



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
BALEH-BALUI FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC – NF 00139
Date of First Certification: 18th April 2023
Audit Date: 13th – 18th June 2022
Date of Public Summary: 12th May 2023**

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EXECUTIVE SUMMARY

This Stage 2 audit for forest management certification on the Jaya Tiasa Holdings Berhad – Baleh-Balui FMU (T/3371) was conducted from 13-18 June 2022 to assess the compliance of the overall forest management system of Baleh-Balui FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Sustainable Forest Management [MC&I SFM])* using the verifiers stipulated for Sarawak. The previous Stage 1 audit was conducted on 4-5 January 2022 on the overall forest management system and practices of the FMU against the requirements of the Malaysian Criteria and Indicators for Forest Management Certification (MC&I SFM) using the verifiers stipulated for Sarawak.

The audit was conducted with full cooperation of the Baleh-Balui FMU by a four-member team comprising Mohd Razman Salim (Lead Auditor), Hj Roslee Jamaludin (Auditor), Ismail Adnan Abdul Malek (Auditor) and Angelica Sinimis Suimin (Auditor).

Based on the findings of this stage 2 audit, it was found that Baleh-Balui FMU had complied with most of the requirements of the MC&I SFM. This stage 2 audit had resulted in the issuance of five (5) and thirteen (13) major and minor Non-Conformity Reports (NCRs) respectively against the requirements of the MC&I SFM.

This public summary contains the general information on the Baleh-Balui FMU, the findings of the stage 2 audit, NCRs raised as well as the decision on the certification of the FMU.

1.0 INTRODUCTION

1.1 Name of FMU

Baleh-Balui Forest Management Unit

1.2 Contact Person and Address

Name: Hii Sii Yew

Designation: General Manager

Address: No. 1-9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak.

Phone # : 084-213255

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1.3 General Background on the Baleh-Balui FMU

Baleh-Balui Forest Management Unit (FMU) is located in the Bukit Mabong District, Kapit Division, Sarawak. Forest Timber Licence (FTL) No. T/3371 was issued to Jaya Tiasa Holdings Berhad by the Sarawak State Government through Forest Department Sarawak (FDS). The original licence was initially issued to Jaya Tiasa Holdings Bhd on 22 June 1999 with 16 years period and expired on 20 July 2015. The licence was renewed annually and the latest validity is until 20 July 2022.

Forest Timber Licence No. T/3371 (215,649 ha) is comprised of the Bahau PF (139,181 ha), the Baleh PF (61,835 ha) and the Stateland Forest (14,633 ha). However, part of the licensed area will be inundated (as part of Baleh Dam) covering an area of 561 ha. Thus, the area covered for MC&I SFM certification will be 215,088 ha. The Stateland Forest is being managed and in compliance with the requirements of the MC&I SFM as stipulated in the FMP 2022-2052 for long-term management.

The FMU lies between latitudes 1° 33' 36" and 2° 00' 13" N, and longitudes 114° 05' 21" and 114° 42' 56" E. Forest type of the FMU is divided into three categories which are Hill Mixed Dipterocarp Forests as the dominant forest, pocket of Kerangas Forest and Montane Forest at a higher altitude > 1,000 m above sea level. The FMU is partially situated within the Heart of Borneo Initiative (HoB), 140,886 ha.

The data on Mean Commercial Annual Increment (MAI) of 1 m³/ha/year is used in the Annual Allowable Cut (AAC) estimation. Thus, the annual production coupe of Baleh-Balui FMU was calculated approximately 97,678 m³/year (average annual coupe production area shall be 6,512 ha/year) with 30-year of cutting cycle. The Forest Management Plan (2022-2052) for Forest Timber Licence (FTL) No. T/3371, Baleh-Balui Forest Management Unit (Rev.1/21) was made available.

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

1.4 Date First Certified

18th April 2023

1.5 Location of the FMU

The FMU is located between latitudes 1° 33' 36" and 2° 00' 13" N, and longitudes 114° 05' 21" and 114° 42' 56" E.

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. A Forest Management Plan (FMP) (2022- 2052) was presented during this audit.

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

The data on Mean Commercial Annual Increment (MAI) of 1 m³/ha/year is used in the Annual Allowable Cut (AAC) estimation. Thus, the annual production coupe of Baleh-Balui FMU was calculated approximately 97,678 m³/year (average annual coupe production area shall be 6,512 ha/year), with 30 years rotation.

1.8 Environmental and Socioeconomic Context

The Environmental Impact Assessment (EIA) for The Proposed Timber Harvesting within the Baleh-Balui Forest Management Unit under the Forest Timber Licence No. T/3371 at the Upper Batang Balui-Batang Baleh Area, Kapit Division, Sarawak was prepared in December 2018 by Ecosol Consultancy Sdn. Bhd. The EIA Report approved by NREB on 20th March 2019 (Ref. No. (14) NREB/6-3/2F/97. Mitigation measures to the environment, socio-economic impact, water quality, and others were covered in the EIA report. The EIA assessment covered potential impacts on ERT species.

The Forest Management Plan of Baleh-Balui 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.

There is no evidence under the Sarawak Gazette that the villages at the FMU and its periphery, Long Busang, Long Singut A, Long Singut B and Long Unai have Native Customary Rights over the area. However, a standard operating procedures-SOP 2.3.9.2 Land Claim (Baleh-Balui T/3371, Penuan-Lebuwai T/3370 and Mengiong-Entulu T/3372) as a mechanism to resolve disputes over tenure claims and use rights was made available during the audit.

Forest Management Practices of Baleh-Balui FMU do not threaten or diminish the resources or user rights of the indigenous communities.

FMU is not using any traditional forest-related knowledge of the forest species or management systems in the forest operations. However, any fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of local communities will be resolved using the SOP 2.3.5.3-Conflict Resolution for Local Community and Community Relation Committee (CRC).

Communities living within, or adjacent to, the FMU are given preference for employment and contract works. The record of 'Baleh-Balui FMU Current Employment Record for the Month Ending 30 May 2022', the FMU has employed 26 employees with 13 from local communities (within 3km of FMU) and 13 locals (Sarawakian) from Sibul, Kapit, Belaga, etc.

2.0 AUDIT PROCESS

2.1 Audit Dates

13th – 18th June 2022 (24 man-days)

2.2 Audit Team

1. Mohd Razman Salim (Lead Auditor)
2. Hj Roslee Jamaludin (Auditor)
3. Ismail Adnan Abdul Malek (Auditor)
4. Angelica Sinimis Suimin (Auditor)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning on May 2022 to solicit feedback from stakeholders on the compliance of the Baleh-Balui FMU against the requirements of the MC&I SFM. The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the Baleh-Balui FMU's current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I SFM, using the verifiers stipulated for Sarawak.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the FMU's overall compliance with the indicator and decided whether to issue a major or minor NCR or an OFI which is defined as follows:

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

Consultation was conducted with local communities within FMU area, Long Busang and Long Singut A, communities outside FMU Long Singut B and Long Unai. Consultation was conducted with Worker's representative, and workers, while consultation with Land and Survey office, Forest Department Sarawak and NGO were conducted in Kapit town.

The coverage of this stage 2 audit is as shown in the stage 2 Audit Plan in **Attachment 4**.

The Baleh-Balui FMU had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim stage 2 audit report and sent it to Baleh-Balui FMU for comment. A second draft of Stage 2 audit report which had incorporated the comments received from the Baleh-Balui FMU was then prepared and sent to two peer reviewers for independent reviewing. A final stage 2 audit report was prepared after the comments from peer reviewers was incorporated.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this stage 2 audit, it was found that the Jaya Tiasa Holding Berhad had managed the Baleh-Balui FMU in compliance with most of the requirements of the MC&I SFM. This stage 2 had resulted in the issuance of five (5) major, thirteen (13) minor NCRs. The details on the NCRs raised are shown in **Attachment 5**.

The audit team had reviewed, accepted, and verified the corrective actions taken by the Jaya Tiasa Holding Berhad – Baleh- Balui FMU to address the five (5) major NCR raised during this stage2. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this major NCR. The audit team had also reviewed and accepted the proposed

corrective actions to address the thirteen (13) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

Mechanism to resolve any conflicts and grievances will be through Community Representative Committee (CRC) which is in progress to be established by Baleh-Balui FMU, the meeting was held with indigenous communities. Procedures on Land Claim and Guidelines on Conflict Resolution, found to be in place and will be used. Shall any issue arise, FMU committed to follow their SOP for Conflict Resolution. Forest Managers support legally recognized mechanisms for resolving land claims by identification of community Shifting Agricultural areas in the Forest Management Plan and reporting any new land encroachment to the Forest Department of Sarawak.

With regard to Criterion 6.10, there is no conversion of natural forest to plantation or other land use in Baleh-Balui FMU.

As the major NCR raised during this stage 2 audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Baleh-Balui FMU.

The summary on the findings of the Stage 2 audit on the Baleh-Balui FMU against the requirements of the MC&I SFM are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>Baleh-Balui FMU has records of all relevant national, local laws, regulations and policies related to forest management in a "Book Checklist", stipulated in the MC&I SFM.</p> <p>Senior forest managers demonstrated an understanding of the federal, state, local laws and regulatory framework as well as administrative requirements for forest management.</p> <p>No violation by the FMU against any local and national laws as verified from the record and from consultation with the Forest Department Sarawak (FDS) officer.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Mantan Camp Office. Records of payments made to the Government of Sarawak were available.</p> <p>The FMU Manager was aware of all the binding international agreements relevant to forest management.</p> <p>Documentation of any conflicts between laws, regulations and these Principles and Criteria was made available during the audit.</p> <p>The policies were made available in Public Summary at website http://www.jayatiasa.net/usr/pagesub.aspx?pgid=192 </p>	<p>Document review and Field verification found:</p> <ol style="list-style-type: none"> 1.External boundaries for License T/3771 (Baleh-Balui FMU) between Long Singut B to Long Singut A were not identified and demarcated on the ground. 2.Site inspection of Pre harvest area in Block 18, Coupe 01A, found the block boundary from point N 01° 44' 59.6", E 114° 18' 13.7" to N 01° 44' 52.1", E 114° 18' 15.0", about 294 m along the main road M/1 was not demarcated on the ground. 3.Consultation with local communities to explain the purpose and work schedule for demarcation of boundary (the locations mutually agreed between FMU and local community) was not done. <p>Therefore, a Major NCR ISMA01/2022 for Indicator 1.5.2 was raised.</p>
Principle 2 Tenure and Use Rights and Responsibil	<p>Legal provisions were available for the establishment and protection of the Forest Management Unit, a Forest Timber Licence (FTL) No. T/3371 was issued to the Perbadanan Kemajuan Perusahaan Kayu</p>	<p>Stakeholder consultation with Long Busang, Long Unai and Long Singut (A&B) and document review found records of consultations held with the local communities to identify areas traditionally</p>

Principle	Strengths	Weaknesses
ities	<p>Sarawak (STIDC) by the Forest Department Sarawak (FDS) on 12 April 2001 to 11 April 2021, and subsequently renewed from 12 April 2021 to 11 April 2022 for re-entry logging.</p> <p>Forest Managers support legally recognized mechanisms for resolving land claims by identification of community Shifting Agricultural areas in the Forest Management Plan and reporting any new land encroachment to the Forest Department of Sarawak.</p> <p>The FMU had established a procedure - SOP 2.3.9.2 Land Claim (Baleh-Balui T/3371, Penuan-Lebuwai T/3370 and Mengiong-Entulu T/3372) as a mechanism to resolve disputes over tenure claims and use rights.</p>	<p>used and sites of significant importance (e.g temuda, pulau rayau, Salt Lick, Water catchment) were not available.</p> <p>Therefore, a Minor NCR AS01/2022 for Indicator 2.2.2 was raised</p> <ol style="list-style-type: none"> 1. During SIRIM-Stakeholder's consultation, majority of villages were not aware of any mechanism available to resolve dispute on tenure disputes. 2. Consultation with Long Singut Community confirmed that the grievance form was not made available to the headmen. 3. The grievance form has not included contact person and phone number/WhatsApp information and time frame to respond to dispute. <p>Therefore, a Minor NCR AS02/2022 for Indicator 2.3.1 was raised.</p>
Principle 3 Indigenous People's Rights	<p>Any conflict arising between the communities and the FMU management will be resolved using the SOP 2.3.5.3-Conflict Resolution for Local Community, Community Relation Committee (CRC),if if not resolved, it will be further brought to the Forest Management Committee Liaison Committee (FMCLC).</p> <p>Forest Management Practices of Baleh-Balui FMU do not threaten or diminish the resources or user rights of the indigenous communities. It was noted that all known Shifting Agricultural Areas (SA) was marked as a protected area General Harvesting Plan map. Water Catchment areas for communities were demarcated on the ground.</p> <p>FMU is not using any traditional forest-related knowledge of the forest species or management systems in the forest operations. The FMU is only using the services of the local communities at Long Busang and Long Singut to provide guidance and water transportation to access inaccessible villages. The services provided was paid based on the current market rate and mutually agreed by the FMU and Communities.</p>	<ol style="list-style-type: none"> 1. Records/documentation of identifying sites of special cultural, ecological or religious significance and action taken to protect the identified sites were not available. 2. List and maps depicting locations of identified important cultural, ecological, economic or religious sites in the FMU were not made available e.g. Temuda, Damun, Pulau Galau, burial ground, water intake point) were not comprehensive. 3. Consultations with communities from Long Busang, Long Unai and Long Singut confirmed that identification, protection and demarcation of community use areas and cultural and economic importance to the communities (based on the SOP 2.3.5.1 "Identifying and Protecting Sites of Special Cultural, Ecological, Economic and/or Religious significance to natives") is yet to be done. 4. Engagement with communities were focused more on the community leaders but not including community members at the village level. <p>Therefore, a Major NCR AS 04/2022 for Indicator 3.3.1 was raised</p>

Principle	Strengths	Weaknesses
		<ol style="list-style-type: none"> 1. Consultations with community of Long Singut indicated that community representatives were not fully involved in the free and prior informed consent consultation during the licence boundary marking at Long Singut A. 2. Consultation with Long Singut Community confirmed that the grievance form was not made available to the headmen. 3. The Conflict resolution procedures and grievance form has not included contact person and phone number/WhatsApp information and time frame to respond to dispute. <p>Therefore, a Minor NCR AS 03/2022 for Indicator 3.1.3 was raised.</p>
Principle 4 Community Relations and Workers' Rights	<p>Baleh-Balui FMU has provided training, retraining, local infrastructure, facilities and social program for all levels of its employees.</p> <p>Qualified people in communities living within, or adjacent to the FMU are given preference for employment and contract works.</p> <p>Operational procedures on Safety and Health of Workers have been provided by the FMU and made available during the audit.</p> <p>Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials were found to be adequate at the workshop (scheduled waste store), genset store and nursery at Mantan base camp.</p> <p>The FMU has established a worker management committee as a platform for workers to raise concerns about their social welfare benefits and well-being.</p> <p>The FMU has incorporated the results of SIA into forest planning and management for local communities as verified in the FMP on "Community Development".</p> <p>The FMU has established a mechanism to resolve grievances and fair compensation for any loss or damage affecting the local communities'.</p>	<ol style="list-style-type: none"> 1. The employment contract examined showed: <ol style="list-style-type: none"> i. Workers were given accumulative rest days without approval from Labour Department, Sarawak. ii. Annual leave, and Medical leave (Paternity/Maternity) was not specified 2. Interview with 5(JTH) and 4(Mantan) workers confirmed that they were: <ol style="list-style-type: none"> i. Not aware of their Annual Leave, and medical leave entitlement ii. Not sure about the grievance mechanism process and not aware of the Management Workers Committee function (MWC). iii. Deductions were made for food rations without approval from Labour Department, Sarawak. <p>Therefore, a Major NCR AS07/2022 for Indicator 4.3.3 was raised.</p> <ol style="list-style-type: none"> 1. Interview with field staff and workers indicated the generally lack of understanding of the MC&I SFM standard and Forest Certification process. 2. Records and documentation of training showed that employees were briefed on MC&I SFM standard and Forest Certification process and implementation only once a year (2021/2022). <p>Therefore, a Minor AS05 /2022 for Indicator 4.1.1 was raised.</p>

Principle	Strengths	Weaknesses
		<p>1. Field verification at CDC/ Simpilih Store (Nanga Simpilih) found:</p> <ul style="list-style-type: none"> i. Sampled Fire extinguisher (Number: SR032010Y12895) was found with expired date (i.e. 5 December 2019). ii. Sampled First Aid Kit Box did not contain many listed medicines iii. Inadequate 'Safety/Danger' signages and labels placed at the Diesel Store facilities iv. Container to capture spilled diesel from the 'Filling nozzle' during 'Refueling of vehicles' at the roadside at the Diesel Storage facility was not available. At present, spilled diesel may 'runoff' into the drain and further into the Sg Baleh. <p>2. Unsafe act was sighted by auditor at the Mantan Base Camp compound where a forest worker was sighted trying to attach a state flag at the top of flag pole by standing on the tip of a bucket raised by a Loader Tractor.</p> <p>Therefore, a Minor NCR ISMA 02/2022 for Indicator 4.2.3 was raised</p> <p>Minutes of the First Management Worker Committee meeting on the 13th May, 2022 showed that the workers representatives were elected by the FMU Management team instead of the workers' themselves thus restricting them to freely organize and undertake collective bargaining and non-discrimination in the workplace in accordance with ILO conventions no.87 and the FMU's Good Social Practices Policy dated 16th August, 2021.</p> <p>Therefore, a Minor NCR AS06/2022 for Indicator 4.3.2 was raised.</p>
Principle 5 Benefits From the Forest	<p>Baleh-Balui FMU (T/3371) – Actual Budget (FY2021) and Proposed Budget (FY2022)' in Appendix 14.1 in the FMP were verified during the audit. Investments and reinvestments in forest management at the Baleh-Balui FMU included provisions for forest administration, research (scientific collaboration and PSP), human resource development, protection (patrolling), economic (operating), conservation (HCV), environmental (EMR and ECA) and social aspects (CSR, compensation).</p> <p>The silvicultural treatment or "Forest</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>Landscape restoration' activities at Baleh-Balui FMU has included Kelampayan, Kapur and Meranti enrichment planting in open and logged-over areas such as landings, degraded areas, etc.</p> <p>During this stage 2 audit, harvesting activity was suspended at Baleh-Balui FMU and expected to commence in the fourth quarter of year 2022.</p> <p>Timber is the main product, no non-timber forest product harvested from the FMU.</p> <p>Sensitive areas were demarcated and protected for protection of soil and water, watercourses and wetlands which include riparian buffers, Terrain IV, water catchments and other HCV.</p> <p>Rate of harvest was calculated to not be greater than the estimated regrowth of the residual stand based on permanent sample plots assessment.</p>	
Principle 6 Environmental Impact	<p>The Environmental Impact Assessment (EIA) for The Proposed Timber Harvesting within the Baleh-Balui Forest Management Unit under the Forest Timber Licence No. T/3371 at the Upper Batang Balui-Batang Baleh Area, Kapit Division, Sarawak was prepared in December 2018 and presented during the audit. The Report was approved by NREB on 20th March 2019 (Ref. No. (14) NREB/6-3/2F/97.</p> <p>Mitigation measures to the environment, socio-economic impact, water quality, and others were covered in the EIA report.</p> <p>Environmental Monitoring Report for the timber harvesting within the Baleh-Balui Forest Management Unit under the Forest Timber Licence No. T/3371 at the Upper Batang Balui - Batang Baleh Area, Kapit Division, Sarawak for 1st Quarter 2022 (January-March 2022) was prepared and presented during the audit. The report concludes that the monitoring had not detected any major pollution from the FMU, and water quality was found to be good and the FMU has implemented the mitigation measures specified in the EIA.</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 were existing cooperation between</p>	<p>Site inspection to the Nursery in JTP Putai, found that, the mixing of chemical for spraying, shower facilities for emergency spill/ eyewash and SOP were insufficient:</p> <ol style="list-style-type: none"> 1) The mixing of chemical was prepared on the table made of wire mesh without containment place directly on top of the drainage of the nursery. The spillage or waste from the mixing or washing, drained directly into the drain without chemical or waste trap. 2) Safety Operating Procedure (SOP) for Safe Chemical Handling and Storage (issued date: 01.01.2021-prepared by: HSE Department , Jaya Tiasa), under para 6.4 Spillage, did not mention the mechanism for collecting excess or waste chemical or spillage at the mixing area, as to transfer the substance to an appropriate containers and seal for treatment or disposal. 3) Separate and closed shower for workers to bath or wash after chemical use and emergency chemical spill was not provided. <p>Therefore, a Major NCR RJ05/2022 for Indicator 6.6.2 was raised.</p> <p>Site inspection to Merirai-Balui FP nursery</p>

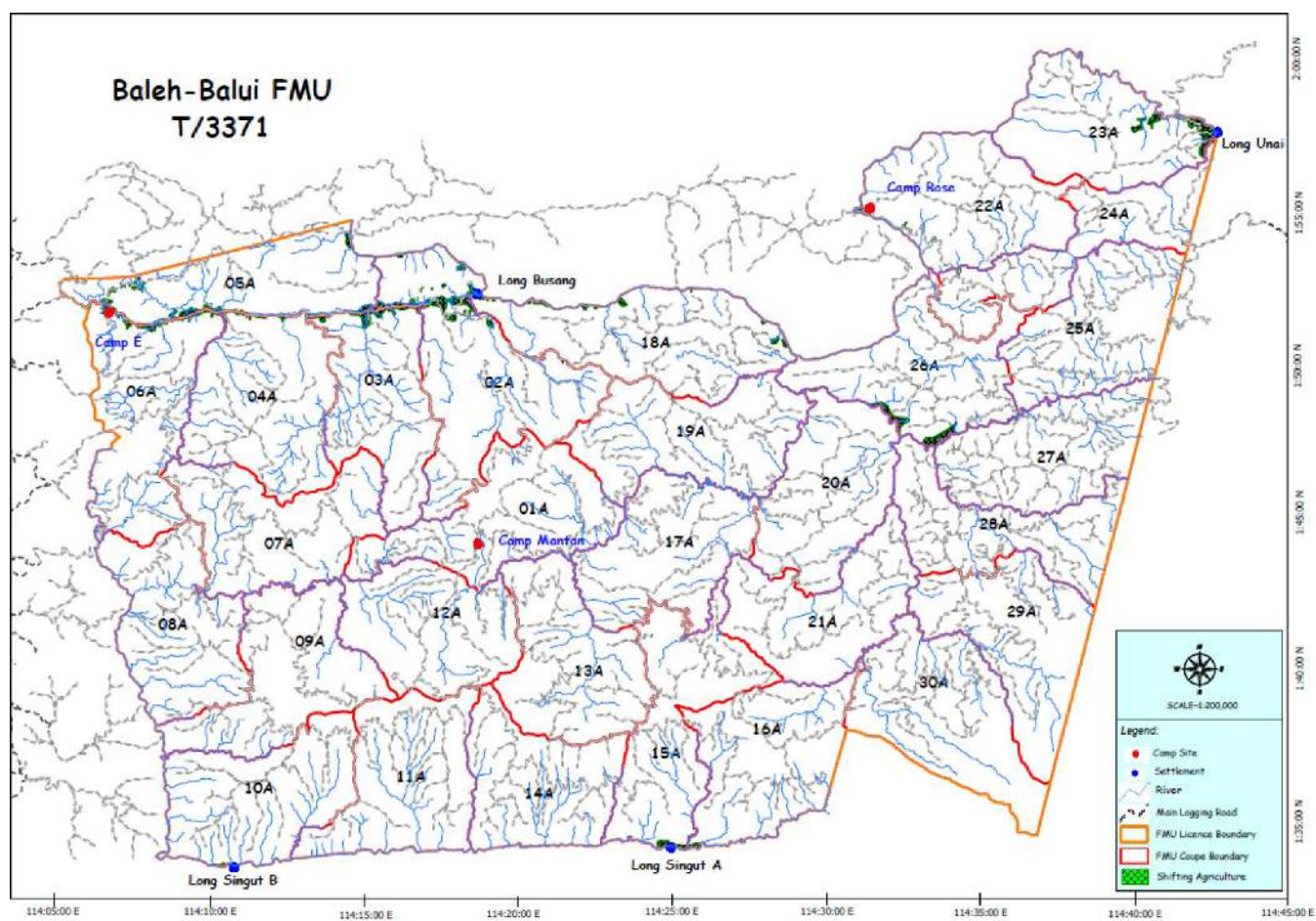
Principle	Strengths	Weaknesses
	<p>forest managers, and conservation organizations and regulatory authorities in implementing conservation and management activities, with Forest Department Sarawak, World Wildlife Fund (Malaysia), UNIMAS, and Sarawak Energy on Baleh Watershed Wildlife Connectivity Project.</p> <p>The FMU had identified the Protected area such as terrain IV, HCV, site-sensitive areas for soil and water protection, and buffer zone, these areas were demarcated on the ground and mapped.</p> <p>Since the harvesting operation has been suspended since 15th November 2019, therefore, the implementation of RIL for forest harvesting, road construction, tree felling and other activities cannot be verified.</p> <p>The fire prevention and control plan for Shifting Agriculture Area dated April 2021 was prepared by the FMU. The Forest Management Plan for Baleh-Balui FMU also includes the Forest Fire Management Plan and Climate Change Mitigation Measures</p> <p>Records presented and site visit showed that there was no application of biological control agents in the FMU.</p> <p>Only indigenous forest species from the FMU area are used for enrichment planting and restorative planting.</p> <p>The FMU has no plan for converting the forest area into a plantation.</p> <p>There was no conversion of severely degraded forests to forest plantations as verified during the audit.</p>	<p>in Putai, it was found that the disposal record of containers for chemical (herbicide and pesticide) was not made available as to prove that the containers has been disposed of in an environmentally appropriate and legal manner.</p> <p>Therefore, a Minor NCR RJ01/2022 for Indicator 6.7.1 was raised.</p>
Principle 7 Management Plan	<p>The Forest Management Plan for Forest Timber Licence (FTL) No. T/3371 (2022-2052), Baleh-Balui Forest Management Unit (Rev.1/21) was approved by FDS on 20 April 2022 and was presented during the audit and was verified by the auditor.</p> <p>Periodic review of the FMP 2022-2052 will be conducted at every five-year interval. Latest review was in 2022 and was approved by Forest Department Sarawak on 20th April 2022.</p> <p>Specific roles and responsibilities assigned for forest staff and field workers were clearly defined to ensure effective implementation of the forest management plan as verified in the 'Sustainable Forest Management (SFM)</p>	<p>The FMP2022-2052 was not updated with the following required information:</p> <ol style="list-style-type: none"> 1. No description on the exclusion of 561 ha (flooding area for Baleh Dam) from certification audit scope. 2. The revised figure for Shifting Agriculture area, Terrain IV, Stream Buffer Reserve, Bahau PFE, Baleh PFE and Stateland areas were not available in the FMP (figure relevant to the certification audit scope area). 3. Protection of water catchment area in Coupe 01A (area representing the existing ecosystem) was yet to be included in the FMP. 4. Description of stakeholder consultation with relevant

Principle	Strengths	Weaknesses
	<p>Organisation Chart' and Job Description table.</p> <p>Annual Training Programme for 2022 to train forest workers in their respective roles was made available and adequate. There were 31 training programmes covering various training, pertaining to forest operations and certification. During this stage 2 audit, 11 training and briefing were conducted in 2022.</p> <p>A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 was made publicly available at http://www.jayatiassa.net/usr/pagesub.aspx?pgid=185.</p>	<p>government agencies, NGOs, and affected local communities were not available in the FMP.</p> <p>5. Recommended Monitoring Measures at section 7.2.5 for Water Supply & Quality was not reflecting the actual condition of Batang Boleh since the level of negative impact assessment was rely totally from local perception. No evidence of water sampling to prove the local perception.</p> <p>6. Application of tractor-based and yarding harvesting systems were not clearly stated in the FMP.</p> <p>Therefore, a Major NCR MRS 01/2022 for Indicator 7.1.1 was raised.</p> <p>Awareness and participation of Camp Manager and person in-charge of HCV on new scientific, technical information and understanding of HCV classification, forest certification, forest management, forest technology was not adequate.</p> <p>Therefore, a Minor NCR MRS 02/2022 for Indicator 7.2.2 was raised</p>
Principle 8 Monitoring and Assessment	<p>The monitoring procedure titled 'Monitoring Impacts on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operations' was verified. The procedure followed the guidelines in the Green Book, 2019 developed by the Forest Department Sarawak.</p> <p>Monitoring on the impact of forest operation on social, ecological, environmental and economic impacts was carried out by the FMU as verified in the 'Report Monitoring on Social, Ecological, Environmental and Economic due to Timber Harvesting and Management Operations, 2022'.</p> <p>The Chain-of-Custody Flowchart for Boleh-Balui FMU T/3371 was made available at Ng. Simpileh Logpond. As verified at the Nanga Simpileh logpond, there was no log from Boleh-Balui FMU.</p> <p>The Boleh-Balui Forest Management Plan T/3371 (updated December 2021) was made available and presented to the auditors.</p> <p>The summary of the results of monitoring for the year 2021/2022 as required by Criterion 8.2 above was made publicly available at the link:</p>	<p>Requirements of non-conformity and corrective action in the internal audit findings report did not comply with Appendix A of MC&I SFM standard:</p> <p>1. No column provided for determination of the causes of the non-conformity, and corrective action plan in the 'Verification Audit Findings – December 2020' and 'Follow up Action' reports.</p> <p>2. Evidence of implementation for corrective actions on the internal audit findings in the 'Follow up Action' report was not included in the report such as for I.1.1.2 (training record on MC&I SFM) and I-1.6.2 (briefing on new policy).</p> <p>3. Status of closure for the 'NA' as stated in the 'Verification Audit Findings' column was not finalized in the 'Follow-up Action' column as verified in the Follow up Action report.</p> <p>Therefore, a Minor NCR MRS03/2022 for Indicator 8.1.3 was raised.</p>

Principle	Strengths	Weaknesses
	http://www.jayatiasa.net/usr/pagesub.aspx?pgid=185 .	<p>During inspection of PSP plots (PSP0103 and PSP0102) in Coupe 01A, auditor has found the inventory measurement tools were not in good condition as listed below:</p> <ol style="list-style-type: none"> 1. Clinometer and electronic caliper used by surveyor did not functioned (internal dial/wheel not well balanced and the graduation was faded). 2. Diameter of seedlings and saplings with size DBH 1.0 - 3.0 cm using diameter tape were inaccurately measured by the surveyor. 3. Slope correction was not correctly applied for measurement of horizontal distance of 10 m in the establishment of PSP plot boundaries. <p>Therefore, a Minor NCR MRS04/2022 for Indicator 8.2.1 was raised.</p>
Principle 9 Maintenance of High Conservation Values	<p>The assessment report titled 'High Conservation Value (HCV1-HCV6) Assessment Report Baleh -Balui FMU Timber Licence No T3371 - Batang Baleh, Kapit Division, Sarawak' dated April 2019 by BRNS (Biodiversity Resource Network, Sarawak) was presented during the audit.</p> <p>Record of consultation with stakeholders was presented during the audit. Consultation was conducted on 12th May 2022 at Conference Room, JTP Putai, and attended by Forest Department Sarawak, Sarawak Forestry Corporation, CRC Representative, Land and Survey Department, NREB, Sarawak Energy Berhad, Sarawak Water Supply Department, WWF and officers from the FMU.</p> <p>A summary of HCV with measures was included in the Forest Management Plan in "Chapter 10 Conservation of Biodiversity and Protection of Ecosystem" and on the website: http://www.jayatiasa.net/data/cms/files/FMU/02%20T3371%20Public%20Summary%20-%20HCV%20Attributes.pdf </p>	<p>Review of the Forest Management Plan Baleh-Balui FMU T/3371, Strategic Forest Management Plan (2017- 2042) Jaya Tiasa Holding Berhad has no evidence that the following HCVs had been demarcated in the map of FMP:</p> <ol style="list-style-type: none"> 1. HCV 1.4 Nesting tree no. 0001/01 established on 3rd Nov. 2021 located at Block 71A, Coupe 01A. 2. The HCV 1.4 Salt licks, Apan Sawa and Apan Lubang was not demarcated in the FMP under HCVF. <p>Therefore, a Minor NCR RJ02/2022 for Indicator 9.3.1 was raised.</p> <p>The annual monitoring to assess the effectiveness of the measures in the management of the HCVs in the FMU for the following HCVs was not conducted:</p> <ol style="list-style-type: none"> 1. HCV 1.4 Nesting Tree No.0001/01 in Block 71A, Coupe 01A. 2. HCV 1.4 Salt Lick – Apan Sawa (Last monitoring on 29th Jan. 2021 only camera trapping), in Coupe 22A 3. HCV 1.4 Salt Lick – Apan Lubang in Coupe 24A. <p>Therefore, a Minor NCR RJ03/2022 for Indicator 9.4.1 was raised.</p>

Principle	Strengths	Weaknesses
		<p>Document review of revised Forest Management Plan Baleh-Balui (T/3371), Strategic Forest Management Plan, (2017 - 2042) Jaya Tiasa Holding Berhad, (Revised on 20th April 2022) found that the results and findings of the HCVFs monitoring activities has not been incorporated in the revision of the forest management plan.</p> <p>Therefore, a Minor RJ04/2022 for Indicator 9.4.2 was raised.</p>

Map of Baleh-Balui FMU



Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Mohd Razman Salim	Assessment Team Leader / Forester	<p>Academic Qualification: B. Sc. of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years of experience as a Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in various areas such as ecological research for lowland and hill dipterocarp forests, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee members, division-level activities and projects. Coordinate and collaborate on a long-term ecological plot and inventory data for about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at seminars and conferences. Currently an Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 45000.</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. • OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. • QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013. • Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.
Hj Roslee Jamaludin	Auditor/ Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience: A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of</p>

		<p>Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Attended and pass in the following training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015 • EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. • Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food ,Agri & Forestry Section) 21 August 2015. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food , Agri & Forestry Section) 26 Jan 2016. • MC Workshop 28th -29th November 2017 • Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.
Ismail Adnan Abdul Malek	Auditor/ Forester	<p>Academic Qualification: Master of Forestry (Forest Harvesting), University of British Columbia, Canada.</p> <p>Work Experience: One year experience as Sub Assistant Conservator of Forest from 1974 to 1975. In charge of Kuantan Forest District (Administration). Seven years (1979 – 1986) experience as Forester/Logging Superintendent) at Syarikat Jengka Sdn. Bhd, Jengka, Pahang. Specific duties were Mapping and supervising Forest Management and Logging Operations. Twenty five (25) years experienced as Senior Lecturer at the Faculty of Forestry, Universiti Putra Malaysia, Serdang, Selangor. Responsible for Forestry Teaching, Research and Extension. Had taught subjects in Forest Management, Forest Harvesting and Geo-spatial technology (Remote sensing & GIS) and had supervised student research at both undergraduate and graduate (Master/PhD) levels. Had received grants and carried out research in Forest Management, Forest Harvesting and Forest Management System (SMS). Participated as Resource Person/Organizing Committee member for Training and Seminar/Conferences held at both Local and International levels organized by the Faculty. Published and presented research findings in Forestry Journals/Publications and proceedings of local and International seminars/ conferences attended. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Plantations).</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2) (SIRIM QAS Sdn. Bhd), 9th-10th July 2015. • EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23rd-27th Nov 2015. • Training on Auditing Techniques (SIRIM QAS Int. Sdn. Bhd), 26th January 2016. • RSPO Lead Auditor Training organized by Wild Asia Sdn Bhd,

		<p>10th – 14th October 2016</p> <ul style="list-style-type: none"> • Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.
Angelica Sinimis Suimin	Auditor / workers' & community issues and related legal issues	<p>Academic Qualification: <i>B. Sc. Social (USM)</i> <i>MSc. Environmental Management (UNIMAS)</i></p> <p>Work Experience: Various experience in forest industries especially on social aspect with (i) social consultant/researcher – 3 years, (ii) Sabah Forest Industries Sdn. Bhd. (SFI) – 6 years, (iii) Subur Tiasa Holdings Bhd – 4 years & (iv) Freelance consultant – SAGE Consult with Sabah Forest Industries Sdn Bhd (SFI) from 2011 to 2015.</p> <p>Other consultancy work experience for other organisations:</p> <ol style="list-style-type: none"> High Conservation Values Assessment (HCV) – Jambongan Island Due Diligence Social Assessment at SAFODA area, Pitas District Social Baseline and Strategic CSR intervention, Hijauan Bengkoka Plantations- Pitas District High Conservation Value Assessment (HCV) and preliminary social baseline for proposed Oil palm project- Kerema, Gulf Province, Papua New Guinea. Part-time Consultant for Hijauan Bengkoka Plantations <p>Attended and pass in the following training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. • EMS 14001: 2004 Training, 2013 • OHSAS 18001: 2007 Awareness Training, 2012. • FSC Expert Lead Auditor, NEPCON-Tawau, 2015. • Social Impact Assessment (SIA) by ENSEARCH, Kota Kinabalu, 2012. • Auditor Training Course on MC&I Sustainable Forest Management organized by MTCC, 18 August 2020.

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Stakeholder 1	NA (No official comments received from stakeholder)	NA (No official comments received from stakeholder)

Stage 2 Audit Plan

DAY	TIME	PROGRAM			
		Razman	Roslee	Ismail	Angelica
Travel Day 1 11 June 2022 Saturday	12.00 - 8.00 pm	<ul style="list-style-type: none"> Razman, Hj Roslee & Ismail travel from KLIA to Sibuh: MH2718: 16:10 - 18:15 Overnight at Kingwood Hotel 			Angelica travel from Kota Kinabalu to Sibuh: i)MH3045: 13:50 - 14:25 ii)MH3225: 14:50 - 15:35 iii)MH3653: 15:55 - 16:55 <ul style="list-style-type: none"> Overnight at Kingwood Hotel
Travel Day 2 12 June 2022 Sunday	8.00 am - 7.00 pm	<ul style="list-style-type: none"> Razman, Hj Roslee & Ismail travel from Sibuh to Sempileh logpond Inspection of CoC at Sempileh logpond Travel from logpond to Mantan base camp 			<ul style="list-style-type: none"> Angelica travel from Sibuh to Kapit Overnight in Kapit town
Audit Day 1 13 June 2022 Monday	8.00 am – 5.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Q&A Session Follow up on issues of concern from Stage 1 Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> Local Communities Government agencies NGOs Evaluate on internal audit and management review 			
		Razman Documentation and records review: <ul style="list-style-type: none"> Principle 7 – Management Plan Principle 8 – Monitoring and Assessment 	Roslee Documentation and records review: <ul style="list-style-type: none"> Principle 6 – Environmental Impact Principle 9 – Maintenance of High Conservation Value (HCV) 	Ismail Documentation and records review: <ul style="list-style-type: none"> Principle 1 – Compliance with Laws Principle 4 – Community Relations and Worker's Right Principle 5 – Benefits from the forest 	Angelica Site visit: <ul style="list-style-type: none"> Consultation with relevant stakeholders NGOs, Land & Survey, FDS etc. in Kapit town Consultation with Community Representative Committee (CRC)
		Review of Day 1 Findings by Audit Team Leader			

Audit Day 2 14 June 2022 Tuesday	8.00 am – 5.00 pm	Razman Site visit: <ul style="list-style-type: none"> • Inspection of Coupe and Block boundary (B20, C1) • Inspection of pre-harvesting / tree tagging (B20, C1) • Inspection of PSP plot (PSP 0103) 	Roslee Site visit: <ul style="list-style-type: none"> • Inspection of Coupe and Block boundary (B18, C1) • Inspection of pre-harvesting / tree tagging (B18, C1) 	Ismail Site visit: <ul style="list-style-type: none"> • Consultation with Local Communities (within FMU) - Long Busang (Kenyah Badeng) • Inspection of Shifting agriculture area / user rights • Forest Landscape Restoration @ Camp E 	Angelica Site visit: <ul style="list-style-type: none"> • Consultation with Local Communities (outside FMU) - Long Singut B • Inspection of Shifting agriculture area / user rights • Inspection of FMU license boundary - Curiah Sdn. Bhd. (T/3113)
		Review of Day 2 Findings by Audit Team Leader			
Audit Day 3 15 June 2022 Wednesday	8.00 am – 5.00 pm	Razman Site visit: <ul style="list-style-type: none"> • Wildlife monitoring (Coupe 01A) • Water catchment (Coupe 01A) 	Roslee Site visit: <ul style="list-style-type: none"> • Management of forest fire • Inspection of Scheduled waste and wastes management (Mantan) • Inspection of nursery and chemical store (LPF/0023) 	Ismail Site visit: <ul style="list-style-type: none"> • Consultation with Local Communities (outside FMU) - Long Unai (Kenyah Bakong) • Inspection of Shifting agriculture area / user rights 	Angelica Site visit: <ul style="list-style-type: none"> • Consultation with Local Communities (within FMU) - Long Singut A (Kenyah Bakong) • Inspection of Shifting agriculture area / user rights • Travel back to Mantan base camp
		Review of Day 3 Findings by Audit Team Leader			
Audit Day 4 16 June 2022 Thursday	8.00 am – 5.00 pm	Razman Site visit: <ul style="list-style-type: none"> • Inspection of stream buffer river (B20, C1) • Terrain IV • Point of Royalty Marking (PoRM) 	Roslee Site visit: <ul style="list-style-type: none"> • Inspection of PSP plot (PSP 0102) 	Ismail Site visit: <ul style="list-style-type: none"> • Inspection of FMU license boundary i) Bahau-Linau FP (LPF/0024) ii) Penuan-Lebuwai (T/3370) • Inspection of FMU license boundary - Ankura Trading (M) Sdn. Bhd. (T/3236) • Travel back to Mantan base camp 	Angelica Site visit: <ul style="list-style-type: none"> • Consultation with contractors • Inspection of Shifting agriculture area / user rights (within FMU)

		• Review of Day 4 Findings by Audit Team Leader			
Audit Day 5 17 June 2022 Friday	8.00 am – 5.00 pm	Razman Site visit: • HCV area -saltlick (Coupe 22A)	Roslee Site visit: • Check on store, workshop, genset room, skid tank, etc • Inspection of workers' quarters	Ismail Site visit: • Check on store, workshop, genset room, skid tank, etc • Inspection of workers' quarters • Consultation with staff and field workers • Worker Committee representative	Angelica Documentation and records review: • Principle 2 – Tenure and Use Rights and Responsibilities • Principle 3 – Indigenous Peoples' Right
		• Review of Day 5 Findings by Audit Team Leader			
Audit Day 6 18 June 2022 Saturday	8.00 am – 1.00 pm	Razman Documentation and records review: • Principle 7 – Management Plan • Principle 8 – Monitoring and Assessment	Roslee Documentation and records review: • Principle 6 – Environmental Impact • Principle 9 – Maintenance of High Conservation Value (HCV)	Ismail Documentation and records review: • Principle 1 – Compliance with Laws • Principle 4 – Community Relations and Worker's Right • Principle 5 – Benefits from the forest	Angelica Documentation and records review: • Principle 2 – Tenure and Use Rights and Responsibilities • Principle 3 – Indigenous Peoples' Right
	2.00 - 5.00 pm	• Briefing to representatives of FMU on the findings of audit • Closing Meeting and presentation of findings of audit and discussion on follow-up activities			
19 June 2022 Sunday	8.00am – 7.00pm	• All Auditors travel from Mantan base camp to Sibul • Overnight at Kingwood Hotel			
20 June 2022 Monday		• Razman, Hj Roslee & Ismail travel from Sibul to KLIA. • Flight from Sibul to Kuala Lumpur (MH2715: 11:15 - 13:15)			Angelica travel from Sibul to Kota Kinabalu (MH3652: 08:55 - 09:55) (MH3630: 11:20 - 11:50) (MH3252: 12:15 - 13:10)

Details on NCRs and OFIs Raised During this Stage 2 Audit and Corrective Actions Taken (2022)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator Major NCR: ISMA 01 2022	<p>Requirement: Indicator 1.5.2 - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p>Finding: License T/3371 Baleh-Balui FMU external boundaries was not demarcated.</p> <p>Objective evidence: Document review and Field verification found: 1.External boundaries for License T/3771 (Baleh-Balui FMU) between Long Singut B to Long Singut A were not identified and demarcated on the ground. 2.Site inspection of Pre harvest area in Block 18, Coupe 01A, found the block boundary from point N 01° 44' 59.6", E 114° 18' 13.7" to N 01° 44' 52.1", E 114° 18' 15.0", about 294 m along the main road M/1 was not demarcated on the ground. 3.Consultation with local communities to explain the purpose and work schedule for demarcation of boundary (the locations mutually agreed between FMU and local community) was not done.</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Lack of awareness on both license and block boundaries demarcation. 2. No time schedule for licence boundary demarcation 3. Lack of engagement with Long Singut community. <p>Correction and corrective action plan including completion date: To address Objective Evidences #1 and #3: 1. A notification letter to KK Long Singut and to be duly acknowledged by him – before work commencement, stating clearly: a. time schedule for the marking of Licence Boundary only between Long Singut B to Long Singut A; b. the letter attachment shall clearly indicate the signages used for License Boundary marking; SA Boundary marking (yet to be established at this stage) will also be shown to the community in order to avoid any unnecessary confusion; and c. to disseminate this information to as many community members as possible by engaging them in Long Singut B and Long Singut A (via dialogue). 2. To GPS-mark every License Boundary marker (referring to the installed signages and painted tree trunks) and plot it onto the</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022. Evidence of implementation was received and verified on 11 January 2023.</p> <p>Verified report Pre-harvest block boundary demarcation between Blocks 16, 18 & 19 in Coupe 01A that was conducted on 25 July 2022. The boundary was marked with yellow colour paint on living tree trunks and signboards 18116 and 19118. The waypoint list of the marked block boundary was verified with latitude, longitude and altitude.</p> <p>Licence boundary demarcation along Batang Baleh between Long Singut A and Long Singut B (Coupes 10A, 11A, 14A, 15A & 16A) was conducted on 22-24 July 2022 that covered 38.4 km. The licence boundary was marked with orange colour paint on living tree trunks. Wooden signboards and metal plates were installed at the strategic location at the confluence of Sg. Serani, Batang Baleh and other licence T/3113. The waypoint list of the marked block boundary was verified with latitude, longitude and altitude.</p> <p>Verified notification letter to the head of village Long Singut titled 'Penandaan Sempadan Lesen (Licence Boundary) Baleh-Balui FMU T/3371' dated 15 July 2022. Photos meeting with the head of village Ajan Udau, tree trunks painting using</p>

		<p>map;</p> <p>3. Miscellaneous:</p> <p>a. to take photos on the works that have been done; and</p> <p>b. The Chief Forest Surveyor is to make the final Report Summary on the works that have been done.</p> <p>To address Objective Evidence #2:</p> <p>1. To GPS-mark every block boundary 'peg' (been specified along M-1 in Block 18, Coupe 01A) and plot it onto the map;</p> <p>2. Miscellaneous:</p> <p>a. to take photos on the works that have been done; and</p> <p>b. The Chief Forest Surveyor is to make the final Report Summary on the works that have been done.</p>	<p>orange colour paint, and installation of metal plates (T/3371) were sighted.</p> <p>Status: Closed</p>
<p>Indicator</p> <p>Major</p> <p>NCR:</p> <p>AS04/2022</p>	<p>Requirement: Indicator 3.3.1 - Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</p> <p>Finding: Engagement with local communities within and surrounding the FMU, to identify sites of special cultural, ecological or religious significance to indigenous peoples were not fully implemented.</p> <p>Objective evidence: 1. Records/documentation of identifying sites of special cultural, ecological or religious significance and action taken to protect the identified sites were not</p>	<p>Result of investigation and determination of root cause:</p> <p>1. Lack of engagement with local communities.</p> <p>2. Yet to identify special sites inside and outside due to no social survey activity from the FMU.</p> <p>3. Monitoring mechanism yet to be identified due to no harvesting operation in the FMU.</p> <p>Correction and corrective action plan including completion date: To address Objective Evidences #1 – #4:</p> <p>1. Special sites:</p> <p>a. to prepare a report on identification of sites of special cultural, ecological, economic and/or religious significance – regardless of its locations whether inside or outside of the FMU area;</p> <p>b. for site(s) located in the FMU area – respective management and monitoring</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022. Evidence of implementation was received and verified on 11 January 2023.</p> <p>Record of briefing to the local community on the findings of the Social Impact Assessment was verified:</p> <p>1) On 29 August 2022, a briefing on 'Taklimat Pemahaman Asas SFM & Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Long Unai' was attended by 40 villagers of Long Unai including the Head of Village Ajang Tivai.</p> <p>2) On 26 August 2022, a briefing on 'Taklimat Pemahaman Asas SFM & Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Long Busang' was attended by 34 villagers of Long Unai including the head of village Robinson Lawai.</p> <p>3) On 3 September 2022, a briefing on 'Taklimat Pemahaman Asas SFM & Pembentangan</p>

	<p>available</p> <p>2. List and maps depicting locations of identified important cultural, ecological, economic or religious sites in the FMU were not made available e.g. Temuda, Damun, Pulau Galau, burial ground, water intake point) were not comprehensive.</p> <p>3. Consultations with communities from Long Busang, Long Unai and Long Singut confirmed that identification, protection and demarcation of community use areas and cultural and economic importance to the communities (based on the SOP 2.3.5.1 "Identifying and Protecting Sites of Special Cultural, Ecological, Economic and/or Religious significance to natives") is yet to be done.</p> <p>4. Engagement with communities were focused more on the community leaders but not including community members at the village level.</p>	<p>actions shall be prescribed; and</p> <p>c. however, no monitoring shall be carried out if any of these sites are within the protected SA area.</p> <p>2. To disseminate outputs and prescribed actions to the community members of Long Busang, Long Unai and Long Singut at village level:</p> <p>a. at the same time, to re-confirm whether there are any other significant site(s) that yet to be included.</p> <p>3. To inform the communities concerned on the current coupe undergoing pre-harvesting and harvesting activities, respectively (<i>i.e.</i> based on the approved GP):</p> <p>a. to seek final confirmation on the presence of any significant site(s) within these working coupes.</p> <p>4. The FMU holder is going to carry out another social survey at these local settlements beginning from 19th August 2022 and the reports shall be readied by September 2022.</p>	<p>Keputusan Tinjauan Sosial Bersama Komuniti Long Singut' was attended by 52 villagers of Long Unai including the head of village Ajan Uda.</p> <p>Social survey on local community important cultural, ecological, economic or religious sites in the FMU e.g. Temuda, Damun, Pulau Galau, burial ground, water intake point) (based on the SOP 2.3.5.1 "Identifying and Protecting Sites of Special Cultural, Ecological, Economic and/or Religious significance to natives") was conducted as below:</p> <p>1. Survey with Long Unai was conducted with the participation of 27 residents.</p> <p>2. Survey with Long Busang was conducted with the participation of 53 residents.</p> <p>3. Survey with Long Singut was conducted with the participation of 33 residents.</p> <p>The FMU has identified sites of special cultural, ecological or religious significance and protected these areas from forest harvesting as verified in the 'Social Monitoring Report on Three Local Communities Residing In & Around the Baleh-Balui FMU T/3371 for year 2021-2022'. The date of monitoring are 24-29 August 2022 and 1-4 September 2022.</p> <p>The identified special cultural and protected areas as listed below:</p> <p>1. Water Intake – Lalut Paip</p> <p>2. Burial site</p> <p>3. Church</p> <p>4. Salt-lick</p> <p>5. Bukit Doa</p> <p>These protected areas have been marked with blue paint poles and GPS coordinates were recorded. List and map of these protected areas have been reported in the presentation slide titled</p>
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			<p>'Taklimat Pemahaman Asas SFM & Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Long Unai' dated 29 August 2022 at 'Lampiran VI'.</p> <p>Maps depicting locations of identified important cultural, ecological, economic or religious sites in the FMU were made available as reported in the 'Social Monitoring Report on Three Local Communities Residing In & Around the Baleh-Balui FMU (T/3371) for year 2021-2022'. The maps including information on the protected area (site, latitude, longitude, description) verified as below:</p> <p>1)Significant Site at Long Busang as of 26 August 2022</p> <p>2)Significant Site for Long Unai Community as of 1 August 2022</p> <p>3)Significant Site for Long Singut Community as of 1 August 2022</p> <p>4)Significant Site for Long Singut Community at Rantau Pandora as of 1 August 2022</p> <p>Status: Closed</p>
<p>Indicator</p> <p>Major</p> <p>NCR:</p> <p>AS07/2022</p>	<p>Requirement: Indicator 4.3.3 The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations.</p> <p>Finding: The right of workers to employment benefits and social protection under Labour Ordinance [Cap. 76 (1958 Ed.)] were not fully complied.</p> <p>Objective evidence:</p> <p>1. The employment contract examined showed:</p> <p>i. Workers were given accumulative rest days without approval from</p>	<p>Result of investigation and determination of root cause:</p> <p>1. Lack of awareness where the Camp Administrative Officer (CAO) – who is supposed to be responsible on employment contract, grievance mechanism, and MWC has not been informed of his role. To address this root cause, the CAO's Job Description (JD) shall be revised. This includes the revision of Grievance Form and the MWC Chart.</p> <p>2. Some of the employees are being paid partially via cash (through payment voucher) and direct deposit into their</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022. Evidence of implementation was received and verified on 11 January 2023.</p> <p>Verified Bank Transfer, EIS, EPF, Payroll Sheet and SOCSO for the month of August and September 2022 for the sampled workers of JTHB Forest Surveyors and Mantan Sdn Bhd.</p> <p>Application letters (from Jaya Tiasa Holdings Berhad and Mantan Sdn. Bhd.) to apply for a 'Permit for Accumulation of Rest Days' had been submitted to the Sarawak Labour Office, Kapit Branch (JTKS Kapit) on 21st June 2022 and been</p>

	<p>Labour Department, Sarawak.</p> <p>ii. Annual leave, and Medical leave (Paternity/Maternity) was not specified</p> <ul style="list-style-type: none"> Interview with 5(JTH) and 4(Mantan) workers confirmed that they were: <ul style="list-style-type: none"> i. Not aware of their Annual Leave, and medical leave entitlement ii. Not sure about the grievance mechanism process and not aware of the Management Workers Committee function (MWC). iii. Deductions were made for food rations without approval from Labour Department, Sarawak. 	<p>bank accounts; and some are being paid solely via the direct deposit option. So, as long as the direct bank deposit + cash payment equals to net salary payout in their monthly payslips. Therefore, no deduction was made for food rations or whatsoever. In fact, some workers needed cash to purchase food and transportation fares.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> To apply for 'Permit for Accumulative Weekly Rest Days' to the Labour Office (Kapit); To issue a memorandum on 'Employment General Terms and Conditions' (including 'Table A: Jenis dan Kelayakan Cuti' (Type and Eligibility for Leave)) to all employees at FMU T/3371; To make available the copy of 'Contract of Employment' for the new employee(s) (under Jaya Tiasa Holdings Berhad and Mantan Sdn. Bhd.); To inform all employees on the grievance mechanism processes and function of Management-Workers Committee (MWC); including freedom to appoint their representatives for MWC; To address that no deduction for food ration has been made on the workers' wages, the relevant documents (payslips, bank-in instructions, cash payment vouchers) for all workers shall be made available by September 2022. 	<p>duly acknowledged by JTK officer on 23rd June 2022. As of 1st November 2022, the application is pending approval by JTKS HQ, Kuching.</p> <p>The 'Contract of Employment' with the entitlement details (annual leave and medical leave (paternity/maternity) have been updated. Verified the <i>Employment General Terms and Conditions</i> - Table A: Jenis dan Kelayakan Cuti' to all employees as per Sarawak Labour Ordinance. This includes updated details on Annual Leave, Sick Leave and Maternity Leave.</p> <p>The verified employment contract:</p> <ol style="list-style-type: none"> 1)Jaya Tiasa Holdings - Alex Awi, Mah Puong Chiew and Tias Uleh 2)Mantan SB - Betty Ganen, Cassidy Madang and Bonikus Roy Jerangku <p>The sampled workers that stated wages less than RM1,500 in the employment contract were attached to the memo 'Minimum Wage Order 2022' dated 5 May 2022 from Senior Manager HR & Admin to the workers where the worker's basic salary shall be adjusted to RM1,500 with effect from 1 May 2022.</p> <p>Since the Sarawak State Government has yet to revise the Sarawak Labour Ordinance, especially the paternity leave eligibility from 3 to 7 days and maternity leave from 60 days to 98 days. The auditor will verify any progress/update of the SLO during the next audit.</p> <p>A memo titled 'Paternity Leave' dated 3 January 2023 was circulated to the FMU where the memo stated married male employees shall be provided with Paternity Leave of 2 consecutive working days for the birth of child up to a maximum of 5 occasions only during employment.</p>
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			<p>Training on annual leave, sick leave, maternity leave, paternity leave and public holidays to all staff and field workers was conducted on 9 January 2023 as verified in the training record titled 'Taklimat Soalan Lazim Pekerjaan Cuti Tahunan'.</p> <p>Verified report '<i>Minit Pembentangan Mengenai Jawatankuasa Pengurusan Pekerja untuk Baleh-Balui FMU (T3371)</i>', September 2022. The meeting was conducted on 25 August 2022 has briefed on the function of the Management-Workers Committee (MWC), freedom to appoint workers' representatives for MWC, responsibility of workers' representatives, terms and conditions, and grievances mechanism 'Complaints & Grievance Procedure'. Workers have been informed that there was no food ration deduction by the FMU. Attached is also attendance list, presentation slide, grievance form, and MWC chart.</p> <p>Status: Closed</p>
<p>Indicator</p> <p>Major</p> <p>NCR: RJ05/2022</p>	<p>Requirement: Indicator 6.6.2 - Availability and implementation of guidelines and/or procedures on the use of chemicals in the forest approved by relevant regulatory authorities.</p> <p>Finding: Management of chemical handling is insufficient.</p> <p>Objective evidence: Site inspection to the Nursery in JTP Putai, found that, the mixing of chemical for spraying, shower facilities for emergency spill/ eyewash and SOP were insufficient:</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Lack of awareness training on chemical preparation, disposal and spillage management. 2. Lack of awareness for the inadequacy of the facility for chemical mixing area, bathroom for sprayers, emergency shower and eye wash for emergency use. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Action to construct the chemical mixing area and the spillage or waste from 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022. Evidence of implementation was received and verified on 11 January 2023.</p> <p>Safety Operating Procedure Safe Chemical Handling and Storage (Issue 2 – Rev 1; Issue Date: 01.07.2022) - prepared by: HSE Department, Jaya Tiasa), under para 6.4 Spillage. The mechanism for collecting excess or waste chemical or spillage at the mixing area by using sand to collect the waste chemical and spillage.</p> <p>Emergency shower and eye wash facilities have been installed in July 2022 at the main Nursery</p>

	<p>1) The mixing of chemical was prepared on the table made of wire mesh without containment place directly on top of the drainage of the nursery. The spillage or waste from the mixing or washing, drained directly into the drain without chemical or waste trap.</p> <p>2) Safety Operating Procedure (SOP) for Safe Chemical Handling and Storage (issued date: 01.01.2021- prepared by: HSE Department , Jaya Tiasa), under para 6.4 Spillage, did not mention the mechanism for collecting excess or waste chemical or spillage at the mixing area, as to transfer the substance to an appropriate containers and seal for treatment or disposal.</p> <p>3) Separate and closed shower for workers to bath or wash after chemical use and emergency chemical spill was not provided.</p>	<p>mixing or washing are then trapped by round tapered water tank as for reuse purpose.</p> <p>2. Revise SOP of safe chemical handling and storage by providing sand as a mechanism to collect waste chemical or spillage at the mixing area. Refer to revised SOP of safe chemical handling and storage (<u>Ref JTH-FO-TR-HSE-01</u>) for details.</p> <p>3. Action to prepare a separate and closed bathroom with shower for sprayers to do the cleaning after chemical use (to include emergency shower and eye wash).</p> <p>4. The above shall be readied by August 2022.</p>	<p>LPF/0023 as verified attached photo.</p> <p>Verified evidence of corrective actions taken (photos) at the LPF/0023 Nursery Pulai in July 2022:</p> <p>i) Chemical mixing area and emergency shower</p> <p>ii) Water Tank (to collect waste water for recycling purpose)</p> <p>iii) Eyewash cleaning facility</p> <p>iv) Shower / bathe room</p> <p>Status: Closed</p>
<p>Indicator</p> <p>Major</p> <p>NCR:</p> <p>MRS 01</p> <p>2022</p>	<p>Requirement: Indicator 7.1.1 - Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</p> <p>Finding: The Forest Management Plan did not fully cover all required information as listed in the Criterion 7.1.</p> <p>Objective evidence: The FMP2022-2052 was not updated with the following required information:</p> <p>1. No description on the exclusion of 561 ha (flooding area for Baleh Dam) from</p>	<p>Result of investigation and determination of root cause:</p> <p>1. The FMP has not been updated due to lack of awareness; and, engagement with the communities was only been held during the Stakeholder Consultation on 12th May 2022.</p> <p>2. The FMP is to be revised and updated.</p> <p>Correction and corrective action plan including completion date: The FMP is to be revised in accordance with certification audit scope:</p> <p>i. exclusion of 561-ha Baleh Flood Zone;</p> <p>ii. inclusion of Production Area vs. Protection Area; including Land Status;</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022. Evidence of implementation was received and verified on 11 January 2023.</p> <p>Letter of 'Submission of Revised Chapters 1, 2, 3 and 11 of FMP for Baleh-Balui FMU T/3371' from the FMU to the Director of FDS dated 14 October 2022 was verified.</p> <p>The FMP 2022-2052 has been updated with the following required information:</p> <p>1. Exclusion of 561 ha Baleh Flood Zone from certification scope (Sub-chapter 1.1.1 and 3.5)</p> <p>2. Inclusion of Production Area vs. Protection Area including Land Status (Sub-chapter</p>

	<p>certification audit scope.</p> <p>2. The revised figure for Shifting Agriculture area, Terrain IV, Stream Buffer Reserve, Bahau PFE, Baleh PFE and Stateland areas were not available in the FMP (figure relevant to the certification audit scope area).</p> <p>3. Protection of water catchment area in Coupe 01A (area representing the existing ecosystem) was yet to be included in the FMP.</p> <p>4. Description of stakeholder consultation with relevant government agencies, NGOs, and affected local communities were not available in the FMP.</p> <p>5. Recommended Monitoring Measures at section 7.2.5 for Water Supply & Quality was not reflecting the actual condition of Batang Baleh since the level of negative impact assessment was rely totally from local perception. No evidence of water sampling to prove the local perception.</p> <p>6. Application of tractor-based and yarding harvesting systems were not clearly stated in the FMP.</p>	<p>iii. inclusion of water catchment area in Coupe 01A (a protected area that represents the existing ecosystem);</p> <p>iv. inclusion of stakeholder consultation with relevant government agencies, NGOs, and affected local communities (including dialogue with the communities by FDS);</p> <p>v. inclusion of '<i>SOP for Surface Water Sampling</i>' with emphasis on application of <i>in-situ</i> method for measuring actual water condition of Batang Baleh. This baseline data shall become a basis for future monitoring (and also to be incorporated in the SIA report); and</p> <p>vi. inclusion of tractor-based as the appropriate timber harvesting system that shall meet the management objectives and minimize environmental impact.</p> <p>The revised FMP with regards to the above shall be readied by September 2022.</p>	<p>2.4.2)</p> <p>3. Inclusion of water catchment area in Coupe 01A (a protected area that represents the existing ecosystem) - (Sub-chapter 3.3)</p> <p>4. Inclusion of stakeholder consultation with relevant government agencies, NGOs, and affected local communities (including dialogue with the communities by FDS) – (Sub-chapter 11.10, 11.11 & 11.12)</p> <p>5. Inclusion of '<i>SOP for Surface Water Sampling</i>' with emphasis on the application of the <i>in-situ</i> method for measuring the actual water condition of Batang Baleh. This baseline data shall become a basis for future monitoring (Sub-chapter 1.4.5)</p> <p>6. Inclusion of tractor-based as the appropriate timber harvesting system that shall meet the management objectives and minimize environmental impact (Sub-chapter 3.4)</p> <p>Status: Closed</p>
<p>Indicator</p> <p>Minor</p> <p>NCR: AS01/2022</p>	<p>Requirement: Indicator 2.2.2 - 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, in activities that may affect such rights</p> <p>Finding: Collaboration to identify traditionally used & significant areas for local communities was not available.</p>	<p>Result of investigation and determination of root cause:</p> <p>1.Lack of engagement with local communities.</p> <p>2.No social survey was conducted with these local communities to identify any significant sites.</p> <p>Correction and corrective action plan including completion date:</p> <p>1. To disseminate the outputs of the significant sites (already been identified)</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>Objective evidence: Stakeholder consultation with Long Busang, Long Unai and Long Singut (A&B) and document review found records of consultations held with the local communities to identify areas traditionally used and sites of significant importance (e.g temuda, pulau rayau, Salt Lick, Water catchment) were not available.</p>	<p>to the community members of Long Busang, Long Unai and Long Singut at village level.</p> <ol style="list-style-type: none"> 2. To confirm again with the community whether any other significant site(s) is/are yet to be included. 3. The FMU holder is going to carry out social surveys at these local settlements beginning from 19th August 2022 and the reports shall be readied by November 2022. 	
<p>Indicator Minor NCR: AS02/2022</p>	<p>Requirement: Indicator 2.3.1 Availability of appropriate mechanism to resolve disputes over tenure claims and use rights</p> <p>Finding: Dispute Over tenure mechanism procedure was not available and publicly available to be accessed by communities in the local language.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. During SIRIM-Stakeholder's consultation, majority of villages were not aware of any mechanism available to resolve dispute on tenure disputes. 2. Consultation with Long Singut Community confirmed that the grievance form was not made available to the headmen. 3. The grievance form has not included contact person and phone number/WhatsApp information and time frame to respond to dispute. 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Lack of engagement with local communities. 2. Procedure and grievance form were yet to be disseminated to local community. 3. Yet to identify mechanism to inform/distribute complaint form to local community. 4. Social survey was not conducted at these local community. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To disseminate SOP on land tenure claim and use rights (Indicator 2.3.1) during briefing to the affected communities; and 2. To publicly display Flowchart and Complaint Forms at strategic locations, where it can be easily seen/retrieved by the community members: <ol style="list-style-type: none"> a. the flowchart shall indicate various processes and time frame to resolve such disputes at each level; and b. to attach sample of the complaint form with contact information of the Person In-charge (e.g. name, phone number (for WhatsApp messaging), 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

		<p><i>etc.</i></p> <p>3. The FMU holder is going to carry out social surveys at these local settlements beginning from 19th August 2022 and the reports shall be readied by November 2022.</p>	
<p>Indicator</p> <p>Minor</p> <p>NCR:</p> <p>AS03/2022</p>	<p>Requirement: Indicator 3.1.3 - Availability and use of appropriate mechanisms to resolve any conflicts and grievances between parties involved.</p> <p>Finding:</p> <ol style="list-style-type: none"> 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. 2. Conflict procedures for community was not accessible publicly in the local language. <p>Objective evidence:</p> <ol style="list-style-type: none"> 1. Consultations with community of Long Singut indicated that community representatives were not fully involved in the free and prior inform consent consultation during the licence boundary marking at Long Singut A. 2. Consultation with Long Singut Community confirmed that the grievance form was not made available to the headmen. 3. The Conflict resolution procedures and grievance form has not included contact person and phone number/WhatsApp information and time frame to respond to dispute. 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Lack of engagement with local communities. 2. Notification to KK of local community was not initiated before work commencement. 3. No mechanism on resolve conflict. 4. Yet to identify strategic location(s) to display complaint form, etc. 5. No social survey conducted. <p>Correction and corrective action plan including completion date:</p> <p>To address Objective Evidences #1 – #3:</p> <ol style="list-style-type: none"> 1. to prepare notification letter to KK Long Singut A and to be duly acknowledged by him before work commencement, stating clearly: <ol style="list-style-type: none"> a. time schedule for the marking of Licence Boundary between Long Singut B to Long Singut A; b. to avoid any unnecessary confusion, letter attachment shall also clearly indicate the signages to be used for Licence Boundary and SA boundary marking; c. to disseminate this information to as many community members as possible (CRC members in particular), by engaging them in Long Singut B and Long Singut A 2. the mechanism to resolve conflicts shall cover: <ol style="list-style-type: none"> a. any loss or damage affecting local 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

		<p>communities legal or customary rights, property, resources or other livelihoods caused by forest operations</p> <p>3.to publicly display Flowchart and Complaint Forms at strategic locations, where it can be easily seen/retrieved by the community members;</p> <p>a. the Flowchart shall indicate various processes and time frame to resolve such disputes at each level;</p> <p>b. to attach sample of the complaint form with contact information of the Person In-charge (e.g. name, phone number (for WhatsApp messaging), etc.</p> <p>4.The FMU holder is going to carry out another social survey at these local settlements beginning from 19th August 2022.</p>	
<p>Indicator</p> <p>Minor</p> <p>NCR: AS05/2022</p>	<p>Requirement: Indicator 4.1.1 Forest managers provide appropriate support training, retraining, local infrastructure facilities and socio-economic programmes that commensurate with the scale and intensity of forest Management operations</p> <p>Finding: Training for workers were not sufficient.</p> <p>Objective evidence:</p> <p>1. Interview with field staff and workers indicated the generally lack of understanding of the MC&I SFM standard and Forest Certification process.</p> <p>2. Records and documentation of training showed that employees were briefed on MC&I SFM standard and Forest Certification process and implementation</p>	<p>Result of investigation and determination of root cause:</p> <p>Lack of awareness to carry out trainings for forest workers due to:</p> <p>a. Incomplete Annual Training Program;</p> <p>b. No PIC has been appointed; and</p> <p>c. Lack of respective in-house and external trainer.</p> <p>Correction and corrective action plan including completion date:</p> <p>1. To enable forest workers have a better understanding of SFM, MC&I SFM and FMC processes:</p> <p>a. training shall be carried more than once a year and incorporated into the Annual Training Programs;</p> <p>b. to prepare slides (short and concise) on these 3 topics that can be better understood by forest workers; and</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	only once a year (2021/2022).	c. records of training to the forest workers shall be properly kept. 2. To appoint PIC to monitor on the training implementation and its effectiveness. 3. To find trainer/agency from STA and MTCC. 4. The above shall be readied in November 2022.	
Indicator Minor NCR: ISMA 02/2022	<p>Requirement: Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the work place.</p> <p>Finding: Safety and operational equipment not in good working condition.</p> <p>Objective evidence:</p> <ol style="list-style-type: none"> Field verification at CDC/ Simpilih Store (Nanga Simpilih) found: <ol style="list-style-type: none"> Sampled Fire extinguisher (Number: SR032010Y12895) was found with expired date (i.e. 5 December 2019). Sampled First Aid Kit Box did not contain many listed medicines Inadequate 'Safety/Danger' signages and labels placed at the Diesel Store facilities Container to capture spilled diesel from the 'Filling nozzle' during 'Refueling of vehicles' at the roadside at the Diesel Storage facility was not available. At present, spilled diesel may 'runoff' into the drain and further into the Sg Baleh. Unsafe act was sighted by auditor at the Mantan Base Camp compound 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> Lack of supervision and inspection on the fire extinguishers and first aid kit box, hazard symbols and refueling station. Lack of safety awareness and workplace inspection. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> Action to implement the inspection checklist for fire extinguishers and first aid kit box. This equipment shall be inspected once in every 3 months. Action to raise purchase requisition (PR) to order safety signboard for Diesel storage tank. Action to prepare drum to capture spilled diesel from the filling nozzle during 'refueling of vehicles' at the roadside of diesel storage tank. Action to modify existing flag pole base to adjustable flag pole mounting bracket. The above shall be readied by August 2022. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	where a forest worker was sighted trying to attach a state flag at the top of flag pole by standing on the tip of a bucket raised by a Loader Tractor.		
Indicator Minor NCR: AS06/2022	<p>Requirement: Indicator 4.3.2 There Shall be no restrictions for workers to organize and undertake collective bargaining and non-discrimination in the workplace in accordance with relevant ILO Conventions.</p> <p>Finding: The relevant ILO conventions on collective bargaining and non-discrimination in the workplace and FMU's Good Social Practices Policy was not fully complied with.</p> <p>Objective evidence: Minutes of the First Management Worker Committee meeting on the 13th May, 2022 showed that the workers representatives were elected by the FMU Management team instead of the workers' themselves thus restricting them to freely organize and undertake collective bargaining and non-discrimination in the workplace in accordance with ILO conventions no.87 and the FMU's Good Social Practices Policy dated 16th August, 2021</p>	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. Lack of awareness to carry out trainings (including dissemination of information on Good Social Practices) for its forest workers. 2. No procedure on establishment of MWC. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. To prepare '<i>SOP for the Establishment of Management-Worker Committee (MWC)</i>': <ol style="list-style-type: none"> a. adherence with GSP Policy; b. to establish TOR; and c. to address selection process of Workers' representatives by workers. 2. To re-establish Management-Worker Committee (MWC) – following the good social practices; and 3. To reconvene meeting to disseminate on GSP Policy and address any grievances arise. 4. The above shall be readied by November 2022. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>
Indicator Minor NCR: RJ 01/2022	<p>Requirement: Indicator 6.7.1 – Oil, fuel, containers, liquid and solid non organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: There was no record of chemical containers been disposed of in environmentally appropriate and legal</p>	<p>Result of investigation and determination of root cause:</p> <p>Lack of the awareness training on proper handling and disposal of empty chemical containers.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Action to construct the triple rinsing area. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>manner.</p> <p>Objective evidence: Site inspection to Merirai-Balui FP nursery in Putai, it was found that the disposal record of containers for chemical (herbicide and pesticide) was not made available as to prove that the containers has been disposed of in an environmentally appropriate and legal manner.</p>	<ol style="list-style-type: none"> Action to prepare Standard Operation Procedures (SOP) for the triple rinse. To conduct awareness training to the workers on triple rinsing management. Action to prepare record of empty chemical containers that have been triple rinsed and transported out for disposal. The triple rinse training will be included in the Annual Training Program FY2022/2023. 	
<p>Indicator</p> <p>Minor</p> <p>NCR: MRS 02 2022</p>	<p>Requirement: Indicator 7.2.2 - Forest managers shall be aware of new scientific and technical information, including any applicable traditional and indigenous knowledge pertinent to the management of the FMU.</p> <p>Finding: Forest managers were not aware of new scientific and technical information pertinent to the management of the FMU.</p> <p>Objective evidence: Awareness and participation of Camp Manager and person in-charge of HCV on new scientific, technical information and understanding of HCV classification, forest certification, forest management, forest technology were not adequate.</p>	<p>Result of investigation and determination of root cause: Lack of awareness on additional technical trainings.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> To engage competent External Trainer(s) on scientific and technical know-how that able to provide appropriate management and monitoring actions in the FMU. The above shall be readied by December 2022. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>
<p>Indicator</p> <p>Minor</p> <p>NCR: MRS 03 2022</p>	<p>Requirement: Indicator 8.1.3 - Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in APPENDIX A.</p>	<p>Result of investigation and determination of root cause: Lack of awareness on requirements in Appendix 1 of <i>MC&I SFM</i>.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> To revise '<i>SOP on Internal Audit</i>, 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>Finding: The non-conformity and corrective action of internal audit findings report did not comply with requirements in APPENDIX A.</p> <p>Objective evidence: Requirements of non-conformity and corrective action in the internal audit findings report did not comply with Appendix A of MC&I SFM standard:</p> <p>1.No column provided for determination of the causes of the non-conformity, and corrective action plan in the 'Verification Audit Findings – December 2020' and 'Follow up Action' reports.</p> <p>2.Evidence of implementation for corrective actions on the internal audit findings in the 'Follow up Action' report was not included in the report such as for I.1.1.2 (training record on MC&I SFM) and I-1.6.2 (briefing on new policy).</p> <p>3.Status of closure for the 'NA' as stated in the 'Verification Audit Findings' column was not finalized in the 'Follow-up Action' column as verified in the Follow up Action report.</p>	<p><i>Management Review and Continual Improvement</i>'; and</p> <p>2. The conduct of future Internal Audit(s) and reporting shall comply with Appendix A (as stated in <i>MC&I SFM</i>).</p> <p>3. The above shall be readied by September 2022.</p>	
<p>Indicator</p> <p>Minor</p> <p>NCR: MRS 04 2022</p>	<p>Requirement: Indicator 8.2.1 - Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p>Finding:</p> <p>1.Equipment used by surveyor had malfunctioned.</p> <p>2.Inaccurate measurement of seedlings</p>	<p>Result of investigation and determination of root cause:</p> <p>1. Lack of awareness on the obsolete equipment and training.</p> <p>2. No mechanism (PIC, frequency, method, etc.) to make sure these surveys equipment in good condition.</p> <p>3. No SOP/protocol on measurement of seedlings and saplings size less than 3.0 cm.</p> <p>4. Inadequate training on establishment of</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>and saplings in the PSP.</p> <p>3.Slope correction was not correctly applied during establishment of PSP plot distance measurements.</p> <p>Objective evidence: During inspection of PSP plots (PSP0103 and PSP0102) in Coupe 01A, auditor has found the inventory measurement tools were not in good condition as listed below:</p> <p>1.Clinometer and electronic caliper used by surveyor did not functioned (internal dial/wheel not well balanced and the graduation was faded).</p> <p>2.Diameter of seedlings and saplings with size DBH 1.0 - 3.0 cm using diameter tape were inaccurately measured by the surveyor.</p> <p>3.Slope correction was not correctly applied for measurement of horizontal distance of 10 m in the establishment of PSP plot boundaries.</p>	<p>PSP, especially on slope correction.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. The equipment used shall be in working order; otherwise, it will be replaced with the new ones; 2. SOP and training materials shall be drafted; including re-training of Forest Surveyors. 3. The above shall be readied by December 2022. 	
<p>Indicator</p> <p>Minor</p> <p>NCR: RJ02/2022</p>	<p>Requirement: Indicator 9.3.1 - Measures to demarcate, maintain and/or enhance the HCV attributes are documented in the forest management plan and effectively implemented.</p> <p>Finding: The HCVs 1.4 were not demarcated in the map in the Forest Management Plan.</p> <p>Objective evidence: Review of the Forest Management Plan Baleh-Balui FMU T/3371, Strategic Forest Management Plan (2017- 2042) Jaya Tiasa Holding Berhad has no evidence</p>	<p>Result of investigation and determination of root cause: Lack of awareness to include HCV 1.4 in the map for FMP.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. The HCV 1.4 attributes shall be incorporated into FMP, where the FMP shall be revised and updated. 2. The HCV map is to be attached in the FMP by November 2022. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>that the following HCVs had been demarcated in the map of FMP:</p> <ol style="list-style-type: none"> 1. HCV 1.4 Nesting tree no. 0001/01 established on 3rd Nov. 2021 located at Block 71A, Coupe 01A. 2. The HCV 1.4 Salt licks, Apan Sawa and Apan Lubang was not demarcated in the FMP under HCVF. 		
<p>Indicator</p> <p>Minor</p> <p>NCR: RJ03/2022</p>	<p>Requirement: Indicator 9.4.1 - Forest managers shall conduct, appropriate to scale and intensity of forest management operations, annual monitoring to assess the effectiveness of the measures in the management of the HCVFs in the FMU</p> <p>Finding: Annual Monitoring for established HCVs not evidenced.</p> <p>Objective evidence: The annual monitoring to assess the effectiveness of the measures in the management of the HCVs in the FMU for the following HCVs was not conducted:</p> <ol style="list-style-type: none"> 1. HCV 1.4 Nesting Tree No.0001/01 in Block 71A, Coupe 01A. 2. HCV 1.4 Salt Lick – Apan Sawa (Last monitoring on 29th Jan. 2021 only camera trapping), in Coupe 22A 3. HCV 1.4 Salt Lick – Apan Lubang in Coupe 24A. 	<p>Result of investigation and determination of root cause: Lack of awareness on the annual monitoring of HCVs.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. The HCV attributes are to be revised and updated; and shall be monitored annually and the records shall be updated. 2. The HCV map is to be attached in the FMP by November 2022. 	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>
<p>Indicator</p> <p>Minor</p> <p>NCR: RJ04/2022</p>	<p>Requirement: Indicator 9.4.2 - Forest managers shall incorporate the results and findings of the HCVFs monitoring activities into the implementation and revision of the forest management plan</p> <p>Finding: The results and findings of the</p>	<p>Result of investigation and determination of root cause: Lack of awareness to incorporate HCV monitoring findings in the FMP.</p> <p>Correction and corrective action plan including completion date:</p>	<p>Corrective action plan was received by email and accepted by audit team on 26 October 2022.</p> <p>Status: The effectiveness of implementation of the corrective action plan will be verified during the next audit.</p>

	<p>HCVFs monitoring activities has not been incorporated in the revision of the forest management plan.</p> <p>Objective evidence: Document review of revised Forest Management Plan Baleh-Balui (T/3371), Strategic Forest Management Plan, (2017 - 2042) Jaya Tiasa Holding Berhad, (Revised on 20th April 2022) found that the results and findings of the HCVFs monitoring activities has not been incorporated in the revision of the forest management plan.</p>	<p>The results and findings of HCV monitoring shall be incorporated into FMP, where the FMP shall be revised and updated by November 2022.</p>	
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End of Audit Report