



**PUBLIC SUMMARY
2ND SURVEILLANCE AUDIT (1ST CYCLE) ON
SAPULUT FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-FP 00118
Date of First Certification: 3 July 2020
Audit Date: 22 - 23 April 2022
Date of Public Summary: 14 January 2023**

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

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EXECUTIVE SUMMARY

This surveillance audit on the Sapulut Forest Plantation Management Unit (hereafter referred as the Sapulut FPMU) was conducted from 22nd to 23rd April 2022 to assess the continued compliance of the overall forest management system of the Sapulut FPMU against the requirements of the *Malaysian Criteria and Indicators for Forest Plantation Management Certification* [MC&I (Forest Plantation.v2)] using the verifiers stipulated for Sabah. The scope of this surveillance audit was limited to the forest plantation management system and practices on the Sapulut FPMU.

This surveillance audit was conducted by a 3-member team comprising Mohd Annas Amin Bin Haji Omar (Lead Auditor), Haji Roslee Bin Jamaludin (Auditor) and Angelica Sinimis (Auditor).

Based on the findings of this surveillance audit, it was found that Sapulut FPMU had continued to comply with the requirements of the MC&I (Forest Plantation v2). This surveillance audit had resulted in the issuance of two (2) major and six (6) minor Non-Conformity Reports (NCRs).

This public summary contains the general information on the Sapulut FPMU, the findings of the surveillance audit, NCRs raised as well as the decision on the continued certification of the FPMU.

1. INTRODUCTION

- 1.1 Name of FPMU
Sapulut Forest Plantation Management Unit

- 1.2 Contact Person and Address
Mr Teddy Sius @ Lawrencius
Mile 60, Jalan Kalabakan
Keningau, Sabah
Phone # : +6088 858 811
Fax # : +6088 858 810
E-mail : teddy.sius@sapulut.com

- 1.3 General Background on the Sapulut FPMU

The Sapulut FMU is managed by the Sapulut Forest Development Sdn. Bhd. (hereafter referred as SFDSB). The management of SFDSB is committed in the management of the FPMU on a sustainable basis. The Sapulut FMU No.14 (FMU No.14) managed by SFDSB, covers an area of 12,486.42 ha, which is part of the 21,970 ha of Industrial Tree Plantation (ITP) areas of logged-over forest in the Sapulut Forest Reserve.

The inland forest is managed under a Plantation Forest Management System (PFM) on a 10-year rotation period. Under the 2nd Forest Management Plan of Plantation Development Plan (PDP), the Annual Allowable Cut (AAC) for the Sapulut FPMU has been set at 2,100 ha a year. A Plantation Forest Management Plan (FPMP) covering the period from 2020 to 2029 had been presented during the audit.

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

- 1.4 Date First Certified
3 July 2020

- 1.5 Location of the FPMU

The Sapulut FPMU is located between 04° 32'20" N, 116° 49'0" E and 04° 41'30" N, 116° 38'0" E.

- 1.6 Forest Management System

The Sapulut FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. A Forest Plantation Management Plan (FPMP) (2020 to 2029) was presented during this audit.

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

For the period (2020-2028), the annual allowable cut (AAC) for the Sapulut FPMU had been set at 2,100 ha a year. During this surveillance audit, the size of the FPMU is 12,486.42 ha.

- 1.8 Environmental and Socioeconomic Context

In the Special Environmental Impact Assessment (SEIA) report for Forest Logging and Plantation of Sapulut FMU, recommendation was made for the mitigation measures, protection of ERT species, and monitoring of flora and fauna within the FMU. It was also recommended that protection measures such as buffer zone along the common boundary with the Maliau Basin Conservation Area, wildlife, and sensitive areas such as water intake point for the communities of Kg. Bigor, be established.

There are six Murut communities living within 5km from the nearest FPMU boundary, namely Kg Tataluan, Kg Bangau, Kg Salarom Taka, Kg Sandukan, Kg Maatol and Kg Mawantul. Nevertheless, the community members of Kg Tataluan, Kg Bangau and Kg Sandukan have their ancestral graveyard

located within the FPMU, where they have full access to the area. They are still practicing hunting, fishing, and shifting cultivations with some had slowly adapted to commercial agriculture of oil palm and rubber plantations. Few are working with SFDSB's forest operations.

2. AUDIT PROCESS

2.1 Audit Dates

22-23 April 2022 (6 man-days)

2.2 Audit Team

Mohd Annas Amin Bin Haji Omar (Lead Auditor)

Haji Roslee bin Jamaludin (Forester)

Angelica Sinimis Suimin (Sociologist)

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

2.3 Standard Used

Malaysian Criteria and Indicators for Forest Plantation Management Certification [MC&I (Forest Planation v2)] using the verifiers stipulated for Sabah.

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning March 2022 to solicit feedback from stakeholders on the compliance of the Sapulut FPMU against the requirements of the MC&I Forest Plantation.v2. The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Sapulut FPMU's current documentation and field practices in forest plantation management with the detailed of the standard of performances (SOPs) listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sabah.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU, 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 FPMU's overall compliance with the indicator and decided whether to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I Forest Plantation.v2.
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I Forest Plantation.v2; 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 Forest Plantation.v2 but without sufficient objective evidence to support a non-conformance.

Consultations were held with the villagers and heads of communities from Kg. Maatol, Kg. Sandukan, Kg. Mawantul, Kg. Bangau and Kg. Tataluan, nursery workers, Labour Department, as well as contractors and workers operating in the FPMU.

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

The SFDSB had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted. The effectiveness of the corrective actions taken by the FMU to address the minor NCRs will be verified during the next surveillance audit.

3. SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance audit, it was found that the SFDSB had continued to manage the Sapulut FMU in compliance with most of the requirements of the MC&I (Natural Forest). This surveillance had resulted in the issuance of two (2) major and six (6) minor NCRs. The details on the NCRs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by the SFDSB to address the two (2) major NCRs raised during this surveillance audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out the major NCRs. The audit team had also reviewed and accepted the SFDSB's proposed corrective actions to address the six (6) minor NCRs. However, these corrective actions shall be verified during the next audit.

The audit team had also verified on the corrective actions taken by the SFDSB to address the minor NCRs and OFIs which were raised during the previous audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in **Attachment 6**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings held with the villagers, heads of the communities and members of the Social Forestry Consultative Committee (SFCC). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the SFDSB.

With regard to Criterion 6.10, there was no new conversion of the PRF to forest plantations or other non-forest land uses during the intervening period since the last audit. The PRF in the Sapulut FMU has therefore remained the same, covering an area of 12,486.42 ha.

As the major NCR raised during this surveillance audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Sapulut Forest Development Sdn. Bhd. be maintained.

The summary of the findings of the surveillance audit on the Sapulut FPMU against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	<ul style="list-style-type: none">Copies of all relevant laws, policies and regulations stipulated in the new MC&I Sustainable Forest Management (MC&I SFM) for the FMU management were available in the office of the Sapulut FMU base camp. Current list of all legally prescribed fees, royalties, taxes, and other charges were also available at the base camp office. Records of all payments were kept accordingly.All the binding international agreements such as International Labour Organisations Conventions (ILO), Convention of Biological Diversity (CBD), International Tropical Timber Agreement 1994, Convention on Wetlands, Waterfowl Habitat 1971, United Nations Framework Convention on Climate Change (UNFCCC) and Convention of International Trade of Endangered Species (CITES) which Malaysia is signatory are available.	<p>No evidence of "<i>Permit Barang Kawalan Berjadual</i>" issued by KPDNHEP found for the storage of diesel.</p> <p>Minor NCR RJ04/2022</p>

Principle	Strengths	Weaknesses
	<ul style="list-style-type: none"> Documentation of any conflicts between laws and regulation based on revised MC&I SFM standard was prepared and updated by the FPMU. The FPMU was operating under the <i>Sustainable Forest Management License Agreement 04/97</i> which was issued by the Sabah State Government in September 1997. Legal provisions for the establishment and protection of the FPMU are available. The coupe and river boundaries are clear and adequately marked with signboards and signage. A statement of commitment towards MC&I standard was incorporated in the Plantation Development Plan (2020-2029) for the Forest Plantation Management Unit No. 14 of Sapulut Forest. The statement of commitment is made available at https://sapulut.com.my/forest-certification/natural-forest-management/ 	
Principle 2 Tenure and Use Rights and Responsibilities	<ul style="list-style-type: none"> The tenure and use right were granted by the Sabah State Government under the <i>Sustainable Forest Management License Agreement 04/97</i> for a period of 99 years. A <i>Sapulut Social Forestry Consultative Committee</i> (SSFCC) was established consist of village heads and native elders to resolve any land claim issues. There was no local or indigenous community living within the FPMU area. Nevertheless, communities from Kg. Tataluan, Kg. Bangau and Kg. Sandukan were allowed to clean and maintain their ancestral graveyards as well as to collect fruit trees in the FPMU area. 	
Principle 3 Indigenous People's Rights	<ul style="list-style-type: none"> There was no customary land located within the FPMU nor that the forest manager used any of indigenous community land located outside of the area. A <i>Community Relations for Conflict Resolution</i> was established as a mechanism to resolve any issues raise between the community and FPMU, through a <i>Social Consultative Committee</i> (SFCC) meeting. 	

Principle	Strengths	Weaknesses
	<ul style="list-style-type: none"> • Clear boundary was marked on the ground to prevent any possible adverse impacts to the land of indigenous communities adjacent to the FPMU area. • A procedure to identify sites of special cultural, ecological, economic, or religious significance to indigenous peoples is available. 	
Principle 4 Community Relations and Worker's Rights	<ul style="list-style-type: none"> • Training programs were established by Sapulut Forest Development Sdn. Bhd. to enable and support capacity building of its operation during 2021-2022. These include Introduction to TLC organization chart briefing, Hazard identification, Risk Assessment, Risk Control (HIRARC), Forest Certification Briefing (MC&I), Safety Briefing and awareness and Safety Briefing and Awareness Program and Covid-19 Awareness-Rubber. • The total workers in the FPMU division is approximately 58 people of which 100% are Malaysian. Out of this, 78% are from the nearby villages and 22% are from outside Keningau district. • Nevertheless, the FPMU had also engaged with a contractor to supply foreign workers. • All the applicable laws and regulations covering health and safety specified had been updated by the <i>Health and Safety Officer</i> and briefed to forest workers and contractors. • Safety awareness programme such as Occupational Safety and Health Act, 1994, Workmen's Compensation Act, 1952, Sabah Labour Ordinance, Forests Ordinance (Cap. 126) – Section 54A, and Guidelines on occupational safety and health in logging operations were conducted in April 2022. • PPE such as safety helmet, protective gloves, foot protection, and high visibility vest were supplied annually. • Policy statement on occupational safety & health for Sapulut Forest Development was displayed at the main office, workers camp, workshop, and central stumping. • Record showed that workers were informed that they have the provision to form a worker's union in accordance with the ILO Convention No. 87. • A <i>Tender Loving Care</i> (TLC) committee was formed, comprising of four members from workers and three members from the management as representatives. The objective is to assist workers in 	<p>Updated list of foreign workers with legal documentation was not available to enable monitoring of foreign workers working in the FPMU. The contractor has not implemented the agreed plan to legalise all foreign workers as per letter from the FPMU.</p> <p>Major NCR AS/01/2022</p> <p>Adequate safety and operational equipment were not made available to forest workers in the workplace. It was evidence that, 1 (one) set of Chain Block used in the workshop, and 2 (two) sets in the lorry with registration No. SU1319A were without safety latch.</p> <p>Minor NCR RJ02/2022</p> <p>A "Safety first" and "Mudah Terbakar" signboards were not installed at the schedule waste store and power generator room.</p> <p>Minor NCR RJ04/2022</p> <p>Provisions for accumulative of 5-6 rest days a month were still being implemented without approval from the Labour Department, Sabah.</p> <p>Major NCR AS02/2022</p>

Principle	Strengths	Weaknesses
	<p>negotiating peacefully and subsequently reached an agreement with the employer. The TLC committee meeting will be conducted quarterly in accordance with the SOP.</p> <ul style="list-style-type: none"> • The <i>Sapulut Social Impact Assessment</i> (SIA) 2019 for the Forest Plantation Management Unit (FPMU) No.14 was carried out and completed in January 2020. Results of the SIA were incorporated in the 3rd Forest Management Plan, 2016-2025. • A <i>Sapulut Social Forestry Consultative Committee</i> (SFCC) was established as a platform for communities to raise their concerns directly to the SFDSB, Forestry Department and local government authorities. 	
Principle 5 Benefits From the Forest	<ul style="list-style-type: none"> • Investments and reinvestments in forest management at Sapulut FPMU include provisions for forest administration, forest development, research (scientific collaboration and PSP), human resource development, protection (patrolling), economic (operating), conservation (HCV), environmental (EMR) and social aspects (CSR, compensation) were included in the budget for 2022 <i>Annual Work Plan</i> (AWP). • The FPMU will maintain the biological diversity through protection and preservation to ensure its economic viability as described in the <i>Second Plantation Development Plan</i> (2016-2025). • Timber harvesting and land preparation procedures for pre-harvest operation, harvest operation and strip line stacking for planting were implemented to minimise wastage and damage to other forest resources. • Riparian reserve was demarcated and marked on the field. These buffer belts had been established within the FPMU in accordance with the conditions stipulated in the contract with the <i>Environmental Protection Department</i>. • Buffer belts, riparian reserved and sensitives area were identified on the ground, classified, and mapped as High Conservation Value Forests. • The rate of harvest was determined at 2,100 ha/year with yield of 150–250m³/ha/year for 10 years rotation cycle. 	

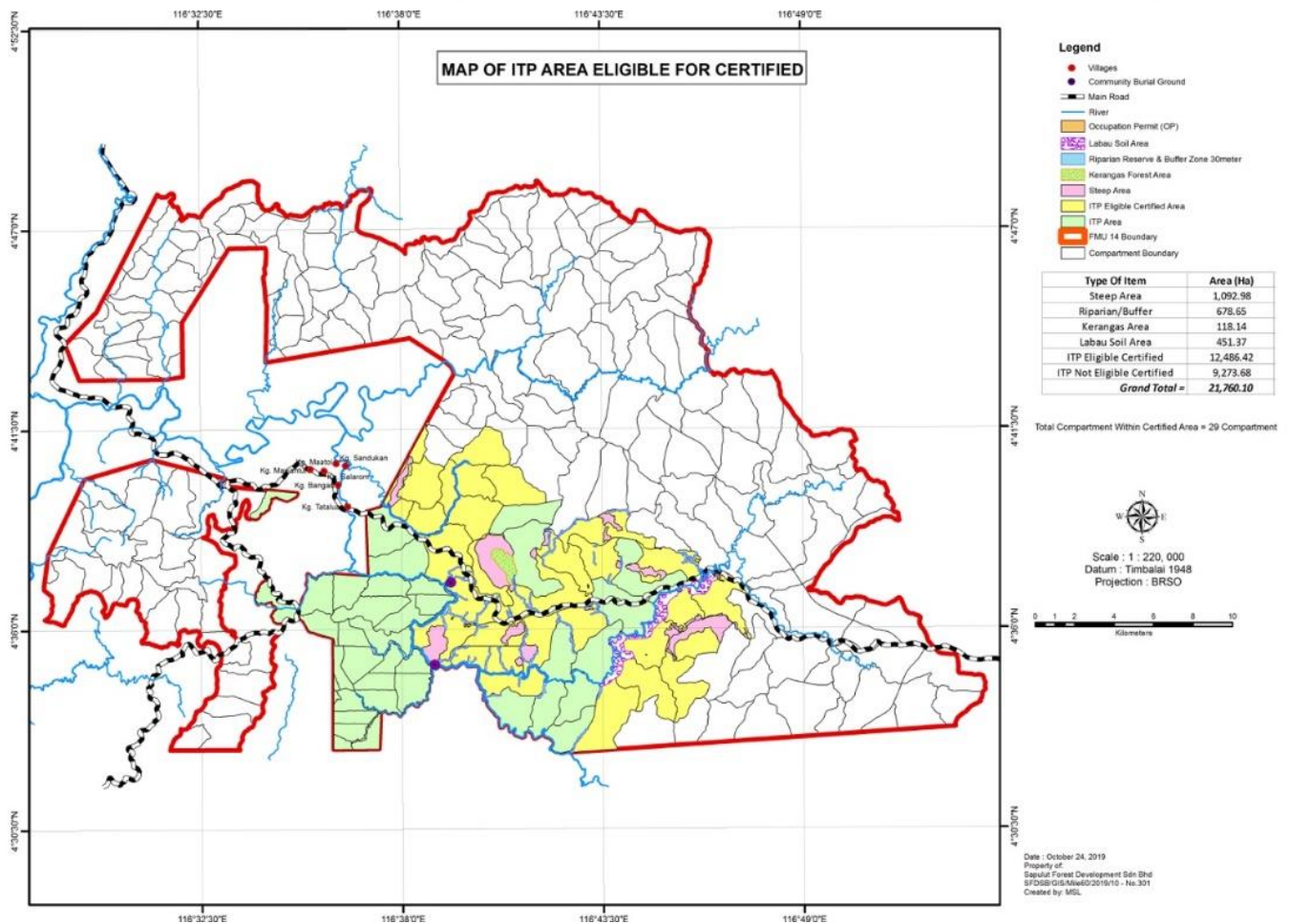
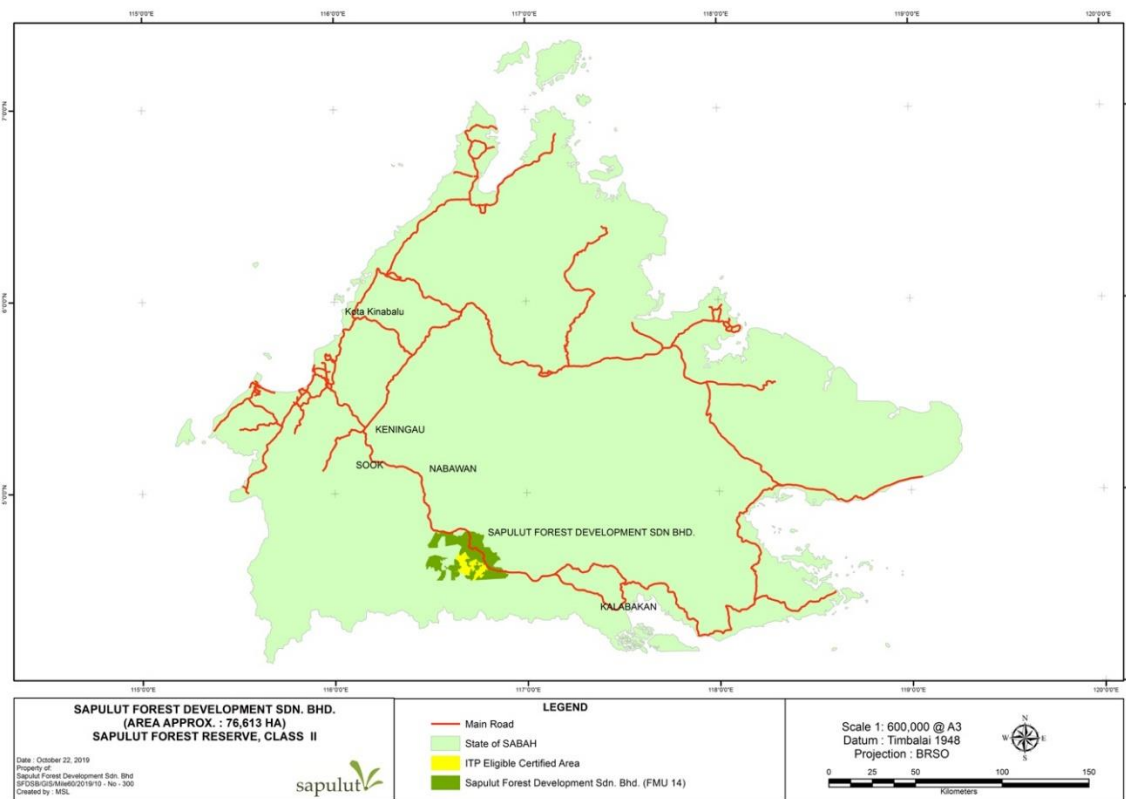
<p>Principle 6 Environmental Impact</p>	<ul style="list-style-type: none"> • A <i>Special Environmental Impact Assessment</i> (SEIA) at landscape level was conducted in February 2005, prior to the commencement of forest operations. The SEIA assessment covered potential impacts on ERT species, fauna, and flora. Also included are provision guidelines for establishing representative conservation and protection areas such as buffer zone along the common boundary with the Maliau Basin Conservation, sensitive and wildlife areas. • Cooperation between SFDSB and relevant stakeholders including local communities and government authorities including Nabawan District Office, Tibow Forestry Department, JKKK, Village Heads, and Ketua Anak Negeri were well established. • Hunting, fishing, and collecting activities were controlled and strictly prohibited in the FPMU. A “<i>No entry to Permanent Forest Reserve</i>” and “<i>No hunting</i>” signage have been erected along the external boundaries, FPMU’s access points (gates) and displayed on the notice boards at the workers’ camps. • The field staff of Sapulut FPMU had showed awareness that hunting is not allowed in the FPMU. They also played the role of disseminating and advising the local villagers that hunting is not allowed. • Forest workers were aware of ERT flora and fauna existence in the FPMU. Information on hunting prohibition was prominently displayed in the project sites and offices. Workers and their families were regularly briefed and educated to discourage illegal hunting. • An awareness program on the EIA and wildlife subjects was conducted together with the OSH and OP. • Guidelines for the conservation of genetic, species and ecosystem diversity for the FPMU was referred in the preparation of the <i>Environmental Compliance Report</i>. • Fire prevention and control plan was prepared and implemented for all fire prone areas within the FPMU, as described in the <i>Forest Fire Management Plan 2018-2028</i>. • A schedule for the estimated usage of fertilizer for the FPMU in 2022 is available. 	<p>An OFI was raised against the new requirement of the MC&I SFM at previous audit. It was regarding consideration on the impacts on risks of forest carbon stocks was not available in the EIA report. At this audit, the impact on risk of forest carbon stocks is still not available in the SEIA.</p> <p>The OFI was upgraded to Minor NCR RJ03/2022</p> <p>The FPMU has not demarcate, mapped, and protect the representative areas of existing forest ecosystems in their natural state. Map on areas managed as natural forest in the forest plantation was not available during the audit.</p> <p>Minor NCR ANS03/2022</p>
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	<ul style="list-style-type: none"> • A management policy on environmentally friendly non-chemical methods of pest management was available in dual language and displayed at strategic areas within the FPMU's premises. • The guidelines on usage, labelling, storage and disposal of hazardous goods, pest and disease control in the nursery are available. • Training on handling of Chemical Application and safety awareness program was conducted accordingly. • All chemical used in the FPMU were registered and copy of Chemical Registered and MSDS were available prior to CHRA audit being conducted. • The FPMU had prepared a plan for the reduction of chemical pesticide usage. • Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed in an environmentally appropriate and legal manner according to the SOP. • There was no application of biological control agents in the FPMU. • The FPMU had prepared list of exotic species used. Selection of species such as <i>Falcataria moluccana</i> (Batai), <i>Neolamarckia cadamba</i> (Laran), <i>Hevea brasiliensis</i> (Rubber), Binuang and others for the ITP was described in the 2nd Plantation Development Plan. It was approved by Plant Biosecurity Division, Department of Agriculture. • The Forest Plantation Management Unit (FPMU) No. 14 is managed by Sapulut Forest Development Sdn. Bhd. The FPMU covers an area of 12,486 ha, which is part of the 21,970 ha of Industrial Tree Plantation (ITP) of logged-over forest in the Sapulut Forest Reserve. 	
Principle 7 Management Plan	<ul style="list-style-type: none"> • The 2nd Forest Management Plan of Plantation Development Plan (2020-2029) is available and subject for review every five years. • The Sapulut FPMU forest manager was aware of the new scientific and technical information pertinent to the management of the plantation. • Training of workers in their respective roles for the implementation of the FMP was implemented in 2020/21. • Training programmes were listed in the <i>Annual Working Plan</i> (AWP) for 2021. 	

	<p>Among the courses attended, include work safety, MC&I Awareness, Wildlife Awareness, RIL Operation, Policies, Environmental training, Forest Fire and Prevention, HCVF Training, and Forest Inventory.</p> <ul style="list-style-type: none"> A summary of the primary elements of the forest management plan is publicly available at https://sapulut.com.my/forest-certification/ 	
Principle 8 Monitoring and Assessment	<ul style="list-style-type: none"> A total of 66 Permanent Sample Plots (PSPs) were established based on stratified random sampling to assess growth of the forest stand annually. Monitoring procedures was adequately implemented in accordance with the FPMU's SOP for monitoring of social, environmental, and economic Impacts of the plantation operations. The internal audit was conducted in November 2021 covering all aspect of the MC&I. A total of five (5) non-compliances were raised during the internal audit. Following the internal audit, a management review meeting (MRM) was conducted in December 2021 discussing results of the internal audit, status of action taken from previous MRM and decisions related to continual improvement. Traceability of harvested logs were conducted using a computer-based system called "Log Flow Information System (LFIS)". Results and findings of the monitoring activities were incorporated in the <i>Second Plantation Development Plan</i> (2020-2029). Summary of the monitoring results is publicly available at https://sapulut.com.my/forest-certification/forest-plantation-management/ 	
Principle 9 Maintenance of High Conservation Value (HCV)	<ul style="list-style-type: none"> Stakeholders' consultation on the identified HCV areas was conducted in October 2017. The stakeholders invited include Forever Sabah, WWF, University Malaysia Sabah (UMS) and Jabatan Perhutanan Sabah. The HCV locations were incorporated in the FPMU's <i>Second Plantation Development Plan</i> (2020-2029). Public summary of the HCV attributes is publicly available at https://sapulut.com.my/forest- 	<p>Monitoring of few HCV areas were not conducted.</p> <p>HCV 1: Kerangas 1 Forest</p> <p>HCV 3: Labau soil</p> <p>HCV 4: Sungai Sansiang</p> <p>HCV 6: Burial ground within the riparian buffer of Sungai Sansiang</p> <p>HCV1.4: Salt Lick</p> <p>HCV 1.2: Rafflesia</p>

	<p><u>certification/forest-plantation-management/</u></p> <ul style="list-style-type: none"> • The HCV assessment report and recommended monitoring activities were conducted and completed in accordance with the FPMU's SOP. • Results and findings of the HCV monitoring activities were incorporated in the <i>Second Plantation Development Plan</i> (2020-2029). 	<p>Minor NCR RJ05/2022</p>
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Map of Sapulut FPMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Mohd Annas Amin Hj Omar	Audit Team Leader / 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. Appointed to be Raid Officer in Raid Eradicating Illegal Refinery in Perak Forestry. Also appointed to be Investigative Officer in Investigations into a case involved Forest Reserve and Cased Prosecuted in Court.</p> <p>Training/Research Areas:</p> <ol style="list-style-type: none"> 1. Program of MTCS Training Course (MC& I) in Kuantan (9-12 July 2018). 2. Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 Ogos 2018). 3. RSPO Lead Auditor Training (9-13 March 2020).
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: 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</p>

		<p>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> <ol style="list-style-type: none"> 1. 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. 2. EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. 3. Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015. 4. Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016. 5. FMC Workshop 28th -29th November 2017. 6. FMC Workshop for 2018 organised by SIRIM (Food,Agr. &Forestry) 22 November 2018. 7. COC Workshop 2018 organised by SIRIM 26 November 2018. 8. Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018. 9. MSPO Training Course 16-17 Feb 2019 organised by SIRIM. 10. COC Workshop 27/6/2019 FAF SIRIM QAS. 11. FMC 25-26/6/2019 organised by FAF SIRIM QAS.
Angelica Suminis Suimin	Auditor (Social)	<p>Academic Qualification:</p> <p>She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resources Management (UM).</p> <p>Work Experience:</p> <p>A competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global services. Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the Forestry Related Industries both in Sabah and Sarawak for 28 years in different capacities (e.g independent Researcher, Rural Sociologist, Sr.Training and Administrator, Human Resources Executive, Emergency Medical Technician, Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia).</p> <p>Attended training programmes:</p>

		<ol style="list-style-type: none"> 1. MTCC Forest certification Standards for Forest Management and Plantations, 2013, Sirim QAS 2. FSC Forest Certification standards from Forest Management and Control Wood, 2015; Nepcon 3. LEAD ASSESSOR COURSE ISO 14001(EXEMPLAR GLOBAL CERTIFIED LEMS01), 2016; Sirim QAS 4. DIPLOMACY TRAINING (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of law, Uni New South Wales 5. MC&I Natural Forests and Plantation v.2 standards, 2017 – MTCC
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Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team
1	1) Pencemaran sungai boleh menyebabkan berlakunya banjir kilat. 2) Pembebasan gas karbon dioksida secara berleluasa menjadi punca utama berlakunya kesan rumah hijau. 3) Cahaya matahari membawa sinaran ultraungu ke bumi tetapi haba yang sampai ke permukaan bumi tidak dapat dibebaskan akibat disekat oleh gas karbon dioksida yang meliputi atmosfera. Akibatnya suhu semakin panas.	None. Not relevant but thanked the respond from the village.
2	Cadangan saya kepada ketua syarikat FMU, kami memohon papan dan baruti sahaja, kira-kira papan 3 bandul dan baruti 2 bandul saja untuk kepentingan saya mengenainya alat-alat dapur rumah kami di Kampung Sandukan C. mukim Sepulut, Daerah Nabawan/Pensiangan, maka dengan ini besarlah harapan saya kepada tuan agar dapat melulusnya dengan segera.	All donations or social contributions of the company is not included in the audit. It's a goodwill of the company. Auditor can only forward the requests and No Auditors can guarantee all the requests forwarded are fulfilled by the company.
3	1) Pengurusan pencemaran sungai tangki paip gravity. 2) Peluang pekerjaan masyarakat setempat. 3) Membuat program berasaskan ekonomi, peningkatan pendapatan dan pembangunan kepada masyarakat yang terlibat dalam kampung berkaitan.	Can raise this issue during the SFCC meeting to enable them to get an immediate response from FMU or they can write a letter. All donations or social contributions of the company is not included in the audit. It's a goodwill of the company. Auditor can only forward the requests and No Auditors can guarantee all the requests forwarded are fulfilled by the company.
4	1) Mewujudkan Kawasan pemburuan khas kepada penduduk kampung. 2) Mohon kelonggaran untuk memburu dikawasan FMU Ketika penduduk menghadapi masalah kematian dan majlis perkahwinan. 3) Menyelesaikan masalah pencemaran sungai Sepulut.	Can raise this issue during the SFCC meeting to enable them to get an immediate response from FMU or they can write a letter. All donations or social contributions of the company is not included in the audit. It's a goodwill of the company. Auditor can only forward the requests and No Auditors can guarantee all the requests forwarded are fulfilled by the company.
5	1) Bekalan air gravity yang merangkumi Kg. Naaturan, SK Labang, Kg. Labang hulu dan Kg. Labang hilir yang diusahakan oleh Kementerian Kesihatan Malaysia (KKM) yang terkandung dalam FMU 14, dikekalkan sebagai tadahan air bersih dan dikecualikan daripada aktiviti pembalakan	All donations or social contributions of the company is not included in the audit. It's a goodwill of the company. Auditor can only forward the requests and No Auditors can guarantee all the requests forwarded are fulfilled by the company.

	<p>untuk kesihatan dan keselamatan penduduk kampung, anak-anak sekolah dan guru-guru yang bertugas di SK Labang.</p> <ol style="list-style-type: none"> 2) Bekas jalan pembalakan SFP melalui Kg. Bukokoh, Uningker, Naaturan harus diperbaiki untuk memudahkan pekebun-pekebun kecil memasarkan hasil pertanian. 3) Saguhati berupa/berbentuk bulanan Kg. Naaturan hanya RM100.00 – mohon ditambah, mengikut keadaan semasa, penduduk sekitar 130 orang. FMU – harus prihatin rakyat. 4) Penebangan hutan, menyebabkan kehilangan sumber makanan, habitat haiwan dan berlakunya fenomena alam, seperti banjir kilat/lumpur, tanah runtuh, pencemaran air sungai, pemanasan global, pupusnya sumber-sumber hutan, yang boleh membantu menjana pendapatan penduduk kampung. 5) FMU harus membantu kampung-kampung yang berkaitan bila ada kes-kes kecemasan dan kematian untuk meringankan beban kampung-kampung yang berkaitan. 6) Pengambilan pekerja – beri keutamaan kepada belia-beliawanis yang layak dan ikut kemahiran daripada 28 buah kampung dalam senarai FMU 14. 	
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Surveillance Audit Plan

DAY	TIME	PROGRAM		
		Auditor 1 (Annas)	Auditor 2 (Roslee)	Auditor 3 (Angelica)
Day 1 22.4.2022 (Friday)	8.00 am – 9.00am	<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 last audit. 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. 		
	9.30 am – 1.00pm 2.00 pm – 5.00pm	<u>Documentation and records review</u> Principle 1 – Compliance with Laws and Principles Principle 5 – Benefits from the Forest Principle 7 – Management Plan <u>Site visit</u> <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. Conservation area and PSP plots Pre – Felling areas. 	<u>Documentation and records review</u> Principle 6 – Environmental Impact Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV) <u>Site visit</u> <ul style="list-style-type: none"> Inspection of maintenance /planting activities Consultation with contractors and workers for maintenance/planting Inspection of compartment Boundary Post-Felling areas Check on workshop, nursery, and chemical store. 	<u>Documentation and records review</u> Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples 'Right' Principle 4 - Community Relations and Worker's Right <u>Site visit</u> <ul style="list-style-type: none"> Consultation with Local Communities Consultation with workers and worker's representative Inspection of staff quarters

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

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
4.1.3	Major AS01/2022	<p>Requirement: Forest managers shall not employ or be involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p>Finding: Employment of workers without legal documents, non-compliant to the Labour Ordinance Sect 118 and Immigration Act 1959/63 Section 6 (3).</p> <p>Objective evidence: Verification of employment contracts, annual leave, certificate of identity, passports, salary slips, work permits and relevant documents required under the local laws and regulations showed that:-</p> <ol style="list-style-type: none"> 1. Implementation of the corrective action plan by FMU was not carried out to resolve Major NCR LHF03/2019 and Major NCR AS01/21 raised against indicator 4.1.3. <ol style="list-style-type: none"> a. Letter of "Rancangan untuk legalize Pekerja Bukan Warganegara" (SAP/FMUEM/COR/022/21) dated 22 Sept 2021 from Sapulut FPMU to contractor (Simgaya Enterprise) to legalise all their workers (47 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Simgaya did not able to manage due to closure Malaysia Boundary during the covid pandemic and only opened on 1 April 2022 2. Simagaya against did not consult with the immigration Department but anyhow were told no officer available at moment during the pandemic. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To renew lesen untuk mengaji pekerja bukan permastautin. 2. To update and submit the legalized workers to Sapulut Camp Office for record and monitoring. 	<p>The audit team had examined corrective action plan by email on 23 May 2022 which has been accepted by the audit team leader on 24 May 2022. The evidence of corrective action taken for Major NCRs was received on 23 July 2022 and has been accepted and closed on 23 July 2022.</p> <ul style="list-style-type: none"> • Simgaya has renew lesen untuk mengaji pekerja bukan permastautin based on No Lesen B-005886/03 for 2 Philippines. Validity 20 February 2022 until 19 February 2023. • Simgaya also has renew lesen untuk mengaji pekerja permastautin based on No Lesen JTK.H. SDK.600-4/1/1/01262906719 for 1 Philippines and 1 indonesia validity 27 March 2022 hingga 26 March 2023. <p>Status: Closed.</p>

		<p>workers) by stages from October 2021 until December 2023.</p> <p>b. "Lesen Untuk Menggaji Pekerja Bukan Pemastautin [Seksyen 118, Ordinan Buruh (Sabah Bab 67)" from JTK Tawau to Simgaya Enterprise valid from 20 Feb 2021 until 19 Feb 2022, for 30 Indonesian and 10 Philipines was not renewed as confirmed by JTK Tawau on the 22/4/2022.</p> <p>2. Updated lists of contractor's workers' (Simgaya Enterprise) with legal documentation status were not available at the FPMU office.</p>		
4.3.3	Major AS02/2022	<p>Requirement: The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations.</p> <p>Finding: The right of workers to employment benefits and social protection under Labour Ordinance Cap. 67 were not complied.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> The employment contract of 6 workers at Simgaya Enterprise examined showed. <ol style="list-style-type: none"> Annual leave, Sick Leave and Medical leave was not specified. Interview with the 6 workers listed below confirmed that: - <ol style="list-style-type: none"> EC7938037 A1262815 670317125251 	<p>Result of investigation and determination of root cause: The contractor Manager has adequate knowledge & information on labour Ordinance.</p> <p>Workers did not disclose with the information.</p> <p>Correction and corrective action plan including completion date: To submit the letter approval deduction of salary to Jabatan Tenaga Kerja To incorporate annual leave, sick leave and medical leave entitlement at letter of employment.</p>	<p>The audit team had examined corrective action plan by email on 23 May 2022 which has been accepted by the audit team leader on 24 May 2022. The evidence of corrective action taken for Major NCRs was received on 23 July 2022 and has been accepted and closed on 23 July 2022.</p> <p>The letter to JTK dated 28 June 2022 for '<i>Memohon kebenaran untuk membuat potongan daripada gaji pekerja-pekerja syarikat</i>' was verified.</p> <p>Sample of employment contract of workers Simgaya Enterprise examined showed Annual leave, Sick Leave and Medical leave was specified in employment contract.</p> <p>Status: Closed.</p>

		<p>d. B1416151 e. EM60154760 f. H0541580</p> <p>i. Not aware of their Annual Leave, Sick leave, and medical leave entitlement</p> <p>ii. Wages were paid on 15th day of the following month.</p> <p>iii. Deduction of salary for food ration, phone reload, spare parts and personal expenses without approval from labour Department.</p> <p>Accumulative rest days of 5-6 days per month for FPMU employees' is yet to be approved by Labour Department, Sabah. Status of application 'Permohonan Mengumpul Cuti rehat Mingguan (Borang G) Ruj. Kami MD/NW/SFD/ Permit/572/20-em dated 5th August 2020 is not known. Consultation with Keningau JTK confirmed that FPMU must follow up on the application status as it has been forwarded to Director of Labour Department, Sabah.</p>		
1.1.1	Minor RJ01/2022	<p>Requirement: Records and availability of up-to-date applicable federal, state, and local laws, and regulations and policies, in particular those related to forest management.</p> <p>Finding: There was no permit issued for storage of diesel.</p> <p>Objective evidence: The storage of diesel in Simgaya camp was without the "<i>Permit Barang Kawalan Berjadual</i>" issued by KPDNHEP.</p>	<p>Result of investigation and determination of root cause: Simgaya fail to apply for permit due to planning to move to a new camp as the current working compartment become futher and the cost to build the bund wall at the current camp site.</p> <p>Correction and corrective action plan including completion date: To apply permit and adhere the EIA Requirements.</p>	<p>Corrective action plan for the non-compliance was accepted on 23 May 2022.</p> <p>Status: Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>

4.2.3	Minor RJ01/2022	<p>Requirement: 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 were not made available to forest workers in the workplace.</p> <p>Objective evidence: 1 set of Chain Block used in the Simgaya Workshop was without safety latch.</p>	<p>Result of investigation and determination of root cause: Lack of awareness safety and health by the contractor workers</p> <p>Correction and corrective action plan including completion date: To conduct awareness safety and health training for the contractor workers</p> <p>To replace and install safety latch all the chain block</p>	<p>Corrective action plan for the non-compliance was accepted on 23 May 2022.</p> <p>Status: Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>
4.2.5	Minor RJ01/2022	<p>Requirement: Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: Storage and handling of hazardous material does not comply to the Guidelines on Storage and Handling of hazardous materials.</p> <p>Objective evidence: Site inspection to Simgaya camp and workshop found that:</p> <ol style="list-style-type: none"> 1. <u>At Fuel and Lubricant Store</u> <ol style="list-style-type: none"> a. 3 mineral water bottles filled with lubricant oil without label. b. No Signage of "Mudah Terbakar", "Safety First". 2. <u>At Schedule waste store.</u> 	<p>Result of investigation and determination of root cause: Training/brief the handling schedule waste by company to the contractor camp in charge was not reach into implementation.</p> <p>No contractor worker has been assigned as a person in charge to handle the schedule waste in the contractor camp.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. At fuel and lubricant Store <ul style="list-style-type: none"> • SW SOP to be review for allowance to use mineral water bottles as lubricant oil container with accordingly labelling as chemical container. • To install signage "Mudah Terbakar" and "Safety First". 2. At schedule waste Store 	<p>Corrective action plan for the non-compliance was accepted on 23 May 2022.</p> <p>Status: Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>

		<p>a. 2 drums filled with SW 305 (spent oil) were not label with the date of first generated.</p> <p>b. 4 plastic containers filled with spent lubricant oil SW 305 was placed at the location for SW 410 and without the date of first generated.</p> <p>c. A half-cut drum filled with, used filters (SW 410) not labelled and without the date of first generated, were stored together in the drum with empty mineral water bottles, empty tin can and a contaminated cloth. The drum were stored at the location for SW 408.</p> <p>d. A tin can filled SW 305 (spent oil) and used filters (SW 410, inside the can) were stored at the location for SW 408.</p> <p>e. No signage of "safety first", "Schedule waste Store" and "Mudah Terbakar".</p> <p>3. <u>At Power Generator Room</u></p> <p>No sign board of "Safety First", "Mudah Terbakar" being installed.</p>	<ul style="list-style-type: none"> • To do labelling all schedule waste according to the Schedule Waste Regulation (SW code and date of first generated) • To do scheduled wastes storing which are compatible with the scheduled wastes that be stored in separate containers, and such containers shall be placed in separated secondary containment areas. • To conduct training to staff and contractor on SW management SOP (to prepare training evidence-attendance list, photo) <p>3. At Power Generator Room</p> <ul style="list-style-type: none"> • To install signage "Mudah Terbakar" and "Safety First". • To assign the contractor worker or the manager itself as a in charge person to responsible handling the schedule waste and be monitor (monthly) by Company EIA officer. 	
6.1.2	Minor RJ03/2022	<p>Requirement:</p> <p>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>	<p>Result of investigation and determination of root cause:</p> <p>The SEIA was done in 2005 which forest carbon stock was not included before Sapulut apply for forest management certification for ITP IN YEAR 2020.</p> <p>Correction and corrective action plan including completion date:</p>	<p>Corrective action plan for the non-compliance was accepted on 23 May 2022.</p> <p>Status:</p> <p>Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>

		<p>Finding: Consideration of the impacts on risks of forest carbon stocks are not available.</p> <p>Objective evidence: Review of the Special Environmental Impact Assessment (SEIA) for Forest Logging & Plantation of 95,300 ha. Forest Management Unit (FMU 14) Sapulut, Sabah. Sapulut Forest Development Sdn.Bhd. Kota Kinabalu (February 2005), found that the consideration of the impact on risk of forest carbon stocks are not available.</p> <p>Previous OFI upgraded to Minor NCR RJ01/2022.</p>	To hire consultant to prepare High Carbon Stock Assessment report for the consideration of the impact on risk of forest carbon stock. The assessment can combine for natural forest and forest plantation area.	
6.4.1	Minor ANS03/2022	<p>Requirement: Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations, identified and selected under 6.2.2, are demarcated, mapped and protected in their natural state.</p> <p>Finding: The FMU has yet to demarcate, mapped and protect the representative areas of existing forest ecosystems in their natural state.</p> <p>Objective evidence: Documentation and maps depicting areas managed as natural forest in the forest plantation areas not available.</p>	<p>Result of investigation and determination of root cause: Demarcation has been done on the ground for the eligible certified area. However, no clear indication in the guideline which lead to confusion that the requirement also applied at the compartment level.</p> <p>Correction and corrective action plan including completion date: To redetermine, re measure and re demarcate on the ground at compartment level within certified area.</p>	<p>Corrective action plan for the non-compliance was accepted on 23 May 2022.</p> <p>Status: Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>
9.4.1	Minor RJ05/2022	<p>Requirement: Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the</p>	<p>Result of investigation and determination of root cause: HCV Monitoring to the area has not been recorded/reported due to the un-accessible</p>	Corrective action plan for the non-compliance was accepted on 23 May 2022.

	<p>effectiveness of the measures in the management of the HCV areas in the FMU.</p> <p>Finding: The SOP of HCV monitoring to assess the effectiveness of the measures were not effectively implemented.</p> <p>Objective evidence: The Monitoring for the following Established HCVs area were not conducted based on the SOP No. 9.3 v2 (dated 30th October 2017): High Conservation Value Forest (HCVF) Monitoring of HCVF. HCV 1: Kerangas 1 Forest HCV 3: Labau soil – Compartment 167, 168, 169, 170 & 171. HCV 4: Sungai Sansiang. HCV 6: One burial ground within the riparian buffer of Sungai Sansiang – Compartment 192 & 195A. HCV1.4: Salt Lick -compt 218A. HCV 1.2: Rafflesia compt. 192,218A.</p>	<p>road. The SOP of HCV monitoring in the not accessible area was not mentioned.</p> <p>Correction and corrective action plan including completion date:</p> <p>To conduct monitoring program appropriate to the SOP and to include all HCV area. Priority given to the stated HCV area in audit finding. To do reviewing the HCV monitoring plan SOP's regarding on accessibility at the HCV area.</p> <p>HCV Monitoring scheduling planning:</p> <table><tr><th>HCV No.</th><th>HCV Name</th><th>Monitoring Scheduling</th></tr><tr><td>HCV 1</td><td>Kerangas 1</td><td>May 2022</td></tr><tr><td>HCV 3</td><td>Labau Soil Cpt. 187, 168, 189, 170 and 171</td><td>May 2022</td></tr><tr><td>HCV 3</td><td>Sungai Sansiang</td><td>May 2022</td></tr><tr><td>HCV 6</td><td>Burial ground Cpt 1B2 and 195A</td><td>June 2022</td></tr><tr><td>HCV 1.4</td><td>Salt Lick Cpt 218A</td><td>June 2022</td></tr><tr><td>HCV 1.2</td><td>Rafflesia Cpt 192, 218A</td><td>June 2022</td></tr></table>	HCV No.	HCV Name	Monitoring Scheduling	HCV 1	Kerangas 1	May 2022	HCV 3	Labau Soil Cpt. 187, 168, 189, 170 and 171	May 2022	HCV 3	Sungai Sansiang	May 2022	HCV 6	Burial ground Cpt 1B2 and 195A	June 2022	HCV 1.4	Salt Lick Cpt 218A	June 2022	HCV 1.2	Rafflesia Cpt 192, 218A	June 2022	<p>Status: Effectiveness of the implementation of corrective action plan will be verified during next audit.</p>
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HCV 1	Kerangas 1	May 2022																						
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Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

Indicator	Specification Major/Minor/ OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
4.1.3	Major AS01/2021	<p>Requirement: Forest managers shall not employ or be involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p>Finding: Forest plantation managers shall not employ or be involved in the employment of illegal immigrants. Immigrant workers were employed without legal documents. Implementation of the corrective action plan by FMU was not effective to resolve Major NCR (LMF03/2019) raise in the previous audit, thus re-issued to Major NCR AS01/2021</p> <p>Objective evidence: During the audit, it was found a total of five foreign workers were employed without legal documents for employment as below. A. Direct Employment 1. Workers no. (none) (passport B2462250) 2. Workers no. PSA031 (passport B3462049) B. Contractor (Simgaya Enterprise) 1. Workers no. (none) (passport B0904922) 2. Workers no. (none) (passport EB4771868)</p>	<p>Result of investigation and determination of root cause: 1. Dependency on employment agency to apply quota from JTK and no monitoring from HR regarding foreign workers. 2. No monitoring and failed to record Simgaya contractor's workers, 3. Application of quota for foreign workers for Simgaya contractor were not available based on JTK requirements.</p> <p>Correction and corrective action plan including completion date: 1. HR has been proactive and follow up with JTK regarding foreign workers: a) Email between HR and JTK on 22nd June 2020, the application for 4 foreign workers still in process by JTK, b) Conversation via Whatsapp with JTK informed that foreign workers under 'Jaminan Isteri' is not required to be included in the quota, c) Worker (Jamal) with passport B3462250 and work permit has been renewed by Immigration Tawau, valid until 6th March 2022 and 12th Jan 2022 respectively. Workers no. PSA031 (passport B3462049) has resigned.</p>	<p>The Corrective action plan dated 23 May 2021 and latest evidence received on 28 October 2021 was verified and accepted as below.</p> <ol style="list-style-type: none"> 1. Consultation records with Mr. (by WhatsApp's) showed the workers with "jaminan isteri" is not required for JTK quota. 2. Review of Letter of "Rancangan untuk legalize Pekerja Bukan Warganegara". 3. (SAP/FMUEM/COR/022/21) dated 22 Sept 2021 from Sapulut FPMU to contractor (Simgaya Enterprise) found the contractor will legalize all their workers (47 workers) by stages from October 2021 until December 2023 4. Contractor workers list showed names and status of their workers. 5. "Lesen Untuk Menggaji Pekerja Bukan Pemastautin [Seksyen 118, Ordinan Buruh (Sabah Bab 67)]" from JTK Tawau to Simgaya Enterprise valid from 20 Feb 2021 until 19 Feb 2022, for 30 Indonesian and 10 Philipines. 6. Job vacancy advertisement (undated) in local newspaper offering local people to works in logging company.

		<p>3. Workers no. (none) (passport AU 266556)</p>	<p>2. All documented and undocumented Simgaya contractor's workers were recorded, and Simgaya Manager agree to legalize their workers in stages (see letter Rancangan Untuk Legalize Pekerja Bukan Warganegara).</p> <p>3. Application of quota for Simgaya foreign workers has been made and the license is valid until 19th February 2022.</p> <p>4. Contractors have advertised job vacancy to recruit local workers through newspaper advertisement.</p>	<p>7. Job vacancy advertisement on 14 August 2021 in local newspaper (The Boneo Post) offering local people to works in logging company, in Tibow District.</p> <p>8. Email with JTK updated on 22 June 2020 noted the process were still in progress.</p> <p>Status: Reissued on surveillance audit 2022 Major NCR:AS01/2022.</p>
1.4.1 (MC&I SFM)		<p><u>Availability of documentation of any conflicts between laws, regulations and these Principles and Criteria.</u></p> <p>Documentation of any conflicts between laws and regulation and MC&I SFM standard yet to be prepared by the FPMU.</p>	Not required	Audit found the documentation of any conflicts between laws and regulation of newly revised MC&I SFM standard has been prepared by the FPMU updated 23 March 2022. Thus an OFI against indicator 1.4.1 satisfactorily closed.
1.6.1 (MC&I SFM)		<p><u>Availability of policies or statements of commitment to forest management practices consistent with these Principles and Criteria.</u></p> <p>The statement of commitment to MC&I standard in the Forest Management Plan (FMP) (2016-2025) yet to be replaced to new standard MC&I SFM.</p>	Not required	The statement of commitment to MC&I standard in the Plantation Development Plan (PDP) (2020-2029) and Public Summary has been replaced to new standard MC&I SFM. Thus, OFI an Indicator 1.6.1 (MC&I SFM) was satisfactorily closed.

		<p><u>Policies or statements are communicated throughout the organisation and its contractors and are made available to the public.</u></p> <p>The website of FPMU is still referring to MC&I (Forest Plantation).</p>	Not required	
1.6.2 (MC&I SFM)		<p><u>Policies or statements are communicated throughout the organisation and its contractors and are made available to the public.</u></p> <p>The website of FPMU is still referring to MC&I (Forest Plantation).</p>	Not required	<p>During this surveillance audit (2022), Public summary on the policies or statement of commitment was made available at https://sapulut.com.my/forest-certification/natural-forest-management/ thus an OFI against indicator 1.6.2 was satisfactorily closed.</p>
4.2.1 (MC&I SFM)		<p><u>Up-to date information on all applicable laws and/ or regulations covering safety and health of forest workers shall be disseminated to them in Bahasa and /or English.</u></p> <p>Updated information on all relevant laws and/or regulations covering safety and health of forest workers to be disseminated in Bahasa/ English.</p>	Not required	<p>During this surveillance audit, Safework procedures was disseminated to workers on worksite eg. Nursery and camp site in dual languages (English/Bahasa Malaysia) covering relevant laws and or regulations on safety and health of forest workers: -</p> <ol style="list-style-type: none"> 9. Workshop/Bengkel 10. Diesel Filling 11. Heavy Machinery 12. Nursery 13. Fertilizer/Pesticide Application-PPE 14. Fertilizer/Pesticide Application-General Safety/Keselamatan Am. <p>Safety Checklist for 2021/ till 14 April,2022 were available and verified</p>

				thus closing the OFI under 4.2.1 closed.
4.2.4		<p><u>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.</u></p> <p>The FMU had conducted Safety Meeting or Sapulut Covid Committee along the year 2020-2021 (latest on 12 Jan 2021). However, the meeting has discussed the Covid-19 Issues and coverage of reporting/meeting was not fully covered for workers safety, workplace inspection, PPE, changes on safety related to legal compliance, accident status and others.</p>	Not required	The FMU had conducted Safety Meeting or Sapulut Covid Committee along the year 2021-2022 (114, April, 2021,29 April, 2021,25 September 2021 and 23 March, 2022). The meetings had discussed the Covid-19 Issues,covering reporting of accident cases, annual Dosh Audit, ERP, workers safety in workshops and workers safety, workplace inspection, PPE, changes on safety related to legal compliance, accident status and others. Thus, OFI was raised against Indicator 4.2.4 is Closed.
6.1.2 (MC&I SFM)		<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 forest carbon stocks are not available.</p>	Not required	An OFI was upgraded to Minor NCR RJ03/2022 for Indicator 6.1.2.
6.6.4 (MC&I SFM)		<u>Forest management shall prepare an implementation plan for the reduction of use of chemical pesticide.</u>	Not required	Implementation plan for the reduction of use of chemical pesticide has been prepared. Therefore, OFI raised during

		Implementation plan for the reduction of use of chemical pesticide has not been prepared yet.		previous audit for Indicator 6.6.4 was satisfactorily closed.
7.1.1 (MC&I SFM)		<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 following information yet to be included in the PDP:</p> <p>7.1 d) non-timber forest product used commercially.</p> <p>7.1 j) description of stakeholder consultation.</p> <p>7.1.1 considering of risk and opportunities concerning compliance with the requirements of the standard.</p>	Not required	<p>During this surveillance audit the following information has been included in the PDP:</p> <p>7.1 d) non-timber forest product used commercially. page 131</p> <p>7.1 j) description of stakeholder consultation. page 137</p> <p>7.1.1 considering of risk and opportunities concerning compliance with the requirements of the standard. Page 132</p> <p>Thus, OFI raised against Indicator 7.1.1 was satisfactorily closed.</p>
8.1.3 (MC&I SFM)		<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 management review conducted on 1 October 2020 does not covered status of action from previous MRM, opportunities for continual improvement, and decisions related to continual improvement.</p>	Not required	The management review meeting (MRM) conducted on 2 nd December 2021 has included the element on status of action from previous MRM, opportunities for continual improvement, and decisions related to continual improvement. Therefore, OFI raised for Indicator 8.1.3 during previous audit was satisfactorily closed.
8.3.1 (MC&I SFM)		<u>Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified</u>	Not required	During this SA1 audit (2022) the specific claim has been used by the FPMU as verified through the invoice

		<p><u>(including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in APPENDIX B.</u></p> <p>Specific claim should be used to communicate the origin of products in area covered by the standard to customers with PEFC Chain of Custody.</p>		<p>SFD-A0008/03/22 dated 23-03-22 (lot SQ MS E19). Therefore, OFI for Indicator 8.3.1 was satisfactorily closed.</p>
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