communities had access to information on the results of the social impact evaluations as explained by the FMU during CRC Meeting at Uma Lesong Naha Nyabong (17/09/2020, 13/11/2020, 8/04/2021 and 26/02/2022), CRC Meeting Uma Kulit Long Jawe (17/09/2020, 8/04/2021 and 16/02/2022) and CRC Meeting Uma Sang Anau Long Bulan - 17/09/2020 and 8/04/2021.

Forest planning and management practices had considered and incorporated the results of such evaluations, as addressed in Forest Management Plan (FMP) for FTL No T/3432 - S.T.I.D.C (Nibong FMU) 2022-2031 dated 30/03/2022 subchapter 7.5 Identification of Key and Potential Social Impacts, Table C7-1: Social Impact Management Plan for Nibong FMU T/3432.

2.0 AUDIT PROCESS

2.1 Audit Dates

14 to 19 June 2022 /18 auditor days)

2.2 Audit Team

Khairul Najwan bin Ahmad Jahari (Lead Auditor)
Mohd Annas Amin Bin Haji Omar (Forester)
Puteri Arlydia bt Abdul (Forester)
Azrul Ikhsan Mohamed (Trainee Auditor)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning May 2022 to solicit feedback from stakeholders on the compliance of the Nibong FMU T/3432 against the requirements of the MC&I (Natural Forest). However, there were no comments received from stakeholders.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Nibong FMU T/3432 current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I (Natural Forest), using the verifiers stipulated for Sarawak.

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

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

The coverage of this stage 2 audit is as shown in the stage 2 Audit Plan in **Attachment 3**.

The Nibong FMU T/3432 had sent a corrective action plans to the audit team to address the minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim stage 2 audit report and sent it to the Nibong FMU T/3432 for comment. A second draft Stage 2 audit report which had incorporated the comments received from the Nibong FMU T/3432 was then prepared and sent to two peer reviewers for independent reviewing. A final Stage 2 audit report was prepared after the comments from peer reviewers had been incorporated.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that the Nibong FMU T/3432 had managed the Nibong FMU T/3432 in compliance with most of the requirements of the MC&I (Natural Forest). This stage 2 audit had resulted in the issuance of 6 minor NCRs. The details on the NCRs raised are shown in **Attachment 4**.

The audit team had reviewed and accepted the Nibong FMU T/3432 proposed corrective actions to address the six (6) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in **Attachment 4**.

There was documentation of the customary rights of indigenous peoples' lands within relevant federal, state and local laws available at Nibong base camp office. Records of meetings and/or consultations between forest manager and affected local communities on free, prior and informed consent (FPIC) were available in the Social Impact Assessment (SIA) report on Nibong FMU T/3432.

Mechanisms such as CRC meetings had been held at Uma Lesong Naha Nyabong to resolve any conflicts and grievances of the local communities. Forest management practices on indigenous people's lands recognised within relevant federal, state and local laws had not threatened or diminished, either directly or indirectly, their resources or tenure rights. Dialogues and consultations (on local community zone) were held with natives (Uma Lesong Naha Nyabong, Uma Kulit Long Jawe and Uma Sang Anau Long Bulan) conducted on 9-10/06/2020 and other relevant stakeholders has been recorded. To date, there were no cases (with regards to conflict resolution) filed as direct negotiations, arbitration or mediation or raised to Native / Civil Courts. This had also been confirmed during stakeholder consultation with Uma Lesong Naha Nyabong, Uma Kulit Long Jawe and Uma Sang Anau Long Bulan

With regard to Criterion 6.10, there was no new conversion of the natural forest in Nibong FMU T/3432 to forest plantations or other non-forest land uses during the intervening period since the last audit.

As there were only minor NCRs raised during this stage 2 audit and the audit team had reviewed and accepted the corrective action plans; the audit team had therefore recommended that the Certificate for Forest Management be awarded to Nibong FMU T/3432 for five (5) years from 30 December 2022 to 19 December 2027.

The summary on the findings of the Stage 2 audit on the Nibong FMU T/3432 against the requirements of the MC&I (Natural Forest) were as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>Copies of up to date of all relevant federal, local laws, regulations, and policies related to forest management and copies of all relevant laws, policies, and regulations stipulated in the MC&I (SFM) fundamental for the FMU management were available in the office at the Nibong Camp.</p> <p>The Camp Manager was found to be aware of the applicable federal, state, and local laws, regulations, and policies (e.g., in minimum wages, scheduled waste, workers right) as well as administrative requirements for forest management. During the audit, there was no record of violations towards the Nibong FMU T/3432.</p> <p>There was current list of all legally prescribed fees, royalties, taxes, and other charges available at the Camp Office. First Schedule for "Rates of Royalty", Second Schedule "Rate of Fees" and DF Circular No. 4/2015 for the Royalty Rate for Pole" were also available at the Camp.</p> <p>There were records of payment made to the Government of Sarawak on the Royalty and Premium Receipt number F42205001312 dated 27th May 2022 and payment to the Social Security or Workmen's Compensation requirement and EPF payment for all local employees.</p> <p>The forest managers were aware of all the binding international agreements such as International Labour Organisations Conventions (ILO), Convention of Biological Diversity (CBD), International Tropical Timber Agreement 1994, Convention on</p>	

Principle	Strengths	Weaknesses
	<p>Wetlands of International Importance Especially as Waterfowl Habitat 1971, United Nations Framework Convention on Climate Change (UNFCCC) and Convention of International Trade of Endangered Species (CITES) which Malaysia is signatory to. These documents were made available to the forest managers.</p> <p>The FMU had established a Standard Operating Procedure (SOP) on "Conflict Between Law and Regulation" (SOP Ref. LEG/01) and were recorded in the "Declaration of Conflicts Form" as of 31st May 2022.</p> <p>The managers were found to be aware and willing to participate in any process to resolve such conflicts that may arise with the affected parties. The consultation process with NREB regarding the issues on buffer zone was conducted on 26-28 April 2022, during the Internal Environmental Compliance Audit (IECA) audit.</p> <p>The Forest Timber Licence (FTL) No. T/3432 was issued to Sarawak Timber Industry Development Corporation (STIDC) by the Forest Department Sarawak to manage a total 66,967 ha of Balui Stateland Forest, part of the Balui Protected Forest and part of Bahau Protected Forest located within the Batang Balui, Belaga, Kapit Division, Sarawak for a period of 15 years. It was subsequently renewed on 29 July 2020.</p> <p>Sign boards on control of hunting had been erected and placed at the security check points and strategic places in the FMU areas. Posters on Total Protected Wildlife in Sarawak were also available at the Base Camp office, workshop, canteen, <i>rumah tarik</i> and worker's quarters.</p> <p>There was a "Schedule for Monitoring of Licence Boundary 2022" and "Common Boundary Cleaning Report 2022" available. However, there were no cases of encroachment detected.</p> <p>The Policies or statements of commitment to forest management practices consistent with these Principles and Criteria were available and signed by Executive Director and Executive Chairman on 21st February 2021 and displayed at appropriate location, main office workshop and canteen.</p> <p>The policies or statement were clearly explained to organizations workers. The</p>	<p>From the site visit to licence boundary at Coupe 24, 22, and 11 along the Main Road (M-1) adjacent to Bakunmas Plantation Sdn Bhd., it was found trees and poles with signage were painted orange in colour.</p> <p>However, control measures such as signages to control encroachment, illegal harvesting, hunting, settlement, and other unauthorized activities were not sufficiently erected as follows:</p>

Principle	Strengths	Weaknesses
	<p>Policies was made available in Public Summary in website https://www.shinyang.com.my/products-services/forest-management-unit.html and accessible by the public and the FMU workers.</p>	<ol style="list-style-type: none"> 1. Entrance to Nibong FMU through M-1 road between Coupe 11 and 15, 2. Entrance to Nibong FMU through M-1 road Coupe 22. 3. Entrance to Nibong FMU through M-3 road Coupe 20. 4. Entrance to Nibong FMU at Uma Liseng Naha Nyabong. <p>Hence, Minor NCR AZR01/2022 was raised against Indicator 1.5.2</p>
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>The documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state and local laws was available. The Forest Timber Licence (FTL) No. T/3432 was issued to Sarawak Timber Industry Development Corporation (STIDC) by the Forest Department Sarawak on 29th July 2004 to 28th July 2019 to manage a total 66,967 ha of Balui Stateland Forest, part of the Balui Protected Forest and part of Bahau Protected Forest. The area is located within the Batang Balui, Belaga, Kapit Division, Sarawak. It was subsequently renewed on 29 July 2020. Shin Yang Sdn. Bhd. had been appointed contractor to manage the area as Nibong Forest Management Unit (FMU) T/3432.</p> <p>The documentation of legal or customary tenure or use rights of local communities within relevant federal, state and local laws in the FMU was available at Nibong base camp office, e.g., customary laws / <i>adat</i> recognised and enforceable by the Native Courts, including relevant decisions of the Civil Courts, Memorandum of Understanding Orang Ulu National Association, Sarawak Timber Association 31/03/1990 & Adet Kayan-Kenyah 1994.</p> <p>The FMU had mapped out three (3) local communities have been identified living within and outside of FMU areas namely Long Jawe, Long Bulan and Batu Keling. One (1) indigenous Kayan Communities settlement of Naha Nyabong Batu Keling is within FMU, whereas two (2) indigenous Kenyah Communities Long Bulan and Long Jawie were adjacent to the Nibong FMU T/3432. The map also showed location of villages, shifting agriculture area, burial site and others.</p>	<p>It was found that about approximately 11,873 ha of the Nibong FMU were in Balui Stateland Forest area, and there was no clear evidence of long-term forest use rights to the land in the FMU.</p> <p>A meeting had been conducted by Shin Yang Sdn Bhd with Licensee (STIDC), Pegawai Tadbir from Belaga and Sg. Asap District Office, Forest Department Sarawak (FDS) and Deputy Director of Land & Survey Department Sarawak (Kuching) and Penolong Pentadbir Tanah of Land & Survey Department Sarawak (Kapit) on 27/01/2022. Review of the minutes of meeting (clause 3.3 and feedback by Land Survey Department in clause 5.2) showed part of the Nibong FMU was a Stateland area, and to date, there was no clear evidence of long-term forest use rights to the state land or lease agreements demonstrated.</p> <p>Hence, Minor NCR KN02/2022 was raised against Indicator 2.1.1</p>

Principle	Strengths	Weaknesses
	<p>The Nibong FMU T/3432 had protected the identified sites of significant importance and boundary demarcation (signage & blue tree marking) with Uma Lesong Naha Nyabong on 17/02/2022, Uma Kulit Long Jawe on 22/01/2022, and Uma Sang Anau Long Bulan on 26/02/2022.</p> <p>The FMU had SOPs on Procedure to Identify Local Community Use Zone Area (Compensation), Conflict Resolution Procedure Local Issue' and 'Dispute Referral Form', Procedure for legal land claim and Procedure to identify local community use zone area within FMU.</p>	
Principle 3 Indigenous People's Rights	<p>Documentation on the customary rights of indigenous peoples' lands within relevant federal, state and local laws was available at Nibong base camp office, e.g., all customary laws / <i>adat</i> recognised and enforceable by the Native Courts, including relevant decisions of the Civil Courts - Memorandum of Understanding Orang Ulu National Association – Sarawak Timber Association 31/03/1990 & Adet Kayan-Kenyah 1994, and others.</p> <p>There were records of meetings and/or consultations between forest manager and affected local communities on free, prior and informed consent (FPIC) in report on Social Impact Assessment (SIA) Nibong FMU T3432 dated 9-12/06/2020.</p> <p>The FMU had conducted a series of CRC Meetings with local communities i.e Uma Lesong Naha, Uma Kulit Long Jawe and Uma Sang Anau Long Bulan and records on the meetings were available.</p> <p>Up to the date of audit, there were no cases (with regards to disputes over legal & customary rights). It was noted that forest management practices on indigenous people's lands recognised within relevant federal, state and local laws had not threatened or diminished, either directly or indirectly, their resources or tenure rights.</p> <p>The FMU had also listed species/resources used by indigenous peoples within the FMU identified through the Environmental Impact Assessment (EIA) Social Impact Assessment (SIA).</p>	<p>There were no negative findings under this Principle</p>

	<p>The Forest Management Plan (FMP) had incorporated preventive and mitigation measures covering water catchment, river water quality, forest resources, occupation and income, job opportunities, eco-tourism, general local development (road), health and safety, wildlife disturbance, historical and cultural sites.</p> <p>Upto the date of the audit, there were no cases (with regards to conflict resolution) were filed as direct negotiations, arbitration or mediation or raised to Native / Civil Courts and this has been confirmed during stakeholder consultation with Uma Lesong Naha Nyabong, Uma Kulit Long Jawe and Uma Sang Anau Long Bulan.</p> <p>It was noted that there was no traditional forest-related knowledge and practices of indigenous peoples on the use of forest species or management systems in forest operations.</p> <p>Nevertheless, mechanisms such as SOPs had been established and records were available on fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of natives and were found in line with Sarawak Biodiversity Centre Ordinance, 1997 (Cap. 24) and its regulations.</p>	
Principle 4 Community Relations and Workers' Rights	<p>Forest managers had provided appropriate support for training, retraining, local infrastructure, facilities and socio-economic programmes that commensurate with the scale and intensity of forest management operations as stated in Forest Management Plan (FMP) Nibong FMU 2022-2031. The communities living within, or adjacent to, the FMU were given preference for employment and contract works and this was addressed in subchapter 7.5 in the FMP.</p> <p>There were training records available on OSH induction training, Fire Safety, Basic First Aid, Hazardous material/chemical safety/scheduled waste management, Workmen Rule Refresher, Emergency response and preparedness, Reduce impact logging (RIL) 100% enumeration and tree tagging for harvesting, PCT and protection tree and Log, Extraction Skill Set, Tree Felling Skill Set and Log Loading Skill Set.</p> <p>Communities living within, or adjacent to, the FMU were noted to be given preference for employment and there were documented job offers notification for all positions, e.g., Camp Manager, Foreman, Driver, Wireman,</p>	

	<p>Welder, Storekeeper, Surveyor, and others available.</p> <p>There were contract Agreement records available for local workers, e.g.:</p> <ul style="list-style-type: none"> i) Logging Truck Operator, ii) Logging Truck Operator, iii) Chainsaw Operator <p>As for foreign workers, there was Contract Agreement of “<i>Surat Perjanjian Kontrak Pekerjaan Antara Syarikat Dengan Pekerja Asing</i>” e.g.:</p> <ul style="list-style-type: none"> i) Road Tractor Operator ii) Tractor Operator iii) Tractor Operator iv) Chainsaw Operator v) Excavator Operator vi) Excavator Operator vii) Shovel Operator <p>The employment records for local communities living within or adjacent workers were found in line with the Labour Ordinance [Cap. 76 (1958 Ed.)].</p> <p>It was noted through site review and interviews, the FMU had not employed or been involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p>There was adequate and up-to-date information on all applicable laws and/or regulations covering occupational safety and health of forest workers and the information had been disseminated to the workers in Bahasa Malaysia and/or English. Safety and Health Officer had been appointed on 23/02/2021 for Nibong Camp. The employment was in accordance with Occupational Safety and Health Act 1994 requirements.</p> <p>Safety and Health Committees have been established consisting of a chairman, secretary, OSH in Charge, HQ representatives, administration, workshop & store, harvesting & road and transportation.</p> <p>Safety and operational equipment were also found in good working condition, including operational procedures, and were available to forest workers in the workplace.</p> <p>Operational procedures had been established, briefed and placed at strategic the area (office, chemical store, oil store, general store, nursery etc) and forest workers were aware of these procedures in</p>	<p>Nibong FMU T/3432 had yet to conduct Chemical Hazardous Risk Assessment (CHRA) as per the requirement of Occupational Safety and Health (Use and standards of exposure of chemical</p>
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	<p>the workplace, e.g. Construction of Dumping Site, PPE Issuance, First Aid Treatment, Accident Reporting, Chemical Spillage.</p> <p>Forest managers had maintained up-to-date safety records in compliance with all applicable laws and/or regulations covering the health and safety of forest workers. The FMU had granted a permit for the accumulative rest day titled “Permit Pengumpulan Cuti Rehat Mingguan Di bawah Seksyen 105B (3) Ordinance Buruh (Sarawak BAB 76) Serial No.: JTKSWK/CM (MARUDI)” including canteen deduction for Lawful Deduction permit Serial No.: JTKSWK/(MARUDI).</p> <p>The FMU had no restrictions for workers to freely organise into a union of their own choice, to organise and undertake collective bargaining and non-discrimination in the workplace and to organise and undertake collective bargaining and non-discrimination in the workplace in accordance with ILO Conventions.</p> <p>There was procedure “LR/03 Grievance Appendix II Procedure, SOP/LR/BM/03 <i>Pengurusan Aduan</i>” established to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p>The FMU had evaluated social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations and the communities had access to information on the results of the social impact evaluations.</p> <p>Up to the date of audit, there was no case (legal or customary rights, property, resources, or local community livelihoods, caused by forest operations) filed either as direct negotiations, arbitration or mediation or raised to Native / Civil Courts.</p>	<p>hazardous to health Regulations 2000). A site visit to the Nibong workshop had confirmed that no CHRA had been conducted to cover welding activities. A visit to the active harvesting area at Block 15 found 3 containers filled with fuel/oil were not labelled and stored properly. The audit had found that the handling of hazardous materials was not in accordance with the requirements of Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000).</p> <p>Hence, Minor NCR ANS01/2022 was raised against Indicator 4.2.5</p>
Principle 5 Benefits From the Forest	<p>Nibong FMU T/3432 was noted to be committed with the investment and reinvestment for forest management activities. These had been verified in the Ten (10) Year (2022-2031) Budget in Chapter 14 [Budget Allocations for Sustainable Forest Management in the FMP].</p> <p>The Forest Management Plan for Nibong FMU T/3432 -Forest Logging Re-entry for a period of 10 years (Year 2022-2031) dated 30 March 2022, had included plans to maintain, restore or enhance the productive</p>	<p>There were no negative findings under this Principle</p>

	<p>capacity and ecological integrity of the FMU to ensure its economic viability, requirement of Silviculture, Forest Rehabilitation and Reforestation, Permanent Sample Plots (PSP) for Study of Growth and Regeneration of Forest Resources.</p> <p>Site inspection showed that there were a total of 19 PSPs established in the Nibong FMU T/3432.</p> <p>Harvesting activities had currently started in Block 1, Block 12, Block 13 and Block 15 of Coupe 01AR (1,929ha) in Nibong FMU T/3432. Logs harvested were recorded daily in Logs Receiving Report. The Annual Allowable Cut (AAC) was calculated to be 51,081.19 m³/year. A quota of Monthly Production Limit approved by FD (July 2021-June 2022) – 8400 m³ (6,720 m³ as reservation quota and 1,620 m³ for export) was verified during the audit.</p> <p>Guidelines for Reduced and Low Impact Logging (RIL) For Ground-Based Harvesting System Part 1 and 2 (Rev. August 2018), by Forestry Department Sarawak and SFC were available and it was noted that these guidelines were implemented. There was also refresher training conducted on RIL, 100% Enumeration and tree tagging for harvesting, PCT and Protection Tree. Records of training were available at Nibong Camp</p> <p>The FMU had no plans for other production or a mix of commercial forest product or including the utilisation of non-timber forest products. However, the FMU allowed, particularly by the local community of Uma Lesong Naha Nyabung (Batu Keling) to collect and utilised of non-timber forest products.</p> <p>Monitoring records of the Social Impact Monitoring Assessment dated 9-10 February 2022 were verified and found the locals collecting forest products e.g., rattan and <i>suyang</i> (herbs). Provided that such use does not compromise the ecological health of the forest, a mutual agreement between Nibong FMU and Local Communities of Uma Lesong Naha Nyabung (Batu Keling) was signed-off on 7 January 2021 to ensure local communities do not compromise the ecological health of the forest.</p> <p>The Monitoring of shifting agriculture (SA) areas and water catchment for the local community was also conducted by FMU on 9 February 2022. The objective of the</p>	
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	<p>monitoring was to. ensure that these areas were not disturbed by forest operations in order to maintain the water quality and safeguard the SA. area and water catchment.</p> <p>The FMU had also implemented the identification and demarcation of sensitive areas for the protection of soil and water, watercourse and wetland based on the "Procedures for Identifying and Demarcating Sensitive Areas for the Protection of Soil and Water, 1999", "RIL Guidelines for Ground –Based Harvesting System Part 1 and Part 2 by SFC (August 2018)" which covered Logging Road construction, tree felling, post-harvesting activities, pre-harvest activities and other reduce impact activities. After the approval of the Detailed Harvesting Plan for the harvesting area, the management commenced the demarcation of the water catchment boundary, buffer zone and conservation area.</p> <p>The rate of the harvest was calculated to not be greater than the estimated regrowth of the residual stand based on permanent sample plots within a pre-defined 25 years of cutting cycle, with a total productive area of 46,470 ha, the Annual Coupe of Nibong FMU was set to not more than 1,854.8 ha/year as stated in the FMP. The Annual Allowable Cut (AAC) was calculated to be 51,081 m³/year or not more than 1,854 ha/year for 25 years of the cutting cycle.</p>	
Principle 6 Environmental Impact	<p>The Environmental Impact Assessments (EIA) was carried out on landscape level considerations, as well as the impacts of on-site processing facilities, appropriate to the scale and intensity of forest management operations and uniqueness of the affected resources, prior to commencement of forest operations in the FMU. The Report of Environmental Impact Assessment (EIA), titled "Proposed Re-entry Forest Logging at Batang Balui, Kapit Division, Sarawak Under Licence T/3432" was generated in December 2008 and was approved on 24 February 2009.</p> <p>Environmental impact assessments carried out, included the potential impacts on ERT 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. The list of ERT species had been included in the FMP. The FMP</p>	

	<p>had also incorporated measures to mitigate the environmental impacts identified in the assessments.</p> <p>Mechanism to identify ERT Species was available. There was a Master plan for wildlife in Sarawak and Wildlife Protection Ordinance 1998 available.</p> <p>Features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU were also included in the Forest Management Plan. The FMU had identified the Protected area such as terrain IV or Kerangas, HCVF and International Buffer Zone areas. These areas were demarcated on the ground and mapped.</p> <p>The FMU had controlled activities of hunting, fishing and collecting products from forest. There were signages prohibiting hunting were erected at the main entrance and at strategic locations and posters had been posted at the main entrance, office, workshop, canteen and staff quarters.</p> <p>Wildlife Honorary Rangers had been appointed by the FMU to monitor wildlife and to record the changes in wildlife in Nibong T/3432 FMU annually.</p> <p>The silviculture treatment by Enrichment Planting. was based on the "Manual of Silviculture for the Permanent Forest Estate of Sarawak, 1999".</p> <p>The conservation of genetic, species and ecosystem diversity in the FMU, the minimum cutting limit of >45cm dbh for Non-Dipt Species and >60cm dbh for Dipterocarp spp was implemented in the FMU. The list of protected plants and fauna was also available based on "Guideline for Fauna Conservation and Ecosystem management" prepared by the FMU.</p> <p>The FMU had maintained a significant number and area of the protection forest despite its designation as a production forest. The buffer zone for the protected area had been demarcated on the ground base on the type of protection, water catchment and a riparian buffer zone with blue colour, Terrain IV, SA or Kerangas, HCVF and international Buffer Zone in green colour. During the site inspection the protected areas were demarcated on the ground.</p> <p>Representative areas of the existing forest ecosystem had been demarcated and mapped for protection as stated in the</p>	
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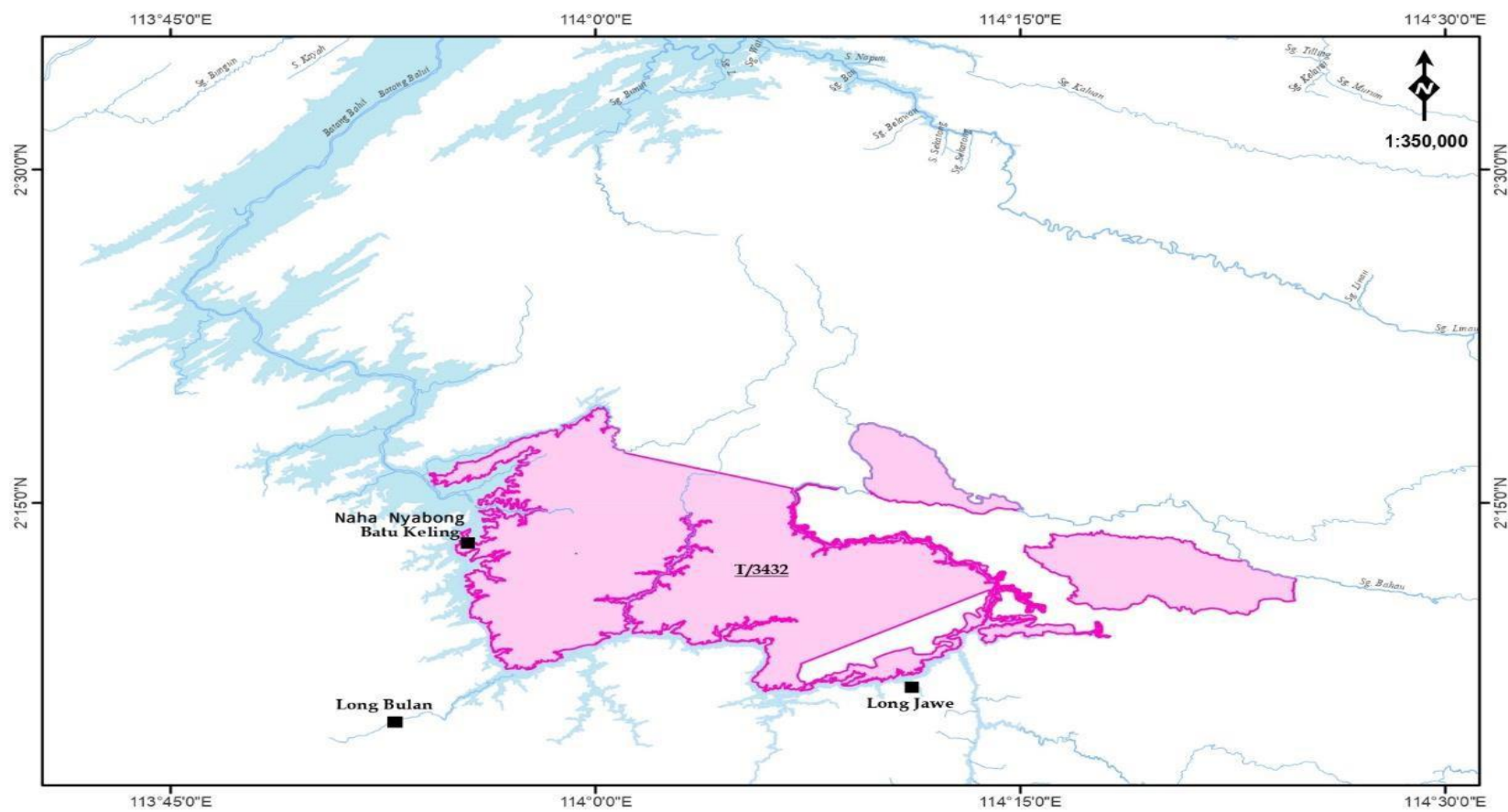
	<p>Forest Management Plan. An area of 2,576 ha had been set aside for Terrain IV, 1,478 ha for Shifting Agriculture Are, 7 ha for HCVF and about 2,576 ha including the water catchment area had been excluded from forest activities and protected. These areas had been marked on maps and demarcated in the field for those that were accessible.</p> <p>The FMU had adhered to specifications on the harvesting procedures to protect soil from compaction, reduce/low impact logging, forest road, log landing and stream buffer zone through their SOPs of Road Construction-Construction of New Logging Road (SOP Ref. RM/02), Reduced Impact Logging Guidelines, Detailed Harvesting Plan and Chapter 4 [Planning of Forest Road and Harvesting Systems] of the FMP.</p> <p>Environmental Policy (Revised) had been displayed at the strategic location in the base camp. The FMU was committed to avoid the use of chemical pesticides and to ensuring the use of environmentally friendly non-chemical methods of pest management (if applicable) within the natural forest of the FMU. A SOP ref: HW/02 Hazardous Chemicals was available. It was noted that training on Hazardous material and scheduled waste management had been conducted on 14 April 2022.</p> <p>The FMU had also established SOP related to waste disposal such as Environmental Quality Control on Waste Generated. Hazardous Chemicals and Scheduled waste. The SOP included, storage of scheduled waste, handling of scheduled waste, labelling of scheduled waste, scheduled waste spillage, removal and disposal of solid waste and storage, handling and disposal of hazardous goods.</p> <p>It was noted that the FMU had not :</p> <ul style="list-style-type: none"> i) applied biological control agents , ii)planted exotic species iii) convert forest into other land uses 	<p>The audit found that,</p> <ol style="list-style-type: none"> 1. Procedure for Post Logging block Inspection to assess the residual stocking for the prescription of silvicultural treatment was not sufficient. 2. Interview between Forest Supervisor and Chief Surveyor found inconsistency in the implementation of the Post-Felling inventory. 3. Review of data found discrepancies between "Pre-Felling data and Post-Felling Data Block 1" and "Enrichment Planting Status Report for the year 2022". <p>Based on the above (1 to 3), the implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded areas was not sufficient.</p> <p>Hence, Minor NCR KN01/2022 was raised against Indicator 6.3.1</p> <p>There was a forest fire Management plan dated 1 December 2021 available. At Nibong Camp. However, during site inspection at Block 12 of Coupe 01AR, found the Feeder Trail FT-12-1-1 had an additional 80m skid trail constructed at locations different from that approved by the Forest Department Sarawak (FDS). Construction of the skid trail was carried out without official permission from Forest Department Sarawak</p>
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		<p>(FDS).</p> <p>Hence, Minor NCR AZR02/2022 was raised against Indicator 6.5.3</p> <p>During the site visit to fuel storage at Nibong Camp and Nibong Workshop in the FMU, it was found that the oil trap had not been constructed appropriately and used oil was sighted on the ground. The used oil and fuel was not disposed in an environmentally appropriate and legal manner.</p> <p>Hence, Minor NCR ANS02/2022 was raised against Indicator 6.7.1</p>
Principle 7 Management Plan	<p>A Forest Management Plan (FMP) for Nibong (T/3432) FMU (2022-2031) dated 30 March 2022 had been prepared appropriately to the scale and intensity of the operations. The FMP had been approved by Forest Department of Sarawak (FDS) on 12 May 2022) and it had been implemented in the harvesting area at Block 1, 12, 13 and 15 of Coupe 01AR.</p> <p>The description of the FMU's administration, forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands was included in the FMP.</p> <p>The FMU had been granted a forest logging re-entry harvesting license for coupe area T/3432 by the State Government through FDS on 9 July 2004 and managed by Shin Yang Sdn Bhd. The area include Terrain IV, Shifting Agriculture Are (SA), Buffer Zone (SBR), Water Catchment and conservation area.</p> <p>The forest management plan would be periodically revised every 5 years to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.</p> <p>Forest managers were aware of new scientific and technical information pertinent to the management of the area of the FMU. They had clearly defined and assigned specific roles and responsibilities of the forest worker to ensure the effective implementation of the Forest Management Plan.</p> <p>Forest managers had made publicly available a summary of the primary elements of the management plan, including</p>	<p>There were no negative findings under this Principle</p>

	those listed in Criterion 7.1. A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 had been made publicly available at https://www.shinyang.com.my/products-services/forest-management-unit.html	
Principle 8 Monitoring and Assessment	<p>The FMU had established procedures and complied with relevant federal and state guidelines of the Forest Department of Sarawak and other relevant agencies including with the regulatory monitoring procedures. Procedure for the Inspection of Harvesting Areas 1999 had replaced the Instructions for Inspection of Logging Areas, 1982, and was conducted by the Forest Department Sarawak.</p> <p>The frequency and intensity of monitoring was determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. The monitoring procedures were consistent and replicable over time to allow comparison of results and assessment of change during the Management Review Meeting.</p> <p>The internal audit had been conducted on 29 July until 4 August 2021, led by Mr. Sia Nan Wee. An annual audit programme was established based on Guidelines in FMP Chapter 15.8 [Internal Audit].</p> <p>The management review meeting had been conducted on 30 April 2022, chaired by Mr Andy Wong Ko Hock the Executive Director. The management review meeting had discussed, amongst others, results of the Internal Audit, research and data collection for a yield of all forest products harvested, growth rates, regeneration and condition of the forest as in FMP, composition and observed changes in the flora and fauna, environmental and social impacts of harvesting and other operations and costs, productivity and efficiency of forest management, budget production and allocation.</p> <p>The results of monitoring had yet to be incorporated into the FMP as the revision of the FMP would be conducted in every 5 years.</p> <p>A public summary on the results of monitoring on Indicator 8.2.1 i.e.</p> <ul style="list-style-type: none"> i) yield of all forest products harvested, ii) Composition and observed changes in the flora and fauna, and 	There were no negative findings under this Principle.

	<p>iii) Costs, productivity and efficiency of forest management had been published at the Shin Yang's website: https://www.shinyang.com.my/products-services/forest-management-unit.html</p>	
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>The report on the assessment, identification, and management of High Conservation Value Forests for Nibong FMU had been completed titled 'High Conservation Value (HCV) Assessment Report T/3432 - Nibong FMU, dated 8th – 12th June 2020 by Shin Yang Sdn. Bhd by SFM Certification Team. HCV report had identified four (4) HCV that have been declared are 3 saltlicks at Coupe 10, 11 and 12 (respectively) and 1 pig wallow at Coupe 24 to be present in the FMU.</p> <p>Meetings had been held with STIDC, and WWF Malaysia, government agencies and NGOs, local communities (Long Jawe, Uma Lesung Naha Nyabong, and Uma Sang Anau, Long Bulan) to discuss the HCVFs in the FMU.</p> <p>Based on the information obtained through the respective meetings, HCVF was incorporated into the FMP under Chapter Ten under 10.12 – “High Conservation Value Forest Assessments”.</p> <p>The FMU had established a monitoring procedure to assess the effectiveness of the measures in the management of the HCVFs titled “Mechanism to Identified Endanger, Rare and Threatened (ERT) Species” SOP REF: WL/01. The monitoring had been conducted at least once a year as in CEPA program.</p> <p>The following monitoring reports for HCV were available and verified during the audit in 2022:</p> <ul style="list-style-type: none"> • Pig Wallow on 21/02/2022 (Report Ref. No.: - NB/HCVF/01/22), • Saltlick at Coupe 13 on 22/04/2022 (Report Ref. No.: - NB/HCVF/02/22) and • Saltlick at Coupe 11 on 24/05/2022 (Report Ref. No.: - NB/HCVF/03/22) 	<p>There were no negative findings under this Principle</p>

Map of Nibong T/3432 FMU



Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field work, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Senior Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification MC&I (Natural Forest) and MC&I (Forest Plantation), MYNI of RSPO P&C, MSPO, TLAS, STLVS and other management system on ISO 9001, 14001 and OHSA 1800</p> <p>Training / Research Areas: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
Mohd Annas Amin Bin Haji Omar	Trainee Lead Auditor/ 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 State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations.</p> <p>Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p> <p>Training / Research Areas: Attended and pass the following training programmes: Program Of MTCS Training Course (MC& I) In Kuantan</p>

		<p>(9-12 July 2018)</p> <p>Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 Ogos 2018)</p>
Puteri Arlydia Abdul	Auditor / Forester	<p>Academic Qualification: B. Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: 1 year with Forestry Department Peninsular Malaysia (JPSM) 2007-2008, 3 years with Forest Plantation Development Sdn Bhd (Wholly owned by MTIB) 2008 – 2011, 1 year with Transparency International Malaysia 2011-2012, 3 years with Intertek Certification International Sdn Bhd 2012-2015 and with Sirim QAS International from 2015 onwards. Her working experience cover forest elements among others, Geographic Information System, Remote Sensing, Forest Governance Integrity and Local Communities programs and auditing in ISO 9001 (Quality), ISO 14001 (Environment), PEFC Chain of Custody and PEFC MC&I (both Natural and Plantation Forest).</p> <p>Training/Research Areas: Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> 1. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012 2. MC&I (Natural and Plantation) Lead Auditor Course 9-10/07/2015 3. Training on ISO 9001:2015 (final version) dated 21/09/2015 4. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015 5. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016 6. Schedule Waste Handling dated 1/06/2016 7. ISO 14001:2015 dated 18/09/2017 8. PEFC CoC by MTCC dated 6 & 14/12/2017

Stage 2 Audit Plan

DAY	TIME	PROGRAM		
Travel Day 1 12.6.22 Sunday	06.00am-10.30am 1.00pm	All Auditors travelling from KLIA to Bintulu on 12 June 2022 Flight from Kuala Lumpur (KUL) to Bintulu (BTU) MH2748 ETD – 12:10, ETA-14:30 Check in at New World Hotel, Bintulu		
Travel Day 2 13.6.22 Monday	7.30 am	Travelling to Nibong Camp		
Audit Day 1 14.6.22 Tuesday	8.00 am – 1.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on issues of concern from Stage 1 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs Evaluate on internal audit and management review <p>Documentation and records review</p>		
	2.00 pm – 5.00 pm	<p>Najwan</p> <ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 7 – Management Plan Principle 9 – Maintenance of High Conservation Value (HCV) 	<p>Annas</p> <ul style="list-style-type: none"> Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 8 – Monitoring and Assessment 	<p>Lydia</p> <ul style="list-style-type: none"> Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right
Audit Day 2 15.6.22 Wednesday	7.30 am – 1.00 pm 2.00 pm – 5.00pm	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting Inspection of Coupe Boundary Conservation area and PSP Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. 	<p>Site visit</p> <ul style="list-style-type: none"> Inspection of active harvesting area HCVF Inspection of FMU Licenses Boundaries Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. 	<p>Site visit</p> <ul style="list-style-type: none"> Consultation with stakeholders Consultation with Local Communities Kenyah Communities Long Jawie

		Review of Day 2 Findings by Audit Team Leader		
Audit Day 3 16.6.22 Thursday	7.30 am – 1.00 pm	Site visit <ul style="list-style-type: none"> • Inspection of active harvesting area • Silviculture treatment activities • Inspection of FMU Licenses Boundaries 	Site visit <ul style="list-style-type: none"> • Inspection of Pre-harvesting area or Tree tagging area Block • Inspection of FMU Licenses Boundaries 	Site visit <ul style="list-style-type: none"> • Consultation with Local Communities of Kenyah Communities Long Bulan
	2.00 pm – 5.00pm			
		Review of Day 3 Findings by Audit Team Leader		
Audit Day 4 17.6.22 Friday	7.30 am – 1.00 pm	Site visit <ul style="list-style-type: none"> • Inspection of Post-harvesting area • HVCF 	Site visit <ul style="list-style-type: none"> • Inspection of Post-harvesting area • PSP • Inspection of Central Stumping Site 	Site visit <ul style="list-style-type: none"> • Consultation with Local Communities indigenous Kayan Communities settlement of Naha Nyabong Batu Keling
	2.00 pm – 5.00pm			
Audit Day 5 18.6.22 Saturday	7.30 am – 1.00 pm	Site visit <ul style="list-style-type: none"> • Inspection of PSP plots • Boundary of FMU License Boundaries 	Site visit <ul style="list-style-type: none"> • Check on workshop, machineries maintenance and equipment • Nursery and chemical store 	Site visit <ul style="list-style-type: none"> • Inspection of staff quarters • Consultation with workers and worker's representative
	2.00 pm – 5.00pm			
Audit Day 6 19.6.22 Sunday	8.30 am – 1.00 pm	<ul style="list-style-type: none"> • Documentation and records review • Preparation of audit report and finding • Briefing to representatives of FMU on the findings of audit 		
	2.00pm- 3.00 pm	<ul style="list-style-type: none"> • Closing Meeting and presentation of findings of audit and discussion on follow-up activities • Adjourn Closing Meeting 		
	4.00 pm	Travelling from Camp to Bintulu		
Travel Day 20.6.22 Monday	9.00am	All Auditors travelling from Bintulu to KLIA on 20 June 2022. MAS Flight from Bintulu (BTU) to Kuala Lumpur (KUL) MH2743 ETD-11:25, ETA-13:40		

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

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
1.5.2 Minor NCR: AZR 01/2022	<p>Indicator 1.5.2 - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p>Finding: Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient</p> <p>Objective evidence: Control measures such as Signages to control encroachment, illegal harvesting, hunting, settlement, and other unauthorized activities was not sufficiently erected as follows:</p> <ol style="list-style-type: none"> 1. Entrance to Nibong FMU through M-1 road between Coupe 11 and 15, 2. Entrance to Nibong FMU through M-1 road Coupe 22. 3. Entrance to Nibong FMU through M-3 road Coupe 20. 4. Entrance to Nibong FMU at Uma Lesong Naha Nyabong. 	<p>Result of investigation and determination of root cause:</p> <p>At the initiate stage, Shin Yang Nibong FMU has established joint monitoring license boundary and agree to protect the license boundary with the adjacent Non-FMUs (salvage logging). At the same time, the FMU has only installed one signboard of "Welcome to Nibong FMU" at the entrance at Bahau River Bridge. The management committee thought it is sufficient enough to meet the MC & I (SM) indicator 1.5.2. However, after inquired by auditors, the FMC committee found that the FMU is scattered into 3 portions and Non-FMU (Salvage Logging) is found located in between and adjacent the FMU. This could be high risk of encroachment occurs in FMU if the signboard is insufficient at the entry point to FMU.</p> <p>Correction and corrective action plan including completion date:</p> <p>The management decided to enhance and strengthening the control measures to avoid risk of encroachment at 4 entrances by,</p> <ol style="list-style-type: none"> 1. Designed 5 signboards namely "Selamat Datang Ke Nibong FMU T-3432" and minding all the outsiders to follow requirements of MC & I (SFM) e.g. No Hunting, No illegal activities, Follow RILs and Protect HCV etc. when entering the FMU area from Non- FMU areas. 	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p>

		<p>2. Re-enhance and replace the existing signboards at Sg Bahau with the standardize signboard as mentioned in (1).</p> <p>3. The signboards will be installed at</p> <ul style="list-style-type: none"> a) Entrance to Nibong FMU through M-1 road between Coupe 11 and 15; b) Entrance to Nibong FMU through M-1 road Coupe 22; c) Entrance to Nibong FMU through M-3 road Coupe 20; and d) Entrance to Nibong FMU at Uma Lesong Naha Nyabong. 	The implementation and effectiveness of the corrective action plan will be verified during the next audit.
<p>2.1.1</p> <p>Minor</p> <p>NCR: KN 02/2022</p>	<p>Indicator 2.1.1 - Availability of documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state and local laws in the FMU.</p> <p>Finding : There was no clear evidence of long-term forest use rights to the state land or lease agreements demonstrated.</p> <p>Objective evidence : Approximately 11,873 ha of the Nibong FMU were in Balui Stateland Forest area, and there was no clear evidence of long-term forest use rights to the land in the FMU.</p> <p>A meeting has been conducted by Shin Yang Sdn Bhd with Licensee (STIDC), Pegawai Tadbir from Belaga and Sg Asap District Office, Forest Department Sarawak (FDS) and Deputy Director of Land & Survey Department Sarawak (Kuching) and Penolong Pentadbir</p>	<p>Result of investigation and determination of root cause:</p> <p>Upon investigation, we found</p> <ol style="list-style-type: none"> 1. Among 11873 ha(s) of stateland in Nibong, management has write to Licensee to request guarantee from Land & Survey. 1,046 ha(s) has identified (letter ref (3)JHS/600-3/7/102/Jld.18) and balance of 10817 ha(s) yet to be verified due to no owner and no much info(s) for remain stateland. 2. According to the consultation meeting with FDS and Deputy Director of dated 27/01/22 (add on information). FDS has explained that before the approval of GP of Nibong FU, FDS will send a shape of of Nibong FMU to Land & Survey to verify any conflict of land issue in the state land that FM fall in. If there is no objection and land issues raise, then Director of Forests will proceed approving the GP. This mean once GP is approved, that is considered o objection from Land and Survey. 3. The steering committee between the FDS and Land & Survey are in the process of study the land issue of FMUs affected by Stateland and 	

	<p>Tanah of Land & Survey Department Sarawak (Kapit) on 27/01/2022. As discussed in clause 3.3 and feedback by Land Survey Department in clause 5.2. (Meeting minutes), part of the Nibong FMU were Stateland area, and to the date there was no clear evidence of long-term forest use rights of the land.</p>	<p>they will try to handle the issue case by case basis by FMU</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Nibong FMU will issue follow up letter to Licensee and Land & Survey on the verification of the Balui Stateland within the Nibong FMU; 2. Nibong FMU will conducted follow up meeting in the FMCLC meeting dated 14/07/2022 (letter ref no: SY/3432/2022/SOC(1)) at Pejabat Daerah Belaga, the land guarantee issue status will be discussed among the FMU and FMCARC (Forest Management Certification Agencies Representative Committee) and land status will be update as output of the meeting 	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p> <p>The implementation and effectiveness of the corrective action plan will be verified during the next audit.</p>
<p>4.2.5 Minor</p> <p>NCR: ANS 01/2022</p>	<p>Indicator 4.2.5 - Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: Handling hazardous materials in accordance with requirement Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000)</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Nibong FMU has yet to conduct Chemical Hazardous Risk Assessment (CHRA) as per requirement Occupational Safety 	<p>Result of investigation and determination of root cause:</p> <p>Upon investigation, it was found that Nibong FMU workers, especially those ground workers whom more likely to expose themselves to hazardous chemical at work such as workshop workers (mechanics and welder), harvesting group workers (chainsaw, excavator and tractor operator) and store keeper possess insufficient awareness and knowledge towards chemical safety.</p> <p>Besides, it is also the responsibility of the Nibong FMU respective OSH coordinators to conduct any forms of training related to hazardous chemical handling / chemical safety to enhance respective awareness and knowledge as well as the responsibility of employer to conduct Chemical</p>	

	<p>and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000). Site visit to Nibong workshop has confirm that no CHRA has been conducted to cover welding activities.</p> <p>2. Visit to active harvesting area at Block 15 found 3 containers filled with fuel/oil were not labelled and stored properly.</p>	<p>Hazardous Risk Assessment (CHRA) into Nibong FMU according to the requirement of OSH (USECHH) Regulation 2000.</p> <p>Correction and corrective action plan including completion date:</p> <p>To engage qualified assessor whom has registered with the Department of Occupational Safety and Health to conduct CHRA which shall covers and accesses all chemical hazardous to health present in Nibong FMU. control measures recommended and prescribed in CHRA by the assessor such as health surveillance will be implemented</p> <p>25.6 - Requested quotation from Synergy Consultant and Patana SHE Consultant. Expected completion date: November 2022</p> <p>To perform refresher training in Chemical safety related topics in order to strengthen and enhance chemical safety awareness, the training shall be conduct by knowledgeable personnel such as HQ OSH Team and RIL Trainer.</p> <p>22.6 - Training plan for second half of 2022 and year 2023 is under revise. The next chemical training planned in July 2022.</p> <p>To closely monitor the ground practice on chemical handling, labelling and control. The monitoring shall be performed by team leaders such as Mandor and Chief Mechanic, as well as HQ OSH Team for regular inspection and monitoring activities.</p> <p>Team leaders to daily monitor the ground practices. HQ OSH Team shall conduct quarterly inspection.</p>	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p> <p>The implementation and effectiveness of the corrective action plan will be verified during the next audit.</p>
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<p>6.3.1 Minor</p> <p>NCR: KN 01/2022</p>	<p>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: The implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded areas was not sufficient</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Procedure for Post Logging block Inspection to assess the residual stocking for prescription of silvicultural treatment was not sufficient. 2. Interview between Forest Supervisor and Chief Surveyor found inconsistency of the implementation of Post Felling inventory. 3. Review of data found discrepancies between "Pre-Felling data and Post Felling Data Block 1" and "Enrichment Planting Status Report for year 2022". 	<p>Result of investigation and determination of root cause:</p> <p>Upon investigation, the root cause are due to;</p> <ol style="list-style-type: none"> 1. Procedure for post logging block inspection of Nibong FMU is only covered the RIL post felling inspection which is more focus on checking the undersize tree, buffer zone, felling direction, stump and etc. only; 2. Lack communication and different angle thinking during bath the forest supervisor and chief surveyor answered and understanding of the implementation of Post Felling inventory result the inconsistency and only forest supervisor and block supervisor are the knowledgeable person for the implementation while chief surveyor answers the question based on his understanding and hearing during the RIL training. 3. Data found discrepancies due to the cut off of collection data are different date consequences the data found discrepancies and human data analysis error. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Forest Supervisor shall double check the data collection with the block supervisor before posting data into post felling inventory. 2. Unclear post felling inspection SOP will be reviewed and enhanced, which covers <ol style="list-style-type: none"> (1) Post Felling inventory of Harvestable Tree and PCT trees shall be recorded and verified in post felling inspection report and compare with the SMI set by the 	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p>
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		<p>management prescription.</p> <p>(2) Decision of Silviculture treatment shall be part of the SOP prescription.</p> <p>(3) Selection of Harvestable tree to be fell shall include in the SOP prescription.</p> <p>3. Refresh training to the forest supervisor, chief surveyor and block supervisor to ensure they understand the Post Felling Inspection and ensure the pre to post felling harvesting will be managed effectively</p> <p>Estimation complete: before 31/7/2022</p>	<p>The implementation and effectiveness of the corrective action plan will be verified during the next audit.</p>
<p>6.5.3 Minor</p> <p>NCR: AZR 02/2022</p>	<p>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 : Construction of skid trail was carried out without official permission from Forest Department Sarawak (FDS)</p> <p>Objective evidence: During site inspection at Block 12 of Coupe 01AR, found that Feeder Trail FT-12-1-1 had additional 80m skid trail constructed at locations different from that approved by the Forest Department Sarawak</p>	<p>Result of investigation and determination of root cause:</p> <p>Upon investigation, due to Feeder trail consists of unused old skid trail (80 meter) ,which blue painted cross sign (X) sign was found disappear While operator constructed the skid trail, without the existence sign of blue painted sign (X) ,they thought it is the propose skid trail and move in and consequence the additional 80 m skid trail</p> <p>Correction and corrective action plan including completion date:</p> <p>Correction : Repair the blue painted cross (x) at the additional path and ensure no more bulldozer move into unapproved skid trail</p> <p>Corrective plan</p> <ol style="list-style-type: none"> 1) Strengthening the SOP of RIL where Block foremen shall accompanied by Surveyor and advice and brief the operator before entering block 2) If the operator found unverified skid trail no 	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p>

		<p>appear in RIL plan, operator shall inform forester to verify RIL plan before proceed the construction of skid trail or harvesting; and</p> <p>3) Forest supervisor will provide internal training of RIL (Skid trail alignment) to the operators</p> <p>Estimation completion: 15/7/2022</p>	<p>The implementation and effectiveness of the corrective action plan will be verified during the next audit.</p>
<p>6.7.1 Minor</p> <p>NCR: ANS 02/2022</p>	<p>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 : Oil and fuel not disposed in an environmentally appropriate and legal manner.</p> <p>Objective evidence : Site visit to fuel storage at Nibong Camp and Nibong Workshop found that oil trap not constructed appropriately and used oil was spilled on the ground.</p>	<p>Result of investigation and determination of root cause:</p> <p>Upon investigation, it was observed there was a design flaw of oil trap behind Nibong FU workshop and fuel storage which has resulted oil spillage. During heavy rain, rainwater could flow into the oil trap and causes overflow of oil & water mixture that shall be contained within the oil trap, this is due to the design flaw of oil trap that came without a roof or any structure that can prevent rainwater to flow/pour into it leading to an overflow of such.</p> <p>Correction and corrective action plan including completion date:</p> <p>To design and install a roof or any similar structure which can serve the function of preventing rainwater to flow into oil trap.</p> <p>Considering the design and purchasing of necessary material, the structure shall be constructed by September 2022.</p> <p>To cover existing oil spill with layer of soil and dispose of properly. Action has been done on 19.6.2022.</p>	<p>The audit team examined all the proposed corrective action plans to address the Minor NCRs raised during the audit by email on 29 June 2022 which has been accepted by the audit team leader on 15 July 2022.</p> <p>Status: Accepted.</p> <p>The implementation and effectiveness of the corrective action plan will be verified during the next audit.</p>