



**PUBLIC SUMMARY  
SURVEILLANCE 1 AUDIT (2021) ON  
GERENAI FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate number: FMC-NF 00125  
Date of First Certification: 12 April 2020  
Audit Date: 29 November – 3 December 2021  
Verification Audit Date: 25 – 27 May 2022  
Date of Public Summary: 24 June 2022**

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## EXECUTIVE SUMMARY

The Surveillance 1 audit for forest management certification on the Samling Plywood (Miri) Sdn. Bhd. – Gerenai FMU was conducted from 29 Nov – 3 Dec 2021. This was an audit conducted following the Stage 2 audit which was conducted in 22 to 27 July 2019 on the overall forest management system and practices of the FMU against the revised requirements of the Malaysian Criteria and Indicators for Forest Management Certification [MC&I SFM] using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of the Samling Plywood (Miri) Sdn. Bhd. by a four-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Mohd Annas Amin Omar, Puteri Arlydia Abdul, Angelica Sinimis Suimin, Azrul Ikhsan Mohamed (Trainee Auditor) and one observer Haniff Salleh (Observer [MTCC])

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

In general, the findings of this surveillance 1 audit have indicated that the Gerenai FMU had complied with most of the requirements of the MC&I SFM despite the issuance of a total of **twelve (12) Major and twelve (12) Minor Non-Conformance Reports (NCRs)**, against the requirements of the MC&I SFM.

The Audit Team Leader after consultation with team members recommends that certification of Gerenai FMU against the MC&I SFM for certification conditional upon acceptance of corrective action plans within one (1) month and evidence of the implementation for Major NCRs within three (3) months from the date of the surveillance audit and subject to verification audit by auditors.

The audit team examined all the proposed corrective action plans to address the NCRs raised during the audit by mail/email on 31 December 2021 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 21 February 2022. However, due to MCO/covid restrictions, the verification audit could only be conducted on 25 – 27 May 2022. The verification audit found all corrective action has been implemented by the FMU. Hence, the Major NCRs were closed on 28 May 2022.

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

## **1.0 INTRODUCTION**

### **1.1 Name of FMU**

Gerena Forest Management Unit

### **1.2 Organizational Information/Contact Person**

Name: David Marsden

Designation: Chief Forester

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

### **1.3 General Background of the Forest Management Unit**

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

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

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

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

### **1.4 Date of First Certified**

12 April 2020

### **1.5 Location of the FMU**

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

## 1.6 Forest Management System

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

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

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

## 1.8 Environmental and Socioeconomic Context

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

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

In term of environmental aspect, an EIA for the Re-entry Hill logging within Coupe 01AR to 07AR and 15AR Under the Forest Timber License (FTL) No. T/0413 at the Batang Baram-Sg Silat Area, Miri, Sarawak was conducted as required under item 2(i) of the First Schedule of the said Order (Section 11A (1) of the Natural Resources and Environmental Ordinance. Two (2) EIA reports were approved by the NREB, first dated on 15<sup>th</sup> June 2012 and the second on 10<sup>th</sup> September 2014. The Gerenai FMU Forest Management Plan (Revised June 2019) had incorporated information from assessment of environmental impacts.

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

## 2.0 AUDIT PROCESS

### 2.1 Audit dates

The Surveillance 1 for forest management certification on the Samling Plywood (Miri) Sdn. Bhd. – Gerenai FMU was conducted from 29 Nov – 3 Dec 2021 and verification audit 25 – 27 May 2022. This was an audit conducted following the Stage 2 audit which was conducted in 22 – 27 July 2019. The Surveillance 1 audit plan as attached in **Appendix 4**

## 2.2 Audit Team

The audit team comprised of the following members:

1. Khairul Najwan Ahmad Jahari (Lead Auditor)
2. Mohd Annas Hj Amin
3. Puteri Arlydia Abdul
4. Angelica Sinimis Suimin
5. Azrul Ikhsan Mohamed (Trainee Auditor)
6. Haniff Salleh (Observer [MTCC])

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

## 2.3 Standard Used

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

## 2.4 Stakeholder Consultations

A stakeholder notification was issued in Nov 2021 for a period of one month inviting relevant stakeholders to give comments on the FMU. The comments were shown in **Appendix 3**

SIRIM QAS International auditors carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches. The first batch consultation comprises of local NGO's Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba' Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.

The second batch consultation was with 21 community leaders invited by Gerenai FMU comprising of Native Paramount Leader, Native Chiefs, Native Counsellors, Representatives of Native Chiefs and Headmen (Temenggong, Pemancha, Penghulu, Kaunselor and Tuai Rumah) representing almost all the 21 listed villages under Gerenai FMU except for Long Moh, Long Jekitan, Long Mekaba and Long Bee were not present but consulted on site audit.

Series of onsite audit consultation with Communities of Long Tungan, Long Moh (Lepo Tau, Lepo Jengan and Lepo Tau longhouses) Lio Match, Long Semiang, Long Selaan, Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeoh, Long Selawan, Long Belaong, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Mekaba and Long Jekitan were carried out from 29 Nov - 3 December 2021. Representatives of communities both Penan and Kenyah of Long Mekaba, Long Jekitan and Long Bee had also come to see the auditors at Gerenai Camp on the 29 November 2021.

## 2.5 Audit Process

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

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

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

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

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

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

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

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

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

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

## **2.6 Peer Reviewer**

Not applicable for surveillance audit

## **3.0 SUMMARY OF AUDIT FINDINGS**

A total of twelve (12) Major and twelve (12) Minor Non-Conformance Report (NCRs) were raised on the Gerelai FMU against the requirements of the MC&I SFM.

The audit team had examined all the proposed corrective action plans to address the NCRs and OFI raised during the audit by mail/email on 31 December 2021. The last evidence of corrective action taken for Major NCRs was received on 21 February 2022. However, due to MCO/covid restrictions, the verification audit has only been done on 25 – 27 May 2022.

The Audit Team Leader after consultation with team members recommends the Gerelai FMU to be maintained the certification against the MC&I SFM on 28 May 2022 after acceptance and closing all twelve (12) Major NCRs after the verification audit.

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

The MC&I Standard has been designed and structured throughout nine (9) Principles which is covers requirements to support the sustainable forest management with compliance of legislation, social, environmental and economic

aspects. The table below shows the overall audit coverage of the FMU's activities and general audit findings for compliance (strength) and noncompliance (weaknesses) of the Gerenai FMU against the MC&I requirements:

| Principle  | Strengths   | Weaknesses  |
|--|---|---|
| <b>Principle 1<br/>Compliance<br/>with Laws<br/>and<br/>Principles</b> | <p>The Gerenai Forest Management Unit (Gerenai FMU) had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the MC&amp;I SFM were available in the office at the Gerenai Camp, Telang Usang District, Baram, Miri Division, Sarawak. The list of documents was updated on 28 November 2021.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Gerenai Camp Office, as stated in the Licence Agreement.</p> <p>Documentation of any conflicts between laws, regulations and these principles and criteria was made available in Forest Management Plan of Gerenai FMU. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise. This was evidence by the establishment of "Community Representative Committee (CRC)" and "Forest Management Certification Liaison Committee (FMCLC)" on 7 - 8 December 2020</p> <p>The documents governing the legal establishment and protection of the FMU were made available in the office in Gerenai Camp. Legal provisions were available for the establishment and protection of the Forest Management Unit. The Gerenai Forest Management Unit (FMU) is under Forest Timber Licence (FTL) No. T/0413 which was issued to Samling Plywood (Miri) Sdn Bhd by the Forest Department Sarawak on 1 September 1993 and was renewed and valid until 31<sup>st</sup> August 2022. Sign boards on control of hunting had been erected at the strategic location. Posters on Total Protected Wildlife in Sarawak were also observed at the Gerenai Camp office. The concession Boundary Patrolling Schedule for Gerenai FMU for year 2021 and monitoring report dated 20/10/2021 (Coupe 22A), 22/08/2021 (Coupe 01A), 03/06/2021 (Coupe 22A) were verified during the audit.</p> | <p>During this surveillance audit (2021), it was found that deduction of workers salary did not comply to Section 114 of the Sarawak Labour Ordinance (Cap 76). Inspection on the three (3) employee No. FM0003, No. JL0157 and No. GF1148 showed that canteen deduction for October 2021 Salary were without an approval from Sarawak Labour Department. The corrective action plan during last audit was not satisfactorily implemented. Thus, Major NCR ANS01/2019 was reissued to Major LYD04/2021 against Indicator 1.1.1.</p> <p>During this surveillance audit (2021), the demarcation of licensed boundaries was not found during the visit to Long Palai (Coupe 024A) and Long Selatong Dikan (Coupe 021A). Boundary demarcation for Coupe 021A was wrongly painted to neighboring licensee (Peninsular Rise T/9075). In addition, the control measures (e.g., signages, boundaries demarcation) to control encroachment, illegal harvesting, hunting, settlement, and other unauthorized activities was not sufficiently erected along the license boundaries. Furthermore, audit in pre-harvest area Coupe 03A with operation heading 1-4, along S-2-4 and F-2-4-1 found eight (8) unauthorized skid trails were constructed. One of the skid trails was encroaching the waterway. Further investigation found eight (8) trees (with diameter range of 37cm DBH – 75cm DBH) were felled. One of the trees (with size 75cm dbh) was felled into the waterway. It was noted there was inadequate evidence of control measures to control unauthorised activities. The corrective action plan was not satisfactorily implemented. Thus, Minor NCR IAM02/2019 was upgraded to Major LYD01/2021 against Indicator 1.5.2</p> <p>During Interview with harvesting supervisor and forest workers at Coupe 2A (Block 33 &amp; Block 34) and Stumping site Kilometre 83 area indicated that they were not aware of</p> |



| Principle   | Strengths  | Weaknesses  |
|---|--|---|
|   | <p>Record of action taken for encroachment recorded on the 20/9/21 at Coupe 01A &amp; 3A as in letter to Forest Department Sarawak on 11<sup>th</sup> November 2021 (MKH/CORR/21-11)</p> <p>The common Licence Boundary of Gerenai FMU with Upaya Harapan Sdn. Bhd. were also demarcated on the ground. The demarcation of the FMU boundary is ongoing activities. The Sign boards on DF Circular 6/99 on “Pemulihan Hidupan Liar di Kawasan Lesen Pembalakan” where hunting and selling of wildlife is prohibited were displayed.</p> <p>The policy statement was displayed at prominent sites within the Gerenai FMU and had been communicated throughout the organization. The MC&amp;I awareness is set to be held once a year, and for 2021 it was held in 15<sup>th</sup> – 16<sup>th</sup> November 2021. The Annual FMU Program &amp; Training Plan for 2021 was made available during the audit.</p>  | <p>the MC&amp;I SFM Principles and Criteria Standard. Policies or statements are not effectively communicated throughout the organisation and its contractors. Therefore, Minor NCR IAM01/2019 (indicator 7.3.1) was upgraded to Major NCR ANS01/2021, against Indicator 1.6.2</p> <p><i>*Indicator 7.3.1 in MC&amp;I (Natural Forest) was changed to Indicator 1.6.2 in MC&amp;I SFM</i></p>   |
| <b>Principle 2<br/>Tenure and<br/>Use Rights<br/>and<br/>Responsibilities</b> | <p>Document entitled Forest Timber License (FTL) No. T/0413 was issued to Samling Plywood (Miri) Sdn Bhd (licensee) for the period of 26 years valid from 1 September 1993 till 31 August 2018 and has been renewed to be valid up to 31 August 2022 from Forest Department Sarawak (FDS) as verified during current audit.</p> <p>Legal documents such as The Constitution of the state of Sarawak, Land Code 1958 (Cap 81), Natives Court Ordinance 1992, Natives Customs (Declaration) 1996, Sarawak Cultural Heritage Ordinance 1993, Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87) has been made available at main office (Gerenai Camp). The Land Claim Recognised Mechanism – SFM/PR001 Rev:0. Procedure on Land Claim 15<sup>th</sup> March 2017 was available</p> <p>Records showed that a total of 23,697 ha has been demarcated as Shifting Cultivation Area (SA) area inside the FMU, to villagers from Lio Mato upper river Batang Baram, to Long Selatong Dikan downstream Batang river.</p> <p>As advised by Forest Department Sarawak at Forest Management Certification Technical</p> | <p>During these Stakeholders’ consultations with 2 NGOs and 18 villages involving 249 people showed that majority of the local communities don’t understand Forest Certification process including the objectives and meaning of FMU operation including formation and objectives of CRC or FMCLC as there were lack of clear disclosure from the FMU. There was also inadequate community engagement, involving prior and informed consent from the communities on the FMU certification process affecting the duly recognized legal and customary or Use rights of the communities. About 11 of the villages, indicated that there were insufficient identification and monitoring of sites with significant importance to the communities.</p> <p>Inspection and verification of documentation at the FMU site office at Gerenai Silat Camp on the following were not available.</p> <p>a) Dialogue and consultation records held with indigenous community within/surrounding the FMU and relevant stakeholders on Forest Certification and Management process.</p> |

| Principle | Strengths   | Weaknesses  |
|-----------|---|---|
|           | <p>Committee Meeting (FMCTC No.1/2019) dated 9 April 2019, Land &amp; Survey Department has agreed that no land development can be approved on State Land within an FMU without prior agreement of Forest Department Sarawak. Minutes meeting on Forest Management Certification Technical Committee (FMCTC) NO 1/2019 sighted during audit</p> <p>Documentation of legal status, and established forest use rights of the land or forest resources was kept as evidenced from the availability of legal documents such as The Constitution of the state of Sarawak, Land Code 1958 (Cap 81), Natives Court Ordinance 1992, Natives Customs (Declaration) 1996, Sarawak Cultural Heritage Ordinance 1993, Adat Iban 1993, Community Chiefs and Headmen Ordinance 2004, Native Courts (Amendment) Ordinance 2001 (Cap A87).</p> <p>Forest managers found to support legally recognised mechanisms for resolving land claims and has established the SFM/PR 001 Procedures on Land Claim Rev. 0 dated 15/03/2017 and SFM/GL 001 Guidelines on Conflict Resolution Rev. 0 dated 15/03/2017. The FMU also has set the Community Relation Committee (CRC) as a platform to cater shall any issue arise with local communities.</p> <p>Local communities with legal or customary tenure or use rights has maintain their control, to the extent necessary to protect their rights or resources, over forest operations. Under the Sarawak Government Gazette dated 29/09/2005 No. 3153 for Usun Apau National Park recognised the following inhabitants and privileges with user rights to access and use forest resources with the Gerenai FMU for own use only:</p> <ol style="list-style-type: none"> <li>1) Long Selatong (previously known as Kanan and Kiri and recently as Long Selatong Dikan and Long Selatong Tanjung Tepalit) - within Coupe 21A</li> <li>2) Long Apu - within Coupe 20A</li> <li>3) Long Anap - adjacent to Coupe 24A</li> <li>4) Long Julian - within Coupe 23A</li> <li>5) Long Pelutan - adjacent to Coupe 20A</li> <li>6) Long Palai - adjacent to Coupe 24A</li> <li>7) Long Jeeh - adjacent to Coupe 01A</li> </ol> | <p>b) Records of identification, monitoring and protection of these sites with significant importance to the communities (cultural, religious, burial sites, salt licks and water catchment) for 2020 and 2021.</p> <p>c) Newly established villages Kg. Long Kemilong and Long Batao were not included in the Location map of FMU community although the existence of the villages was acknowledged by the FMU. The map dated 21/05/2018 showing the location of settlements of local communities / indigenous peoples in and adjacent to the FMU show no changes.</p> <p>During last audit (2019), consultation with 10 longhouses at Long Moh, Long Anap, Long Apu, Lio Mato, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Palai, Long Jekitan, Long Mekaba and Long Selaan indicated that FMU's consultation process was not sufficient. Majority of the communities were not aware of the objective and function of Community Relation Committee (CRC) which is yet to be established. Therefore, Major NCR ANS02/2019 was raised against Indicator 2.2.2 was re-issued to a Major NCR AS01/2021 against indicator 2.2.2.</p> <p>Interview with Long Palai, Long Anap, Long Julian, Long Pelutan, Long Apu, Long Silat, Long Jeeh, Long Selawan, Long Belaong, Long Semiang and Lio Matoh showed the basic understanding by raising these to Head of Villagers / Community Resolution Committee (CRC) / Native Court. To date no tenure claims and use rights has been raised. Some of the villages who had never had access to this mechanism was not sure the process of tenure claims. During SIRIM-Stakeholder's consultation, majority of the communities in 18 villages were not aware of the mechanism available to resolve dispute. Inspection and verification of FMU documents indicated that dialogue and consultation held with FMU local communities and relevant stakeholders on</p> |

| Principle | Strengths   | Weaknesses  |
|-----------|---|---|
|           | <p>8) Long Belaong (shifting agriculture) - within Coupe 01A</p> <p>9) Long Moh - within Coupe 03A</p> <p>10) Long Mekaba - adjacent to Coupe 01A</p> <p>11) Long Jekitan - adjacent to Coupe 07A</p> <p>12) Long Tikan - adjacent to Coupe 07A</p> <p>Provisional Lease area (PL) (has been excluded from certification area) comprise of:</p> <p>1) Long Jekitan - adjacent to Coupe 07A</p> <p>2) Long Mekaba - adjacent to Coupe 01A</p> <p>3) Long Silat - adjacent to Coupe 01A</p> <p>4) Ba' Purau - adjacent to Coupe 07A</p> <p>5) Long Tikan - adjacent to Coupe 07A</p> <p>However, series of complaints since March 2020 till November 2021, issued by NGO's (Save Rivers, KERUAN and GCRAC) were received by SIRIM, MTCC and Gerenai FMU alleging the consultation process for the Forest Certification process were not in accordance with the standard Free, Prior and Informed Consent of the communities. The same NGOs had also publicised the complaints in local and international newspaper (Sarawak Report and Dayak daily) or news stream on website of Borneo Project and Mongabay had highlighted the issues of the upper Baram communities.</p> <p>Field investigations were not possible in 2020 as due to the movement control order (MCO), the State Government Disaster Committee did not allow entry permit for all individual, from different Districts or States within Malaysia. However, during the field audit from 27 November - 3 December 2021 SIRIM QAS International auditors were able to carry out series of consultations with the local communities and NGOs to verify the allegations and visiting 18 villages out of the 21 registered communities as Gerenai Stakeholders.</p> <p>SIRIM QAS International auditors carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches. The first batch comprises of local NGO's Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba' Jawi, Long Lian, Long Selatong Dikan and Kg. Long Selatong Tanjong</p> | <p>the dispute mechanism process and updated records over tenure and user rights was not available. Thus, a Minor NCR AS02/2021 was raised against indicator 2.3.1.</p> |

| Principle | Strengths   | Weaknesses |
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|           | <p>Tepalit. During this consultation, the village representatives and NGOs stressed on the non-disclosure of information on Forest Certification process to a larger audience at the village level including the Free Prior and Informed Consent on the Forest Management Unit operational process. They were not sure about the functions and objectives of CRC, FMCLC and the selection process of community representatives. The NGOs were also concerned on the lack of engagement with local communities on the Forest Certification Process, urging that communities at the village level should be consulted at site and not at Samling site office in Mile 10 or Gerenai Silat Camp.</p> <p>Forest certification should not proceed, if communities were not involved in the Prior and Informed Consent. Information on the FMU operation should be transparent. The headmen and native chiefs should gather communities at all levels prior to meeting of CRC or FMCLC to raise their concerns.</p> <p>Representatives of Ba' Jawi communities also alleged that they were not consulted at all on the forest certification process and representatives requested auditors to visit the area (attempt was made by auditors to arrange for visit at site but due to the communication inaccessibility the site consultations were planned for the next audit with the recommendation of the Ba' Jawi representatives was noted).</p> <p>The second batch consultation was with 21 community leaders invited by Gerenai FMU comprising of Native Paramount leader, Native Chiefs, Native Counsellors, Representatives of Native Chiefs and Headmen (Temenggong, Pemancha, Penghulu, Kaunselor and Tuai Rumah) representing almost all the listed 21 villages under Gerenai FMU except Long Moh, Long Jekitan, Long Mekaba and Long Bee were not present but consulted on site.</p> <p>The community representatives led by the Paramount Chief (Temenggong) informed that they have no problem with the forest certification process and formation of CLC and FMCLC as it is in accordance with the government standard of</p> |            |

| Principle | Strengths  | Weaknesses |
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|           | <p>selection of committees. Most of the community leaders confirmed that they supported the forest certification process and the ongoing improvement of the FMU Management System process although there might be groups of individuals or villages who were not aware of the whole process of forest certification as it is equally new for them too. They were happy and encouraged the SIRIM QAS International auditors to come to their respective villages for consultations. They will give all the support they can to Gerenai FMU and auditors to ensure villagers were available at the village to be consulted. They commended Samling Company for having helped the communities in the past 40 years ago to build road connectivity and maintaining them for the local communities including donations to villages till to date.</p> <p>Series of onsite audit consultation with Communities of Long Tungan, Long Moh (Lepo Tau, Lepo Jengan and Lepo Tau longhouses) Lio Matoh, Long Semiang, Long Selaan, Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeeh, Long Selawan, Long Belaong, Long Selatong Dikan, and Long Selatong Tanjung Tepalit were carried out from 29 Nov - 3 December 2021. Representatives of communities both Penan and Kenyah of Long Mekaba, Long Jekitan and Long Bee had also come to see the auditors at Gerenai Camp on the 29 November 2021.</p> <p>CRC and FMCLC was employed as platform for dispute resolution mechanism but as mentioned in Indicator 2.2.2 not all of the villages listed under the FMU stakeholders' list has established Community Representatives Committee (CRC) due to inadequate engagement process carried out by FMU. However, there were two SOPs made available to resolve disputes over tenure claims and Use rights as in Procedure on Land Claim (SFM/PR 001[dated 15/3/2017]) and Guidelines on Conflict Resolution (SFM/GL 001)</p> <p>Samling Grievances Process Flow Chart and Guideline for Conflict resolution has been made publicly accessible at:<br/> <a href="https://www.samling.com/sites/default/files/inline-">https://www.samling.com/sites/default/files/inline-</a></p> |            |

| Principle   | Strengths   | Weaknesses   |
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|   | <a href="#">files/Forest%20Management%20Certification%20Procedure%20for%20Conflict%20Resolution%20-%20BM%20Version%20as%20at%2014032022.pdf</a>   |  |
| <b>Principle 3<br/>Indigenous<br/>People's<br/>Rights</b> | <p>Documentation of the customary rights of indigenous peoples over the lands was available. As described in Indicator 2.1.1, a total of 23,697 ha Shifting Cultivation Area (SA) inside FMU area has been demarcated for local community use based on aerial survey (satellite image analysis).</p> <p>There were two SOPs made available to resolve disputes over tenure claims and use rights, Procedure on Land Claim (SFM/PR 001[dated 15/3/2017]) and Guidelines on Conflict Resolution (SFM/GL 001)</p> <p>These SOP's have been made publicly accessible at <a href="https://www.samling.com/sustainability/corporate-social-responsibility-csr">https://www.samling.com/sustainability/corporate-social-responsibility-csr</a></p> <p>Based on record and interview with Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeoh, Long Selawan and Long Belaong, Gerenai FMU has not threatened or diminished, either directly or indirectly, the resources or tenure rights of indigenous peoples for 2020/2021 to the date of audit.</p> <p>No changes have been made to previous list of species / resources used by indigenous peoples that has been identified in SIA report, prepared by UPM Bintulu, entitled 'SIA Report for Gerenai FMU dated July 2018' and Forest Management Plan FMP 2018-2027 dated June 2019 (Chapter 12). Resources dependencies to forest area comprise housing, farming (shifting agriculture, planting mixed fruits, rubber, oil palm and other trees), water intake, burial area, free ranging livestock, fishing, hunting – game meat, collection of jungle produce – rattan, bamboo and palm leaves, wild vegetables and fruits, cultural area, etc. Interview with Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeoh, Long Selawan and Long Belaong gathered information and current dependencies on forest area still same.</p> | <p>During SIRIM-Stakeholder's consultation with communities from Long Semiang, Long Tungan and Long Selaan indicated that they have official documentations on the boundary demarcation between the 3 villages and forest reserves within the Gerenai FMU. It was also noted that there were several important cultural sites at Long Moh like caves, heritage sites and burial grounds that is held under customary rights, but not identified. Verification of records of dialogue and consultation held with communities and relevant stakeholders on the documented customary rights of indigenous people was not available. On-site engagement with communities at Ba' Jawi is yet to be carried out to identify the customary /user rights on lands and resources. A Minor NCR AS03/2021 under indicator 3.1.1 was raised.</p> <p>Throughout the SIRIM-Stakeholder's consultation with 18 villages, majority indicated the inadequate engagement, consultation and identification of the customary rights of the indigenous communities within and surrounding the FMU and meeting was held only with community leaders and headmen. There was insufficient involvement of the larger community at the village level. It was also noted that Communities were not informed on any changes of boundary marking at Long Selatong Dikan. Inspection and verification of documentation at the Gerenai FMU site office showed that records of dialogue and consultation held with communities and relevant stakeholders on the documented customary rights of indigenous people was not available. Thus, Major NCR AS04/2021 indicator 3.1.2 was raised.</p> <p>During SIRIM-Stakeholder's consultation with local communities and interview with Samling Gerenai personnel, it was found the</p> |

| Principle | Strengths   | Weaknesses  |
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|           | <p>Preventive and mitigation measures has been incorporated into Forest Management Plan FMP 2018-2027 dated June 2019 under Chapter 11 – Identification and Management of Protection Areas e.g., demarcation, monitoring, awareness training to Gerenai FMU personnel and local communities. SFM/PR 007 Procedures for Monitoring the High Conservation Value (HCV) Management Measures dated 1/08/2017 is also still in use as a guideline for protecting these areas. No changes have been made since last audit.</p> <p>Procedures to Monitor Social, Ecological, Environmental and Economic Impacts (SFM/PR 009 dated 1/10/2017) and Maps F – The Location of the Settlements dated 21/05/2018 showing the timber licence boundary, main road, secondary road, area excised for Provisional Lease (PL), Sungai Moh Wildlife Sanctuary, Usun Apau National Park, buffer zones, water catchment, Gerenai FMU complex, and villages, were maintained with no changes.</p> <p>SFM/GL 001 Guidelines on Conflict Resolution dated 15/03/2017 has been made for internal use. Samling Grievances Process Flow Chart has been made publicly accessible at <a href="https://www.samling.com/sustainability/corporate-social-responsibility-csr">https://www.samling.com/sustainability/corporate-social-responsibility-csr</a></p> <p>To date no records of grievance were raised on encroachment of Gerenai FMU to indigenous people's site of special cultural, ecological, economic or religious significance. The FMU has taken measures to prevent loss or damage affecting local communities through demarcation and monitoring. General observation during the site audit found Gerenai FMU has not encroach sites of special cultural, ecological, economic or religious significance to indigenous peoples as per confirmed during interview with Interview with Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeeh, Long Selawan and Long Bealong.</p> <p>Based on interview with FMU managers and stakeholder's consultation, no indigenous traditional forest-related knowledge and</p> | <p>records of dialogue and consultation (resource &amp; tenure rights) held with natives and relevant stakeholders for 2021 and complaint raised by Long Pelutan during social monitoring 1/12/2020 were not investigated &amp; recorded in Grievance Form Rev dated 12/12/2019. Thus, Minor NCR LYD02/2021 against Indicator 3.3.2 has been raised as mechanism for conflict resolution (resource &amp; tenure rights) were not publicly available and consultation with local communities were not conducted for 2020/2021.</p> |

| Principle  | Strengths   | Weaknesses  |
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|  | <p>practices has been used by the FMU in forest operations.</p> <p>As the indigenous traditional forest related knowledge is not used in FMU's forest management practices, specific mechanism and compensation for the commercial utilization of traditional knowledge is not established.</p>   |   |
| <b>Principle 4<br/>Community Relations and Workers' Rights</b> | <p>Records of consultation with workers (MC&amp;I SFM – 15/11/2021) and local communities were found in 1<sup>st</sup> meeting of the Forest Management Liaison Committee (FMCLC) for Gerenai FMU (T/0413) dated 4/09/2019 and <i>Mesyuarat Kedua Jawatankuasa Perhubungan Pensijilan Pengurusan Hutan Gerenai FMU (Pindaan Ahli CRC, Rujukan CRC, CSR programme)</i> dated 8/12/2020.</p> <p>Records of local infrastructure, facilities and socio-economic programmes were kept in File Principle 4 Community Relations and Worker's Rights. Records of training and retraining for workers sighted during this audit, e.g., MC&amp;I SFM (15/11/2021), Safety Toolbox Talk &amp; Briefing (10/11/2021), Log Extraction, Tree Felling, Log Loading by Sarawak Timber Association (2-8/11/2020). Wildlife awareness (15/11/2021), training on Labour Ordinance, Policies, ILO (16/11/2021), and others.</p> <p>The communities within, or adjacent to the FMU has been given priority and opportunities for employment, training, and other services as per addressed in FMP. This has been confirmed during interview with Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Silat, Long Jeoh, Long Selawan and Long Belaong, e.g., Long Mekaba (lorry &amp; truck driver, workers for road maintenance, clerk), Long Anap (Scaler), Long Pelutan (supervisor), and others.</p> <p>Verification of contract records, and employment records on sampled workers also confirmed no gender discrimination.</p> <p>Gerenai FMU has met all applicable laws and/or regulations covering health and safety of employees. Records of dissemination and communication of up-to-date safety and health information were sighted e.g., Health, Safety and Environment Policy Statement dated 11/01/2020</p> | <p>Document review at Gerenai Silat Camp and Inspection of harvesting area found that work permit employment for two workers with number GF1148 and IP2307 has expired on 18 January 2020 and 25 May 2019 respectively. Migrant workers with expired permit were employed by the FMU. Thus, Major NCR ANS02/2021 was raised against Indicator 4.1.3</p> <p>A social-monitoring report for Long Selatong Dikan, Long Apu, Long Julan, Long Anap, Long Moh Hulu (Lepo'Tauo), Long Selaan, Long Selaan (Tepu'uan), Long Tungan, Long Silat, Long Makaba, Long Julan Pelutan, Long Siut, Lio Mato, Long Semiang Nov-Dec 2020 was made available during the audit but is yet to be shared with the local communities.</p> <p>Social monitoring is yet to be carried out at Long Moh (Jengan and Lepo' Ngkau), Long Selaan, Long Selatong Tanjung Tepalit, Long Palai, Long Tikan, Long Jekitan, Ba' Purau, Long Bee, Long Selawan and Long Jeoh. Consultations villages with Long Moh (Lepo' Jengan and Lepo' Ngkau), Long Selatong Dikan found that social monitoring is yet to be conducted at their villages.</p> <p>It was also confirmed through consultations with community elders that two new villages Long Kemilong and Long Batao (new established villages since 2016, breakaway villages from Long Tikan). It was also discovered that there was no on-site social impact assessment done for Ba' Jawi due to its accessibility. Thus, data provided was not accurate and depriving the community to be fully engaged. Therefore, Major NCR AS05/2021 was raised against indicator 4.4.1.</p> |



| Principle | Strengths   | Weaknesses   |
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|           | <p>place at notice board at respective areas, Safety Toolbox Talk &amp; Briefing (10/11/2021), SFM/GL 002 Guidelines on Disposal and Storage of Scheduled Wastes dated (15/03/2017), SFM/GL 003 Guidelines Storage and Handling of Hazardous Materials (15/03/2017)</p> <ol style="list-style-type: none"> <li>1. SFM/GL 005 Safety Practices Guidelines dated 5/06/2017</li> <li>2. SFM/PR 006 Procedures on Control of Spill / Pollution 1/06/2017</li> <li>3. Demarcation of hazardous areas with signages</li> </ol> <p>During interview, it was confirmed the awareness of sampled workers against employees provident fund, employees' social security, forests ordinance, labour ordinance, occupational safety and health (NADOPOD), pesticides handling and workmen's compensation.</p> <p>Safety and Health Committee Secretary and Safety and Health Committee members were remain unchanged from the last audit. Operational procedure e.g., SFM/GL 003 Guidelines Storage and Handling of Hazardous Materials dated 15/03/2017 and SFM/GL 005 Safety Practices Guidelines dated 5/06/2017 also has been maintained with no changes.</p> <p>Gerena FMU has conducted Safety and Health meetings on 30/09/2021 and 30/06/2021. Safety and health records of forest workers were reported through JKKP 8 dated 18/01/2021 to DOSH for incident records throughout 2020. 2 cases of incidents including near misses were recorded for 2020.</p> <p>Inspection of fuel tank bunding at Gerena Silat Camp found the bund wall has been completed. Gerena FMU has received a letter from <i>Jabatan Bomba dan Penyelamat Malaysia, Miri</i> for <i>Surat Sokongan Lesen</i> No. JBPM/SK/ZMI:700-5/1/20/344 (5) dated 20 December 2019 for the Diesel Storage for 50,000 Liter Capacity for Syarikat Samling Timber Sdn Bhd, Gerena Silat Camp, Ulu Baram, 98050 Miri, Sarawak.</p> <p>Document on Right to Organize and Collective Bargaining (ILO Convention No. 98) has also been made available at main office (Gerena FMU –</p> | <p>Provisions and measures have been taken by the FMU to prevent loss or damage affecting the local communities' legal or customary rights, property, resources, or their livelihoods briefly through Gerena FMP, Chapter 12. Interview with FMU managers and personnel has confirmed the awareness and understanding towards Adat e.g., Hutan Komunal / Pemakai Menoa / Pulau &amp; Temuda (Hunting Area, Shifting Agricultural Area, burial area etc.)</p> <p>However, interview with communities of Long Moh, Long Tungan, Long Semiang, Lio Matoh and Long Selaan indicated that the communities were not aware of the Guidelines on Conflict Resolution (SFM/GL 001 dated 15/03/2017). They were only aware as customary practiced by the FMU that they will negotiate with the headman or relevant individuals each time they enter their SA area for logging operations. Land held under customary rights will compensated by the FMU in various approach for instance through log commissions from coupe by tonnage and 'goodwill' payment in the form of cash or in kind for Christmas, funeral expenses, school, fuel for gensets and others. The latest contract agreement verified during this audit was between the communities of Long Jekitan, Long Bee, Ba'Purau, Long Tikan, Long Kemilong (new) and Long Batao (new) and SST Logging operating in Gerena FMU Coupe 01A, 07, 08, 10 and 11 dated 4 October 2019. A sampled letter of Understanding receiving the parts of the log commission on 11<sup>th</sup> February 2020 by the 3 community leaders/representatives of Long Makaba Sg. Silat, Baram was also inspected.</p> <p>Inspection and verification of these documentations at the FMU site office showed that procedures for Land Claim (SFM/PR001) was used as a guideline to compensation payment with local communities surrounding the FMU. However, updated records and summary on the status of compensation were not available. The contractual agreement</p> |

| Principle | Strengths   | Weaknesses  |
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|           | <p>Gerena Silat Camp). Labour Ordinance (Sarawak Cap 76), Employees Provident Fund Act 1991 and Employees' Social Security Act 1969 were available. Records on payment showing the deductions made on employee's provident fund and social security were available.</p> <p>Interview with workers (consist of surveyor, mechanic and contractors) confirmed that the mechanism to resolve conflict/issue of workers through consultation with immediate mandore / supervisor who will bring the matters to camp manager. If the matter could not be resolved by the camp manager, the matter will be brought to the attention of management of company headquarters.</p> <p>Interview with workers has confirmed that there were no restrictions for workers to freely organise into union of their own choice in accordance with ILO Convention No. 87, although to date workers choose not to have any union. Also, workers were aware of the regulation on no restrictions for workers to organise and undertake collective bargaining, and on non-discrimination in the workplace. SFM/PR 002 procedure on employees' grievance resolution dated 15/03/2017 were still applicable. Box were place at office for employees to submit their grievance which for 2020/2021, no grievance has been raised.</p> <p>Pay slip of sampled workers confirm the compliance against applicable laws including permissible deduction for EPF, SOCSO, EIS, advance for daily needs goods (JTKSWK/PG/245/2020(LAWAS)) – <i>"Permit Potongan daripada Gaji Pekerja di bawah Seksyen 114 Ordinan Buruh (Sarawak Bab 76)"</i> dated 23/10/2020.</p> <p>Generally, there are about ten (10) local settlements (Long Selatong Dikan, Long Apu, Long Julan, Long Anap, Long Silat, Long Mekaba, Long Moh, Ba' Jawi, Long Selaan and Long Semiang) which are located within Gerena FMU. Seven (7) local settlements (Long Selatong Tanjung Tepalit, Long Pelutan, Long Palai, Long Selawan, Long Jeoh, Long Tungan and Lio Matoh) are adjacent to the FMU, and five (5) settlements inside Provisional Lease (PL) area (Long Belaong, Long</p> | <p>entered with free, prior and informed consent were found insufficient and not consistent. The agreement was signed with the headman, and the community were not aware of the amount of compensation paid to the village. The agreements were not consistent and there were no guidelines on standard rate for compensation of trees, land, fruit trees, graveyard, etc. It depends on the negotiation results between the harvesting contractors, sub-contractors and community representatives. The communities were confused that the previous agreements they had signed were no longer valid, while some were given extensions. Thus, Minor NCR AS06/2021 was raised against Indicator 4.5.2</p> |

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|  | <p>Jekitan, Ba' Purau, Long Tikan and Long Bee), with estimated population of 11,472 peoples. The main ethnicity of the communities is Kenyah and Penan with most of them are Christian.</p> <p>An initial SIA report was prepared by UPM Bintulu, entitled "SIA Report for Gerenai FMU dated July 2018",</p> <p>The SIA, Mitigation and Enhancement measure were made available in Chapter 12 of Gerenai FMP 2018-2028. Based on the consultation session with the community during the audit in Long Palai, Long Moh, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Mekaba, Long Jekitan, Long Selaan, Long Semiang, Long Silat, Long Belaong, Long Jeeh, Long Selawan, Lio Matoh and Long Tungan, the FMU representative has started visiting the respective villages to carry out social monitoring in December 2020.</p> <p>Gerenai FMU has evaluated, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations as per recorded in Minutes of SIA consultation with Local Communities at Gerenai FMU conducted on 26/06/2019 at Baram Central Base (CTB).</p> <p>Forest planning and management practices has considered and incorporate the results of Social Impact Assessment through addressing preventive and mitigation measures has been incorporated into Forest Management Plan (2018-2028) under Chapter 11 – Identification and Management of Protection Areas e.g., demarcation, monitoring, awareness training to Gerenai FMU personnel and local communities.</p> |   |
| <p><b>Principle 5 Benefits from the Forest</b></p> | <p>Details of the budget allocation were found consistent with FMU tenure particularly on forest administration, research, human resource development, protection, economic, conservation environmental and social aspects. Sample records of expenditure for FRA and PSP activities were available and seen as evidence from the accounting records for the month of June 2021</p>   | <p>This surveillance audit (2021) found that the annual budget and expenditure for forest management does not include protection, research, conservation, environmental and social aspect. Audit found no official annual budget and expenditure for forest management in Gerenai FMU. The document on "Gerenai SFM Budget vs Actual for 2020/2021" provided during the audit</p> |

| Principle | Strengths   | Weaknesses   |
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|           | <p>Provisions and management prescriptions made to maintain, restore, or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability were available and adequate based on evidence on these items.</p> <ol style="list-style-type: none"> <li>1. FMP (2018-2027) for Gerenai FMU clearly outlined the plan as stated in Chapter 3: Management Prescription (pg. C3-1 to C3-8), Chapter 4: Planning for Forest Road and Harvesting System (pg. C4-1 to C4-3), Chapter 5: Pre-Harvesting Activities (pg.C5-1 to C5-10), Chapter 6: Harvesting Operation (pg 6-1 to C6-6), Chapter 7: EIA (pg. C7-1 to C7-9), Chapter 8: Forest Research (pg. C8-1 to C8-4), Chapter 9: Silviculture, Forest Rehabilitation and Reforestation (pg. C9-1 to C9-2), Chapter 10: Wildlife Management (pg. C10-1 to C10-5), and Chapter 11: Identification and Management of Protection Areas (pg. C11-1 to C11-3).</li> <li>2. Working plan entitled 'Gerenai FMU FMC Unit Action Plan 2019/2020' is seen and verified.</li> <li>3. 'Preliminary Analyses of Forest Resource Assessment for Gerenai FMU' prepared by the Management and Planning Division FDS dated June 2019 was seen.</li> <li>4. A report entitled 'Calculation of the AAC for Gerenai FMU' prepared by Management and Planning Division FDS was verified and seen.</li> <li>5. All relevant guidelines related to RIL were available and seen namely, a) 'Guideline for RIL Systems in Forest Management Certification (Natural Forest) Area' 2019 by FD Sarawak, b) RIL Guidelines for Ground-based Harvesting Systems Vol. 1 &amp; Vol. 2, October 2017, and c) Compliance Assessment of RIL system (SFM/FDS/CP001). In addition, sample of RILP [Operational Inventory Summary Sheet Covering Each Skid Trail of Individual Block (100% Tree enumeration for harvestable trees) for Block 26 that was approved by SFC (on 17/07/2019, Ref SFC 600-1/1/82.2(38) Jld.6) was verified during the audit.</li> </ol> <p>In order to encourage the optimal use of forest resources, Gerenai FMU has conducted forest resource inventories with a total of 32 sampling</p> | <p>does not have endorsement or approval from the FMU management. Review on "Gerenai SFM Budget vs Actual for 2020/2021" found no budget provided for protection, research, conservation, environmental, silvicultural treatment and social aspect. In addition, the expenditure has exceeded RM 714,547.00 from the planned budget of RM 436 570.00 in the FMU. Therefore, Minor ANS03/2021 was raised against indicator 5.1.1</p> <p>The auditor discovered that actual volume harvested trees was less than projected volume (tagged trees) at Coupe 01A. the forest management practices does not encourage the optimal use of forest resources. Therefore, Minor NCR ANS04/2021 was raised against indicator 5.2.1</p> <p>During site inspection of active harvesting area, it was evident that the trees was felled more than 1.0 meter above ground level. The implementation of guidelines for reduced/low impact logging to minimise product wastage were not sufficient. Thus, Minor NCR ANS05/2021 was raised against Indicator 5.3.1</p> <p>Based on documentation review found that training on reduced Impact logging (RIL) was done on 7 November 2021 at Gerenai FMU. Record of attendance list was verified during the audit. However, during inspection and Interview with harvesting Supervisor and forest workers at Harvesting Area Coupe 02A (Block 33 and Block 34) found the staff and workers were not aware on road specification and tree felling requirements. Therefore, Minor NCR ANS08/2021 was raised against indicator 5.3.2.</p> |

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|           | <p>units from 101 sampling's that was planned earlier. Ten (10) of the FRA plots were then selected as Permanent Sample Plots and Preliminary report by Forest Department Sarawak (FDS) entitled 'Preliminary Analyses of Forest Resource Assessment for Gerenai FMU' dated June 2019 was seen during the audit.</p> <p>Except for water, no other non-timber forest products (NTFP) exploited in by the management of Gerenai FMU.</p> <p>Implementation of RIL to minimise damage for residual stand from available guidelines is restricted to few activities namely compliance of requirement from the state i.e., detailed harvesting plan and pre-felling inventories including obtaining RILP for planned harvested coupe (and blocks).</p> <p>As per audit period, there were no records on the production of a mix of forest products including the utilisation of non-timber forest products (NTFP) and services, particularly by local community for verification.</p> <p>Consultation with local communities surrounding and within the FMU indicated that non-timber forest products were collected for personal use and daily subsistence. The only visible NTFP services that is utilised by the local community is the use of water from underground and water catchment areas, but this is mostly in villages and SA areas.</p> <p>Gerenai FMU operated within applicable guidelines to recognise and maintain the value of forest services and resources such as '<i>Guideline for RIL Systems in Forest Management Certification (Natural Forest) Area</i>' (FD Sarawak, 2019) and '<i>RIL Guidelines for Ground-based Harvesting Systems Vol. 1 &amp; Vol. 2</i>' (FD Sarawak, 2017).</p> <p>Verification of The Detailed Harvesting Plan titled "Detailed Harvesting Plan (DP)/Road Plan for Coupe 02A (2020 Coupe Year) of T/0431, Samling Plywood (Miri) Sdn Bhd" dated 8 November 2021 (approved by FDS: MFO/T/0413 Jld 6-33) and the "RIL Map Coupe 02A Block 011" has showed</p> |            |

| Principle                               | Strengths  | Weaknesses   |
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|   | <p>harvesting was designed taking into consideration the need for the conservation of biological corridors and river buffer zones (Stream Bank Reserve [SBR]). Auditors visit to SBR buffer zone of Sg Silat and tributaries found the SBR boundary was painted blue with adequate signage</p> <p>In addition, the FMP has identified the protection areas that are clearly demarcated in the maps that include Kerangas forest, terrain Class IV, buffer zone, buffer for water catchment, border zone and major rivers that consist of 14.63% from the total areas [shown in pg. C2-5 &amp; C2-6 in the FMU and Map H (Forest Zoning)]. Two water catchments areas in two communities namely Lio Mato and Long Semiang also designated as water catchment which is 17.94% from the total FMU area. Several water catchment areas that proposed as HCV also is found in the document entitled "HCV Assessment Report for Gerenai FMU FT Licence No T/0413" prepared by SFC team (Malcom et al., 2019) dated in February 2019.</p> <p>The rate of harvest for forest product is clearly stated in Gerenai FMU FMP (2019-2027), Chapter 3: Management Plan Prescriptions. It was stated that the operable area for Gerenai FMU is 100,004 ha and mean annual operable area is 4,000 ha with cutting cycle of 25 years. This is in accordance with the General Harvesting Plan (GP) that was approved by the FDS.</p> <p>The AAC was determined by the FD Sarawak based on the data simulation using FORMIND growth simulation programme run by the consultant. The report entitled 'Calculation of the AAC for Gerenai FMU' dated July 2019 was available and seen during the audit. The mean annual growth also calculated by the simulation programs.</p> |  |
| <b>Principle 6 Environmental Impact</b> | <p>An EIA for the Re-entry Hill logging within Coupe 01AR to 07AR and 15AR under the Forest Timber License (FTL) No. T/0413 at the Batang Baram-Sg Silat Area, Miri, Sarawak was conducted as required under item 2(i) of the First Schedule of the said Order (Section 11A (1) of the Natural Resources and Environmental Ordinance). Two (2) EIA reports were approved by the NREB, first dated 15<sup>th</sup> June 2012 and the second on 10<sup>th</sup> September 2014.</p>  | <p>Site visit to the local communities indicated that awareness activities such as briefing, posters and publications RTE for 2020/2021 was not available. Therefore, Minor NCRLYD03/2021 was raised against Indicator 6.2.5</p> <p>Site visit to pre-harvest area in Coupe 03A, along road F-2-4-1, near blocks 16 and 13 found the width of the road exceeded to 14-</p> |

| Principle | Strengths   | Weaknesses   |
|-----------|---|--|
|           | <p>The Forest Management Plan of Gerenai FMU had also incorporated an assessment of environmental impacts specific to potential impacts on endangered, rare and threatened species of flora and fauna (ERT), and the need for biological corridors in the FMU as seen in Chapter 7.3.</p> <p>Guidelines to identify and protect endangered, rare, and threatened species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMU were available.</p> <p>There was existing cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities, Ongoing project with SFC, on-going research by Universiti Putra Malaysia (Bintulu Campus), FDS-Samling Wildlife Assessment via Camera Trap in Gerenai FMU and Calculation of the AAC for Gerenai FMU – Management and Planning Division, FDS, Kuching, Sarawak.</p> <p>The awareness briefing on ERTs and HCV to local communities also was conducted during Stakeholder Consultation. Poster of Totally Protected Flora and Fauna Species were also distributed to Tuai Rumah for displaying at their longhouses.</p> <p>Protected areas (including HCV, Terrain IV, Water catchment, Stream buffer and others) were mapped in ‘Map H: Forest Zoning’: ‘Map K: Gerenai FMU within Heart of Borneo’; Map E: Forest Type: Map C: Terrain Class” for Gerenai FMU.</p> <p>Verification of Detail Harvesting Plan titled “Detailed Harvesting Plan (DP)/ Road Plan for Coupe 01A (2019 Coupe Year) of T/0341, Samling Plywood (Miri) Sdn Bhd” dated 25<sup>th</sup> February 2019 (approved by SFC: SFC.600-3/2/1(13)) and the “RIL Map Coupe 01A Block 017” showed harvesting was designed taking into consideration the need for the conservation of biological corridors and river buffer zones (Stream Bank Reserve (SBR)). Auditor visit to SBR buffer zone of</p> | <p>15 meters. Site visit to harvesting area in Coupe 02A, along MT-33a part 2, block 33, and MT20a, FT-20a-0-1, Block 20 found excessive blading of the skid trails where soil been extremely shoved aside during the construction of skid trails. Visit to MT20a, FT-20a-0-1, Block 20 found the skid trail was constructed at slope more than 27°. Therefore, Major NCR KN01/2021 was raised against indicator 6.5.1.</p> <p>During inspection to skid trail FT-34C-0-1 (Coupe 02A Block 34) found that the bund was not constructed as per (a) Construction of logging road, skid trail and roadside landing. (Guideline 10 RIL for ground-based harvesting system Part 2). Thus, Minor NCR ANS07/2021 was raised against indicator 6.5.3.</p> <p>Site visit to harvesting area in Coupe 02A, along MT-32b part 1, Block 34, found the soil was shoved to the SBR during the construction of the roads. Site visit to pre-harvesting area in Coupe 03A, along S-2-4, between Block 10 and 9, found the soil and the trees were shoved to the SBR during the construction of the road and bridge. The buffer zone was not appropriately identified between block 10 and block 11 at Coupe 03A. Thus, the water ways were encroached with unauthorized skid trail. One (1) PCT tree was tagged in the SBR in Coupe 03A, between Block 10 and 9. Therefore, Major NCR KN02/2021 was raised against indicator 6.5.4.</p> <p>Fire prevention and control plan was not prepared and implemented for all fire prone forest. There was no forest fire management plan in Gerenai FMU. Thus, Minor NCR ANS06/2021 was raised against indicator 6.5.5</p> |

| Principle | Strengths   | Weaknesses |
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|           | <p>Sg Silat and tributaries found the SBR boundary was painted blue with adequate signage.</p> <p>The FMU has conducted environmental monitoring to assess the impacts of forest operations at Gerenai FMU. The EMR on water quality and damage due to logging was submitted to the NREB every quarterly.</p> <p>Management policy on the use of environmentally friendly non-chemical methods of pest management and avoiding the use of chemical pesticides were available in “Environmental Policy” signed by the CEO on dated 5<sup>th</sup> June 2017.</p> <p>The activities of hunting, fishing, and collecting in the FMU were controlled by five (5) appointed Honorary Wildlife Rangers from Samling Timber Sdn Bhd who had attended Honorary wildlife ranger - Forest management Unit Discussion Session via Zoom Platform dated on 6 September 2021 and their appointment letters were signed by Sarawak Wildlife controller. The letter were sighted by the auditor. Also, under the Conservation Internship program (CIP), interns were trained to wildlife conservation and monitoring HCV areas and PSPs.</p> <p>The FMU has conducted field patrolling and monitoring in Coupe 01A dated 20/9/2021, Coupe 25A dated 5/2/2021, Coupe 2A dated 11/1/2021 and Coupe 2A dated 29/11/2020 to control and monitor any illegal encroachment, harvesting, hunting and settlement. There was also patrolling and monitoring schedule for 2021 titled “Annual Area Patrolling and Monitoring Schedule for Year 2021 – Gerenai FMU T/0341”. The patrolling/monitoring included SBR Boundary patrolling, General monitoring and Surveillance survey, Common Licensed Boundary Patrolling and Water Catchment areas.</p> <p>Common boundary between Coupe 20A and Coupe 24A was inspected on the ground by the auditor and found to be marked and painted according to SOP. Inspected external (license T/0431) boundary at Long Palai was also inspected and found to meet boundary demarcation and maintenance guidelines. A</p> |            |



| Principle | Strengths   | Weaknesses |
|-----------|---|------------|
|           | <p>“Joint License Boundary Monitoring and Verification between T/3342 Shin Yang (BTU) Sdn Bhd and T/0431 Samling Plywood (Miri) Sdn Bhd” was also undertaken in 2019.</p> <p>Management guidelines to assess post-harvest natural regeneration and enrichment planting were available for Gerenai FMU through the ‘Guideline and Procedures for Enrichment Planting’ (established by SFC), however, at the time of audit, no silvicultural treatment was yet done in Gerenai FMU. Nevertheless, sighted Annual Budget presented for 2021 did include allocations for silvicultural treatment. Silvicultural treatment prescribed shall consider on a block-by-block basis following completion of harvesting in the Coupe. The need for silvicultural treatment shall be determined through ground inspection of the poorly stocked blocks (including satellite imagery interpretation). Chapter 9: Silviculture, Forest Rehabilitation and Reforestation in the Gerenai FMP outlined the objectives and silvicultural prescription guidelines (encompassing silvicultural treatment, Enrichment Planting and Silvicultural Treatment locations).</p> <p>Analysis of change of forest stand/species composition in relation to the pre-felling and post-felling inventories was in progress and evidenced in the ‘Post Harvest Inventory’ reports for closed harvesting Blocks in Coupe 01A.</p> <p>Guidelines for the conservation of genetic, species and ecosystem diversity in the FMU were available in the “Guidelines for the Conservation of Genetic Species and Ecosystem Diversity and Guidelines for Biological Corridors and Buffer Zone for Wildlife” (In-house Samling documents) and the “Guidelines for Fauna Conservation and Ecosystem Management (SFC Guidelines ERT Species (2014)”. In addition, Chapter Eleven – Identification and Management of Protection Areas in the Gerenai FMP was also available for implementation.</p> <p>Verification of The Detail Harvesting Plan titled “Detailed Harvesting Plan (DP)/Road Plan for Coupe 02A (2020 Coupe Year) of T/0431, Samling Plywood (Miri) Sdn Bhd” dated 8 November 2021</p> |            |

| Principle | Strengths  | Weaknesses |
|-----------|--|------------|
|           | <p>(approved by FDS: MFO/T/0413 Jld 6-33) and the “RIL Map Coupe 02A Block 011” has showed harvesting was designed taking into consideration the need for the conservation of biological corridors and river buffer zones (Stream Bank Reserve (SBR)). Auditors visit to SBR buffer zone of Sg Silat and tributaries found the SBR boundary was painted blue with adequate signage.</p> <p>Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest management operations, identified and selected under Indicator 6.2.2 was demarcated and protected in their natural state as per HCVF report titled ‘High Conservation Value Assessment Report: Gerenai FMU T/0341 dated February 2019. The assessment report contained recommendations for the management and monitoring of the HCV areas identified during the field HCV survey. Protected areas (including HCV, Terrain IV, Water catchment, Stream buffer and others) were mapped in “Map H: Forest Zoning”, “Map K: Gerenai FMU within Heart of Borneo”, “Map E: Forest Type”, “Map C: Terrain Class” for Gerenai FMU. Terrain IV areas were found protected, boundaries marked with blue paint and mapped.</p> <p>Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations were verified. They followed the “Forest Department Sarawak (FDS) - The Green Book: Manual, Procedures and Guidelines for Sustainable Forest management Certification 2019”; the “Guidelines for Reduced Impact Logging Systems in Forest Management Certification (Natural Forest) Area, Second Edition, 2014” and the “Guidelines for Forest Layout and Construction”. The Detailed Harvesting Plan titled “Detailed Harvesting Plan (DP)/Road Plan for Coupe 02A (2020 Coupe Year) of T/0431, Samling Plywood (Miri) Sdn Bhd” dated 8 November 2021 (approved by FDS: MFO/T/0413 Jld 6-33) and the “RIL Map Coupe 02A Block 011” were verified.</p> <p>During the audit, auditor has found the use of environmentally friendly non-chemical methods of pest management was stated in the Samling</p> |            |

| Principle | Strengths  | Weaknesses |
|-----------|--|------------|
|           | <p>Policy Number 10: Pesticide Use in Natural Forest Management signed by CEO dated 5<sup>th</sup> June 2017.</p> <p>Guidelines on chemical handling was included in the “Guidelines Storage and Handling of Hazardous Materials: Samling Guidelines: SFM/GL 003)” dated 15<sup>th</sup> March 2017 on the use of chemicals in the forest approved by relevant regulatory authorities as per ‘Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 – Part II, Reg. 5, 15 &amp; 16 has been implemented in the FMU</p> <p>Interviews with forest managers (General Manager) and nursery workers found they were aware of the environmental policy. Chemical Policy briefing was also included in the “MC&amp;I” awareness briefings held on 10<sup>th</sup> July 2019. Prior to that, “Chemical Safety” training was held in April 2019</p> <p>SOP on disposal and storage of oil, fuel, tyres, containers, liquid and solid non-organic wastes was available in the “Guidelines on Disposal and Storage of Scheduled Waste: SFM/GL 002” dated 15<sup>th</sup> March 2017.</p> <p>Site visit to the Workshop at Gerenai basecamp found Generated scheduled waste SW409 (contaminated containers), SW408 (contaminated sand and sawdust), SW410 (rags and used oil filter), SW102 (used battery), SW306 (used lubricant hydraulic) and SW305 (used lubricant oil) were labelled, recorded and stored in designated places following the SOP. Appropriate signage was found adequately placed at the premise. Fire extinguishers were available and within expiry dates.</p> <p>Sighted document also showed the FMU had registered and submitted the disposal of scheduled waste records through online <a href="https://eswis.doe.gov.my">https://eswis.doe.gov.my</a>. Record of maintenance for machinery was also available and verified.</p> <p>Health, Safety and Environment (HSE) policy statements were found displayed at the notice board for worker awareness. Work instruction on</p> |            |

| Principle                              | Strengths  | Weaknesses                              |
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|  | <p>“Handling used oil filter, handling contaminated sawdust, Management of used paint container, Management of used batteries and Management of used oil” were also sighted at the storage areas.</p> <p>It was noted no household waste, and fuel container (drums) were found during visit to workers quarters at Gerenai Camp, and Rumah Tarik at Harvesting Area Coupe 02A (Block 33 and Block 34).</p> <p>There was no application of biological control agents in the FMU.</p> <p>Site visit to the Gerenai FMU found no exotic species were planted in the forest.</p> <p>There was no plan for converting the forest area to plantations. Conversion of natural forest into non-forest land use had not occurred within the FMU.</p>   |   |
| <b>Principle 7<br/>Management Plan</b> | <p>Ten (10) Years Forest Management Plan (Gerenai Forest Management Plan) for Forest Timber Licence No. T/0413, Samling Plywood (Miri) Sdn Bhd (2018-2027) dated June 2019 was made available during the audit. A review of the FMP found that the plan had addressed all issues and requirements of Criterion 7.1. items (a) to (i) listed in Principle 7</p> <p>FMP (2018-2027) for Gerenai FMU clearly outlined the plan as stated in Chapter 3: Management Prescription (pg. C3-1 to C3-8), Chapter 4: Planning for Forest Road and Harvesting System (pg. C4-1 to C4-3), Chapter 5: Pre-Harvesting Activities (pg. C5-1 to C5-10), Chapter 6: Harvesting Operation (pg 6-1 to C6-6), Chapter 7: EIA (pg. C7-1 to C7-9), Chapter 8: Forest Research (pg. C8-1 to C8-4), Chapter 9: Silviculture, Forest Rehabilitation and Reforestation (pg. C9-1 to C9-2), Chapter 10: Wildlife Management (pg. C10-1 to C10-5), and Chapter 11: Identification and Management of Protection Areas (pg. C11-1 to C11-3).</p> <p>The FMU will periodically revise the forest management plan every 5 years.</p> | <p>There were no negative findings.</p> |

| Principle                                    | Strengths   | Weaknesses  |
|--|---|---|
|  | <p>Records of new scientific and technical information pertinent to the management of the area to be certified were also available to the forest managers. Records of new scientific and technical information and from monitoring activities were covered in the FMP as cooperation between forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities, such as Rapid Wildlife Assessment via Camera Trapping Inside the Proposed Muan-Julan National Park, Miri by WWF (Malaysia) on July 2019 and joint program on research project with University Putra Malaysia, Bintulu Sarawak Campus, with signed MOU on 3<sup>rd</sup> December 2018</p> <p>The summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 were made available in <a href="http://www.samling.com/doc/Public%20Summary%20FINAL%2017%20June%202019%20(004).pdf">http://www.samling.com/doc/Public%20Summary%20FINAL%2017%20June%202019%20(004).pdf</a></p>                         |   |
| <b>Principle 8 Monitoring and Assessment</b> | <p>The Gerenai FMU complies with the regulatory monitoring procedures in accordance with relevant federal and state guidelines of the Forest Department Sarawak and other relevant agencies.</p> <p>The FMU management has appropriately included all relevant information needed to monitor items listed in (a) to (e) of Criterion 8.2.</p> <p>For Gerenai FMU, tracing the forest product (logs) from its origin, a process known as the “chain of custody”, leaving the certified area, was verified through selected records and relevant documents presented. The documents were verified to be in order.</p> <p>The public summary of the management plan for Gerenai FMU can be accessed in the FMU website.</p> <p>Gerenai FMU was found to have their own set of procedures and guidelines specifically for monitoring purposes namely;</p> <ol style="list-style-type: none"> <li>Procedures on Hunting Control &amp; Wildlife Monitoring [Ref: SFM/PR-003]</li> <li>Procedure on Establishment of Treatment Lines and Plots in Harvested Block [Ref. SFM/PR-004]</li> </ol> | <p>Based on the consultation session with the community during the audit in Long Palai, Long Moh, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Mekaba, Long Jekitan, Long Selaan, Long Semiang, Long Silat, Long Belaong, Long Jeoh, Long Selawan, Lio Matoh and Long Tungan, the FMU representative has been found already to have started visiting the respective villages and the formation of the CRC is in progress. However, audit found monitoring on social impacts evaluation for all local communities were yet to be conducted in year 2021. Thus, Minor NCR LYD06 was raised against Indicator 8.2.1</p> <p>Review on both internal Audit and MRM found the Review on Internal audit report dated 25-30 Oct 2021 and management review meeting dated 2 Nov 2021 was not in accordance with the requirements in APPENDIX A. The internal audit, management review and continual improvement as stipulated in APPENDIX A was not followed. Thus, Minor NCR KN03/2021 was raised.</p> |

| Principle | Strengths   | Weaknesses   |
|-----------|---|--|
|           | <ul style="list-style-type: none"> <li>iii. Procedure on Silviculture Treatment and Schedule [Ref: SFM/PR-005]</li> <li>iv. Procedure on Control Oil Spill/Pollution [Ref.: SFM/PR-006]</li> <li>v. Procedure for Monitoring the HCV Management Measure [Ref.: SFM/PR-007]</li> <li>vi. Procedure for Post-Harvest Assessment [Ref. SFM/PR-008]</li> </ul> <p>All of the said procedures available are in accordance with the state (Forestry Department) guidelines and regulatory monitoring procedure. Set of procedures/guidelines from the state and other agencies also adopted by the Gerenai FMU to monitor the forest management operations which include;</p> <ul style="list-style-type: none"> <li>i. Instruction for the Inspection of Logging Areas 1982 by FD Sarawak</li> <li>ii. Procedure for the Inspection of Harvesting Areas 1999 by FD Sarawak</li> <li>iii. Technical Manual for Forest Resource Assessment [Ref.: SFM/MPD/FDS-01] by FD Sarawak</li> <li>iv. Compliance Assessment of RIL System [Ref.: SFM/FDS/CP001] by FD Sarawak</li> <li>v. Mitigation Measure from EIA Report approved by NREB</li> <li>vi. Procedure to Monitor Social, Ecological, Environmental and Economic Impacts by UPM (2012)</li> </ul> <p>Gerenai FMU management also has programme for annual area patrolling and monitoring schedule. The programme for 2019 is available and verified during the audit. The monitoring is scheduled to be done twice a month with four types of patrolling/monitoring, namely general monitoring &amp; surveillance survey, water catchment area survey, stream bank reserve (SBR) boundary patrolling and common license boundary patrolling.</p> <p>For monitoring and assessment purposes, the relevant information was gathered based on the following indicators;</p> <ul style="list-style-type: none"> <li>a) Yield of all forest products harvested.<br/>The logging activity has been conducted at Coupe 1A (2019). In addition, the Forest Department Sarawak has determined the</li> </ul> | <p>During inspection at harvesting area at Coupe 02A found there was no tag on the tree stumps inspected along the skid trail. Felled tree (stump) in the certified area was not tagged. Thus, the log's origin was unable to be determined. Thus, Major NCR ANS09/2022 was raised</p> |

| Principle | Strengths  | Weaknesses |
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|           | <p>production limit (Production Limit of Forest Timber Licence No.T/0413) for period July 2021 to June 2022. The AAC calculated in Clause 3.4 of FMP</p> <p>b) Composition and observed changes in the flora and fauna<br/>Composition and changes of flora is done through FRA and PSP plots systematically established by the Gerenai FMU management and reported as explained in item (b) above. For composition and changes of fauna, Gerenai FMU management has established periodical monitoring fauna activities. Fauna data collected mainly from i) accidental wildlife sighting record [records were seen for the month of July with 22 entries up to 12/7/2019; 54 entries (species) in month of June] and summarised in '<i>Accidental Wildlife Sighting Report</i>' [reports were seen for April to June 2019]; ii) FRA assessment wildlife monitoring [report were seen for Coupe 16A SUID 67 dated on 19/10/2018; C201 SUID99 dated on 27/4/2019; C03A SUID64 dated 19/11/2018]; iii) Scheduled Wildlife Monitoring Report [sample of report was seen for Coupe 23A, 2A and coupe 1A, 2020 found 46spp of mammal, birds, reptile and insects]. List of ERT species &amp; list of endemic species available as discussed in Gerenai FMU FMP 2019-2028 [pg. C1-10 to C1-13]. A monitoring on wildlife has been conducted and report has been produced in Wildlife Monitoring Annual Report No.03-2020 (WMR No.3-2020) through year 2020.</p> <p>c) Environmental and social impacts of harvesting and other operations<br/>EIA report for Gerenai FMU was prepared by Ecosol Consultancy Sdn. Bhd. in 2012 [Ref. No. NREB/6-3/2H/30] and 2014 [Ref. No. NREB/6-3/2H/37]. The same consultant also prepared the environment monitoring quarterly report. The first quarter of EMR for 2021 [Ref: Samling/Silat/EMR/NREB/6-3/2F/30] dated on 3<sup>rd</sup> Quarter Of 2021 was seen and verified. In terms of social impact, initial SIA report was prepared by UPM Bintulu, entitled '<i>SIA Report for Gerenai</i></p> |            |

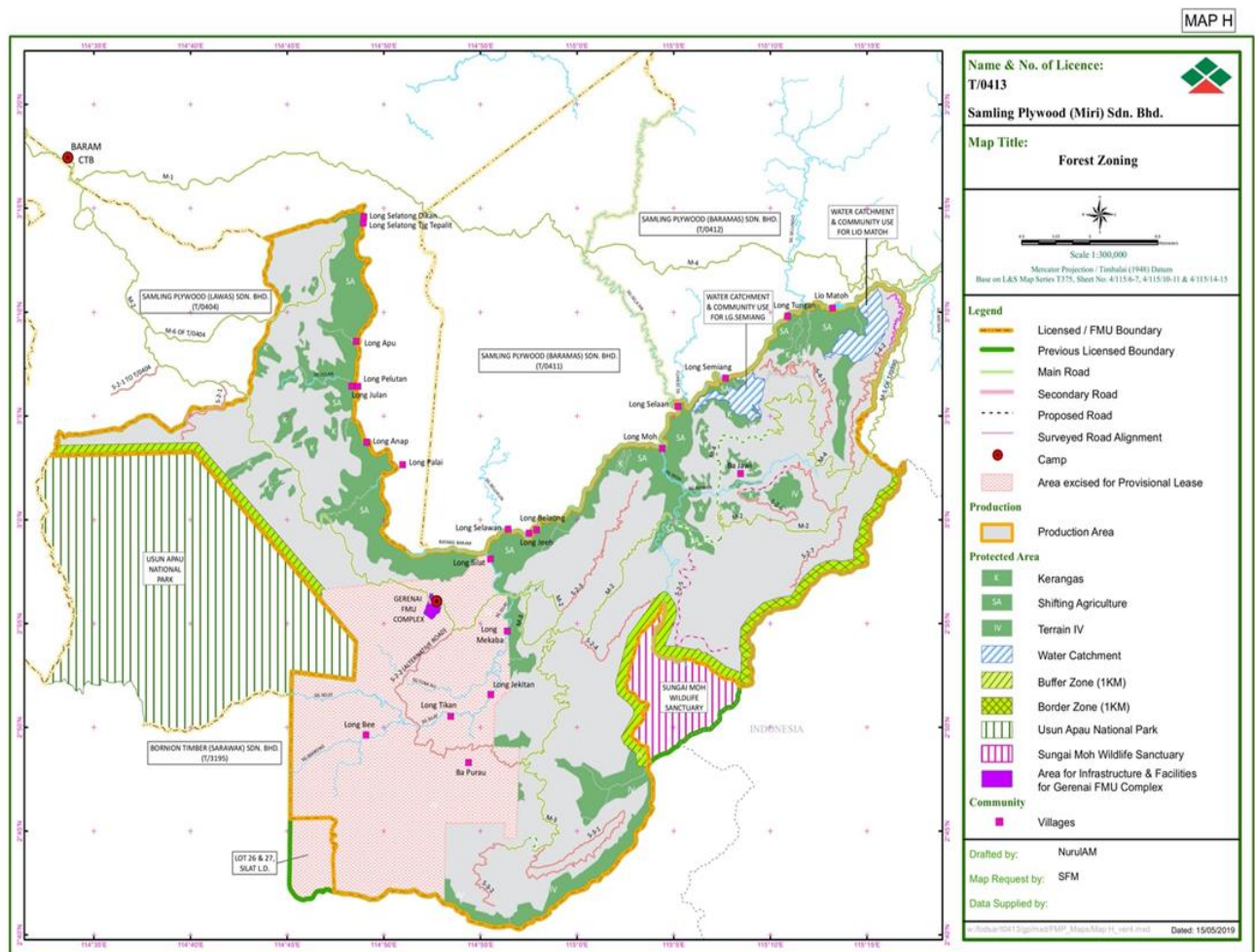
| Principle | Strengths  | Weaknesses |
|-----------|--|------------|
|           | <p>FMU', and also can be found in the Gerenai FMU FMP 2019-2028 [pg. C12-8 to C12-10] while Mitigation and Enhancement measure were suggested in chapter 12.9 [pg. 12-23 to C12-30]. Cost, productivity and efficiency of forest management.</p> <p>d) The annual budget and allocation of Gerenai FMU is controlled by the Samling office headquarters and managed by the finance unit. Data on the spending and profit are properly monitored and systematically recorded so that cost, productivity and efficiency will be assessed annually. As of month, of June, data on cost of the operation of the FMU seen during the audit was within the allocated budget.</p> <p>e) Growth rates, regeneration and condition of the forest.<br/>A total of 32 sample units of FRA plots were established from a total of 101 sample units that were planned. The FRA plots will give the information on the regeneration and condition of the trees (forest). Preliminary result was reported by the FD Sarawak in the document entitled 'Preliminary Analyses of Forest Resource Assessment in Gerenai FMU' dated June 2019 and included in Gerenai FMU FMP 2019-2028 [pg. C2-1 to C2-6]. Ten plots from the FRA plots that had been inventoried were then selected as Permanent Sample Plot (PSP). All data has yet to be analysed but 'Overview Analysis of FRA' form 10 PSPs was seen during the audit. Nevertheless, the growth of the forest also was obtained by using simulation program as reported in the document entitled 'Calculation of the AAC Gerenai FMU' by FD Sarawak and in the Gerenai FMU FMP (2019-2028) [pg. C3-6 to C3-7]. The condition of the forest based on stock density also obtained from satellite imagery as reported in the FMP [pg. C3-5]. Site visit to PSP #10 (SSU 12, 13 &amp; 22) and PSP #5 (tie-point, SSU1, 2 &amp; 3) found that the plots and subplots were properly made with slope corrections taken into consideration. The trees were properly marked and enumerated.</p> |            |



| Principle  | Strengths   | Weaknesses   |
|--|---|--|
|  | <p>The “Chain of Custody (CoC) Flow Chart” was available for implementation In Gerenai FMU. The tracing the forest product (logs) from its origin, a process known as the “chain of custody”, leaving the certified area, was possible through verification of records and relevant documents. At Gerenai FMU, KM83 has been approved as PORM (Place of royalty marking) and CTB Stumping Point and Tuyut Camp as CDC (Collection and Distribution Centre) respectively.</p> <p>Records of Removal Pass (Royalty) along with the associated Log Specification Form for Royalty Certificate for Batch No MR1121A20 dated 28.11.2021 (removal pass No. C366490), Batch No.MR1121A19 dated 27.11.2021 (removal Pass No.C366487), and Batch No. MR1121A06 dated 5.11.2021 (removal Pass No.C366489) were verified during the audit. Log transportation documentation on Removal Pass transit for Royalty Certificate for Batch No MR1121A20 dated 28.11.2021 (removal pass No. C366490), Batch No.MR1121A19 dated 27.11.2021 (removal Pass No.C366487), and Batch No. MR1121A06 dated 5.11.2021 (removal Pass No.C366489) were verified during the audit</p> <p>The Gerenai FMU FMP 2018-2027 clearly stated that all results of the research and monitoring will be take into consideration for mid-term review in the fifth year [pg. C3-7]. Based on the interview with the officers and personnel of the Gerenai FMU during the audit, all the data needed is still being gathered and will be incorporated in any revision of the FMP and during the mid-term review of the FMP at the fifth year.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2 of the Gerenai FMU can be accessed at <a href="https://www.samling.com/sites/default/files/inline-files/Gerenai%20FMU%20Public%20Summary%20%20v.17June2019(004)_5March.pdf">https://www.samling.com/sites/default/files/inline-files/Gerenai%20FMU%20Public%20Summary%20%20v.17June2019(004)_5March.pdf</a></p> |  |
| <b>Principle 9 Maintenance of High Conservation Values</b> | Assessment on the presence of the attributes consistent with HCVF was found in the report entitled “High Conservation Values Assessment Report; Gerenai Forest Management Unit: FTL T/0413” dated February 2019, prepared by SFC.   | During last audit (2019), it was found that Ketua Kampung and villagers of Long Selatong Tanjung Tepalit and Long Selatong Dikan were not aware of HCVF consultation that was conducted on 14 July 2019 by |

| Principle | Strengths   | Weaknesses  |
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|           | <p>The FMU has demonstrated that the identified HCVs are protected in their forest operation as stated in the Gerenai FMP (2018 – 2027) in Chapter 11. Specific measures were outlined in the Gerenai FMP for recognizing HCVF areas in the form of map entitled “Map HCV1.1; Map HCV 1.4; Map HCV2.0 (Part A &amp; B); Map HCV3.0; Map HCV4.1; Map HCV4.2; Map HCV5 and Map HCV6”</p> <p>Records sighted found implemented programs in HCV protection at Gerenai FMU included;</p> <ul style="list-style-type: none"> <li>• Embarkation of “Education Measures through Community, Education, Participation and Awareness program</li> <li>• Introduction of “Honorary Wildlife Ranger programme” since 1990 to play complementary role to FDS effort in curbing illegal activities punishable under Wildlife Protection Ordinance, Sarawak.</li> <li>• Initiation of “Conservation Internship program (CIP)” where interns were trained to wildlife conservation and monitoring of HCV areas</li> </ul> <p>Site verification of the HCV 6, “Bali Tanah” at Long Palai in Coupe 24A found that appropriate protection and management activities implemented were adequate. The buffer boundaries of the HCV were clearly demarcated with blue paint. Individual 1:25,000 scale map of each HCV was presented, and adequate signage of the HCVs were available on the ground. The vegetation within the boundary of the HCV area was clearly undisturbed with painted trees marking the boundary. Terrain IV areas were found protected, boundaries marked with blue paint and mapped.</p> <p>Results and findings of the HCVFs monitoring activities in Gerenai FMU shall be incorporated into the implementation and revision of the Gerenai Forest Management Plan.</p> | <p>Gerenai FMU, hence, a Minor NCR (KN02/2019) against Indicator 9.2.1 was raised. During this audit (2021), consultation with local communities of Long Apu, Long Julan, Long Anap, Long Moh, Long Selaan, Long Selatong Dikan, Long Tungan, Long Silat, Long Semiang, Lio Matoh found the options to maintain or enhance the identified HCVFs was not effectively conducted. Thus, Minor NCR Indicator 9.2.1 (KN02/2019) was upgraded to Major NCR LYD05/2021</p> |

### Map of Gerenai Forest Management Unit



## Details of Auditors and Qualification

| Names of Audit Team                 | Role                               | Qualification and Experience  |
|-------------------------------------|------------------------------------|---|
| Khairul<br>Najwan<br>Ahmad Jahari   | Audit Team<br>Leader /<br>Forester | <p>Academic Qualification:<br/>B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience:<br/>Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate research on 8<sup>th</sup> 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&amp;I (Natural Forest) and MC&amp;I (Forest Plantation), MYNI of RSPO P&amp;C, MSPO, TLAS, STLVS and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] organized by MTCC, 30 March - 2 April 2009.<br/> EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009.<br/> OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009.<br/> QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p> |
| Mohd Annas<br>Amin Bin Haji<br>Omar | Auditor/<br>Forester               | <p>Academic Qualification:<br/>Diploma in Forestry, UPM<br/>B. Sc. In Forestry, UPM</p> <p>Work Experience:<br/>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</p>  |

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|                         |                       | <p>operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Also appointed to be Investigative Officer</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> <li>• Program of MTCS Training Course (MC&amp;I) in Kuantan (9-12 July 2018)</li> <li>• Lead Auditor ISO 9001, ISO 14001 &amp; ISO 45001 Exemplar Global Certified (13-18 August 2018)</li> </ul>   |
| Angelica Sinimis Suimin | Auditor/<br>Sociology | <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> <p>Has attended the following courses:</p> <ol style="list-style-type: none"> <li>1) MTCC Forest certification Standards for Forest Management and Plantations, 2013, Sirim QAS</li> <li>2) FSC Forest Certification standards for Forest Management and Control Wood, 2015; Nepcon</li> <li>3) LEAD ASSESSOR COURSE ISO 14001 (EXEMPLAR GLOBAL CERTIFIED LEMS01), 2016; Sirim QAS</li> <li>4) DIPLOMACY TRAINING (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of law, Uni New South Wales</li> <li>5) MC&amp;I Natural Forests and Plantation v.2 standards, 2017 – MTCC</li> </ol> |
| Puteri Arlydia Abdul    | Auditor /<br>Forester | <p>Academic Qualification:</p> <p>B. Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience:</p> <p>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</p>  |

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|  |  | <p>onwards. Her working experience cover forest elements among others, Geographic Information System, Remote Sensing, Forest Governance Integrity and Local Communities programs and auditing in ISO 9001 (Quality), ISO 14001 (Environment), PEFC Chain of Custody and PEFC MC&amp;I (both Natural and Plantation Forest).</p> <p>Training/Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> <li>1. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012</li> <li>2. MC&amp;I (Natural and Plantation) Lead Auditor Course 9-10/07/2015</li> <li>3. Training on ISO 9001:2015 (final version) dated 21/09/2015</li> <li>4. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015</li> <li>5. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016</li> <li>6. Schedule Waste Handling dated 1/06/2016</li> <li>7. ISO 14001:2015 dated 18/09/2017</li> <li>8. PEFC CoC by MTCC dated 6 &amp; 14/12/2017</li> </ol> |
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## Comments by Stakeholders and Responses from Audit Team

| No. | Stakeholder  | Comments/Issues Raised  | Response by Audit Team  |
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| 1   | <p>Concern with Samling's Activities In the Gerenai Forest Management Unit</p> <p>Received copy of letter from Ba' Jawi (Letter addressed to Samling Plywood (Miri) Sdn. Bhd.) by The Penan of Long Lamai, Wilson Belare, TK Long Lamai</p> <p>Received on 21/5/2020</p> | <p>We learnt that Samling is on the process of getting the certification for sustainable forest management according to the Malaysian Certification Scheme (MTCS) for the Gerenai Forest Management Unit.</p> <p>We the village of Long Lamai, are small Penan Community within the Gerenai Forest Management Unit. We have neither been informed about the ongoing certification process nor consulted. We are currently working with other communities and the Sarawak Forest Department to establish the Upper Baram Forest Area. The project was approved by the late Chief Minister Adenan Satem and the former Director of Forest. The territory of our community still contains forest of high conservation value and is a core area of the Upper Baram Forest Area. We do not agree with logging activities in our forest and request Samling to stop logging on our land. Please refer to map of the Upper Baram Forest Area. Samling representative are most welcome to come to our village and discuss the matter with no upon prior announcement of the visit</p> | <p>Sirim auditors has carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches.</p> <p>The first batch consultation comprises local NGOs of Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.</p> <p>During the consultation, the representatives of Ba'Jawi communities also alleged that they were not consulted at all on the forest certification process and representatives requested auditors to visit the area (an attempt was made by auditors to arrange for a visit at the site but due to the communication inaccessibility the site consultations are planned for the next audit with the recommendation of the Ba' Jawi representatives was noted).</p> <p>The audit found the on-site Social Impact monitoring and engagement for Ba' Jawi is yet to be carried out. Thus, <b>Major NCR was raised against Indicator 4.4.1.</b></p> <p>The second batch consultation was with 21 community leaders invited by Gerenai FMU comprising of Native Paramount leader, Native Chiefs, Native Counsellors, Representatives of Native Chiefs and Headmen (Temenggong, Pemancha, Penghulu, Kaunselor and Tuai Rumah) representing almost all the listed 21 villages under Gerenai FMU except Long Moh, Long Jekitan, Long Mekaba and Long Bee were not present but consulted on site.</p> |
| 2   | <p>Concern with Samling's Activities In the Gerenai Forest Management Unit</p>   | <p>We learnt that Samling is on the process of getting the certification for sustainable forest management according to the Malaysian Certification Scheme (MTCS) for the Gerenai Forest Management Unit.</p>   | <p>SIRIM QAS International auditors carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches. The first batch comprises local NGOs Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long</p>  |

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|   | <p>Received copy of letter from C/O P'ng Jamok Lot 6788, 1<sup>st</sup> Floor, Taman Tunku Commercial Centre, 98000 Miri, dated 16<sup>th</sup> February 2020</p> <p>Contact person: Erang Ngang</p> <p>Hendry Sigau<br/>Pengerusi P'ng Jamok</p> <p>Dominic Langat Sigau<br/>Pengerusi JKKK Long Siut</p> <p>Erang Ngang<br/>Penasihat P'ng Jamok</p> <p>Received on<br/>21/5/2020</p> | <p>We are very worried about Samling's logging activities in our area. In 2018, Samling illegally entered our communal forest, the Bai Keremun Jamok, for logging. At that time we discussed with representatives of Samling that we want to protect the remaining forests in our area. First, we do not agree with the concession because we want to protect our forests, especially the Bai Keremun Jamok. Secondly, we do not agree with the concession because Samling has not consulted our community, as is required as part of the certification process. Thirdly, Samling has not honoured its promise to rebuild the alternative road based on the original route along a lower terrain from Long Sit to Long Tungan, as agreed during our meeting at Samling Headquarters on the 30<sup>th</sup> of July 2018. At the same meeting, Samling also agreed to level the ground for a new longhouse site as specified by the community.</p> <p>We are working hard towards conserving our forest and establishing eco-tourism. Attached you can find our concept note for our community conservation and tourism initiative that We personally submitted to Puan Zarina Haji Shebli, Deputy Director of Social Forestry Division, on the 4<sup>th</sup> of September 2019 as well as a map of the Upper Baram Forest Area that we are currently working on with the Sarawak Forest Department. We are ready to discuss the matter with representatives of Samling during meetings in Miri and Long Tungan upon prior agreement on suitable date and time.</p> | <p>Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.</p> <p>The second batch consultation was with 21 community leaders invited by Gerenai FMU comprising of Native Paramount leader, Native Chiefs, Native Counsellors, Representatives of Native Chiefs and Headmen (Temenggong, Pemancha, Penghulu, Kaunselor and Tuai Rumah) representing almost all the listed 21 villages under Gerenai FMU except Long Moh, Long Jekitan, Long Mekaba and Long Bee were not present but consulted on site.</p> |
| 3 | <p>Title: Certification without compliance: Flawed timber certification process violates indigenous rights</p> <p>Article published in Dayak Daily</p>  | <p><b>Miri, Sarawak</b>—Communities in the Baram region are calling for the 148,000 hectare Gerenai Forest Management Unit certification to be cancelled after it was revealed that the certification authority SIRIM and the timber company Samling pushed through the permit during the COVID crisis, knowing that objecting communities had not been consulted.</p>  | <p>Samling's Gerenai had consulted the local indigenous communities of Long Jekitan with Ba' Purau and Ba' Jawi on 5/05/2019, Consultation at Long Silat with community of Long Silat and Long Mekaba on 6/05/2019, Consultation at Long Apu with community with Long Apu, Long Selatong Dikan, Long Julan, Long Anap, Long Selatong Tanjong Tepalit, Long Pelutan and Long Palai on 7/5/2019, and consultation at Long Semiang, Long Moh, Long Selaan, Long Tungan and Lio Matoh on 8/5/2019</p>   |



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|  | 22/6/2020 | <p>“This certification is supposed to guarantee that Samling followed the Malaysian and international standards for timber, so that the timber can be sold off in European countries and Japan,” explains Sim Kit Chui, Public Relations Officer for Samling. “Without this certification they won’t be able to sell any of that timber.”</p> <p>According to the Malaysian Timber Certification Scheme (MTCS) guidelines, ‘Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free, prior and informed consent to other parties.’ According to the MTCS procedure, Samling is required to consult all communities affected by prospective logging. In reality, Samling conducted inadequate consultations with most communities in the Gerenai concession and failed to consult two objecting communities entirely.</p> <p>Long Semiyang, a Kenyah village in the upper Baram was technically consulted, but Samling’s superficial process of handpicking community members to speak with meant that the community at large had no understanding of what was being agreed to. “Why did SIRIM give the certification for Gerenai when the villagers don’t know anything about it?” asks Danny Lawai Kajan from Long Semiyang. “We don’t know what the certificate is for. This is very wrong and not the proper way to do things. There is supposed to be a meeting asking for the villager’s opinions, whether they agree to it or not.”</p> <p>Far from consenting to the concession, the Kenyah Jamok village of Long Tungan and the Penan village Ba Jawi have both actively opposed its application to their lands.</p> <p>Long Tungan is particularly concerned about threats to its communal reserve forest, the Ba’i Keremun Jamok. According to Jamok community leader John Jau Sigau, “No one is allowed to cut any tree or hunt in the Ba’i Keremun</p> | <p>During Stage 2 Audit in 2019, Sirim’s Auditors also have consulted 18 out of 22 local indigenous communities within and adjacent to Gerenai FMU of Long Palai and Long Moh on 23/7/2019, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julian, Long Pelutan, and Long Apu on 24/7/2019, Long Mekaba and Long Jekitan, Long Selaan, Long Semiang on 25/7/2019, Long Silat, Long Belaong, Long Jeoh, Long Selawan, Lio Match and Long Tungan on 26/7/2019. However, auditors are unable to consult Ba’ Jawi due to the remoteness of the village. The FMU was also unable to contact the villagers from Ba’ Jawi during the audit. Consultation during the audit with 18 local indigenous communities of Long Palai and Long Moh on 23.7.2019, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julian, Long Pelutan, and Long Apu on 24/7/2019, Long Mekaba, Long Jekitan, Long Selaan, Long Semiang on 25/7/2019, Long Silat, Long Belaong, Long Jeoh, Long Selawan, Lio Match and Long Tungan on 26/7/2019, found no objection from the communities.</p> <p>In the absence of the CRC, if complaint arise against conflicts and grievances between parties involved, the local indigenous communities can bring in any issues to Gerenai FMU, by using SOP for Procedures on Land Claim and Conflict Resolution. All the issues have to be recorded by both parties and to be verified by auditor from time to time during the audit.</p> <p>Consultation with majority of the communities during stage 2 audit (2019), found they were not aware of the objective and function of Community Relation Committee (CRC) which is yet to be established. Thus, Auditor raised a Major NCR against Indicator 2.2.2 which requires Gerenai FMU to recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws, in activities that may affect such rights.</p> <p>Certification is one of the platforms to the local indigenous communities to raise up any issues to FMU. All grievances or complaint shall send directly to Gerenai FMU not to SIRIM QAS</p> |
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|  | <p>Jamok unless agreed to by the whole Jamok community. This preserves the plants and animals for future generations.”</p> <p>The Samling official dismissed the Jamok letter in early March, replying via email that “matters concerning allocation of forest areas, proposed land use, etc, are government issues over which Samling has no jurisdiction”. This dismissal was in contravention of the MTCS guidelines and demonstrates the unwillingness of the company to take into consideration indigenous concerns.</p> <p>“What is the point in going through the proper administrative channels to simply have your complaints ignored?” says John Jau Sigau. “We are working hard on a community conservation and ecotourism initiative to create long term sustainable jobs in our forests, not to chop it all down for short term gain.”</p> <p>In a letter addressed to the same senior Samling official, Penan leaders from Ba Jawi also wrote, “We have neither been informed about the ongoing certification process nor consulted. We are currently working to establish the upper Baram Forest Area. We do not agree with logging activities in our forest and request Samling to stop logging on our land.”</p> <p>“The Malaysian Timber Certification Scheme is supposed to protect indigenous rights,” explains SAVE Rivers Chairman Peter Kallang. “But the story of Gerenai is just one of the many examples that demonstrate how the system is toothless in practice. Even when Samling does consult communities the process is totally inadequate. If the MTCC does not follow its own guidelines it is pointless at best and a serious human rights violation at worst.”</p> <p>SAVE Rivers stands with the Gerenai Community Rights Action Committee in calling on Samling to release the Environmental Impact and Social Impact Assessments for the Gerenai concession to affected communities as a matter of</p> | <p>International. However, the CB’s is willing to receive the copy of complaints or grievances from any stakeholder. All the issues are to be verified and audited by the Accredited CB during the annual audit/surveillance audit.</p> <p>There was no information on ‘SAVE Rivers’ and ‘Gerenai Community Rights Action Committee’ during the audit. They were not mentioned during the consultations with communities. Thus, they were not consulted during the audit. Both parties are to be verified and consulted during the next audit.</p> <p>During this surveillance 1 audit (2021), Sirim auditors carried out public consultations at Pullman Hotel on 27 November 2021 Miri, comprises of local NGO’s Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.</p> <p>Major NCR(s) was raised against Indicator that related to stakeholder comments as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 3.3.2</b> - Mechanism for conflict resolution (resource &amp; tenure rights) were not publicly available and consultation with local communities were not conducted for 2020/2021</li> <li>• <b>Indicator 2.2.2</b> - Lack of engagement and disclosure of information on Forest Certification and management processes which include involvement of the communities in accordance with the free and prior informed process. Lack of engagement and disclosure of information on the FMU management processes affecting the duly recognized legal and customary tenure or use rights of the local communities. Lack of disclosure and information on objectives and functions of FMCLC and CRC. Insufficient identification and monitoring of sites of significant importance to the communities. Corrective actions provided was not sufficiently implemented. Major NCR ANS02/2019 was reissued to AS01/2021</li> <li>• <b>Indicator 3.1.2</b> - Engagement with communities within and surrounding the FMU on customary rights or user rights of</li> </ul> |
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|   |   | <p>urgency. SAVE Rivers stands with Baram communities in calling for SIRIM and the Malaysian Timber Certification Council to withdraw their certification until indigenous rights and concerns are heard, understood and respected.</p>   | <p>lands and resources were inadequate. Engagement with communities were limited to community leaders</p> <ul style="list-style-type: none"> <li>• <b>Indicator 4.4.1</b> - Results of social monitoring for 14 villages yet to be shared with the local communities. Social monitoring for the local communities at 12 villages and 2 newly established villages are yet to be carried out</li> </ul> <p>During this surveillance audit (2021) Minor NCR was raised against Indicator as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 4.5.2</b> – Updated records on the status of compensation using the appropriate mechanism were not available.</li> <li>• <b>Indicator 2.3.1</b> - No engagement and disclosure of dispute mechanism process including time frame to respond to dispute. Dispute mechanism on land claims not made available to the communities. Updated Records of dispute over tenure and use rights was not available</li> <li>• <b>Indicator: 8.2.1</b> - Social impacts evaluation for local communities (monitoring) was not conducted</li> </ul> |
| 4 | <p>Gerena Community Rights Action Committee (GCRAC)<br/>Re: Community concerns with MTCS certificate for Gerena FMU, Sarawak</p> <p>Article published in Save River</p> <p>Complaints received from Thomas Jalong (GCRAC) 22/6/2020</p> | <p>We learnt that SIRIM has certified Samling's Gerena Forest Management Unit FMU) in Northern Sarawak under the Malaysian Timber Certification Scheme (MTCS) on the 12<sup>th</sup> of April 2020. We are concerned about this certification, as some of our communities had raised issues before that are still pending. We request that the certification is paused as long as the communities were not properly informed and consulted.</p> <p>Most of our community members from within the Gerena area are not aware that the Gerena FMU was subject to a MTCS certification process. There is a general lack of understanding of the existence, scope and purpose of MTCS in the Gerena area and its implications on the rights to our lands, territories and resources, well-being, and future of our people. Proper information and consultation to obtain Free, Prior and Informed Consent (FPIC), however, is a prerequisite</p> | <p>SIRIM's QOSHE has sent response to complainant (Thomas Jalong) via letter dated 9 October 2020 and email sent on 14 October 2020 regarding the issues highlighted in the complaint letter. Content of the letter as stated below:</p> <p>Samling's Gerena FMU had consulted the local indigenous communities of Long Jekitan with Ba' Pura and Ba' Jawi on 5/05/2019, Consultation at Long Silat with community of Long Silat and Long Mekaba on 6/05/2019, Consultation at Long Apu with community with Long Apu, Long Selatong Dikan, Long Julian, Long Anap, Long Selatong Tanjong Tepalit, Long Pelutan and Long Palai on 7/5/2019, and consultation at Long Semiyang with community of Long Semiyang, Long Moh, Long Selaan, Long Tungan and Lio Mato on 8/5/2019</p> <p>During the Stage 2 Audit on 22 – 27 July 2019, SIRIM's Auditors also have consulted with 18 (almost all, out of 22 communities) local</p>   |

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|  | <p>Received on<br/>23/6/2020</p> | <p>for a certification under MTCS. As a concerned communities' representative, GCRAC can clearly say that this was not fulfilled for the Gerenai FMU.</p> <p>For your kind information, some of the communities learnt only from the CSO and NGO side - not from the Forest Department or Samling - that the certification process was on-going. They then sent out letters of complaint, mainly questioning the lack of information and consultation with communities during the certification process. None of the issues raised in the letters to Samling, however, have been resolved, they are still pending. I am referring to the following letters:</p> <ul style="list-style-type: none"> <li>-Letter of Peng Jamok to Samling, dated 16 February 2020, about the lack of consultation with the Jamok community (Long Tungan and Long Siut) and the community's conservation project of their communal forest</li> <li>- Letter of representatives of the village of Ba Jawi, about the lack of consultation</li> </ul> <p>Samling has agreed to a request by the GCRAC to hold a workshop in Miri and suggested for it to be held in May as an occasion to explain the MTCS to the communities and other relevant stakeholders. Due to the corona virus-19 pandemic and the MCO, however, this workshop had to be postponed. Meanwhile, the lack of information or consultation during the certification process has not been addressed or mitigated since the letters were sent out. Therefore, the communities are concerned that Samling received the MTCS certificate.</p> <p>The communities request more time and commitment from the side of Samling and SIRIM for information sharing and consultations in order to reach Free, Prior and Informed Consent as required by the standards under the MTCS. I am looking forward to your response and would like to thank you in anticipation of your kind understanding and cooperation</p> | <p>indigenous communities within and adjacent to Gerenai FMU of Long Palai and Long Moh on 23/7/2019, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Anap, Long Julan, Long Pelutan, and Long Apu on 24/7/2019, Long Mekaba and Long Jekitan, Long Selaan, Long Semiang on 25/7/2019, Long Silat, Long Belaong, Long Jeeh, Long Selawan, Lio Matoh and Long Tungan on 26/7/2019. However, auditors are unable to consult Ba' Jawi due to the remoteness of the villages. The FMU was also unable to contact the villagers from Ba' Jawi during the audit. Thus, the audit team decided to consult during the next audit.</p> <p>During the consultation, it was confirmed no further conflict issues against local communities with regards to legal or customary tenure or use rights has been raised. Management and use of such lands and resources are controlled by indigenous peoples, unless they delegate control with free, prior and informed consent to other parties.</p> <p>Community Representative Committee (Gerenai CRC) has been formed on 26 June 2019, which is chaired by Temenggong, Kenyah representative by Penghulu Anthony Kule Lalo, Penan representative by Penghulu. The CRC member comprises of 51 persons with all representatives from all 22 local Indigenous communities surrounding the Gerenai FMU. The GCRAC were not mentioned during the audit, as well as during consultation with 18 local indigenous communities within and adjacent to Gerenai FMU. Thus, GCRAC was not consulted during the audit.</p> <p>The same letter was received by hand from Bruno Manser Fonds (NGO) as a representative of Save River (NGO) on 3<sup>rd</sup> February 2020. An explanation has been given to her regarding how certification is carried out under MTCS.</p> <p>SIRIM QAS International as certification body, had ensured that the FMU has the appropriate Policies and SOPs for Conflict Resolution and Land Claim as required by MC&amp;I Standard Requirements. These procedures on Land Claim and Conflict Resolution will be used, if complaint arise regarding conflicts and grievances between parties</p> |
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|  |  | <p>in this matter as it involves our rights, heritage, wellbeing and future.</p> | <p>involved. All significant issues and grievances should be discussed among the CRC member and brought forward to FMCLC.</p> <p>Samling Grievances Process Flow Chart and Guideline for Conflict resolution has been made publicly accessible at:<br/> <a href="https://www.samling.com/sites/default/files/inline-files/Forest%20Management%20Certification%20Procedure%20for%20Conflict%20Resolution%20-%20BM%20Version%20as%20at%2014032022.pdf">https://www.samling.com/sites/default/files/inline-files/Forest%20Management%20Certification%20Procedure%20for%20Conflict%20Resolution%20-%20BM%20Version%20as%20at%2014032022.pdf</a></p> <p>The certification system is a continually improvement process as long the FMU is certified. SIRIM QAS International will ensure that the FMU followed their Policies and SOPs for Conflict Resolution and Land Claim as required by MC&amp;I Standard Requirements. However, this process may be stopped or ignored if the FMU is not certified.</p> <p>During Surveillance 1 audit (2021), SIRIM QAS International auditors carried out public consultations at Pullman Hotel on 27 November 2021 Miri, comprises of local NGO's Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.</p> <p>During this surveillance audit (2021) Major NCR(s) was raised against Indicator as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 3.3.2</b> - Mechanism for conflict resolution (resource &amp; tenure rights) were not publicly available and consultation with local communities were not conducted for 2020/2021</li> <li>• <b>Indicator 2.2.2</b> - Lack of engagement and disclosure of information on Forest Certification and management processes which include involvement of the communities in the free and prior informed process. Lack of engagement and disclosure information on the FMU management processes affecting the duly recognized legal and customary tenure or use rights of the local communities. Lack of disclosure and information on objectives and functions of FMCLC and CRC. Insufficient identification and monitoring of sites of significant importance</li> </ul> |
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|   |   |   | <p>to the communities. Corrective actions provided were not sufficiently implemented. Major NCR ANS02/2019 was reissued to AS01/2021</p> <ul style="list-style-type: none"> <li>• <b>Indicator 3.1.2</b> - Engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources were inadequate. Engagement with communities were limited to community leaders</li> <li>• <b>Indicator 4.4.1</b> - Results of social monitoring for 14 villages yet to be shared with the local communities. Social monitoring for the local communities at 12 villages and 2 newly established villages are yet to be carried out</li> </ul> <p>During this surveillance audit (2021) Minor NCR was raised against Indicator as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 4.5.2</b> – Updated records on the status of compensation using the appropriate mechanism were not available</li> <li>• <b>Indicator 2.3.1</b> - No engagement and disclosure of dispute mechanism process including time frame to respond to dispute. Dispute mechanism on land claims not made available to the communities. Updated Records of dispute over tenure and use rights was not available</li> <li>• <b>Indicator: 8.2.1</b> - Social impacts evaluation for local communities (monitoring) was not conducted</li> </ul> |
| 5 | <p>Bogus Credentials Must be rejected by International Buyers</p> <p>Article published in Sarawak Report</p> <p>25/6/2020</p> | <p>Certification without compliance: Flawed timber certification process violates indigenous rights -SAVE Rivers</p> <p>Bogus Credentials Must Be Rejected By International Buyers Global Buyers Should Sler Clear Of Samling's Sham Certificates   Sarawak Report</p> <p>The five year certificate was awarded on 12 April when all of Sarawak was under strict lockdown. including the communities living in the Gerenai Forest. only the timber industry was given a special dispensation by the coup coalition supporting GPS state government, allowing companies like Samling to continue to log native lands</p> | <p>SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA). In fact, the Gerenai's Stage 2 audit conducted on 22 – 27 July 2019 was being observed by the Standards Malaysia during the audit process.</p>  |

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|  | <p>against their will... and it emerges to negotiate this secret certificate to help the sell the wood. However as the Save Rivers' Chairman, Peter Kallang, has pointed out a key criteria for gaining such certification in the obtaining of the consent of the native people and this certification has been awarded in a direct violation of the requirements under the Malaysian Timber Certification Scheme: According to the Malaysian Timber Certification Scheme (MTCS) guidelines, Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free prior and informed consent to other parties. According to the MTCS procedure, Samling is required to consult all communities affected by prospective logging. In reality, Samling conducted inadequate consultations with most communities in the Gerenai concession and failed to consult two objecting communities entirely. [Save Rivers]</p> <p>One of the affected communities are the Jamok people who mainly live within two villages in the area Long Tungan and Long Si'ut. John Jau Sigau, speaking for the Jemok people seeking to save their community forest A spokesman for the thousand plus inhabitants, John Jau Sigau, told Sarawak Report how over the years the community have struggled to maintain a tiny remaining area of around a thousand hectares of unlogged virgin territory as their community forest as companies including Samling have ravaged the region, logging it over two sometimes three times since invading during the 1980s. "We want to conduct a survey as we fear we probably have a lot of very valuable wood that they will want to steal" explains John Jau Sigau.</p> <p>Ba'i Keremun Jamok<br/>In July 2018, the Jamok community's worst fears were realised when locals discovered that the Samling bulldozers fearfull of the ongoing threat as Samling has continued to run riot in the region the community appealed, together with the support of NGOs such as the US based Borneo Project and Switzerland's Bruno Manser Fund, to Sarawak's Forest</p> | <p>The initial Stage 1 audit for the FMU was conducted on 16-18 October 2018 while the certification or Stage 2 audit was conducted from 22 to 27 July 2019. During the Stage 2 field inspection, consultations were conducted with 18 out of a total of 22 indigenous communities located within and adjacent to the FMU. To ensure that all communities had been consulted during the Stage 2 certification process, the FMU held a follow-up meeting with the relevant district authorities and Gerenai Community Representative Committee (CRC) on 4 September 2019. It was attended by 60 representatives from all 22 indigenous communities. Additionally, prior to the decision made by SIRIM QAS International to grant certification to Generali FMU on 12 April 2020, the audit report was subjected to a review by a panel of independent experts, termed as the peer review process, to confirm that the auditors had acted judiciously in the conduct of the audit and that the FMU has satisfactorily fulfilled the requirements of the certification standard. It should be noted that the certification process had been conducted well before the MCO, therefore it is incorrect to claim that certification was pushed through during the Covid-19 crisis.</p> <p>During this annual surveillance 1 audit on 29 Nov – 3 Dec 2021, SIRIM's auditors has carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches. The first batch comprises of local NGO's Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit.</p> <p>The second batch consultation was with 21 community leaders invited by Gerenai FMU comprising of Native Paramount Leader, Native Chiefs, Native Counsellors, Representatives of Native Chiefs and Headmen (Temenggong, Pemancha, Penghulu, Kaunselor and Tuai Rumah) representing almost all the listed 21 villages under Gerenai FMU except Long Moh, Long Jekitan, Long Mekaba and Long Bee were not present but consulted on site.</p> <p>Records of communication of Gerenai FMU manager with NGOs (Save River and GCRAC Personnel) by email, phone call and</p> |
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|   |  | <p>Department to survey and gazette their area. However, says Sigau, all these many months later there has been no response from the Social Director of Forests Zarina Binti Sebli. Instead, the state government apparatus has been busy gaining Samling's certificate so that it can sell the wood to buyers in Europe and Japan who might choose to believe a bogus certificate. "No one in our community has been consulted about this Forest Management Certificate for Samling and we asked the next door community at Long Semiyang and they were not told either" confirms Sigau. Yet, the certificate can ONLY be validated if it has been issued in agreement with native people. The fact is that the native people want Samling out of their forests where the rapacious company has stolen from and polluted their lands for decades yet given back zero in terms of compensation or development. It is the story of Sarawak's greedy, illegal and deceitful state government which has operated from the pockets of a handful of timber tycoons for decades - families who have used their profits to go on to similarly corrupt decision makers and destroy huge swathes of valuable rainforest across South East Asia with no discernible benefit to the hundreds of millions of people who actually own the land. Save Rivers has called on Samling to abide by the law and <i>"release the Environmental Impact and Social Impact Assessments for the Gerenai concession to affected communities as a matter of urgency"</i> And <i>"for SIRIM and the Malaysian Timber Certification Council to withdraw their certification until indigenous rights and concerns are heard, understood and respected"</i>. No international buyer from any country should endorse this bogus certification or buy products from the region until these basic requirements have been carried out and the native communities have given their consent to the Samling operations in their lands.</p> | <p>WhatsApp starting on 16 October 2020, and continuing in months of November 2020, December 2020, February 2021, March 2021 were reviewed by the auditor.</p>                                |
| 6 | ABSENT FROM THEIR OWN SEMINAR: SAMLING CONTINUES | <p>Communities clearly demonstrate flaws in consultation process for timber certification during briefing at a hotel, but</p>   | <p>The certification is a continuous improvement process that requires commitment to maintain the systems. Therefore, as part of this mechanism, SIRIM QAS would review and assess on the</p> |



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|  | <p>TO IGNORE INDIGENOUS VOICES.</p> <p>SIRIM received email from Kevin Gerald (Save River)</p> <p>Email dated 6/8/2020</p> <p>6/10/2020</p> | <p>no one takes responsibility and questions are left unanswered</p> <p>MIRI - Members of the communities within the Gerenai concession were invited by Samling, the owner of the Forest Management Unit (FMU), to attend a one day seminar, at Mega Hotel, Miri to learn about the certification process under the Malaysian Timber Certification Scheme (MTCS). During the briefing, community participants demonstrated that there (i) is a lack of transparency (ii) the process for in getting the Free Prior and Informed Consent (FPCI) is flawed (iii) there is a lack of a functioning or responsive complaints mechanism.</p> <p>Erang Ngang of Long Tungan expressed the disappointment of many of the participants from the villages: "SIRIM and MTCC acknowledged the shortcomings in Samling's consultation and information policy during the Gerenai certification process. But no one takes the responsibility for it. We have clearly shown that our communities were not consulted, why can no one take action now and revoke the certificate? Samling clearly failed to follow requirements of the MTCS such as obtaining free, prior and informed consent. So, how can they keep the certificate? This renders the MTCS certificate meaningless."</p> <p>"The management of the FMU, must ensure full participation of the community affected especially as regards to the physical boundaries on the ground so that any activities of illegal logging can be monitored by the communities themselves. The act of giving maps of the FMU to the affected villages may be good but may not be very meaningful if the villages do not know how to relate the coordinates to the physical area or point on the ground", he added.</p> <p>Some of those in attendance were open to logging but felt the consultation process was inadequate, others sought to</p> | <p>commitment of Gerenai FMU in complying with their own procedures and MC&amp;I requirements to address stakeholder's comments and issues. We would not directly reply to any comments raised from the stakeholders. All complaints and comments from various and significant stakeholders, including Save Rivers, has been reviewed and audited during this surveillance 1 audit (2021).</p> <p>There is now greater awareness of the certification process based on the MC&amp;I which amongst its many requirements, is to ensure that the interests and rights of Indigenous people are protected, as stated in Criterion 2.2 (FPIC), Indicator 2.2.2 (records consultation with local communities) and Indicator 2.3.1 (mechanism to resolve disputes). This certification system is a platform to raise any issues from the communities.</p> <p>Sirim auditors has carried out public consultations at Pullman Hotel on 27 November 2021 Miri, in two different batches. The first batch comprises of local NGO's Save Rivers and GCRAC together with communities from Long Moh, Long Selawan, Long Kerong, representatives of Ba Jawi, Long Lian, Long Selatong and Kg. Tanjong Tepalit. During this consultation, the village representatives and NGOs stressed on the non-disclosure of information on Forest Certification process to a larger audience at the village level including the prior and informed consent on the Forest Management Unit operational process. They were not sure about the functions and objectives of CRC, FMCLC and the selection process of community representatives. The NGOs were also concerned on the lack of engagement with local communities on the Forest Certification Process, urging that communities at the village level should be consulted at site and not at Samling site office in Mile 10 or Gerenai Silat Camp.</p> <p>The communities were of the view that forest certification should not proceed, if they did not give their Free, Prior and Informed Consent. Information on the FMU operation should be transparent. The headmen and native chiefs should gather communities at all levels prior to meeting of CRC or FMCLC to raise their concerns.</p> |
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|  | <p>halt all logging activities on their land. Whether communities support logging or not, they expect to be properly informed and consulted as the standard requests. “The meeting we had in Miri was not productive or transparent as they did not respond to our questions,” explained Boyce Ngau from Long Selawan. “Samling didn’t discuss this with the people from my village. We don’t know of any agreement between Samling and our community. So, how can we monitor? What is the role of our community committee in the management? You have to give us the answers to our questions before we can make a decision on this project and might participate. Otherwise our answer is no, we are against it.”</p> <p>Panelist and speakers at the event were from Forest Department Sarawak, Malaysian Timber Certification Council (MTCC), SIRIM QAS International Sdn. Bhd., World Wide Fund (WWF), University Putra Malaysia Bintulu (UPMKB) while participants included The Community Rights Action Committees (CRC), various government agencies, Civil Society Organizations (CSOs) and Samling’s staffs.</p> <p>During SIRIM’s session, auditor Khairul Najwan explained how complaints should be made. Any form of written complaint must be addressed to the Manager of the FMU and forwarded to SIRIM if the manager of the FMU Manager does not resolve the issue. These complaints will be noted by SIRIM and will be used in future audits. Samling must be able to comply with this as it would affect the certification process. This opens up a channel for the communities to express their discontent.</p> <p>This complaint mechanism, however, is flawed in reality. Prior to the Movement Control Order in March 2020, a letter written by the Long Tungan community, addressed to Samling’s Chief Forester, David Marsden was responded to quite poorly. He did not offer any form of solution but instead pushed the matter elsewhere, quoting, “please note that all official correspondence should be addressed directly</p> | <p>Representatives of Ba’Jawi communities also alleged that they were not consulted at all on the forest certification process and representatives requested auditors to visit the area (attempt was made by auditors to arrange for visit at site but due to the communication inaccessibility the site consultations were planned for the next audit with the recommendation of the Ba’Jawi representatives was noted).</p> <p>The community representatives led by the Paramount Chief (Temenggong) informed that they have no problem with the forest certification process and formation of CLC and FMCLC as it is in accordance with the government standard of selection of committees. Most of the community leaders confirmed that they supported the forest certification process and the ongoing improvement of the FMU Management System process although there might be groups of individuals or villages who were not aware of the whole process of forest certification as it is equally new for them too. They were happy and encouraged the Sirim auditors to come to their respective villages for consultations. They will give all the support they can to Gerenai FMU and auditors to ensure villagers were available at the village to be consulted. They commended Samling Company for having helped the communities in the last 40 years ago to build road connectivity and maintaining them for the local communities including donations to villages till to date.</p> <p>During this surveillance audit (2021) Major NCR(s) was raised against Indicator that related to stakeholders’ comments as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 3.3.2</b> - Mechanism for conflict resolution (resource &amp; tenure rights) were not publicly available and consultation with local communities were not conducted for 2020/2021</li> <li>• <b>Indicator 2.2.2</b> - Lack of engagement and disclosure of information on Forest Certification and management processes which include involvement of the communities in the free and prior informed process. Lack of engagement and disclosure information on the FMU management processes affecting the</li> </ul> |
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|  | <p>to Samling's COO (...) Matters concerning allocation of forest areas, proposed land use, etc, (...) should be addressed directly to the Director of Forests.”</p> <p>Because of this curt and dismissive response, communities were keen to speak with Mr Marsden at the briefing last week, but he was never introduced during the meeting. His lack of participation in the event raised a lot of questions with the community, as he was aware of the complaints made. No representatives from the Forest Management Unit (FMU) were present during the questions and answers session, highlighting that Samling is not ready to face the community and the seminar was just a facade to fulfil their corporate obligations.</p> <p>Peter Kallang, speaking on behalf of JOAS, questioned whether Samling really understood what Free, Prior and Informed Consent (FPIC) means in the context of consulting indigenous communities. “If you are only visiting the villages now, with only a few people there, that could not be considered as majority consent. If you are only speaking with headmen, that is certainly not FPIC.”</p> <p>SAVE Rivers urges Samling to take heed of the matters raised at the seminar and take responsibility. In the meantime, we encourage all concerned to sign the petition to stop the destruction of Sarawak’s forests and stop certification without compliance by heading <a href="https://tosaverivers.org/stopthechop">tosaverivers.org/stopthechop</a>.</p> | <p>duly recognized legal and customary tenure or use rights of the local communities. Lack of disclosure and information on objectives and functions of FMCLC and CRC. Insufficient identification and monitoring of sites significant importance to the communities. Corrective actions provided was not sufficiently implemented. Major NCR ANS02/2019 was reissued to AS01/2021</p> <ul style="list-style-type: none"> <li>• <b>Indicator 3.1.2</b> - Engagement with communities within and surrounding the FMU on customary rights or user rights of lands and resources were inadequate. Engagement with communities were limited to community leaders</li> <li>• <b>Indicator 4.4.1</b> - Results of social monitoring for 14 villages yet to be shared with the local communities. Social monitoring for the local communities at 12 villages and 2 newly established villages are yet to be carried out</li> </ul> <p>During this surveillance audit (2021) Minor NCR was raised against Indicator as stated below:</p> <ul style="list-style-type: none"> <li>• <b>Indicator 4.5.2</b> – Updated records on the status of compensation using the appropriate mechanism were not available.</li> <li>• <b>Indicator 2.3.1</b> - No engagement and disclosure of dispute mechanism process including time frame to respond to dispute. Dispute mechanism on land claims not made available to the communities. Updated Records of dispute over tenure and use rights was not available</li> <li>• <b>Indicator: 8.2.1</b> - Social impacts evaluation for local communities (monitoring) was not conducted</li> </ul> |
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## Surveillance 1 Audit Plan (2021)

| DAY  | TIME               | PROGRAM   |
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|  |                    | AUDITOR 1, 2, 3 & 4   |
| <b>Travelling &amp; Stakeholder Consultation</b> | 6.00 am – 11.00 am | 5 Auditors (Khairul Najwan [019 306 3717], Mohd Annas, Azrul, Hanif and Angelica) will arrive at Miri Airport on Saturday, 27 Nov 2021 at 11.30 am (Flight MH2574 & MH3045) |
| <b>Saturday</b>                                  | 3.00 pm – 5.30 pm  | Stakeholder Consultation with CRC, NGOs and communities at Pullman Miri   |
| <b>Day 1</b>                                     |                    |   |
| <b>27.11.2021</b>                                |                    |   |
| <b>Travelling &amp; Stakeholder Consultation</b> | 6.00 am – 11.00 am | 1 Auditor (Puteri Arlydia) will arrive at Miri Airport on Sunday, 28 Nov 2021 (MH2574)  |
|  | 8.00 am – 12.00 pm | Stakeholder Consultation with CRC, NGOs and communities at Pullman Miri (if any)  |
| <b>Sunday</b>                                    |                    | Travelling to CTB   |
| <b>Day 2</b>                                     | 2.00 pm – 6.30 pm  | Stakeholder Consultation with CRC, NGOs and communities at CTB (if any)   |
| <b>28.11.2021</b>                                | 8.00 pm            |   |

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| <b>Audit<br/>Day 1</b><br><br><b>Monday</b><br><br><b>29.11.2021</b> | 7.30 am<br>10.30 am –<br>12.00 pm | <ul style="list-style-type: none"> <li>• Travelling to Gerenai Camp</li> <li>• Opening Meeting with representatives of FMU</li> <li>• Briefing session by Forest Manager of the FMU</li> <li>• Q&amp;A Session</li> <li>• Follow up on audit findings Stage 2 Audit <ul style="list-style-type: none"> <li>• Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> <li>○ Local Communities</li> <li>○ Government agencies</li> <li>○ NGOs</li> </ul> </li> </ul> </li> </ul> |  |   |  |
|  | 12.00 pm –<br>1.00 pm             | Lunch break<br><br>Documentation and records review  |  |   |  |
|  | 1.00 pm – 7.30<br>pm              | Najwan <ul style="list-style-type: none"> <li>• Principle 1 – Compliance with Laws and Principles</li> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 7 – Management Plan</li> <li>• Principle 8 – Monitoring and Assessment</li> </ul>   | Annas <ul style="list-style-type: none"> <li>• Principle 5 – Benefits from the forest</li> <li>• Principle 6 – Environmental Impact</li> <li>• Principle 9 – Maintenance of High Conservation Value (HCV)</li> </ul> | Lydia <ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 - Community Relations and Worker's Right</li> </ul> | Angelica <ul style="list-style-type: none"> <li>• Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>• Principle 3 – Indigenous Peoples' Right</li> <li>• Principle 4 - Community Relations and Worker's Right</li> </ul> |
| <b>Audit<br/>Day 2</b><br><br><b>Tuesday</b>                         | 7.30 am – 1.00<br>pm              | Site visit <ul style="list-style-type: none"> <li>• Inspection of active harvesting</li> </ul>   | Site visit <ul style="list-style-type: none"> <li>• Inspection of Pre-harvesting area or</li> </ul>  | Site visit <ul style="list-style-type: none"> <li>• Boundary near Long Palai</li> </ul>   | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local</li> </ul>   |

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| <b>30.11.2021</b>  | 2.00 pm – 5.30pm  | area or Tree Tagging Area <ul style="list-style-type: none"> <li>• Inspection of Coupe Boundary</li> <li>• Buffer zone</li> </ul>  | Tree Tagging Area <ul style="list-style-type: none"> <li>• Inspection of Coupe Boundary</li> <li>• PSP plots</li> </ul>   | <ul style="list-style-type: none"> <li>• Fauna monitoring sites/HCVF sites Long Palai Cultural</li> <li>• Consultation with Local Communities Long Palai</li> </ul>      | Communities of Long Moh <ul style="list-style-type: none"> <li>• SA area along M-2 Road</li> </ul>  |
|  |                   | <ul style="list-style-type: none"> <li>• Review of Day 2 Findings by Audit Team Leader</li> </ul>  |   |  |   |
| <b>Audit Day 3</b><br><b>Wednesday</b><br><b>1.12.2021</b> | 7.30 am – 1.00 pm | Site visit <ul style="list-style-type: none"> <li>• Inspection of Post-harvesting area or Tree Tagging Area</li> <li>• Conservation area and PSP</li> <li>• Inspection of stumping site</li> <li>• Check on workshop, SW &amp; chemical store</li> </ul> | Site visit <ul style="list-style-type: none"> <li>• Inspection of active harvesting area</li> <li>• Licence Boundary</li> <li>• Consultation with contractors and workers operating in logging area, bulldozer, hook-man, chainsaw and supervisor.</li> </ul> | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Anap, Long Julian, Long Pelutan, Long Apu</li> </ul>                     | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local Communities Lio Match, Long Tungan, Ba'Jawi</li> <li>• Stay at Kelisa Camp</li> </ul> |
|  | 2.00 pm – 5.00pm  | <ul style="list-style-type: none"> <li>• Review of Day 3 Findings by Audit Team Leader</li> </ul>  |   |  |   |
| <b>Audit Day 4</b><br><b>Thursday</b><br><b>2.12.2021</b>  | 7.30 am – 1.00 pm | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Selatong Dikan, Long Selatong Tanjung Tepalit</li> <li>• Licence Boundary</li> </ul>   | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Mekaba, Long Jekitan</li> <li>• HCVF Salt Lick</li> </ul>   | Site visit <ul style="list-style-type: none"> <li>• Boundary of FMU License boundaries near and consultation long Silat, Long Belaong (empty) Long Jeeh, Long</li> </ul> | Site visit <ul style="list-style-type: none"> <li>• Consultation with Local Communities of Long Selaan, Long Semiang</li> <li>• Stay at CTB</li> </ul>            |
|  | 2.00 pm – 5.00pm  |  |   |  |   |

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|   |   | of FMU   | <ul style="list-style-type: none"> <li>• Licence boundary with PL Area</li> </ul> | Selawan |  |
| <b>Audit Day 5</b><br><br><b>3.12.2021</b>      | 8.30 am – 1.00 pm<br><br>2.00pm-3.00 pm<br><br>3.00pm | <ul style="list-style-type: none"> <li>• Documentation and records review</li> <li>• Travel to CTB</li> <li>• Preparation of audit report and finding</li> <li>• Briefing to representatives of FMU on the findings of audit</li> <li>• Closing Meeting and presentation of findings of audit and discussion on follow-up activities</li> <li>• Adjourn Closing Meeting</li> </ul> |   |         |  |
| <b>Travelling Day 1</b><br><br><b>4.12.2021</b> | 7.30 am – 1.00 pm                                     | All Auditors travel back to Miri   |   |         |  |

### Audit Findings and Corrective action Taken (Current year:2021)

| No | Indicator                          | Detail Non-conformances   | Corrective Action Taken  | Verification by Assessor  |
|----|------------------------------------|---|--|---|
| 1  | Major<br><br>NCR:<br>KN01/<br>2021 | <p><b>Requirement: Indicator 6.5.1</b> - Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and erosion during harvesting operations. (NF)</p> <p><b>Finding:</b> The implementation of harvesting procedures to protect the soil from erosion during harvesting operations were not sufficient / complied to specifications</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Site visit to pre-harvest area in Coupe 03A, along road F-2-4-1, near blocks 16 and 13 found the width of the road exceeded to 14-15 meters.</li> <li>2. Site visit to harvesting area in Coupe 02A, along MT-33a part 2, block 33, and MT20a, FT-20a-0-1, Block 20 found excessive blading of the skid trails where soil been extremely shoved aside during the construction of skid trails.</li> <li>3. Visit to MT20a, FT-20a-0-1, Block 20 found the skid trail was</li> </ol> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Objective evidence Investigation:</b> This is an old feeder road that served Coupe 16A of the conventional harvesting operation. It is not possible to estimate the width at the time of the move to MTCS, but it would undoubtedly have been wider than the specification of 6-8 m. Mr Siang says that SEU did peg the road prior to repair at 8m.</p> <p><b>Root Cause:</b> The old feeder was constructed some 20 years ago, and it would already have been wider than spec at start of MTCS preparation for MTCS. Because road width was already over spec the road team did not take enough care to restrict the repair works to the standard.</p> <p><b>Investigation:</b> Gerenai FM is a very high rainfall area (annual ver: 5,000mm/yr &amp; up to 6,000mm/yr) and 19 rain days per month throughout the year.</p> <p><b>Root Cause:</b> These are old skid trails from the previous conventional harvesting operation. Under RIL MT20a has had over 100 logs extracted along it recently and MT33 over 200 logs - meaning a tractor will have made</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Site visit during verification audit to F-2-4-1 showing road was upgraded/repared to specification between 6-8m width. The roadside bund formed to define the road width. The area of over width has now been planted with Kapur species. All debris in the buffer zone and river was removed and cleared.</p> <p>RIL training by external party was conducted 14 to 18<sup>th</sup> February 2022. Interview with workers in Coupe 03A, Block 10 found they are aware of the RIL requirements</p> <p>Evidence(s) of Doc. 02 (2) Road Survey Notes for FT20a-0-1, Doc. 03 (4) (a) Short RIL briefing to contractor on site at 13 January 2022 given by Head of SEU Baram (Notes &amp; attendance list), (b) Request (21 January 2022) from Samling to FDS for further refresher training on 100% enumeration &amp; skid trail alignment for contractor and SEU. (c) Letter dd 18 February 2022 from FDS agreeing to Samling request training on 27 February to 5 March 2022 were reviewed and accepted by auditor</p> <p><b>Status: Closed</b></p> |



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|  |  | <p>constructed at slope more than 27°.</p> | <p>over 200 passes along MT20a and over 400 passes along MT33a part 2. It's not so much blading as the log extraction inevitably pushing soil and mud to the sides of the skid trail.</p> <p><b>Investigation:</b> FDS' skid trail specification allows slopes up to 35° for sections of not more than 30m. FT-20a-0-1 as originally surveyed as 208m in length but only 60-70m of this was actually constructed. Following the SIRIM audit SEU's survey of the constructed distance found one section of 25 m to be 27° and another section of 20m to be 32°. This means that the skid trail is actually within FDS spec.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>1 &amp; 2:</b> both require refresher RIL training. It is planned that this will be by in-house trainer but the possibility of bringing in external trainers is being explored.</p> <p><b>3</b> Although the skid trail was within spec the contractor should still conduct RIL refresher training for his staff.</p> <p>Completion by end of February 2022 (any RIL training by an external trainer would probably be after this date)</p> |  |
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|   |                                    |  | SFM coordinator to undertake inspection of operating areas (including coupe in preparation) not less than once in two months. Ongoing. SEU to check skid trail specs when undertaking block inspection prior to authorizing contractor's payment.  |  |
| 2 | Major<br><br>NCR:<br>KN02/<br>2021 | <p><b>Requirement: Indicator - 6.5.4 –</b> Availability and implementation of guidelines for management of natural hydrology of wetlands and guidelines for conservation of buffer strips along streams and rivers.</p> <p><b>Finding:</b> Buffer zone along streams and rivers (SBR) was not conserved.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Site visit to harvesting area in Coupe 02A, along MT-32b part 1, Block 34, found the soil was shoved to the SBR during the construction of the roads</li> <li>1) Site visit to pre-harvesting area in Coupe 03A, along S-2-4, between Block 10 and 9, found the soil and the trees were shoved to the SBR during the construction of the road and bridge.</li> <li>2) The buffer zone was not appropriately identified between block 10 and block 11 at Coupe 03A. Thus, the water ways were</li> </ol> | <p><b>Result of investigation and determination of root cause:</b><br/> <b>Root Cause:</b> Lack of operator compliance with the SOP &amp; of supervision by the mandor.</p> <p><b>Investigation:</b> Lack of communication between SEU (who is responsible for establishing the SBR prior to 100% tree tagging by the contractor) and the contractor who should have advised SEU that a part of the SBR had not yet been demarcated.</p> <p><b>4 OE - Investigation:</b> as per OE with the tree in question by the side of the stream. <b>Root Cause:</b> Contractor error.</p> <p><b>Correction and corrective action plan including completion date:</b><br/> <b>1, 2 &amp; 3 –</b> An experienced SFM coordinator has been appointed.<br/> ii - Refresher RIL training of in-house RIL personnel will be undertaken with regular training/toolboxes thereafter<br/> <b>4</b> Contractor's personnel will return to Coupe 3 to repair as necessary; they must also undergo refresher RIL training.</p> <p>Completion by end February 2022</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>SFM coordinator appointment letter dated 1 December 2021 (Doc. 04). RIL training by external party conducted 14 to 18<sup>th</sup> February 2022 (Doc. 01 [9])</p> <p>Ops. 3 Fig. 1 Along S-2-4 showing SBR demarcated.<br/> Ops. 3 Fig. 2 Showing tree stump in waterway<br/> Ops. 3 Fig. 3 Planting in closed skid trail<br/> Ops. 3 Fig. 4 Relocated skid trail MT11a<br/> Doc. 5 RIL map showing MT-11a previously in stream bed and now relocated (as sent to FDS for pre-felling approval). NB stream location as shown on approved map is based on T735 series were reviewed during verification audit</p> <p>Visit to road S-2-4 found the area was restored, between Block 10 and 9 with logs and debris removed from SBR. The tag that was removed from the PCT in SBR in Block 9 by the contractor when they returned to repair blocks in Coupe 3. Three other tags that were removed by contractor during repair [2 PCTs and 1 merchantable tree].</p> <p><b>Status: Closed</b></p> |

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|   |                                     | <p>encroached with unauthorized skid trail</p> <p>3) One (1) PCT tree was tagged in the SBR in Coupe o3A, between Block 10 and 9</p>  | <p>SFM coordinator or his representative will undertake inspection of operating areas (including coupe in preparation) not less than once in every two months. Ongoing.</p>   |   |
| 3 | Major<br><br>NCR:<br>LYD01/<br>2021 | <p><b>Requirement: Indicator 1.5.2</b> - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p><b>Finding:</b> Inadequate evidence of control measures to control unauthorised activities. The corrective action plan was not satisfactorily implemented. Thus, Minor NCR IAM02/2019 was upgraded to Major LYD01/2021</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1) Demarcation of licensed boundaries was not found during the visit to Long Palai (Coupe 024A) and Long Selatong Dikan (Coupe 021A)</li> <li>2) Boundary demarcation for Coupe 021A was wrongly painted to neighboring licensee (Peninsular Rise T/9075)</li> <li>3) Control measures (e.g., Signages, boundaries demarcation) to</li> </ol> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation:</b> Boundary demarcation was there but in the case of Lg Selatong Dikan it was on the true right bank of the Btg Baram (which is in effect a common boundary) and was therefore on the Peninsular Rise FTL side of the river. At Lg Palai the orange paint demarcating the boundary was on the correct side (true left bank) of the Btg Baram as seen on one tree, however, the paint was faded.</p> <p><b>Root Cause:</b> Boundary paint faded &amp; needed refreshing at Lg Palai.</p> <p><b>Investigation:</b> The paint demarcating FMU boundary was on trees located on the wrong side of the Btg Baram boundary river and so was actually on the Peninsular Rise FTL side of the river. <b>Root Cause:</b> Previously Lg Selatong Tanjong Tepalit was not receptive to having the FMU boundary and notices on the true left bank of the Btg Baram (their side) of the river and SEU used the other side of the river, i.e., the Peninsular Rise side, in order to have a boundary demarcated.</p> <p><b>Investigation:</b> Inadequate signage in place.</p> <p><b>Root Cause:</b> Management omission</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Evidence below was reviewed by auditor during verification audit;</p> <p>About 49 logs used for bridging and culverts in Coupe 3 are listed in Batch 18. Royalty was paid on 9 November</p> <p>Skid trail #1 marked 'closed' (Ops.6 Fig. 1). Skid trail #2 marked 'closed' (Ops. 6 Fig. 2)</p> <p>Tree stump near water way- skid trail #1. There was no tree crown to be removed, only the stump is near the water way.(Ops.3 Fig. 2)</p> <p>Skid trail #3 - now flagged by contractor for use (Ops.6 Fig.3). Four of the eight stumps close to the road. (Ops. 6-2 Fig. 4). Road team briefing (13 Jan 2022), attendance list; pics and FDS Guideline (Doc. 8 (6)). Extract from the Gerena forest timber licence (FTL) (T/0413) Clause 8: <i>Felling of trees for extraction routes</i>. The Gerena FTL is a standard Sarawak FTL; Clause 8 is standard. (Doc. 9 (2))</p> |

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|  |  | <p>control encroachment, illegal harvesting, hunting, settlement, and other unauthorized activities was not sufficiently erected along the license boundaries</p> <p>4) Site audit in pre-harvest area Coupe 03A with operation heading 1-4, along S-2-4 and F-2-4-1 found</p> <ol style="list-style-type: none"> <li>eight (8) unauthorized skid trail was constructed. One of the skid trails was encroaching the waterway</li> <li>eight (8) trees (with diameter range of 37cm DBH – 75cm DBH) were illegally felled. One of the trees (with size 75cm dbh) was felled into the waterway</li> </ol> | <p><b>Investigation:</b> these trees had been felled for use in culverts and bridging during authorized PEC pre-harvest operations. This is allowed with specific conditions under pre-harvesting operation (PEC Ops 1-4) and under Clause 8 (1) (b) (i) of the FTL “... <i>Trees may be felled...and no royalty charged, or penalty imposed...</i>”. The logs from these 8 trees, along with 41 others used for bridging and culverts in Coupe 3, had been declared for royalty assessment on 29 Oct 2021. Royalty was paid on 17 Dec 2021. (Evidence for the foregoing will be provided in the bundle of evidence submitted to close the major NRCs before the due date.) But the OEs for encroachment into the SBR by log extraction route and the tree in the waterway are correct. <b>Root Cause:</b> Road construction team not complying with their SOP.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>1 &amp; 2:</b> Appropriate signage to be erected and boundary painting to done after consultation with KK or a kampong representative.</p> <p><b>3.</b> Additional and appropriate signage to be erected</p> <p><b>4.</b> A] Tree top to be removed from waterway and any damage to SBR to be restored as necessary.</p> | <p>Covering email from SEU Baram with Log Specification for 49 logs used for bridges &amp; culverts in Coupe 3 [the 49 logs make up Batch 18] (Doc.10 (2))</p> <p>The total royalty payment is for Batches 01 to 18. Details of Batch 18 and the Batch Summary that includes Batch 18 are shown (Doc. 11 (5))</p> <p>Site visit during verification audit found the wrongly installed plate was removed &amp; re-install the boundary plate as follows with correct licence boundary. After discussion with KK Long Selatong Dikan, new common licence boundary plate installed at Long Selatong Dikan Area &amp; Long Palai Area. The faded boundaries were repainted with orange colour and visited by auditor during the verification audit.</p> <p>FMU and MTCS Awareness and “No Hunting” signage on M-2 at common boundary at entrance of Gerenai FMU. Additional FMU &amp; MTCS awareness signages installed across the kampongs access road after get permission from Kampong representatives.</p> <p><b>Status: Closed</b></p> |
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|   |                                     |  | <p>B] Skid trails that are not approved for harvesting will be marked on ground as “closed”.</p> <p>C] Road construction team: refresher training to be given. This to be regularly reinforced with toolbox talks.</p> <p>Completion: Before the end February 2022 and ongoing</p>   |   |
| 4 | Major<br><br>NCR:<br>LYD02/<br>2021 | <p><b>Requirement: Indicator 3.3.2</b> - Availability of appropriate mechanisms for conflict resolution.</p> <p><b>Finding:</b> Mechanism for conflict resolution (resource &amp; tenure rights) were not publicly available and consultation with local communities were not conducted for 2020/2021</p> <p><b>Objective evidence:</b><br/>During SIRIM-Stakeholder’s consultation with local communities and interview with Samling – Gerenai personnel, the following were not available:</p> <ol style="list-style-type: none"> <li>1) Records of dialogue and consultation (resource &amp; tenure rights) held with natives and relevant stakeholders for 2021</li> <li>2) Complaint raised by Long Pelutan during social monitoring 1/12/2020 were not investigated</li> </ol> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE1 - Investigation:</b> as per OE. <b>Root Cause:</b> for the whole of 2021 the Baram Region was under MCO/covid restriction. It was either not possible to visit the communities or deemed to be unacceptable practice by Samling as Samling employees might then be, or be alleged to be, the cause of infection within a community.</p> <p><b>OE 2</b> on investigation was found to be a misunderstanding. <b>Investigation:</b> During the social monitoring at Lg Julan Pelutan (a breakaway from Lg Julan Asal) there was no record of a complaint being raised. What was recorded was a request for Samling to undertake the clearing of a site. This request was made again by KK with Regional Manager and Snr. Native Affairs Officer on 8 Dec 2020 when the CRC &amp; FMCLC meetings were held at CTB. Regional Manager responded by pointing out that (a) the new KK of Lg Julan Asal had objected strongly to the clearing of</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Verification consultation was carried out on the 28<sup>th</sup> May, 2022 with the headman of Long Julan Pelutan He had confirmed that the FMU and the Forestry department team has carried out consultations and briefing on FMU, Forest certification, User rights, RTE, Grievance procedures, CRC and FMCLC in January, 2022. A series of monitoring activities were also carried out and Long Julan Pelutan, held on 29/04/2022. Dialogue and consultation records held with village communities and relevant stakeholders on the customary and user rights of indigenous people was made available</p> <p>During the field verification, the complaint raised by Long Julan Pelutan was seen recorded in the grievance/complaint form revelation 12/1219 and duly signed by the headman. He confirmed that the issue raised to Gerenai FMU is further being discussed as there was new site to be considered</p> |

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|   |                                     | & recorded in Grievance Form<br>Rev dated 12/12/2019   | <p>the site; (b) Lg Julan Pelutan is in the Peninsular Rise FTL area where Samling would not normally be able to work and (c) in any case there was no longer any Samling machinery within reasonable distance. It seems from the meeting notes that KK Lg Julan Pelutan understood Samling's position &amp; accepted it. <b>Root Cause:</b> not required</p> <p><b>Correction and corrective action plan including completion date:</b><br/>Dialogue &amp; consultation will be undertaken provided there are no continuing covid restrictions.</p> <p>Completion: by end of February 2022<br/>(assuming covid is no longer an issue)</p> | <b>Status: Closed</b>   |
| 5 | Major<br><br>NCR:<br>LYD04/<br>2021 | <p><b>Requirement: Indicator 1.1.1</b> - Records and availability of up to date: federal, state and local laws, regulations and policies that are relevant to forest management.</p> <p><b>Finding:</b> Deduction of workers salary did not comply to Section 114 of the Sarawak Labour Ordinance (Cap 76). The corrective action plan was not satisfactorily implemented. Thus, Major NCR:ANS01/2019 was reissued to Major LYD04/2021</p> <p><b>Objective evidence:</b></p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>Investigation:</b> HR had written to Labour Dept in respect of approval for canteen deductions made from Gerenai FMU &amp; obtained approval but did not follow through with the same request for the Gerenai camp payroll.<br/><b>Root Cause:</b> Failure of admin to follow up.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>HR has already contacted the Labour Dept in Marudi and requested approval for canteen deductions to be made from employees on Gerenai FMU's payroll. Labour Dept Marudi</p>                 | <p>Evidences on 21 February 2022 was verified and accepted by auditor.</p> <p>JTK approval with no. JTKSWK/PG/013/2022/(MARUDI) valid from 22 April 2022, and letter of approval JTKSWK.600-3/1/2 Jld.10 (6) dated 22 April 2022 from JTK Kuching, Sarawak.</p> <p>Verified payslips for workers no.FM0015 (March 81.15, April 44.95), W00193 (March RM206.60, April RM186.65) and W01268 (March RM160.75, April RM173.75), FM0003 (March RM does not deduct, April RM 216.65), JL0157 (March RM280.35) on month of March and April 2022 found the deduction were below RM300 monthly</p> |

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|   |                                     | <p>Inspection on the following three (3) employee showed that canteen deduction for October 2021 Salary were without approval from Sarawak Labour Department.</p> <ul style="list-style-type: none"> <li>a) Employee No. FM0003</li> <li>b) Employee No. JL0157</li> <li>c) Employee No. GF1148</li> </ul>   | <p>has written to Labour Dept Kuching to request their approval.</p> <p>Completion: entirely dependent on time take for Labour Dept Kuching to respond. (It is highly unlikely that the request will be refused.)</p>  | <p><b>Status: Closed</b></p>  |
| 6 | <p>Major</p> <p>NCR: LYD05/2021</p> | <p><b>Requirement: Indicator 9.2.1</b> - Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCV areas.</p> <p><b>Finding:</b> Consultation with relevant stakeholders on the options to maintain or enhance the identified HCVFs was not effectively conducted.</p> <p><b>Objective evidence:</b><br/>Consultation with local communities of Long Apu, Long Julan, Long Anap, Long Moh, Long Selaan, Long Selatong Dikan, Long Tungan, Long Silat, Long Semiang, Lio Mato found the options to maintain or enhance the identified HCVFs was not effectively conducted</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE - Investigation:</b> as per OE. <b>Root Cause:</b> No visits were made in 2021 as for almost the whole year the area was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021. It was either not possible to visit the communities or deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>Consultation to obtain feedback will be undertaken with local communities of Long Apu, Long Julan, Long Anap, Long Moh, Long Selaan, Long Selatong Dikan, Long Tungan, Long Silat, Long Semiang, Lio Mato regarding the options to maintain or enhance the identified HCV areas. At the same time the</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>The Social impact evaluations and monitoring (SIM) was carried out by Gerenai FMU in 3 phases (2<sup>nd</sup> week of April 4<sup>th</sup> week April and 1<sup>st</sup> week of May, 2022) instead of January, 2022. The Social Impact Evaluations and Monitoring covers both the villages within (10) and adjacent (15, previously 12 in the 2018 SIA) of FMU. The villages within the FMU were Long Semiang, Long Selaan, Long Moh, Long Mekabar, Long Anap, Long Julan, Long Selatong Dikan, Long Apu, Long Belaong (Kenyah Communities) and Ba Jawi (Penan). Whilst, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Julan, Long Palai, Long Silat, Long Selawan, Long Jeeh, Long Tungan, Lio Mato, Long Siut (Kenyah Communities) Long Jekitan, Long Tikan, Long Bee, Long Kemilong and Ba Purau (Penan Communities). In the SIM process communities were also requested to provide feedback on the new HCV areas. Through this information a participatory ground inspection is carried out by the FMU. From 12<sup>th</sup> -21<sup>st</sup> January, 2022, series of</p> |

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|   |                                     |   | <p>communities will be asked to identify any HCV areas that the FMU is not yet aware of.</p> <p>Completion: by end of February 2022 (assuming covid is no longer an issue)</p>   | <p>awareness program was carried out jointly by Forestry Department, Miri and Kuching with Gerenai FMU briefing on the FMU, RTE, Forest Certification, User rights, Grievance/conflict resolution procedures, Monitoring, CRC, FMCLC and HCV identification.</p> <p>Consultations with communities from Long Tungan, Long Moh, Ba Jawi, Long Semiang, Long Julan Pelutan and Long Selaan confirmed that the SIM is still in progress due to the availability of some long house communities. Most of them were either working outside the villages or at the temporary farm huts (sulap) far away from the village and only available on weekends. FMU liaison officer had visited the communities in April and early May to follow up on the Social Monitoring process. The Summary of the SIM report was made available during this verification audit and was examined. Thus, closing the MAJOR NCR LYD05/21</p> <p><b>Status: Closed</b></p> |
| 7 | Major<br><br>NCR:<br>ANS01/<br>2021 | <p><b>Requirement: Indicator 1.6.2</b> - Policies or statements are communicated throughout the organisation and its contractors, and are made available to the public.</p> <p><b>Finding:</b> Policies or statements are not communicated throughout the organisation and its contractors. Minor NCR IAM01/2019 during the</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE - Investigation:</b> Instruction had been given for the Gerenai labour force to be given tool box awareness talks on certification, MTCS and MC&amp;I. During the investigation when checking with skidding team &amp; road construction team it seems that they were actually aware at the time of audit, but they say they “panik’ when interviewed and maybe give the wrong responses. <b>Root</b></p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Ops. 7 Fig. 1 MC&amp;I &amp; MTCS briefing conducted on 14 Feb 2022</p> <p>Doc. 13 (3) Attendance List for the MC&amp;I &amp; MTCS briefing conducted on 14 Feb 2022 harvesting mandor attended as did workers from Block 33 &amp; 34 and stumping site.</p>  |



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|   |                                     | <p>stage 2 Audit is upgraded to Major NCR ANS01/2021</p> <p><b>Objective evidence:</b><br/>Interview with harvesting Supervisor and forest workers at Coupe 2A (Block 33 &amp; Block 34) and Stumping site Kilo 83 area indicated that they were not aware of the MC&amp;I SFM Principles and Criteria Standard.</p>  | <p><b>Cause:</b> Workers not well briefed on the audit process &amp; how to engage with the auditors, i.e., they need to understand that there are no repercussions for them whatever they answer to the auditor.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>All Gerenai FMU staff need to be briefed again to be (a) aware of MTCS &amp; the MC&amp;I SFM and (b) to be helped to understand more about the audit process and, in particular, that there are no repercussions for them from the results of the auditor 's interview.</p> <p>Completion: by end of February 2022</p> | <p>Interview with harvesting Supervisor and forest workers of Coupe 2A (three [3] workers) and Stumping site Kilo 83 (four [4] workers) during verification audit found that they were now aware of the MC&amp;I SFM Principles and Criteria Standard.</p> <p><b>Status: Closed</b></p>  |
| 8 | Major<br><br>NCR:<br>ANS02/<br>2021 | <p><b>Requirement: Indicator 4.1.3</b> – Forest managers shall not employ or be involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p><b>Finding:</b> Migrant workers with expired permit were employed by the FMU</p> <p><b>Objective evidence:</b><br/>Document review at Silat camp and inspection of harvesting area found that work permit employment for two workers with number GF1148 and IP2307 has expired on 18 January 2020 and 25 May 2019 respectively.</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE-Investigation:</b> HR Miri confirmed that both permits had been renewed some time back with expiry dates of 23 March 2022 &amp; 10 August 2022. Gerenai Camp's chief clerk says both copies of the permits were on file at the time of the audit. <b>Root Cause:</b> The documents were not seen during the audit.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>Confirm that both documents are correctly filed in the employees' files in Gerenai Camp.</p> <p>Completed: 20 December 2021</p>           | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Both workers had valid work permits at the time of audit [GF1148 expiry -10 Aug 2022; IP2307 expiry on 23 March 2022].</p> <p>Doc. 14 (3) (a) Extract from payroll linking payroll number to the workers' names, (b) multiple entry visa for (GF1148); and (c ) multiple entry visa for (IP2307)</p> <p>verification audit found:</p> <p>Workers No. IP2307, Passport no.C7466850 valid 5 Feb 2026. BPA/13171/8490 valid 23 Mar 2022 and PTK-MG-BM-12200-203(A)-6(6) valid from 2 Aug 2020 – 1 Aug 2022</p> |

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|   |                                     |  |   | <p>Workers no. GF1148. Passport no. C5765459 valid 7 Aug 2025 with JTK-MG-BM-12200-203(A)(30) valid 10 Aug 2022</p> <p>Workers no. KD0145 with passport no. C7466853 valid 5 Feb 2026. Working permit no. JTK-MG-BM-12200-181(A)(60) valid 26 June 2022</p> <p>Workers no. GF1024, with passport no.C3839601 valid 5 Sept 2024. Working permit no.JTK-MG-BM-12200-203(A)(40) valid 22 Sept 2023</p> <p>Workers no. FL0830 with passport no.C8215265 valid 7 Feb 2027. Having working permit no. JTK-MG-BM-12200-181(A)(60) valid 20 May 2022. Renewal process as Ruj: SST/Logging/2205-04 dated 20 April 2022, rujukan lesen PTK-MG-BM-12200-181(A)-7(23)</p> <p><b>Status: Closed</b></p> |
| 9 | Major<br><br>NCR:<br>ANS09/<br>2021 | <p><b>Requirement: Indicator 8.3.1</b> - Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in <b>APPENDIX B</b>.</p> <p><b>Finding:</b> Felled tree (stump) in the certified area was not tagged. Thus,</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>Investigation:.</b> Apart from Tree # 2 all the above are undersized trees inside the skid trail 10m corridor. Undersized trees are only tagged with two tags which are then used on each of the log's two ends leaving no tag for the stump. However, the tree numbers are recorded in the Daily Production Report (DPR). This means that the Tree No is linked to the numbers of the CB tag (coupe/block tree or production tag), the LPI tag and the</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>The Head of Samling's SEU has given the instruction that no more cutting on undersized trees in the 10m wide skid trail corridor. This instruction was included in the briefing given by the Head of SEU Baram to the contractor on 13 January 2022.</p> <p><b>Status: Closed</b></p>   |

the log's origin was unable to be determined

**Objective evidence:**

During inspection at harvesting area at Coupe 02A found there was no tag on the tree stumps inspected along the skid trail as below:

| N o. | Species       | DB H (cm ) | Cou pe/B lock  | Skid Trail No. |
|------|---------------|------------|----------------|----------------|
| 1    | Nyatoh        | 48         | 02A/ Bloc k 20 | FT-20a-0-1     |
| 2    | Meranti Merah | 76         | 02A/ Bloc k 20 |                |
| 3    | Meranti       | 54         | 02A/ Bloc k 20 | FT-20a-0-2     |
| 4    | Meranti Merah | 53         | 02A/ Bloc k 20 |                |
| 5    | Kumpa ng      | 53         | 02A/ Bloc k 20 |                |
| 6    | Meranti Merah | 42         | 02A/ Bloc k 20 |                |
| 7    | Kelamp aian   | 46         | 02A/ Bloc k 20 |                |

royalty tag; this allows a log to be traced back to the skid trail on which the tree of origin was located. **Root Cause:** Inadequate tagging system for undersized trees.

**Correction and corrective action plan including completion date:**

Immediate instruction for chainsaw operators to no more cutting on undersized trees in the 10m wide skid trail corridor

Completion: ASAP then ongoing

|                            |   | <table><tr><td>8</td><td>Empeni<br/>t</td><td>47</td><td>02A/<br/>Bloc<br/>k 33</td><td>MT<br/>33-A-<br/>Part 1</td></tr><tr><td>9.</td><td>Meranti<br/>Merah</td><td>48</td><td>02A/<br/>Bloc<br/>k 33</td><td>MT<br/>33-A-<br/>Part 1</td></tr></table>  | 8  | Empeni<br>t   | 47                         | 02A/<br>Bloc<br>k 33 | MT<br>33-A-<br>Part 1 | 9.         | Meranti<br>Merah                                  | 48  | 02A/<br>Bloc<br>k 33 | MT<br>33-A-<br>Part 1 |                                       |  |
|----------------------------|---|--|--|---|----------------------------|----------------------|-----------------------|------------|---|---|----------------------|-----------------------|---------------------------------------|--|
| 8                          | Empeni<br>t                                       | 47   | 02A/<br>Bloc<br>k 33   | MT<br>33-A-<br>Part 1   |                            |                      |                       |            |   |   |                      |                       |                                       |  |
| 9.                         | Meranti<br>Merah                                  | 48   | 02A/<br>Bloc<br>k 33   | MT<br>33-A-<br>Part 1   |                            |                      |                       |            |   |   |                      |                       |                                       |  |
| 10                         | Major<br><br>NCR:<br>AS01/<br>2021                | <p><b>Requirement: Indicator 2.2.2</b> - With respect to activities that may affect such rights, forest managers shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state and local laws.</p> <p><b>Finding:</b></p> <ol style="list-style-type: none"><li>1. Lack of engagement and disclosure of information on Forest Certification and management processes which include involvement of the communities in the free and prior inform process.</li><li>2. Lack of engagement and disclosure information on the FMU management processes affecting the duly recognized legal and customary tenure or use rights of the local communities.</li><li>3. Lack of disclosure and information on objectives and functions of FMCLC and CRC</li></ol> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation:</b> as per OE. <b>Root Cause:</b> Gerenai FMU only recently started operating under the requirements of the MTCS and the associated MC&amp;I. Consequently, the FMU is still very young and is just starting on the journey of continuous improvement. And in particular there is much time-consuming work to be done in terms of community engagement. Unfortunately - before the FMU was even certified (12 April 2020) - the Baram Region was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021. It was therefore either not possible to visit the FMU’s communities or deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> <p><b>OE 4 Investigation:</b> the sites of significant importance currently known to Samling have been identified, GPSd, mapped and are included in the FMP, i.e., burial sites, salt licks and water catchments. However, monitoring</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Series of awareness programs were conducted jointly with the Forestry Department Sarawak from the 12<sup>th</sup> -21<sup>st</sup> January 2022 covering all stakeholders briefing on FMU concept, Forest certification, RTE, SIA, grievance procedures, HCV, Monitoring, User rights, CRC and FMCLC. The following schedules were provided by the FMU during the Audit.</p> <p>Table 1: Implementation schedules of Forest Awareness programs</p> <table><tr><th>Date of Implement<br/>ation</th><th>Name of Village</th><th>Team</th></tr><tr><td>11.01.2022</td><td>Lg. Selatong Dikan,<br/>Lg.Selatong,Tg.T<br/>epalit</td><td>FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)</td></tr><tr><td>12.01.2022</td><td>Lg.Apu,Uma Pawa Baram</td><td>FMC Unit Miri (3), FDS Kuching(7) and</td></tr></table> | Date of Implement<br>ation | Name of Village      | Team                  | 11.01.2022 | Lg. Selatong Dikan,<br>Lg.Selatong,Tg.T<br>epalit | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) | 12.01.2022           | Lg.Apu,Uma Pawa Baram | FMC Unit Miri (3), FDS Kuching(7) and |  |
| Date of Implement<br>ation | Name of Village                                   | Team   |  |   |                            |                      |                       |            |   |   |                      |                       |                                       |  |
| 11.01.2022                 | Lg. Selatong Dikan,<br>Lg.Selatong,Tg.T<br>epalit | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)  |  |   |                            |                      |                       |            |   |   |                      |                       |                                       |  |
| 12.01.2022                 | Lg.Apu,Uma Pawa Baram                             | FMC Unit Miri (3), FDS Kuching(7) and  |  |   |                            |                      |                       |            |   |   |                      |                       |                                       |  |

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|  |  | <p>4. Insufficient identification and monitoring of sites significant importance to the communities. Corrective actions provided was not sufficiently implemented. Major NCR ANS02/2019 was reissued to AS01/2021</p> <p><b>Objective evidence:</b></p> <p>1. Consultations with 2 NGO's as interest groups in Gerenai FMU and community based NGO's confirmed that there was inadequate consultation or engagement made on the Forest Certification Process and management</p> <p>2. During SIRIM Stakeholders consultation with 18 villages involving 249 people confirmed that they don't understand Forest Certification process including the objectives and meaning of FMU (Forest Management Unit) including formation of CRC and FMCLC as there was lack of clear information and <b>community engagement.</b></p> <p>3. Dialogue and consultation held with indigenous community within/surrounding the FMU and relevant stakeholders on Forest</p> | <p>was last undertaken and documented in 2019. <b>Root Cause (of the lack of monitoring):</b> the covid restrictions which are mentioned above.</p> <p><b>OE 5 Investigation:</b> as per OE. <b>Root Cause:</b> Although Native Affairs Officer knew of these new villages the FMU management was still unaware (as there had been no issue)</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>4: will be addressed in some detail by the visits of the Samling engagement team that, as currently planned, will start its work early January 2022.</p> <p>5: SEU has already GPSd the locations of the two villages and these will be included in revisions of all relevant mapping</p> <p>Completion: by end of February 2022 (subject to the status of covid restrictions).</p> <p>For the future: those communities that might be directly affected by any current PEC activities and who are receiving, or due to receive, log commissions from a coupe under harvesting will be engaged by Samling at least twice a year whilst the PEC is active.</p> |   |  | FMU Gerenai (7) |
|  |  | 13.01.2022   | Lg.Julan Pelutan/Lg.Julan Asal (Lepo'Abong)  | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 14.01.2022   | Lg.Palai (lepo' La'ang)Lg. Anap (Lepo' Sawa)   | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 15.01.2022   | Lg. Silat,Baram(Lepo' Aga)<br>Lg.Mekabar,Sg.Si lat(Lepo'Tau)   | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 16.01.2022   | Lg.jeeh/Lg.Selawan,Baram(Lepo' Aga)  | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 17.01.2022   | Lg.Moh,Baram(Lepo' Tau/Lepo'Enggau,Lepo'Jengan)  | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 18.01.2022   | Lio Mato, Baram (Badeng)Lg.Siut, Sg.Selunggo(Jamok)  | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |  |                 |
|  |  | 19.01.2022   | Lg.Selaan, Baram(Jamok),   | FMC Unit Miri (3), FDS                                |  |                 |

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|            |   | <p>Certification and Management process was not available.</p> <p>4. Records of identification and monitoring of sites with significant importance to the communities was not available</p> <p>5. Newly established villages Kg. Long Kemilong and Long Batao was not included in the Location map of FMU community.</p> |  | <table><tr><td></td><td>Lg.Semiang,Baram(Morek)</td><td>Kuching(7) and FMU Gerenai (7)</td></tr><tr><td>20.01.2022</td><td>Lg. Selaan, Baram (Lepo' Tepo'an,Lepo'E mbo and Lepo' Keh)</td><td>FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)</td></tr><tr><td>21.01.2022</td><td>Lg. Jekitan,Sg.Silat, Lg. Betaok, Sg. Silat, Lg. Kemilung, Sg. Silat. ( All Penans communities garthered at Lg. Jekitan during the awareness program)</td><td>FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)</td></tr></table> <p>During this verification audit communities of Lio Mato, Long Julan Pelutan, Long Semiang, Long Selaan, Long Tungan and Ba'Jawi was consulted and confirmed that the FMU with Forestry Department had conducted an awareness programme attended by members of the communities 13-01.2022, 17.01.2022, 18.01.2022, 19.01.2022 and 20.01.2022 respectively. They confirmed of having better understanding on the Forest Certification, FMU, boundary between villages and FMU, Conflict resolutions or grievance mechanism, Customary User rights, RTE, Social impact assessment, monitoring, CRC /FMCLC, HCV plus opportunity for</p> |  | Lg.Semiang,Baram(Morek) | Kuching(7) and FMU Gerenai (7) | 20.01.2022 | Lg. Selaan, Baram (Lepo' Tepo'an,Lepo'E mbo and Lepo' Keh) | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) | 21.01.2022 | Lg. Jekitan,Sg.Silat, Lg. Betaok, Sg. Silat, Lg. Kemilung, Sg. Silat. ( All Penans communities garthered at Lg. Jekitan during the awareness program) | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7) |
|            | Lg.Semiang,Baram(Morek)   | Kuching(7) and FMU Gerenai (7)   |  |  |  |                         |                                |            |  |   |            |   |   |
| 20.01.2022 | Lg. Selaan, Baram (Lepo' Tepo'an,Lepo'E mbo and Lepo' Keh)  | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)  |  |  |  |                         |                                |            |  |   |            |   |   |
| 21.01.2022 | Lg. Jekitan,Sg.Silat, Lg. Betaok, Sg. Silat, Lg. Kemilung, Sg. Silat. ( All Penans communities garthered at Lg. Jekitan during the awareness program) | FMC Unit Miri (3), FDS Kuching(7) and FMU Gerenai (7)  |  |  |  |                         |                                |            |  |   |            |   |   |

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|  |  |  |  | <p>communities to raise questions regarding impact of Forest management Unit operation at their respective areas. Some of the communities (Long Semiyang, Long Moh) had reshuffled the memberships of their CRC in response to the awareness program. A brief summary of these activities was made available during the audit, supported with attendance lists, photographs and schedules of area visited. Some of the sessions were attended by NGOs such as GCRAC and Save Rivers representatives.</p> <p>This was followed by a Social Impact Monitoring and Evaluation carried out by Gerenai FMU in 3 phases (2<sup>nd</sup> week of April 4<sup>th</sup> week April and first week of May,2022) instead of January, 2022. The Social Impact Evaluations and Monitoring covers both the villages within (10) and adjacent (15, previously 12 in the 2018 SIA) of FMU. The villages within the FMU were Long Semiang, Long Selaan, Long Moh, Long Mekabar, Long Anap, Long Julan, Long Selatong Dikan, Long Apu, Long Belaong (Kenyah Communities) and Ba Jawi (Penan). Whilst, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Julan, Long Pelutan, Long Palai, Long Silat, Long Selawan, Long Jeeh, Long Tungan, Lio Mato, Long Siut (Kenyah Communities) Long Jekitan, Long Tikan, Long Bee, Long Kemilong , Long Batao and Ba Purau (Penan Communities). In the SIM process communities were also requested to provide feedback on the new HCV areas to enable a participatory ground inspection with the FMU.</p> |
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|    |                                    |  |   | <p>Consultations with communities from Long Tungan, Long Moh, Ba Jawi, Long Semiyang, Long Julan Pelutan and Long Selaan confirmed that the SIM is still in progress due to the availability of some long house communities. Most of them were either working outside the villages or at the temporary farm huts (sulap) far away from the village and only available on weekends. FMU liaison officer had visited the communities in April and early May to follow up on the Social Monitoring process. It was also noted during this verification the FMU has employed a liaison officer from Long Lamai who is in progress of consulting the communities of Ba Jawi as described in the verification findings in Indicator 3.1.1</p> <p>Verification of the stakeholders Map showed that Long Kemilong and Long Batao have already been included. With these evidence the Major NCR AS01/2021 was closed.</p> <p><b>Status: Closed</b></p> |
| 11 | Major<br><br>NCR:<br>AS04/<br>2021 | <p><b>Requirement: Indicator 3.1.2</b> - Management and use of such lands and resources are controlled by indigenous peoples unless they delegate control with free, prior and informed consent to other agencies and/or parties.</p> <p><b>Finding:</b><br/>1. Engagement with communities within and surrounding the FMU</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE 1 - 3 Investigation:</b> as per OE. <b>Root Cause:</b> As an FMU under the MTCS and its associated MC&amp;I, Gerenai FMU is still very young and only just started on the journey of continual improvement; there is much time-consuming work to be done especially in terms of community engagement. Unfortunately, before the FMU was even certified (April 2020) the area was under MCO/covid</p> | <p>Evidence on 21 February 2022 was verified and accepted by auditor.</p> <p>Evidence of engagement by the Samling/FDS team with the 18 community clusters (representing 27 communities) within and nearby the FMU is contained in the full set of documents (AP 1 to 18 and Doc 1 to 3).</p> <p>Attendance at the FMCLC meeting held on 8 December 2020 and was not confined to</p>  |



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|  |  | <p>on customary rights or user rights of lands and resources were inadequate.</p> <p>2. Engagement with communities were limited to community leaders</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. During SIRIM-Stakeholder's consultation with 9 villages (Long Selaan, Long Moh Hulu, Long Moh Hilir, Long Moh Lepo Ngkau, Long Tungan, Long Semiyang, Lio Mato, Long Selatong Dikan and Long Mekaba indicated that they were not aware of FMU boundary and Forest certification process involving their customary/ user rights lands and resources. Meeting was held only with community leaders and headmen.</li> <li>2. Majority of the communities at the village level was not adequately engaged and consulted.</li> <li>3. Dialogue and consultation records held with village communities and relevant stakeholders on the customary and user rights of</li> </ol> | <p>restrictions with Gerenai Camp itself locked down in August 2021. During this time of restrictions, it was either not possible to visit the communities or deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> <p><b>OE 4 Investigation:</b> as per OE however, there was no change in the correct boundary location which remained the true left bank of the Btg Baram. The change was only in the location of the paint mark &amp; the boundary notice both of which were on the true right bank at the time of the audit. <b>Root Cause:</b> Lg Selatong Dikan had objected to the boundary painting &amp; notice being in the correct location.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>1-3: correction will be addressed during the visits of the Samling engagement team that plans to start its work early January 2022.</p> <p>4: The KK will be engaged re boundary &amp; notice relocation.</p> <p>Completion: OE 1-3 by end of February 2022 (provided there are no covid related restrictions). OE 4: CAP already completed</p> | <p>community leaders. More than 70 people attended. Almost 400 people were recorded as attending the January 2022 engagements conducted by the Samling- FDS team</p> <p>Series of awareness programs were conducted jointly with the Forestry Department Sarawak from the 12<sup>th</sup> -21<sup>st</sup> January 2022 covering all stakeholders briefing on FMU concept, Forest certification, RTE, SIA, grievance procedures, HCV, Monitoring, User rights, CRC and FMCLC.</p> <p>During verification audit, communities of Lio Matoh, Long Julan Pelutan, Long Semiyang, Long Selaan, Long Tungan and Ba Jawi was consulted and confirmed that the FMU with Forestry Department had conducted an awareness programme attended by members of the communities in each villages visited on 13-01.2022, 17.01.2022, 18.01.2022, 19.01.2022 and 20.01.2022 respectively. They confirmed of having better understanding on the Forest Certification, FMU, boundary between villages and FMU, Conflict resolutions or grievance mechanism, Customary User rights, RTE, Social impact assessment, monitoring, CRC /FMCLC, HCV plus opportunity for communities to raise questions regarding Forest management Unit operation at their respective areas. A brief summary of these activities was made available during the audit, supported with attendance lists, photographs and schedules of area visited.</p> <p>This was followed by a Social Impact Monitoring and Evaluation carried out by Gerenai FMU in 3</p> |
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|  |  | <p>indigenous people was not available</p> <p>4. Communities were not informed/consulted on any changes of boundary marking at Long Selatong Dikan</p> | <p>For the future: those communities that might be directly affected by any current PEC activities and who are receiving, or due to receive, log commissions from a coupe under harvesting will be engaged by Samling at least twice a year whilst the PEC is active.</p> | <p>phases (2<sup>nd</sup> week of April, 4<sup>th</sup> week April and first week of May 2022) instead of January, 2022. The Social Impact Evaluations and Monitoring covers both the villages within (10) and adjacent (15, previously 12 in the 2018 SIA) of FMU. The villages within the FMU were Long Semiyang, Long Selaan, Long Moh, Long Mekabar, Long Anap, Long Julan, Long Selatong Dikan, Long Apu, Long Belaong (Kenyah Communities) and Ba Jawi (Penan). Whilst, Long Selatong Dikan Tanjung Tepalit, Long Julan Pelutan, Long Palai, Long Silat, Long Selawan, Long Jeeh, Long Tungan, Lio Mato, Long Siut (Kenyah Communities) Long Jekitan, Long Tikan, Long Bee, Long Kemilong and Ba Purau (Penan Communities) were adjacent to FMU.</p> <p>The Social Monitoring and Evaluation or SIM was still in progress at the time of verification due to the unavailability of the community at the long houses thus a continuous visit has to be adapted to ensure correct information on the updated demography, socio-economic conditions and FMU's impact on the livelihood of the community were captured. A brief summary on the Social Impact Monitoring Report was examined during this audit. The evidence provided by the FMU had showed a commitment to continuously engaged the communities through completion of the on-going Social-Monitoring thus closes the Major NCR AS04/2021.</p> <p><b>Status: Closed</b></p> |
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| 12 | Major<br><br>NCR:<br>AS05/202<br>1 | <p><b>Requirement: Indicator 4.4.1</b> – Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</p> <p><b>Finding:</b></p> <ol style="list-style-type: none"> <li>1) Results of social monitoring for 14 villages yet to be shared with the local communities.</li> <li>2) Social monitoring for the local communities at 12 villages and 2 newly established villages are yet to be carried out.</li> </ol> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. A social-monitoring report for Long Selatong Dikan, Long apu, Long Julan, Long Anap, Long Moh Hulu (Lepo’Tau), Long Selaan (Lepo K’), Long Selaan (Tepu’uan), Long Tungan, Long Silat, Long Makaba, Long Julan Pelutan, Long Siut, Long Mato, Long Semiyang Nov-Dec,2020 was made available during the audit but is yet to be shared with the communities.</li> <li>2. Social monitoring is yet to be carried out at 12 villages. Consultations villages Long Moh</li> </ol> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>OE 1 &amp;2 Investigation:</b> as per OE. <b>Root Cause:</b> in 2021 the covid or covid restrictions either made it not possible to visit the communities or it was deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> <p><b>OE 3 Investigation:</b> as per OE. <b>Root Cause:</b> the existence of two new villages was unknown to the FMU.</p> <p><b>OE 4 Investigation:</b> as per OE. <b>Root Cause:</b> At the last visit to Ba Jawi the Samling surveyor was met aggressively by the one man there; then, at the last FMCLC meeting (8 Dec 2020), Samling was advised that there was now no one at Ba Jawi. (See NCR AS03/2021 for more information)</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>OE 1&amp;2: sharing of earlier monitoring &amp; new monitoring will be undertaken</p> <p>OE 3: The 2 new villages will be assessed.</p> <p>OE 4: Samling will attempt to contact an alleged representative of Ba Jawi and assess the situation and status of any community located at Ba Jawi. (See NCR AS03/2021 for a little more info on Ba Jawi – it is certainly not a straightforward community to deal with)</p> | <p>Evidences on 21 February 2022 was verified and accepted by auditor.</p> <p>A Social impact evaluations and monitoring was carried out by Gerenai FMU in 3 phases (2<sup>nd</sup> week of April, 4<sup>th</sup> week April and first week of May 2022) instead of January, 2022. The Social Impact Evaluations and Monitoring covers both the villages within (10) and adjacent (15, previously 12 in the 2018 SIA) of FMU. The villages within the FMU were Long Semiang, Long Selaan, Long Moh, Long Mekabar, Long Anap, Long Julan, Long Selatong Dikan, Long Apu, Long Belaong (Kenyah Communities) and Ba Jawi (Penan). Whilst, Long Selatong Dikan Tanjung Tepalit, Long Julan Pelutan, Long Palai, Long Silat, Long Selawan, Long Jeoh, Long Tungan, Lio Mato, Long Siut (Kenyah Communities) Long Jekitan, Long Tikan, Long Bee, Long Kemilong and Ba Purau (Penan Communities) were adjacent to FMU.</p> <p>During this verification audit, communities of Lio Mato, Long Julan Pelutan, Long Semiyang, Long Selaan, Long Tungan and Ba Jawi was consulted. The Social Impact Monitoring and Evaluation was completed in Long Moh area (Long Moh-Lepo Tau, Long Moh-Lepo Ngkau and Long Moh- Lepoh Jengan) on the 14/04/2022 whilst the rest of the villages were on-going based on the community representatives and villagers consulted from Long Julan Pelutan, Long Semiang, Long Selaan, Long Tungan and Ba’ Jawi. The Social Monitoring and Evaluation or SIM was on-going due to the unavailability of the community at the long houses</p> |
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|  |  | <p>Hilir (Lepo' Jengan), Long Moh (Lepo' Ngkau), Long Selatong Dikan confirmed that Social-monitoring is yet to be conducted at their villages.</p> <p>3. During the consultations of relevant community elders, it was confirmed that two new villages Kg. Kemilong and Kg. Batao had just been established near Long Tikan but yet to be assessed.</p> <p>4. On-site Social Impact monitoring and engagement for Ba' Jawi is yet to be carried out.</p> | <p>Completion: by end of February 2022 (provided that covid restrictions allow)</p> | <p>thus a continuous visit has to be adapted to ensure correct information on the updated demography, socio-economic conditions and FMU's impact on the livelihood of the community were captured. A brief summary on the Social Impact Monitoring Report was examined during this audit.</p> <p>The Social Monitoring for Ba' Jawi Communities was also in progress (a mentioned in Indicator 3.1.1). During the verification audit, consultative meeting with 13 members of communities (claiming to have NCR rights at Ba' Jawi) was carried at Long Bangga on the 27<sup>th</sup> May, 2022. A newly appointed liaison officer, related to the 5 permanent residents at Ba' Jawi coordinated the meeting to ensure the other members of the communities from Long Spigen, Long Sait and Long Lamai were present. Majority of the members were residing at Long Lamai to access to medical and education facilities but only goes to Ba' Jawi on seasonal basis to collect forest products and farming. The liaison officer had also visited Ba' Jawi to consult the 3 remaining residents (2 were temporary at Long Lamai to seek medical treatment) residents, Long Spigen and Long Sait on the 18 May 2022 by jungle trekking and Boat Ride, returning on the 24/5/2022 to Long Selunggo to meet the auditor. The representatives of the group former Penan Penghulu for Ulu Baram were grateful that they were given opportunity for assessment, consultations and to know about the Forest operations and certification. The above evidence showed the full commitment of the FMU to engage and consult the Ba' Jawi communities</p> |
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|    |                                     |   |  | <p>although majority of them were not residing at Ba' Jawi, thus closed the Major NCRAS05/2021</p> <p><b>Status: Closed</b></p>   |
| 13 | <p>Minor</p> <p>NCR: KN03/2021</p>  | <p><b>Requirement: Indicator 8.1.3</b> - 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 <b>APPENDIX A</b>.</p> <p><b>Finding:</b> The internal audit, management review and continual improvement as stipulated in <b>APPENDIX A</b> was not followed.</p> <p><b>Objective evidence:</b><br/>Review on Internal audit report dated 25-30 Oct 2021 and management review meeting dated 2 Nov 2021 was not in accordance to the requirements in APPENDIX A</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE Investigation:</b> This new MC&amp;I SFM requirement had not yet been formulated into an SOP.<br/><b>Root Cause:</b> This new requirement not yet addressed</p> <p><b>Correction and corrective action plan including completion date:</b><br/><br/>An SOP will be prepared that addresses the requirements of Appendix A. This will then be included in the revised FMP.</p> <p>Completion: before SA #2</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |
| 14 | <p>Minor</p> <p>NCR: LYD03/2021</p> | <p><b>Requirement: Indicator 6.2.5</b> - Forest workers and local communities shall be made aware of endangered, rare and threatened species of forest flora and fauna found in the FMU.</p> <p><b>Finding:</b> Records of awareness activities conducted for local</p>   | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE Investigation:</b> as per OE. <b>Root Cause:</b> No visits were made as for whole of 2021 area was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021. It was either not possible to visit the communities or deemed to be unacceptable</p>   | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be</p>  |

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|    |  | <p>communities on RTE was not available.</p> <p><b>Objective evidence:</b><br/>Site visit to the local communities indicated that awareness activities such as briefing, posters and publications RTE for 2020/2021 was not available.</p>   | <p>practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>Awareness activities such as briefing, posters and publications re wildlife and RTE species will be undertaken.</p> <p>Completion: before SA #2 (assuming covid is not long an issue)</p>  | <p>verified by the audit team during the next surveillance audit.</p>   |
| 15 | <p>Minor</p> <p>NCR:<br/>AS06/2021</p> | <p><b>Requirement: Indicator 4.5.2</b> - Appropriate mechanisms are employed to expeditiously resolve grievances, and provide fair and equitable compensation for any loss or damage affecting the local communities' legal or customary rights, property, resources, or their livelihoods, caused by forest operations.</p> <p><b>Finding:</b> Updated records on the status of compensation using the appropriate mechanism were not available.</p> <p><b>Objective evidence:</b><br/>1. Procedures for Land Claim SFM/PR001 was used as a guideline to compensation</p> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE 1 Investigation:</b> as per OE but there is rarely any case of "trespassing" on SA unless by accident. Samling SOP is to discuss the proposed road route, survey it then agrees the compensation to be paid. Full up-to-date records of payments are held on a spread sheet maintained by Native Affairs, but the <i>ad hoc</i> compensation payments are not consolidated into this sheet. The signatories to the goodwill agreements are, of course, fully aware of the terms of payments. <b>Root Cause:</b> Traditionally ad hoc compensation payments have not been consolidated into a spread sheet that lists the receiving kampongs.</p> <p><b>OE 2 Investigation:</b> The records are held by Native Affairs, but these were not available in</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |

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|    |                                     | <p>payment with local communities surrounding the FMU but updated records on the status of compensation was not available. During the stakeholder consultations, many of the communities were confused of the goodwill agreement and compensation payment for trespassing 'temuda' or lands belonging to community.</p> <p>2. Record of consultation and negotiation and outcomes to expeditiously resolves grievances were not available for the Long Palai, Long Anap, Long Julan, Long Pelutan, Long Apu, Long Belaoung, Long Jeeh, Long Selawan).</p> | <p>camp. However, of the above kampongs only Lg Julan Pelutan has had an issue that we are aware of. This was a request for site levelling, and this was discussed with FMU management in December 2020 when it was explained that for several reasons it was not possible to accede to the request. It appeared the explanation was accepted by the KK. <b>Root Cause:</b> System for filing these records is not satisfactory.</p> <p><b>Correction and corrective action plan including completion date:</b><br/> OE 1 &amp; OE 2: CAP - Record management systems will be improved to incorporate the above omissions.</p> <p>OE 1: CAP - Native Affairs will discuss with the temenggong, penghulus and KKs the need for greater transparency in respect of any agreements entered in to on behalf of the communities.</p> <p>Completion: before SA #2</p> |  |
| 16 | <p>Minor</p> <p>NCR: ANS03/2021</p> | <p><b>Requirement: Indicator 5.1.1</b> - Investments and reinvestments are made in forest management, including for forest administration, protection, research, human resource development, economic, conservation, environmental and</p>  | <p><b>Result of investigation and determination of root cause:</b><br/> <b>1 to 4 OEs Investigation:</b> There is an official FMU management budget, but it does not include all of the Forest Management Certification Unit (FMCU) expenses and the budget heads do not reflect the requirements of the MC&amp;I. <b>Root Cause:</b> Some FMCU items</p>   | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be</p> |

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|  |  | <p>social aspects, consistent with the tenure of the FMU.</p> <p><b>Finding:</b> The annual budget and expenditure for forest management does not include protection, research, conservation, environmental and social aspect.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Audit found no official annual budget and expenditure for forest management in Gerenai FMU.</li> <li>2. The document on “Gerenai SFM Budget vs Actual for 2020/2021” provided during the audit does not have endorsement or approval from the FMU management.</li> <li>3. Review on “Gerenai SFM Budget vs Actual for 2020/2021” found no budget provided for protection, research, conservation, environmental, silvicultural treatment and social aspect.</li> <li>4. In addition, the expenditure has exceeded RM 714,547.00 from the planned budget of RM 436 570.00 in the FMU.</li> </ol> | <p>and wages are on the Gerenai FMU camp payroll and do not get expensed to the actual FMCU operation e.g. restoration. FMC &amp; SFM are still, in part at least, treated by accounts as expenditure outside of the actual operational budget.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>An in-depth discussion between Planning &amp; Development, FMCU and upstream accounts will be undertaken to rationalise the situation for all FMUs and generate a set of operational accounts for each FMU which includes all the required budget heads &amp; which correctly captures and allocates camp expenditure as far as is possible within the established upstream accounting system.</p> <p>Completion: before SA #2</p> | <p>verified by the audit team during the next surveillance audit.</p> |
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| 17              | Minor<br><br>NCR:<br>ANS04/20<br>21 | <p><b>Requirement: Indicator 5.2.1</b> – Forest management practices encourage the optimal use of forest resources.</p> <p><b>Finding:</b> Forest management practices does not encourage the optimal use of forest resources.</p> <p><b>Objective evidence:</b><br/>The auditor discovered that actual volume harvested trees was less than projected volume (tagged trees) at Coupe 01A</p> <table><tr><th>Blo<br/>ck<br/>No</th><th>Project<br/>ed<br/>Volum<br/>e (M³)</th><th>Actual<br/>Volum<br/>e<br/>(M³)</th><th>Rate of<br/>harvest</th></tr><tr><td>6</td><td>1678.13</td><td>726.25</td><td>43%</td></tr><tr><td>7</td><td>1305.53</td><td>620.79</td><td>48%</td></tr><tr><td>14</td><td>508.74</td><td>242.85</td><td>48%</td></tr><tr><td>17</td><td>2053.43</td><td>830.49</td><td>40%</td></tr><tr><td>18</td><td>1228.26</td><td>545.97</td><td>44%</td></tr></table> | Blo<br>ck<br>No  | Project<br>ed<br>Volum<br>e (M³)  | Actual<br>Volum<br>e<br>(M³) | Rate of<br>harvest | 6 | 1678.13 | 726.25 | 43% | 7 | 1305.53 | 620.79 | 48% | 14 | 508.74 | 242.85 | 48% | 17 | 2053.43 | 830.49 | 40% | 18 | 1228.26 | 545.97 | 44% | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE Investigation:</b> as per OE for these blocks. The above figures are from Samling’s newly computed comparison figures produced at the time of audit.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>The comparison that is currently made of the projected yield vs actual yield must be reviewed at the time of the monthly production report and the reason(s) for any significant discrepancy examined and responded to as appropriate.</p> <p>A file record must be kept of each block’s harvest history in order that any native issues that might have affected the production are known; these issues might then, in part at least, explain why the projected volume is greater than actual volume.</p> <p>Completion: ASAP and then it should be ongoing.</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |
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| Blo<br>ck<br>No | Project<br>ed<br>Volum<br>e (M³)    | Actual<br>Volum<br>e<br>(M³)   | Rate of<br>harvest   |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 6               | 1678.13                             | 726.25   | 43%  |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 7               | 1305.53                             | 620.79   | 48%  |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 14              | 508.74                              | 242.85   | 48%  |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 17              | 2053.43                             | 830.49   | 40%  |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 18              | 1228.26                             | 545.97   | 44%  |   |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |
| 18              | Minor<br><br>NCR:                   | <p><b>Requirement: Indicator 5.3.1</b> – Implementation of guidelines for reduced/low impact logging to minimise damage to residual stand,</p>   | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE Investigation:</b> as per OE (note – the DBH in the above table appears to be stump</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> |                              |                    |   |         |        |     |   |         |        |     |    |        |        |     |    |         |        |     |    |         |        |     |  |   |

|      | ANS05/2021                      | <p>and log extraction operations to minimise product wastage. (NF)</p> <p><b>Finding:</b> Implementation of log extraction operations to minimise product wastage was not sufficient</p> <p><b>Objective evidence:</b><br/>During site inspection of active harvesting area, it was evident that the trees was felled more than 1.0 meter above ground level as below:</p> <table><tr><th>N o.</th><th>Tree Number</th><th>DBH (cm)</th><th>Stump height (M)</th></tr><tr><td>1</td><td>AG 6245</td><td>51 cm</td><td>1.4</td></tr><tr><td>2</td><td>AJ4582</td><td>52 cm</td><td>1.0</td></tr><tr><td>3</td><td>AJ4580</td><td>45 cm</td><td>1.0</td></tr><tr><td>4</td><td>AJ4575</td><td>52 cm</td><td>1.0</td></tr><tr><td>5</td><td>AG4585</td><td>53 cm</td><td>1.0</td></tr></table> | N o.   | Tree Number   | DBH (cm) | Stump height (M) | 1 | AG 6245 | 51 cm | 1.4 | 2 | AJ4582 | 52 cm | 1.0 | 3 | AJ4580 | 45 cm | 1.0 | 4 | AJ4575 | 52 cm | 1.0 | 5 | AG4585 | 53 cm | 1.0 | <p>diameter). <b>Root Cause:</b> Chainsaw operator is not following instruction to make the felling cut immediately at top of buttress (i.e., at what would be the bottom of the log) on low buttressed trees.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>Refresher training for all chainsaw operators plus regular toolbox talks that cover the main elements of tree felling and use of tree tags</p> <p>Completion: ASAP; and then ongoing.</p> | <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |
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| N o. | Tree Number                     | DBH (cm)  | Stump height (M)   |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 1    | AG 6245                         | 51 cm   | 1.4  |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 2    | AJ4582                          | 52 cm   | 1.0  |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 3    | AJ4580                          | 45 cm   | 1.0  |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 4    | AJ4575                          | 52 cm   | 1.0  |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 5    | AG4585                          | 53 cm   | 1.0  |   |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |
| 19   | Minor<br><br>NCR:<br>ANS06/2021 | <p><b>Requirement: Indicator 6.5.5</b> – Fire prevention and control plan to be prepared and implemented for all fire prone forest types.</p> <p><b>Finding:</b> Fire prevention and control plan was not prepared and implemented for all fire prone forest.</p> <p><b>Objective evidence:</b></p>   | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE Investigation:</b> as per OE. But with an average rainfall of around 5,000mm/year – sometimes 6,000mm/yr. - and the number of rain days per month ranging from 15 to 23 it is safe to assume that the MDF of Gerenai FMU is not a fire prone forest type. <b>Root Cause:</b> A fire plan is a new requirement and has yet to be prepared.</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |          |                  |   |         |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |        |       |     |   |   |

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|    |                                     | There was no forest fire management plan in Gerenai FMU   | <b>Correction and corrective action plan including completion date:</b><br>Fire prevention and control plan will be prepared and incorporated into the FMP.<br><br>Completion: before #2 SA  |  |
| 20 | Minor<br><br>NCR:<br>ANS07/<br>2021 | <b>Requirement: Indicator 6.5.3</b> - Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements.<br><br><b>Finding:</b> Bund was not constructed as per guidelines for forest lay-out and construction.<br><br><b>Objective evidence:</b><br>During inspection to skid trail FT-34C-0-1 (Coupe 02A Block 34) found that the bund was not constructed as per (a) Construction of logging road, skid trail and roadside landing. (Guideline 10 RIL for ground-based harvesting system Part 2). | <b>Result of investigation and determination of root cause:</b><br><b>OE Investigation:</b> as per OE. <b>Root Cause:</b> Refresher RIL training required for harvesting teams.<br><br><b>Correction and corrective action plan including completion date:</b><br>Refresher training for mandor and skidding teams will be given. Regular annual refresher RIL course to be given.<br><br>Completion: Early 2022; and then ongoing.<br><br>(Planning for external training team to come in but this yet not yet confirmed. STA does not undertake RIL training.) | Corrective action plan dated 31 December 2021 was verified and accepted by auditor.<br><br><b>Status: Accepted</b><br><br>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit. |
| 21 | Minor<br><br>NCR:<br>ANS08/<br>2021 | <b>Requirement: Indicator 5.3.2</b> – Training shall be conducted for the staff on techniques of reduced-impact logging.<br><br><b>Finding:</b> Training for the staff on techniques of reduced-impact  | <b>Result of investigation and determination of root cause:</b><br><b>OE Investigation:</b> as per OE. <b>Root Cause:</b> No visits by trainers were made as for almost the whole of 2020 and 2021 the area was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021. Samling's  | Corrective action plan dated 31 December 2021 was verified and accepted by auditor.<br><br><b>Status: Accepted</b><br><br>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be  |

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|    |   | <p>logging were not satisfactorily conducted</p> <p><b>Objective evidence:</b><br/>During inspection and Interview with harvesting Supervisor and forest workers at Harvesting Area Coupe 02A (Block 33 and Block 34) found the staff and workers were not aware on road specification and tree felling requirements. Furthermore, the last training on RIL was conducted on year 2019.</p>  | <p>own SOP restricted company personnel movement during this time.</p> <p><b>Correction and corrective action plan including completion date:</b><br/>RIL refresher training by Samling's internal trainer. (We are planning to bring in an external RIL trainer, but this has yet to be confirmed.</p> <p>Completion: initial refresher training ASAP in 2022 and thereafter annually.</p>   | <p>verified by the audit team during the next surveillance audit.</p>   |
| 22 | <p>Minor</p> <p>NCR:<br/>AS02/<br/>2021</p> | <p><b>Requirement: Indicator 2.3.1</b> - Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights.</p> <p><b>Finding:</b></p> <ol style="list-style-type: none"> <li>1. No engagement and disclosure of dispute mechanism process including time frame to response to dispute</li> <li>2. Dispute mechanism on land claims not made available to the communities.</li> <li>3. Updated Records of dispute over tenure and use rights was not available</li> </ol> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. During SIRIM-Stakeholder's consultation, all the communities</li> </ol> | <p><b>Result of investigation and determination of root cause:</b><br/><b>OE 1&amp; 2 Investigation:</b> as per OE. <b>Root Cause:</b><br/>As an FMU newly under the MTCS and its associated MC&amp;I, Gerenai FMU is still very young and there is much time-consuming work to be done on the journey of continuous improvement. This is particularly true - especially in terms of community engagement. Before the FMU was even certified (April 2020) the area was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021 &amp; it was either not possible to visit the communities or deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p> | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |

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|    |                                     | <p>in 18 villages were not aware of the mechanism available to resolve dispute.</p> <p>2. Dialogue and consultation held with FMU local communities and relevant stakeholders on the dispute mechanism process was not available</p> <p>3. Time frame for conflict resolution as verified in the SOP 'Guidelines on Conflict Resolution – SFM/GL 001 was not available.</p> <p>4. Updated records of dispute over tenure and user rights were not available</p> | <p><b>OE 3 Investigation:</b> as per OE. <b>Root Cause:</b> Long standing error of omission</p> <p><b>OE 4 Investigation:</b> as per OE but there was no dispute and so nothing to update. <b>Root Cause:</b> File should have recorded the annual record as a nil return.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>1 &amp; 2: will be addressed during the visits of the Samling engagement team that plans to start its work early January 2022.</p> <p>3: SFM/GL 001 will be revised to incorporate a time frame</p> <p>Completion: before SA #2 (provided covid restrictions allow)</p> |   |
| 23 | Minor<br><br>NCR:<br>LYD06/<br>2021 | <p><b>Requirement: Indicator 8.2.1</b> - Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p><b>Finding:</b> Social impacts evaluation for local communities (monitoring) was not conducted</p> <p><b>Objective evidence:</b></p>   | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>OE Investigation:</b> as per OE. <b>Root Cause:</b> No visits were made as for almost the whole of 2021 the area was under MCO/covid restrictions with Gerenai Camp itself locked down in August 2021. It was either not possible to visit the communities or deemed to be unacceptable practice by Samling as Samling employees might be, or might be alleged to be, the cause of infection within a community.</p>  | <p>Corrective action plan dated 31 December 2021 was verified and accepted by auditor.</p> <p><b>Status: Accepted</b></p> <p>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit.</p> |

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|    |                                    | Monitoring on Social impacts evaluation for all local communities were yet to be conducted in year 2021  | <b>Correction and corrective action plan including completion date:</b><br>The monitoring on social impacts evaluation for all relevant Gerenai communities will be conducted at the first opportunity – planned to start 11th January 2022.<br><br>Completion: targeting before end of February 2022 (assuming covid is no longer an issue)  |  |
| 24 | Minor<br><br>NCR:<br>AS03/<br>2021 | <b>Requirement: Indicator 3.1.1</b><br>Availability of documentation of the customary rights of indigenous peoples within relevant federal, state and locals<br><br><b>Finding:</b> Lack of engagement and identification of the customary rights of the indigenous communities within and surrounding the FMU<br><br><b>Objective evidence:</b><br>1. During SIRIM-Stakeholder’s consultation with communities from Long Semiang and Long Sela’an indicated official documentations showing boundary demarcation between villages of Long Semiang and Long Selaan, boundary between Long Jeoh and Long Moh on the user rights of their territorial domains. At Long Tungan, land claims on the Jamok Forest as communal forest for Long | <b>Result of investigation and determination of root cause:</b><br><b>OE 1 Investigation:</b> Samling is unaware of any village boundary issue that affects the FMU but can state that boundaries between villages and their territorial domains are a matter for the Temenggong to adjudicate on in the first instance; thereafter it may progress to the DO’s office & ultimately the Native Court. Samling has no responsibility in the determination of such boundaries. In respect of Lg Tungan Jamok’s request for a communal forest: it was Samling that furthered the matter on behalf of the community by writing to FDS with the result that FDS has recently written officially to Lg Tungan advising them how to proceed in applying to establish a communal forest. In their letter to FDS Samling advised that it had no objection provided the boundary between the productive forest and the proposed communal forest can be agreed on.<br><br><b>Root Cause:</b> the communities in question have to date not brought the said documents | Corrective action plan dated 31 December 2021 was verified and accepted by auditor.<br><br><b>Status: Accepted</b><br><br>The effectiveness of the corrective actions taken by the FMU to address the Minor NCRs and shall be verified by the audit team during the next surveillance audit. |

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|  |  | <p>Tungan was submitted to the Forest Department.</p> <p>2. Dialogue and consultation held with communities and relevant stakeholders on the documented customary rights of indigenous people was not available.</p> <p>3. On-site engagement with communities at Ba' Jawi is yet to be carried out to identify the customary /user rights on lands and resources.</p> | <p>to Samling's attention but as already noted, this is a matter outside Samling's jurisdiction</p> <p><b>OE 3 Investigation:</b> It is generally alleged that Ba Jawi was established by a single family that fled from Lg Kerong following a hunting accident more than 50 years ago. The family settled more or less in the present location on land that is in territory that Lg Moh considered to be theirs. <b>Root Cause:</b> On the last recorded Samling visit to Ba Jawi – to which there is no nearby road access as the forest area in which Ba Jawi is located (a significantly large area comprising parts of those coupes previously numbered 20A, 22A and 23A) was never harvested during the first cycle. As no harvesting is planned in the region of Ba Jawi for at least another 12 years and given that Ba Jawi was established in territory that Lg Moh considers to be theirs.</p> <p><b>Correction and corrective action plan including completion date:</b><br/> 1&amp; 2: Samling will make enquiries with the KKs regarding the official documents referred to and see what, if any, relevance these might have to the FMU.<br/> Samling will try to contact a representative of Ba Jawi in an attempt to obtain further information on the status of any community there.<br/> Completion: Before SA #2</p> |  |
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**Previous Audit Findings and Corrective action Taken (Previous year:2019)**

| Indicator                                       | Detail Non-conformances   | Corrective Action Taken  | Verification by Assessor  |
|---|---|--|---|
| Indicator 1.1.1<br><br>Major NCR:<br>ANS01/2019 | <p><b>Requirement: Indicator 1.1.1</b> - 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><b>Finding:</b></p> <ol style="list-style-type: none"> <li>Workers are not paid minimum wages as per the Minimum Wages (Amendment) Order 2018.</li> <li>Salary deductions were made in excess of 50% of wages earned by workers.</li> </ol> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>(1) (a) Employee No. FM0003 was paid RM1,000 in January 2019.</li> <li>(b) One excavator operator was paid RM117 for in June 2019.</li> </ol> <p>This contravenes Section 3 of the Minimum Wages (Amendment) Order 2018 which sets minimum wages at RM1100 per month, and Section 2 of the Guidelines on the Implementation of Minimum Wages Order 2012 which stipulates that workers paid by piece-rate and tonnage are also entitled to minimum wages.</p> | <p><b>Result of investigation and determination of root cause:</b></p> <p>(1) The audit findings are on the face correct. However, investigation reveals a somewhat different picture for both findings (a) and (b):</p> <p>(1) (A) Yes: Employee No FM0003 was paid RM1, 000.00 in January 2019 but he then received a top-up of RM100.00 in the following month February 2019.</p> <p>(1) (b) The excavator operator alleged to have been paid RM117.00 for June 2019 had in fact absconded with his crew in May 2019. The RM117.00 was the balance due from prior month's production.</p> <p>(2) Worker SL0327 had more than 50% of his pay deducted for canteen expenses. That is correct. To allow workers credit at the camp canteen is an age-old industry practice. Receiving canteen goods on credit is in effect a cash advance. The deduction is merely a contra with the cash advance set against wages due. HR advises that this industry practice has never been queried by the Labour Department in Samling's upstream operations.</p> <p>(1) The Investigation showed that for both findings there is actually no case to answer. However, during the Investigation it was found</p> | <p>The Corrective action plan received on 23 August 2019 has been accepted and the evidences to close the findings received on 22 and 30 October was verified as below</p> <p>Camp Monthly Payroll (BMS) for August 2019 was verified and found all 72 workers includes road construction, road maintenance, skidding, trucking, workshop, Hook man, and others were more than RM1100 per month.</p> <p>In the same time, it showed the Total Deduction was less than 50% of their total salary.</p> <p>During this surveillance audit (2021), Minor NCR LYD04/2021 has been raised as Deduction of workers salary did not comply to Section 114 of the Sarawak Labour Ordinance (Cap 76). The corrective action plan was not satisfactorily implemented. Thus, Major NCR ANS01/2019 was reissued to <b>Major LYD04/2021 against Indicator 1.1.1</b>. Inspection on the following three (3) employee showed that canteen deduction for October 2021 Salary were without an approval from Sarawak Labour Department.</p> <ol style="list-style-type: none"> <li>Employee No. FM0003</li> <li>Employee No. JL0157</li> <li>Employee No. GF1148</li> </ol> |



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|   | <p>(2) Worker No SL0327 earned RM1,423.75 in June 2019. However, a sum of RM1,287.60 was deducted from his June 2019 salary to pay for his canteen expenses. This contravenes Section 114(8) Labour Ordinance Sarawak which prohibits salary deductions in excess of 50% of wages earned by that worker in that month.</p> | <p>that there were real cases of workers being paid less than the minimum wage.</p> <p>(2) In respect of deductions the long-established industry practice conflicts with the above-mentioned law. (An appeal for an amendment would have been entirely logical but it seems this did not happen.)</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>(1) The piecework rates will be reviewed to adjust operators' rates down and the hook man's rate up. (It is instructive to note that it was once industry practice for the tractor operator to be totally responsible for his hook man's pay, i.e. the company was not responsible for paying hook men. Currently an operator may top-up his hook man's pay and/or provide him with food.)</p> <p>(2) The canteen management will no longer allow advances to exceed RM550.00 in any one month.</p> <p><b>Completion date</b></p> <p>(1) To be implemented wef 1<sup>st</sup> October 2019</p> <p>(2) To be implemented wef 1<sup>st</sup> September 2019</p> | <p><b>Status: Upgraded to Major LYD04/2021 against Indicator 1.1.1.</b></p>   |
| <p>Indicator 2.2.2</p> <p>Major NCR: ANS02/2019</p> | <p><b>Requirement: Indicator 2.2.2</b> - Forest managers shall recognise, respect and collaborate with holders of duly recognised legal or customary tenure or use rights within relevant federal, state</p>   | <p><b>Result of investigation and determination of root cause:</b></p> <p>On 6 December 2018 a briefing was given by Stewart Paran (Senior Native Liaison Officer, Samling) attended by Temenggong Joseph</p>  | <p>During last audit (2019), the consultation with 10 longhouses at Long Moh, Long Anap, Long Apu, Lio Mato, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Palai, Long</p> |

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|  | <p>and local laws, in activities that may affect such rights.</p> <p><b>Finding:</b> Consultation with local communities on CRC establishment was not sufficient</p> <p><b>Objective evidence:</b><br/>Consultation with 10 longhouses at Long Moh, Long Anap, Long Apu, Lio Mato, Long Selatong Dikan, Long Selatong Tanjung Tepalit, Long Palai, Long Jekitan, Long Mekaba and Long Selaan indicated that consultation was not sufficient. Majority of the communities were not aware of the objective and function of Community Relation Committee (CRC) which is yet to be established</p> | <p>Ngau Lian, Penghulu Jalong Tanyit and five others regarding the function &amp; purpose of the CRC. A similar briefing was held in CTB on 26<sup>th</sup> June 2019 and chaired by FDS with Dr. Roland Kueh (UPM) in attendance. It was attended by the two penghulus, three KKs and several other kampong representatives. Inevitably those who attended represented only a very small percentage of the FMU's resident population 5,000. The expectation and requirement of such meetings is that the content of the briefing will flow downwards from those attending to the others in the villages on the return of the attendees. This especially so when the attendees are heads of kampong and members of KKKs.</p> <p><b>Root cause</b><br/>It was observed, in the case of the ten kampongs listed in the Findings above, that the auditors did not always manage to interview actual attendees of the briefing who represented the kampong. As in some cases the information flow had not been strong, and was possibly non-existent, in some of the communities, there was a lack of awareness of the objectives &amp; functions of the CRC in some of the communities interviewed.</p> <p><b>Correction and Corrective action plan including completion date:</b><br/><br/>The FDS was been made aware of the audit findings. In response they have called a</p> | <p>Jekitan, Long Mekaba and Long Selaan indicated that consultation was not sufficient. Majority of the communities were not aware of the objective and function of Community Relation Committee (CRC) which is yet to be established.</p> <p><b>Status: Major NCR ANS02/2019 was re-issued to a Major NCR AS01/2021</b></p> |
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|   |   | <p>meeting to be held at CTB on 4 September 2019 to draw representatives from all the kampongs. The function and purpose of the CRC will again be explained after which it is then intended that communities would then form the CRC with the guidance of the FDS.</p> <p><b>Completion date</b><br/>By the end of September 2019</p>   |  |
| <p>Indicator 4.2.5</p> <p>Major NCR:<br/>IAM03/2019</p> | <p><b>Requirement: Indicator 4.2.5 –</b> Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p><b>Finding:</b><br/>Authorization for storage of diesel (including quantum allowed) for Gerenai FMU from authorized agency not available.</p> <p><b>Objective evidence:</b><br/>Inspection and document review at the Workshop located at Gerenai FMU Base camp found authorization letter for storage of diesel (including quantum allowed) from authorized agency was not available</p> | <p><b>Result of investigation and determination of root cause:</b></p> <p>The permit to purchase and store diesel is issued by the Dept. of Trade. The need for this permit would seem to be a hangover from the days when diesel was heavily subsidized. Previously Samling did have the required permit for purchase &amp; storage of 1.2 million liters at Tuyut log pond. As this was accepted by the authority to be the point from which Samling distributed its fuel for the Baram Region no other permits were required.</p> <p><b>Root cause</b><br/>The Tuyut log pond permit has expired and so it is correct to say that the storage of diesel at Gerenai Camp is no longer covered by a permit from the Dept. of Trade.</p> <p><b>Correction and Corrective action plan including completion date:</b></p> | <p>The Corrective action plan received on 23 August 2019 has been accepted and the evidences to close the findings received on 22 and 30 October, and 24 December 2019 was verified as below</p> <p>The bund wall has been completed Gerenai FMU had completed fuel tank bunding at Gerenai Camp</p> <p>Gerenai had requesting an inspection from <i>Jabatan Bomba dan Penyelamat Malaysia, Miri</i> by letter No.2019/SST/131 dated 23 October 2019</p> <p>Gerenai FMU has received a letter from <i>Jabatan Bomba dan Penyelamat Malaysia, Miri</i> for <i>Surat Sokongan Lesen</i> No. JBPM/SK/ZMI:700-5/1/20/344 (5) dated 20 December 2019 for the Diesel Storage for 50,000 Liter Capacity for Syarikat Samling Timber Sdn Bhd, Gerenai Silat Camp, Ulu Baram, 98050 Miri, Sarawak</p> |

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|   |   | <p>(A) Complete the bund wall; then<br/>(B) Obtain Bomba approval letter for the storage of 60,000 litres at Gerenai Camp; and then<br/>(C) Obtain the Dept. of Trade permit for storage of fuel at Gerenai Camp.</p> <p><b>Completion date</b><br/>Estimated for completion of the CAP by end of October 2019</p> | <p><b>Status: Closed</b></p> |                |                     |                |                     |  |  |  |  |  |  |  |  |
| Indicator 5.3.2<br><br>Major NCR: KN01/2019 | <p><b>Requirement: Indicator 5.3.2</b> - Log extraction operations to minimise product wastage, degradation and foregone revenue opportunities.</p> <p><b>Finding:</b> Diameter measurements during pre-harvesting/tree tagging activity were incorrect.</p> <p><b>Objective evidence:</b><br/>5. Site visit to pre-harvesting area (in Block 17 and 26 of Coupe 01A) found tagged trees for felling were under sized i.e diameter below the cutting limit (for Dipterocarp ≥50cm DBH and Non-Dipterocarp ≥45cm DBH) as per the following:</p> <table><tr><td>Block</td><td>Tree tag No.</td><td>Species code</td><td>Group</td><td>Inspected size</td><td>Recorded size (DBH)</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | Block  | Tree tag No.                 | Species code   | Group               | Inspected size | Recorded size (DBH) |  |  |  |  |  |  | <p><b>Result of investigation and determination of root cause:</b></p> <p>Objective Evidence #1 &amp; #2 effectively illustrate the same point: that the diameter written on the tree tag is not always correct. It is a more serious error when, as in #1, it leads to the potential for undersize trees to be harvested.</p> <p><b>Root Cause</b><br/>The 100% enumeration, which includes the tree tagging, is contracted out. The contractor had not trained and did not supervise all his crews equally well. It appears that same crew was responsible for the unacceptable work in both Blocks 17 &amp; 26. (The contractor also works for Samling in Ravenscourt &amp; Ulu Trusan FMUs – both certified – and works in the certified FMUs of other companies. His work has generally been found to be satisfactory both by the companies and SIRIM auditors.</p> | <p>The Corrective action plan received on 23 August 2019 has been accepted and the evidences to close the findings received on 22 and 30 October was verified as below</p> <p>Following the refresher course</p> <ul style="list-style-type: none"><li>Report on “Comparison of before and after corrective action of the 100% Tree Enumeration in Blocks 17 and 26” PEC Ref No. T0413/19/01A.</li><li>List of tagged trees removed from the tree list after re-enumeration Block No.17 and Block No.26</li><li>Revised summary of skid trail network &amp; trees to be harvested for individual Block No.17 and Block No.26</li><li>Summary of “After Correction Action &amp; Re-enumerate of Coupe Operational Inventory Analysis 100% Tree Enumeration” for Block 20 (35Ha), Block 21 (81Ha), Block 28 (46Ha) and Block 29 (77Ha)</li></ul> |
| Block                                       | Tree tag No.  | Species code   | Group                        | Inspected size | Recorded size (DBH) |                |                     |  |  |  |  |  |  |  |  |
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|   |                |              |                         |            | (DB<br>H) |  |  |
| 1<br>7  | AD<br>234<br>5 | M<br>RT<br>P | Dipter<br>ocarp         | 46.9<br>cm | 50<br>cm  |  |  |
| 1<br>7  | AD<br>234<br>7 | KP<br>XX     | Non-<br>Dipter<br>ocarp | 40<br>cm   | 48<br>cm  |  |  |
| 1<br>7  | AD<br>248<br>4 | M<br>RT<br>P | Dipter<br>ocarp         | 48<br>cm   | 51<br>cm  |  |  |
| 1<br>7  | AD<br>248<br>0 | KP<br>XX     | Non-<br>Dipter<br>ocarp | 43<br>cm   | 47<br>cm  |  |  |
| 2<br>6  | AE8<br>704     | M<br>RT<br>X | Dipter<br>ocarp         | 43<br>cm   | 50<br>cm  |  |  |
| 2<br>6  | AC<br>339<br>8 | U<br>BA<br>H | Non-<br>Dipter<br>ocarp | 43<br>cm   | 45<br>cm  |  |  |
| <p>6. Site visit to pre-harvesting area in Block 17 Coupe 01A found records on trees enumerated (based on Operational Inventory Summary Sheet) covering each skid trail of individual block (100% tree enumeration for harvestable tree) found diameter recorded for the tagged trees for felling were incorrect.</p>   |                |              |                         |            |           |  |  |
| <p><b>Correction and Corrective action plan including completion date:</b></p> <p><b>Corrective action plan (CAP)</b><br/> <b>(A)</b> Blks 17 and 26 are to be immediately repaired. Blks 16, 18, 20, 21, 22 &amp; 29 will be checked by SEU and then repaired as necessary. 'Repair' means that the diameters (RDs) will be measured and where equal to or greater than the minimum RD limits the corrected RD will be written on the existing tag.<br/> <b>(B)</b> When the RD is less than the minimum RD then the tag will be removed and returned to SEU.<br/> <b>(C)</b> A list of all the tags removed will be prepared.<br/> <b>(D)</b> A refresher course on Tree Enumeration will be given to the crews of Pinnacle Forest Solutions Sdn Bhd by Samling's senior SEU staff.</p> <p><b>Completion Dates</b><br/> CAPs (A) to (C) by end of October 2019.</p> <p>CAP (D) This had been completed for all crews by week ended 16 August 2019 under the supervision of the head of SEU.</p> |                |              |                         |            |           |  |  |
| <ul style="list-style-type: none"> <li>Revised summary of skid trail network &amp; trees to be harvested for individual Block 28, Block 29, Block 21, and Block 20</li> <li>List of rejected trees for individual Block 28, Block 29, Block 21, and Block 20</li> <li>In-house Refresher on Reduced Impact Logging (RIL) on 14 August 2019. Attendance list and training material was verified by auditor.</li> </ul> <p>Review of the report found although the number of trees tallied had decreased by 6.8% that the new recorded volume had increased by 6.5%. this was effect of the actual re-measured of many trees being significantly larger than that recorded on the first measurement.</p> <p><b>Status: Closed</b></p>   |                |              |                         |            |           |  |  |

|   | Tre<br>e<br>tag<br>No.  | Sp<br>ec<br>ie<br>s<br>co<br>de | Grou<br>p                   | Inspe<br>cted<br>size<br>(DBH)<br>by<br>Audit<br>or | Re<br>co<br>rd<br>ed<br>siz<br>e<br>(D<br>B<br>H) | Diff<br>ere<br>nt<br>(Va<br>ria<br>nce<br>) |   |  |
|---|---|---------------------------------|-----------------------------|---|---|---|---|--|
|   | AD<br>243<br>1  | M<br>D<br>G                     | Non-<br>Dipte<br>rocar<br>p | 45.5<br>cm  | 58<br>c<br>m                                      | 12.<br>5<br>cm                              |   |  |
|   | AD<br>233<br>9  | N<br>YT<br>O                    | Non-<br>Dipte<br>rocar<br>p | 58 cm   | 52<br>c<br>m                                      | 6<br>cm                                     |   |  |
|   | AD<br>234<br>3  | KP<br>XX                        | Non-<br>Dipte<br>rocar<br>p | 45 cm   | 50<br>c<br>m                                      | 5<br>cm                                     |   |  |
|   | AD<br>248<br>1  | JE<br>LU                        | Non-<br>Dipte<br>rocar<br>p | 51 cm   | 58<br>c<br>m                                      | 7<br>cm                                     |   |  |
|   |   |                                 |                             |   |   |   |   |  |
| Indicator 1.5.2<br><br>Minor NCR:<br>IAM02/2019 | <p><b>Requirement: Indicator 1.5.2</b> - Control of encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities in the FMU.</p> <p><b>Finding:</b> External boundary of Gerenai FMU boundary not demarcated and unavailability of external FMU boundary marking schedule for 2019.</p> |                                 |                             |   |   |   | <p><b>Result of investigation and determination of root cause:</b></p> <p>(1) The FMU's external boundary along the true left bank the Btg Baram is also the Gerenai timber licence boundary (T/0413). The licence boundary is clearly demarcated on the ground by the true left bank of the river but no paint</p> | <p>it was noted there was inadequate evidence of control measures to control unauthorised activities. The corrective action plan was not satisfactorily implemented.</p> <p><b>Status: Minor NCR IAM02/2019 was upgraded to Major LYD01/2021 against Indicator 1.5.2</b></p> |

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|  | <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. Inspection of Gerenai FMU external boundary (Coupe 2041/24A) vicinity of Long Palai (T/0413) (along Sg Baram) was not demarcated and painted.</li> <li>2. External Gerenai FMU boundary marking work schedule for 2019 was unavailable.</li> <li>3. Control measures not sufficient for established 'temuda' areas located along 'M2' in Coupe 01/A</li> </ol> | <p>had been applied to any trees or rocks along the riverbank.</p> <p>(2) It is correct: there was no formal work schedule for external boundary marking work. However, work had been done e.g. the common boundary marking executed with Shin Yang (documentary evidence sighted by the auditor at Stage 2) and other work was planned at the time of Stage 2 e.g. the common boundary cutting with Bornion Sdn Bhd which is still in progress (mid- August 2019).</p> <p>(3) The control or monitoring measures of the 'temuda' areas had already started with the use of Sentinel-2 satim using scenes captured in May 2019 (the satim scenes were seen by the auditor at Stage 2) with new SA being GPSd as it is encountered by SEU staff and FMU patrols and the coordinates sent to Miri for record. However, the detail of the 'temuda' along M2 had not yet been mapped.</p> <p><b>Root cause</b></p> <p>(1) Traditionally it has never been considered necessary to paint trees or rocks on the banks of large rivers in order to add emphasis to the already substantial demarcation provided by the riverbank itself to the fact that it is a boundary. Hence there was no boundary paint visible at the time of inspection by the auditor.</p> <p>(2) SEU Baram Region had never prepared a formal external boundary marking work schedule.</p> |  |
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|   |   | <p>(3) With the FMU not yet certified the control or monitoring measures of the 'temuda' areas are only just being established</p> <p><b>Correction and Corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b></p> <p>(1) FDS will be approached regarding formalizing the above-mentioned traditional practice. If this can be done, then hopefully evidence of agreement can be provided. If not, then a lot of paint will have to be used in painting rocks and trees - with the obvious environmental hazard for the riverine zone.</p> <p>(2) A formal external boundary marking work schedule will be prepared.</p> <p>(3) Detail of the existing 'temuda' along M2 will be sketch mapped and the locations of new SA will be recorded with GPS as it is encountered.</p> |  |
| <p>Indicator 4.3.4</p> <p>Minor NCR: MNS01/2019</p> | <p><b>Requirement: Indicator 4.3.4 –</b> Availability of appropriate procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p><b>Finding:</b> Procedure on employee grievance resolution is available but not appropriately executed and efficient</p> <p><b>Objective evidence:</b><br/>Consultation session with a total of 19 general workers/office and respective</p> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation</b></p> <p>As the above Finding notes the FMU has an established grievance resolution procedure which includes a simple flow chart. To file a grievance also requires the submission of a Grievance Form. A box to receive completed Grievance Forms is located on the external wall of the Gerenai Camp office. It is easily accessible to all employees.</p>   | <p>Interview with samples workers has confirmed that there were no restrictions for workers to freely organise into union of their own choice in accordance with ILO Convention No. 87, hence to the date workers choose not to have any union. Also, workers were aware that no restrictions for workers to organise and undertake collective bargaining and non-discrimination in the workplace. To the date, no records show collective bargaining were arise for 2020/2021. SFM/PR 002 procedure on employees' grievance resolution dated 15/03/2017 were still applicable. Box were</p> |



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|   | <p>managers in Gerenai Base camp on 26<sup>th</sup> July 2019 found that available workers grievance procedure is not effective due to no record of grievance found. From the interview also, workers understanding on the procedure was found inadequate and not appropriate for general worker level of education.</p> | <p><b>Root cause</b><br/>The Grievance Procedure and the Grievance Form are both in English. To complete such a form requires a certain level of skill and many workers cannot read English and some lack the ability to write, even in BM. This renders the Grievance Procedure, as currently structured, difficult for some employees to use.</p> <p><b>Correction and Corrective action plan including completion date:</b></p> <p>(A) The FMU will establish a joint consultative committee (JCC) as an avenue by which grievances can reach management. At JCC meetings such grievances may be discussed, resolved and the aggrieved party can then be advised of the proposed means of resolution.<br/>(B) The Grievance Procedure will be translated into BM.<br/>(C) HR will ensure that the Grievance Procedure is explained at the time of HR's annual refresher visit.</p> | <p>place at office for employees' to submit their grievance which for 2020/2021, no grievance has been raised.</p> <p><b>Status: Closed</b></p>  |
| <p>Indicator 6.7.1</p> <p>Minor NCR:<br/>MNS02/2019</p> | <p><b>Requirement: Indicator 6.7.1</b> – Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p><b>Finding:</b> Organic waste and containers were not properly disposed in designated place as per procedure.</p>                    | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation</b><br/>FMU staff accompanied the auditor during the site inspection and the Objective Evidence was noted at the time.</p> <p><b>Root cause</b></p>  | <p>During this surveillance audit (2021), it was noted no household waste, and fuel container (drums) found during visit to workers quarters at Gerenai Camp, and rumah Tarik at Harvesting Area Coupe 02A (Block 33 and Block 34).</p> <p><b>Status: Closed</b></p> |

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|   | <p><b>Objective evidence:</b><br/>Site inspection at worker's quarter in Gerenai Base Camp at Block 16, 18 and 23 found that household waste and fuel container (drums) were indiscriminately disposed at the back of the quarters.</p>  | <p>Gerenai Camp has been in existence for almost 30 years. With the advent of MTCS it is only recently that there has been a serious attempt to ensure that household waste and general rubbish are properly disposed of. There was therefore an accumulation of much rubbish. To deal with this there have been several 'gotong royong' operations during which much old &amp; very old rubbish has been collected. Inevitably there was some rubbish that 'escaped' collection; these few items were the Objective Evidence noted above.</p> <p><b>Correction and Corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b><br/>Not required: the same day, immediately after the auditor's site inspection the camp manager, Mr. Sia, arranged for the offending items to be collected and disposed of either in the domestic waste pit or, if metal, in the scrap yard.</p> |   |
| <p>Indicator 7.3.1</p> <p>Minor NCR: IAM01/2019</p> | <p><b>Requirement: Indicator 7.3.1 –</b> Availability of facilities and programmes for training of forest workers for proper implementation of the forest management plan.</p> <p><b>Finding:</b> MC&amp;I awareness among forest workers at PORM (KM 83) for proper implementation of the forest management plan was not adequate</p> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation</b><br/>All six workers had been very newly transferred from Julian Camp to Gerenai Camp.</p> <p><b>Root cause</b></p>  | <p>During Interviews with the harvesting supervisor and forest workers at Coupe 2A (Block 33 &amp; Block 34) and Stumping site Kilo 83 area indicated that they were not aware of the MC&amp;I SFM Principles and Criteria Standard. Policies or statements are not effectively communicated throughout the organisation and its contractors.</p> |

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|  | <p><b>Objective evidence:</b><br/>Six (6) forest workers (constituting 2 scalers, 2 log loader operators, and 2 truck drivers) interviewed at PORM (Point of Royalty Marking) (KM 83) were unaware of MC&amp;I (Natural Forest) Principles and Criteria and Certification.</p>  | <p>Julan Camp closed in July 2019. Workers there were never briefed on MC&amp;I as the camp operated under conventional harvesting. The six workers only arrived in Gerenai last week of July and given this was immediately before Stage 2 audit and that RIL operations in Coupe 1 were not due to start until mid-August it seemed that there was no urgency to get the briefing done.</p> <p><b>Correction and Corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b><br/>Not required as the required MC&amp;I briefings have already been done.</p>   | <p><b>Status: Minor NCR IAM01/2019 (indicator 7.3.1) was upgraded to Major NCR ANS01/2021, against Indicator 1.6.2</b></p>  |
| <p>Indicator 9.2.1</p> <p>Minor NCR: KN02/2019</p> | <p><b>Indicator 9.2.1</b> - Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCVFs.</p> <p><b>Finding:</b> Consultation with relevant stakeholders on the options to maintain or enhance the identified HCVFs was not satisfactorily conducted.</p> <p><b>Objective evidence:</b> Consultations with Ketua Kampung and villagers of Long Selatong Tanjung Tepalit and Long Selatong Dikan found they were not aware of HCVF consultation that conducted on 14 July 2019 by Gerenai FMU</p> | <p><b>Result of investigation and determination of root cause:</b></p> <p><b>Investigation</b><br/>(1) Lg Selatong Tanjung Tepalit is outside the FMU. The HCV consultation was undertaken on the 14 July 2019 by FMU staff. It was attended by at least 19 members of the community as recorded on the attendance sheet. The issues of concern raised by this community are noted in the FMU's report on the HCV consultations</p> <p>(2) Lg Selatong Dikan lies within the FMU. It was planned that the HCV consultation would be done together at Lg Selatong Tanjung Tepalit (as had been successfully done for the HCV5 &amp; 6 assessment).</p> | <p>During surveillance audit (2021), consultation with local communities of Long Apu, Long Julian, Long Anap, Long Moh, Long Selaan, Long Selatong Dikan, Long Tungan, Long Silat, Long Semiang, Lio Matoh found the options to maintain or enhance the identified HCVFs was not effectively conducted. Audit found that consultation with relevant stakeholders on the options to maintain or enhance the identified HCVFs was not effectively conducted.</p> <p><b>Status: Minor NCR Indicator 9.2.1 (KN02/2019) was upgraded to Major NCR LYD05/2021</b></p> |

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|  |  | <p><b>Root cause</b></p> <p>(1) Long Selatong Tanjung Tepalit: With at least 19 members of the community in attendance (representing perhaps 25% or more of the resident population) it seems a little surprising that the not one of the villagers interviewed by the auditors were aware of the HCV consultation. But, when considering that the new padi season was in full swing at the time of the auditors' visit - which was held during the day when those working would be in the field - and that only a handful (&lt;5) of villagers would have been interviewed, it is perhaps not so surprising after all.</p> <p>(2) Long Selatong Dikan: There was some miscommunication and people from this kampong did not turn up as requested.</p> <p><b>Correction and Corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b><br/>FMU staff will conduct further HCV consultations to ensure greater awareness of HCV matters within the FMU.</p> <p><b>Completion date</b><br/>As this is a minor NCR completion should be before the surveillance audit. Plans to start the process are already in hand and a meeting is arranged at CTB for the 4 September 2019. This meeting will be followed by visits to the two</p> |  |
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|  |  | kampongs in question to ensure greater awareness |  |
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