



**PUBLIC SUMMARY
STAGE 2 AUDIT ON
OYA-BALINGIAN FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00137
Date of First Certification: 31st March 2023
Audit Date: 7 - 11 Nov 2022
Date of Public Summary: 21st April 2023**

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EXECUTIVE SUMMARY

The Stage 2 audit for forest management certification on the Subur Tiasa Holdings Berhad - Oya-Balingian FMU T/3669 was conducted from 7th to 11th November 2022. This was an audit conducted following the previous stage 1 audit which was conducted on 18th to 20th May 2022 on the overall forest management system and practices of the FMU against the requirements of the Malaysian Criteria and Indicators for Sustainable Forest Management, MC&I SFM (MTCS ST 1002:2021) using the verifiers stipulated for Sarawak, Malaysia.

The audit was conducted with the full cooperation of the Oya-Balingian FMU T/3669 by a three (3) member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor), Hj Roslee Jamaludin and Puteri Arlydia Abdul.

In general, the findings of this Stage 2 audit have indicated that the Oya-Balingian FMU T/3669 had complied with most of the requirements of the MC&I SFM despite the issuance of a total of one (1) Major and three (3) Minor Non-Conformance Reports (NCRs) were raised on the Oya-Balingian FMU T/3669 against the requirements of the MC&I SFM (MTCS ST 1002:2021).

This public summary contains the general information on the Oya-Balingian 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

Oya-Balingian Forest Management Unit

1.2 Contact Person and Address

Name : Lance Hung Sing Lu
Designation : Senior Manager
Address : No.66-78, Pusat Suria Permata,
Jalan Upper Lanang,
C.D.T. 123, 96000 Sibu, Sarawak

Phone # : 084-211555
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1.3 General Background on the Oya- Balingian FMU

The Forest Timber Licence (FTL) No. T/3669 was issued to Sarawak Timber Industry Development Corporation (STIDC) by the Forest Department Sarawak (FDS) on 3rd April 2018 to 2nd April 2021 to manage a total of 78,051 ha of Mukah Hills Permanent Forest, which is located within the Sibu Division, Sarawak for a period of 3 years. The STIDC had requested renewal on 10 Jan 2022 (letter Ref. No. STIDC.10.SH(IVN)(JLD5) (42) to FDS Kuching, Sarawak. The FTL No. T/3669 were valid until 2nd April 2023. Subur Tiasa Holdings Berhad was managing the area known as Oya-Balingian Forest Management Unit T/3669. Meanwhile, JPH Logging Sdn Bhd was appointed by Subur Tiasa Holdings Berhad as the harvesting contractor for this FMU.

The Oya-Balingian FMU T/3669 covers an area of 78,051 ha of Mukah Hills Permanent Forest. The FMU is located in the central region of Sarawak within the area of Upper Batang Oya, Batang Mukah and Batang Balingian. The FMU is surrounded by other timber license areas and plantations. The south of FMU is Rejang-Pelagus Forest Plantation (LPF/0026) and Victory Pelita Kabah Oil Palm Plantation. The Anap Muput FMU (T/4317) is located to the east of the FMU. The forest area is situated approximately between Latitudes 2° 34' 0.00" N to 2° 4' 0.00" N and Longitudes 112° 40' 0.00" E to 112° 22' 00.0" E in the Sibu Division.

Subur Tiasa Holdings Berhad has prepared a 25-year Forest Management Plan (FMP) dated February 2020 and general SOPs for the Oya-Balingian FMU T/3669. The FMP was approved on 14th May 2020 by the Forest Department Sarawak. The cutting cycle for Oya-Balingian FMU will be 25 years with 25 coupes covering an area of 78,051 Ha. The cutting limits were set up to ≥50cm dbh for Dipterocarps and ≥45cm dbh for non-dipterocarps.

Generally, there are about six (6) local Indigenous communities have been identified living within and outside of FMU.

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

1.4 Date First Certified

31st March 2023

1.5 Location of the FMU

The FMU is located between Latitudes 2° 34' 0.00" N to 2° 4' 0.00" N and Longitudes 112° 40' 0.00" E to 112° 22' 00.0" 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) (2020) to (2044) was presented during this audit.

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

The rate of harvest was calculated to not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined 25 years of cutting cycle, with total productive area of 65,226 ha. The AAC is set at 109,578m³/year for 25 years of cutting cycles, and the Monthly Production Limit was 9,132m³.

1.8 Environmental and Socioeconomic Context

Environmental Impact Assessment (EIA) for the Timber Harvesting Project Under the Forest Timber Licence No. T/3669 in the Ulu Batang Balingian-Ulu Batang Mukah-Ulu Batang Oya Region, Sibul and Bintulu Divisions, Sarawak dated September 2019 was presented during the audit. The report was prepared by Ecosol Consultancy Sdn. Bhd, and was approved by Natural Resources and Environment Board (NREB) on 10th December 2019 (NREB Ref. No. (16) NREB/6-3/2D/24.)

The Forest Management Plan (2020-2044) had 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.

The relevant documents on the customary rights of indigenous peoples' lands were kept at HQ office in Sibul. Mechanism to resolve any conflicts and grievances was established through Communities Representatives Committee (CRC) and sighted SOP titled SOP Public Conflict Resolution Mechanism'. There was no record of conflict and grievance from local communities based on stakeholders' interview and available records sighted at the FMU during this audit.

Forest Management Plan (FMP) Management prescription of HCV were in line with requirements from The Green Book, Guideline 4 – Procedures to Identify Production, Protection and Community Use Areas based on Forest Zoning on the community use zone is not to be harvested. The zone includes a) Water Catchments b) Farming and shifting cultivation areas c) Areas of cultural interest such as burial grounds, ritual and archaeological sites, and recreational potential sites.

There was no application of any traditional forest-related knowledge and practices of natives in forest operations. However, FMU has established an SOP (STH/FOD/LPR/05) Mechanisms on traditional forest-related knowledge and Traditional Knowledge (TK) Practices Documentation dated 1st Sept 2019.

Communities living within, or adjacent to, the FMU are given preference for employment and contract works as confirm during interview with and interview with samples worker during current audit.

2.0 AUDIT PROCESS

2.1 Audit Dates

7th – 11th November 2022 (15 man-days)

2.2 Audit Team

Khairul Najwan Bin Ahmad Jahari	(Lead Auditor)
Hj. Roslee Bin Jamaludin	(Forester)
Puteri Arlydia Bt. Abdul	(Forester)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A stakeholder notification was issued on 7th October 2022 for a period of one month inviting relevant stakeholders to give comments on the FMU. 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 Oya-Balingian 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 or not to issue a major or minor NCR or an OFI which is defined as follows:

(i) a major NCR is a non-compliance with the requirements of the MC&I 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.

Consultations were held with local communities in, Rh. Menom, Rh. Anding, Rh. Angga, Rh.Emong, ,Rh. Ampa, Rh.Sandom, Rh. Uban, which is situated within and adjacent of FMU. Consultation with Temenggong in Selangau town (Tr. Hemly), District Officer of Selangau and DOSH in Sibu. The coverage of this Stage 2 audit as shown in Stage 2 Audit Plan in **Attachment 4**.

The Oya-Balingian FMU had sent a corrective action plan to the audit team to address the Major and Minor NCRs on 30th November 2022 and 5th January 2023(amended) and the audit team had reviewed and accepted them on 11th December 2022 and 26th January 2023. The evidence of implementation for the Major NCR has been submitted by FMU on 31st January 2023 and 6th February 2023 (Additional), and has been accepted by the audit team and closed on 7th February 2023. The audit team had prepared an interim Stage 2 audit report and sent it to Oya-Balingian FMU for comment. A second draft of Stage 2 audit report which had incorporated the comments received from the Oya-Balingian FMU was then prepared, and sent to two peer reviewers for independent reviewing. A final Stage 2 audit report was prepared after incorporated the comments from peer reviewers.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Stage 2 audit, it was found that the Subur Tiasa Holding Berhad had managed the Oya-Balingian FMU (T/3669) in compliance with most of the requirements of the MC&I SFM. This Stage 2 audit had resulted in the issuance of one (1) Major and three (3) 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 Subur Tiasa Holding Berhad – Oya-Balingian FMU to address the one (1) major NCR raised during this stage 2 audit. 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 three (3) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

On local community rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings with the Community Representative Committee (CRC). SOP titled "Public Conflict Resolution Mechanism" was available. there was no record of conflict and grievance from local communities based on stakeholders' interview and available records sighted at the FMU during this audit.

Regarding Criterion 6.10, there is no conversion of natural forest to plantation or other land use by the FMU.

As the major NCR raised during this stage 2 audit was satisfactorily closed, the audit team had therefore recommended that the Certificate for Forest Management be awarded to Oya-Balingian FMU.

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

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<p>“Master List of FMC Related Law & Regulation, Handbook Guidelines/references” has been verified during this Stage 2 audit. The printed copy of up-to-date federal, state and local laws, regulations and policies that are relevant to forest management were made available in the Head Quarters Office, Sibul.</p> <p>Forest managers were found to be are aware of the applicable federal, state and local laws, regulations and policies as well as administrative requirements for forest management.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Head Quarters Office, Sibul. The payment of the renewal fee for Forest Timber License T/3660 with receipt number F12204000128 dated 26 April 2022 was verified.</p> <p>The forest managers were aware of all the binding international agreements.</p> <p>The conflict between laws and regulations was prepared in “Documentation of any conflicts between laws, regulations and these Principles and Criteria”, and was updated in October 2022.</p> <p>The policy statement for the “Sustainable Forest Management of Oya-Balingian Forest Management Unit” has been signed by the Regional General Manager, dated December 2021, and was communicated throughout the organization on 18th March 2022, involved workers and its contractor.</p>	<p>1. Site visit to a licence boundary at Coupe 07A, 05A and 06A along the road S1-3-3, adjacent to LPF/0026 (Rejang-Pelagus Forest Plantation (FP) LPF/0026) found the control measures on signages, was not sufficient.</p> <p>2. A review of the monitoring report dated 15th September 2022 and 18th September 2022 found that Coupe 09A has encroached. The monitoring record showed about 91 trees have been felled in Coupe 09A without authorizations. The surveyor reported to the FMU manager on 30th Sept 2022. However, it was not reported to the relevant authorities (FDS)</p> <p>Therefore, a Major NCR KN01/2022 for Indicator 1.5.2 was raised.</p>
Principle 2 Tenure and Use Rights and Responsibilities	<p>The documentation of legal status, and established forest use rights of the land or forest resources within the relevant federal, state, and local laws in the Oya-Balingian FMU were made available in the Head Quarters Office, Sibul. The FTL No. T/3669 were valid until 2nd April 2023.</p> <p>Forest managers have support legally recognised mechanisms for resolving land claims through the establishment of Standard Operating Procedure (SOP) STH/FOD/LPR/06 Land Claim Resolution Rev 0 dated 7th June 2022.</p> <p>Legal or customary tenure or use rights of local communities within relevant federal, state and</p>	<p>There were no negatives finding</p>

Principle	Strengths	Weaknesses
	<p>local laws in the FMU were made available and verified at the Headquarters (HQ) office at Sibul, Sarawak.</p> <p>Mechanisms for conflict resolution were established as STH/FOD/LPR/01 SOP Public Conflict Resolution Mechanism Rev 0 dated 1st March 2019 and made publicly accessible.</p>	
Principle 3 Indigenous People's Rights	<p>Documentation of the customary rights of indigenous peoples' lands within relevant federal, state, and local laws was made available at HQ Sibul, including stakeholder consultation.</p> <p>The contractual agreement entered with free, prior and informed consent, with local communities with legal or customary tenure or use rights for use of land were recorded in "<i>Borang Persetujuan Bersama</i>" (Mutual Agreement Form).</p> <p>Preventive and mitigation measures have been incorporated into the Forest Management Plan (FMP and SOP STH/FPD/RIL/01-01 Boundary Demarcation of License Boundary; Coupe Boundary, Block Boundary, Shifting Agriculture - SA, Terrain IV and SBR (stream buffer reserve) Procedures Rev 0 dated 4th Jan 2022.</p> <p>No commercial utilization of traditional forest-related knowledge and practices of indigenous peoples. However, knowledge on the use of forest species or management systems in forest operations will be protected through STH/FOD/LPR/05 Mechanisms on traditional forest-related knowledge and Traditional Knowledge (TK) Practices Documentation dated 1st Sept 2019.</p>	There were no Negative findings
Principle 4 Community Relations and Workers' Rights	<p>Oya-Balingian FMU has provided training, retraining, local infrastructure, facilities and social program for all levels of its employees, that are commensurate with the scale and intensity of forest management operations.</p> <p>The training plan for 2022 has been presented during this audit and has been verified by the Auditor.</p> <p>Communities living within, or adjacent to, the FMU are given preference for employment and contract works, where the commitment has been addressed to recruit workers from local communities without gender discrimination.</p> <p>There were no restrictions for workers to freely organise into unions of their own choice, as addressed in the Good Social Practices Policy Statement approved by the General Manager Dated April 2022.</p>	<p>Site inspection of the Balingian Workshop found the following:</p> <ol style="list-style-type: none"> 1. Two (2) gas cylinders for Acetylene and oxygen were without a pressure gauge or meter. 2. One (1) Chain Block used at the workshop was without a safety latch. 3. An air compressor used at the workshop was without the registration number. <p>Therefore, a Minor NCR RJ01/2022 for Indicator 4.2.3 was raised.</p> <p>Site inspection of the Balingian</p>

Principle	Strengths	Weaknesses
	<p>Workers have been covered with insurance from SOCSO contribution which is covered on annual basis as per Employees' Social Security (General) Regulations, 1971.</p> <p>An appropriate procedure to address grievances raised by workers and/or their organisations and for conflict resolution was verified in "Workers' complaint Resolution STH/FOD/LPR/02" dated 1st March 2019.</p> <p>The people and groups directly affected by the forest operations may access the summary information on the results of the social impact evaluations through the website at https://www.suburtiasa.com/sustainability/public-summaries/oia-balingian-fmu/</p> <p>No complaints or grievances were raised by native communities against the loss or damage affecting the local communities' legal or customary rights, property, resources, or livelihoods by Oia-Balingian FMU activities.</p>	<p>Camp found the following:</p> <ol style="list-style-type: none"> 1. One (1) mineral water bottle filled with brake fluid and one (1) with lubricant oil without labelled. 2. Three (3) used batteries have been stored in the general store, not in the scheduled waste store. 3. One (1) drum of SW 408 (contaminated soil) was stored at the scheduled waste store without a label and date of first generated. <p>Therefore, a Minor NCR RJ02/2022 for Indicator 4.2.5 was raised.</p>
<p>Principle 5 Benefits From the Forest</p>	<p>The investments and reinvestments for forest management includes, forest administration, forest operation (Pre-F, RILP, demarcation of protected areas, nursery, enrichment planting and rehabilitation works, harvesting, community and monitoring were included in 5 Years Budget Plan and the yearly Budget for Oia-Balingian FMU T3669 from January to December 2022, Budget for 2022.</p> <p>A total of 25 PSPs (for 25 coupes) were established in Oia-Balingian FMU during this stage 2 audit.</p> <p>Timber Harvesting activities currently have not been conducted. The forest operation involved only pre-harvesting activities (tree tagging) in 4 blocks (Blocks 01, 02 and 03) covering an area of 225 ha in coupe 01A.</p> <p>Even though there was no harvesting during the audit, based on the Annual Training Plan 2022, regular training was conducted for the staff on techniques of reduced-impact logging (RIL).</p> <p>Log is the main product, therefore there would be no non-timber forest product to be harvested from this FMU with the operable area of 65,226 ha.</p> <p>The audit found the rate of the harvest was not greater than the estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
Principle 6 Environmental Impact	<p>Environmental Impact Assessment (EIA) for the Timber Harvesting Project Under the Forest Timber Licence No. T/3669 in the Ulu Batang Balingian-Ulu Batang Mukah-Ulu Batang Oya Region, Sibu and Bintulu Divisions, Sarawak dated September 2019 was presented during the audit, approved by Natural Resources and Environment Board (NREB) on 10th December 2019, (NREB Ref. No. (16) NREB/6-3/2D/24.)</p> <p>There was a collaboration between forest managers, conservation organizations and regulatory authorities in implementing conservation and management activities. The collaboration with the Forest Department Sarawak for Long term Monitoring of Flora and Fauna in FMUs of FTL T/3361 and T/3669.</p> <p>The activities of hunting, fishing, and collecting in the FMU were controlled through monthly inspection such as block inspection, coupe patrol, licensed area.</p> <p>The FMU has appointed eight (8) Honorary Wildlife Rangers (records updated on 4th Nov 2022). The certificate valid from 1st Jan 2021 to 31st Dec 2023.</p> <p>The FMU has established an SOP titled "Enrichment Planting Procedure" [STH/FOD/RIL/09] as a guide to implementing silvicultural treatment in the license area.</p> <p>Site inspection to riparian buffer zone, salt lick and water catchments. were found to be protected by the FMU. The boundaries of the HCVs were clearly marked with blue paint.</p> <p>Forest harvesting is implemented based on harvesting procedures aimed to protect the soil from compaction by harvesting machinery and erosion during harvesting operations. However, there was no active harvesting area during the audit. Therefore, the pre-harvesting in Blocks 01, 02 and 03 in Coupe 01A was inspected during the audit.</p> <p>The Internal Environmental Compliance Audit (IECA) for the period of 26th – 28th April 2022 had been conducted by the three (3) Internal auditors who have been registered with the Natural Resources and Environment Board (NREB) Sarawak and are qualified to conduct IECA for Oya- Balingian FMU.</p> <p>The FMU has incorporated the Forest Fire Management Plan into the Oya- Balingian FMP i.e., Chapter 14: Fire Management Plan and Risk</p>	There were no negative findings

Principle	Strengths	Weaknesses
	<p>Management.</p> <p>The FMU did not use any chemical pesticides listed in the World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides in its forest operation.</p> <p>Management policy on the use of environmentally friendly non-chemical methods of pest management and avoiding the use of chemical pesticides was available in the “Environmental Sustainability Policy Statement” dated August 2019.</p> <p>The safety signages at the scheduled waste store, Fuel and Oil store were properly established. Schedule waste management training was conducted on 18th January 2022.</p> <p>The record of disposal of Scheduled wastes was made available during the audit. The Consignment Notes for disposal of Schedule waste of SW 410, SW 305 were verified during this audit.</p> <p>The FMU did not use the biological control agent.</p> <p>The FMU did not use any exotic species in their forest management prescription.</p> <p>The audit found forest conversion to other land uses has not occurred in the FMU. A review of the FMP and visit to licence boundaries at Coupe 01A found no traces of conversion in the FMU.</p>	
<p>Principle 7 Management Plan</p>	<p>Subur Tiasa Holdings Berhad has prepared a 25-year Forest Management Plan (FMP) dated February 2020 for Oya-Balingian FMU. The FMP will cover a period of 25 years from 2020 to 2044.</p> <p>Interviews with Forest managers during the audit found that they were aware of new scientific and technical information, including any applicable traditional and indigenous knowledge pertinent to the management of the FMU.</p> <p>The FMU will periodically revise the forest management plan every 5 years.</p> <p>Forest workers have received adequate training and supervision to ensure proper implementation of the management plan. A training program records “JPH Logging Sdn Bhd, Training Plan – Oya Balingian FMU” for 2022 was verified during the audit.</p> <p>Forest managers have clearly defined and assigned specific roles and responsibilities of the forest worker to ensure the effective</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>implementation of the forest management plan. Documentation of Job descriptions “Job Description, Appendix A” was sampled during the audit.</p> <p>Summary of Forest Management Plan has been prepared, implemented, and made available to the public through website link as follows https://www.suburtiasa.com/sustainability/public-summaries/oia-balingian-fmu/</p>	
Principle 8 Monitoring and Assessment	<p>Several monitoring procedures and reports were conducted by Oia-Balingian FMU to comply with the Forestry Department Sarawak (FDS) and other relevant agencies as verified during this audit.</p> <p>Forest managers have identified and implemented appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts with a different set of procedures.</p> <p>The Internal Audit Report for the audit exercise that was conducted on 29th – 31st March 2022 was verified. Review of the audit report “Internal Audit Report FMU Oia Balingian FMU FTL No. T/3669” dated 1st April 2022 found the internal auditors are trained and all aspect of MC&I was appropriately covered during the audit.</p> <p>Management Review Meeting was conducted on 12th April 2022, and had discussed performance of the FMU in all major aspects of SFM was verified.</p> <p>The relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items were available in “Monitoring Indicators” updated on December 2021.</p> <p>Relevant documents on Removal Pass were not audited since no harvesting was conducted in the FMU during this stage 2 audit. However, Procedure on “Log Movement from Block Pangkalan to PoRM Stumping (STHFOD/LLO/01)” dated 1st March 2019 and DF Circular No. 1/2019 – Segregation of Logs produced from Forest Management Certified Areas (Natural Forest) effective 1st March 2019 were verified.</p> <p>Results and findings of the monitoring activities will be included in the next review of the forest management plan for continuous improvement.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2, has been made publicly available on the website:</p>	<p>There was no negative findings</p>

Principle	Strengths	Weaknesses
	https://www.suburtiasa.com/sustainability/public-summaries/oya-balingian-fmu/	
Principle 9 Maintenance of High Conservation Values	<p>The assessment report titled “High Conservation Value (HCV 1- HCV 6) Assessment Report, Oya – Balingian FMU Timber Licence No. T/3669 Sibul Division, Sarawak, Subur Tiasa Holdings Bhd” was presented during the audit and was verified. The assessment was conducted by Biodiversity Resource Network Sarawak dated July 2020.</p> <p>The Oya-Balingian FMU had demonstrated their willingness to protect areas of high conservation value in the FMU</p> <p>Site visits to the HCV areas of nesting trees (Hornbill) at Block 17 of Coupe 01A by the auditor and consultation with local villagers confirmed these HCV areas are protected.</p> <p>The identification of HCVFs has been included in the public summary https://www.suburtiasa.com/sustainability/public-summaries/oya-balingian-fmu/</p> <p>Evidence of HCV sites monitoring were verified through the records of monitoring/patrolling done in May - October 2022.</p> <p>Results and findings of the HCVFs monitoring activities will be incorporated into the Oya-Balingian Forest Management Plan during the mid-term review in 2025.</p>	<p>Record review of Stakeholders consultation for identified HCVs only conducted during FMCLC meeting on 23rd March 2022. The stakeholder consultation for Government agencies, Universities and NGOs on the option to maintain or enhance the identified HCV areas was not conducted by the FMU.</p> <p>Therefore, a Minor NCR RJ03/2022 for Indicator 9.2.1 was raised.</p>

Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field work, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Senior Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification MC&I (Natural Forest) and MC&I (Forest Plantation), MYNI of RSPO P&C, MSPO, MyTLAS, STLVS and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas: Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
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 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</p>

		<p>attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Training / Research Areas:</p> <p>Had Attended and Passed the following Training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015</p> <p>EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</p> <p>Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015.</p> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016.</p> <p>FMC Workshop 28th -29th November 2017</p> <p>FMC Workshop for 2018 organised by SIRIM (Food, Agr. & Forestry) 22 November 2018</p> <p>COC Workshop 2018 organised by SIRIM 26 November 2018</p> <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.</p> <p>MSPO Training Course 16-17 Feb 2019 organised by SIRIM</p> <p>COC Workshop 27/6/2019 FAF SIRIM QAS</p> <p>FMC 25-26/6/2019 organised by FAF SIRIM QAS</p>
Puteri Arlydia Abdul	Auditor / Forester	<p>Academic Qualification:</p> <p>B. Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience:</p> <p>1 year with Forestry Department Peninsular Malaysia (JPMS) 2007-2008, 3 years with Forest Plantation Development Sdn Bhd (Wholly owned by MTIB) 2008 – 2011, 1 year with Transparency International Malaysia 2011-2012, 3 years with Intertek Certification International Sdn Bhd 2012-2015 and with Sirim QAS International from 2015 onwards. Her working experience cover forest elements among others, Geographic Information System, Remote Sensing, Forest Governance Integrity and Local Communities programs and auditing in ISO 9001 (Quality), ISO 14001 (Environment), PEFC Chain of Custody and PEFC MC&I (both Natural and Plantation Forest).</p> <p>Training/Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <ol style="list-style-type: none"> 1. ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012 2. MC&I (Natural and Plantation) Lead Auditor Course 9-10/07/2015 3. Training on ISO 9001:2015 (final version) dated 21/09/2015 4. ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015 5. Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016 6. Schedule Waste Handling dated 1/06/2016 7. ISO 14001:2015 dated 18/09/2017 8. PEFC CoC by MTCC dated 6 & 14/12/2017

Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Undisclosed Received on 2 Nov 2022	<p>Pihak Pengurusan Hutan yang diuruskan oleh Subur Tiasa Holdings Berhad perlu mematuhi Akta Keselamatan dan Kesihatan Pekerjaan 1994, khususnya perkara-perkara berikut:</p> <ol style="list-style-type: none"> 1. Pemberitahuan dan Pelaporan mengenai Kemalangan, Kejadian Berbahaya, Keracunan Pekerjaan dan Penyakit Pekerjaan perl di buat melalui portal mykkp.dosh.gov.my 2. Memastikan jentera yang memerlukan sijil perakuan kelayakan di daftarkan dengan pihak Jabatan Keselamatan dan Kesihatan Pekerjaan Negeri. 3. Melantik Penyelaras Keselamatan dan Kesihatan Pekerjaan (OSH-C) di tempt kerja. 4. Menjalankan dan Mengadakan Penilaian Risiko (Risk Assessment) terhadap semua aktiviti kerja. 	<ol style="list-style-type: none"> 1. Up-to-date safety records in compliance with all applicable laws and/or regulations covering the health and safety of forest workers were kept accordingly. Sighted among others during this audit were JKPP 8/111613/2021 JKPP 8 <i>Akuan Penerimaan Pendaftaran</i> dated 4/02/2022 (under Iran Logpond – JPH Logging Sdn Bhd) and JKPP 6 <i>Pemberitahuan Mengenai Kemalangan /Kejadian Berbahaya</i> incident occurs on 6/07/2021 involving medicinal leaves for 50 days reported to DOSH on 9/07/2021. 2. During the site inspection of the Balingian Workshop, found the following: <ol style="list-style-type: none"> a. Two (2) gas cylinders for Acetylene and oxygen were without a pressure gauge or meter. b. One (1) Chain Block used at the workshop was without a safety latch. c. An air compressor used at the workshop was without the registration number. <p>Appropriate operational equipment was not made available to forest workers in the workplace at Balingian Camp. Minor NCR RJ01/2022 was raised against Indicator 4.2.3</p> 3. Ms Jude Conai Anak Dickson has been appointed as Safety and Health Officer through a letter dated 28th February 2022 in accordance with Occupational Safety and Health Act 1994. She will carry duty from 1st March 2022 as per DOSH registration <i>Slip Perakuan Pendaftaran Peraturan 7 HQ/21.SHO/00/04130</i> dated 30th November 2021 valid till 29th November 2024. This position has also, through recent regulation requirements were made known as Safety and Health Coordinator

			<p>4. Stakeholder consultation with DOSH Sibu has confirm no specific format for Risk Assessment as per required by regulation however the expansion of understanding of risk assessment were recently covered and no longer limited through HIRARC only. Although this is not required by MC&I SFM requirements directly under safety and health elements, the content was addressed in Safety and Health Policy Statement approved by General Manager dated 1st April 2021</p>
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Stage 2 Audit Plan

DAY	TIME	PROGRAM		
Travel Day 1		All Auditors travelling from KLIA to Sibu on 6 Nov 2022		
6.11.22	02.00 pm - 6.30 pm	Flight from Kuala Lumpur (KUL) to Sibu (SBW) MH2718 ETD – 16:15, ETA-18:20		
Sunday	8.00 pm	Check-in at Tanahmas Hotel, Sibu		
Audit Day 1	8.00 am – 1.00 pm	<ul style="list-style-type: none"> Opening Meeting with representatives of FMU at Subur Tiasa Headquarters, Sibu Briefing session by the 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 internal audit and management review. <p>Documentation and records review</p>		
7.11.22		Najwan	Hj Roslee	Lydia
Monday	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> Principle 1 – Compliance with Laws and Principles Principle 2 – <u>Tenure</u> and Use Rights and Responsibilities Principle 7 – Management Plan Principle 8 – Monitoring and Assessment 	<ul style="list-style-type: none"> Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 9 – Maintenance of High Conservation Value (HCV) 	<ul style="list-style-type: none"> Principle 2 – Tenure and <u>Use Rights and Responsibilities</u> Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Rights
Audit Day 2	8.00 am –	Site visit	Site visit	Site visit

8.11.22 Tuesday	10.30 am	Travelling to Iran Camp (west part) Travel time 2-3 hours from Sibu through Kanowit	Travelling to Balingian Camp (north part) Travel time 2-3 hours from Sibu through Pan Borneo-Setapang-Selangau	Travelling to Balingian Camp (north part) Travel time 2-3 hours from Sibu through Pan Borneo-Setapang-Selangau
	10.30 am – 2.00 pm 2.00 pm – 5.30 pm	<ul style="list-style-type: none"> • Inspection of Pre-harvesting (tree tagging) at Block 1 (MT-1A & MT-1B) of Coupe 01A • Inspection of Coupe Boundary 01A • HCV Area of Nesting Tress (Hornbill) at Block17 of Coupe 01A • Inspection of Licence Boundary at Coupe 01A (Block 16) adjacent to LPF/0032 (Sg. Melop) • Check on a workshop, machinery maintenance and equipment. • Consultation with Surveyors, Clerk, Mechanics, Storekeepers, and Mandore. • Staying at Iran Camp 	<ul style="list-style-type: none"> • Inspection of Workshop and SW Store at Balingian Camp • Inspection of PSP No: C18P1 at Coupe 18A • Inspection of FMU Licenses Boundaries & control measures at Coupe • Consultation with workers (surveyor) and supervisor. • Travel back to Sibu 	<ul style="list-style-type: none"> • Consultation with stakeholders of Local Communities Rh Merom, Rh Anding & Rh Angga • Staying at Balingian Camp
		Review of Day 2 Findings by Audit Team Leader		
9.11.22 Wednesday Audit Day 3	7.30 am – 1.00 pm	Site visit	Site visit	Site visit
	2.00 pm – 5.00pm	<ul style="list-style-type: none"> • HCVA Salt Lick (Sg Duan), Block 9 of Coupe 01A • Inspection of Post-harvesting area • PSP No: C4P1 at Coupe 04A • Inspection of Central Stumping Site • Check on a workshop, machinery maintenance and equipment. • Inspection of FMU Licenses Boundaries & control measures at Coupe 07A, 06A and 05A adjacent to LPF 	<ul style="list-style-type: none"> • Inspection of Nursery and chemical store • Inspection of the Pre-harvesting area or Tree tagging area in Block 02 and Block 03 of Coupe 01A • PSP no C7P2 at Coupe 07A 	<ul style="list-style-type: none"> • Consultation with Local Communities of Rh. Emong, Rh. Ampa, Rh. Sandom & Rh. Uban • Inspection of staff quarters at Balingian Camp • Consultation with workers and worker's representative • Staying at Balingian Camp
		Review of Day 3 Findings by Audit Team Leader		

Audit Day 4 10.11.22 Thursday	7.30 am – 1.00 pm	Documentation and records review at Subur Tiasa Headquarters, Sibul	Documentation and records review at Subur Tiasa Headquarters, Sibul	Site visit <ul style="list-style-type: none">• Consultation with Local Communities at Selangau Town - to consult with Temenggong or/and Pemanca and other stakeholders (Tr. Hemly)• Consultation with the District Officer of Selangau• Consultation with DOSH, Sibul
	2.00 pm – 3.00 pm	<ul style="list-style-type: none">• Principle 2 – <u>Tenure</u> and Use Rights and Responsibilities• Principle 7 – Management Plan	<ul style="list-style-type: none">• Principle 5 – Benefits from the forest• Principle 6 – Environmental Impact	
	3.00 pm	Travel back to Sibul, and staying at Tanahmas Hotel		
Audit Day 5 11.11.22 Friday	8.30 am – 1.00 pm	<ul style="list-style-type: none">• Documentation and records review at Subur Tiasa Holdings Headquarters, Sibul• Preparation of audit report and finding• Briefing representatives of FMU on the findings of the audit		
	3.00 pm- 5.00 pm	<ul style="list-style-type: none">• Closing Meeting and presentation of findings of audit and discussion on follow-up activities• Adjourn Closing Meeting		
Travel Day 12.11.22 Saturday	9.00 am	All Auditors travelling from Sibul to KLIA on 12 Nov 2022. MAS Flight from Sibul (SBW) to Kuala Lumpur (KUL) MH2715 ETD-11:15, ETA-13:20		

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

Indicator	Detail Non-conformances	Corrective Action Taken
<p>Major</p> <p>NCR: KN01/ 2022</p>	<p>Requirement: Indicator 1.5.2 - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p>Finding:</p> <ol style="list-style-type: none"> 1. Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient. 2. Records of actions taken and copies of reports to relevant authorities were not available. <p>Objective evidence:</p> <ol style="list-style-type: none"> 3. Site visit to a licence boundary at Coupe 07A, 05A and 06A along the road S1-3-3, adjacent to LPF/0026 (Rejang-Pelagus Forest Plantation (FP) LPF/0026) found the control measures on signages, was not sufficient. 4. A review of the monitoring report dated 15 September 2022 and 18 September 2022 found that Coupe 09A has encroached. The monitoring record showed about 91 trees have been felled in Coupe 09A without authorizations. The surveyor reported to the FMU manager on 30 Sept 2022. However, it was not reported to the relevant authorities (FDS) 	<p>Result of investigation and determination of root cause:</p> <ol style="list-style-type: none"> 1. No briefing on tackling the issues involving unauthorized activities in the FMU area. The SOP pertaining to encroachment was not communicated properly to the FMU workers. 2. The issue was discovered during the inspection/patrolling and suspected the illegal felling by unknown parties. Report to relevant authorities waiting for the site/ground verification. <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Conduct the training and briefing SOP pertaining to encroachment and license boundary monitoring. Install the appropriate signage in the affected area. 2. Immediate report to the Forest Department (FD). Regular patrolling will be conducted. The report has been sent to FDS (Our Ref: T3669/Encroachment/11/2022-01 date 14 November 2022).
<p>Minor</p> <p>NCR: RJ01/</p>	<p>Requirement: Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest workers in the workplace.</p>	<p>Result of investigation and determination of root cause:</p> <p>Inspection or monitoring by the person in charge was not done regularly. Operational procedures on equipment handling, and</p>

2022	<p>Finding: Appropriate operational equipment was not made available to forest workers in the workplace.</p> <p>Objective evidence: Site inspection of the Balingian Workshop found the following:</p> <ol style="list-style-type: none"> 4. Two (2) gas cylinders for Acetylene and oxygen were without a pressure gauge or meter. 5. One (1) Chain Block used at the workshop was without a safety latch. 6. An air compressor used at the workshop was without the registration number. 	<p>workplace inspection training were not given to workers.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Install the pressure gauge or meter for gas cylinders for acetylene and oxygen. 2. Replace the chain blocks with the new chain block with safety latch. 3. Install the registration number (provided by JKPP) onto the compressor body. 4. Training or briefing pertaining to safety at the workplace, equipment handling including operational procedures will be conducted in future. <p>Completion date: The new pressure gauge and chain blocks were supplied to the workshop and installment of registration number on the Air Compressor Body were carried out in Dec 2022.</p> <p>Training on workplace safety and safe handling equipment was conducted in Jan 2023.</p>
<p>Minor</p> <p>NCR: RJ02/ 2022</p>	<p>Requirement: Indicator 4.2.5 - Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: Storage of hazardous materials has not in accordance with the guidelines for storage and handling of hazardous materials.</p> <p>Objective evidence: Site inspection of the Balingian Camp found the following:</p> <ol style="list-style-type: none"> 4. One (1) mineral water bottle filled with brake fluid and one (1) with lubricant oil without labelled. 5. Three (3) used batteries have been stored in the general store, not in the scheduled waste store. 6. One (1) drum of SW 408 (contaminated soil) was stored at the scheduled waste store without a label and date of 	<p>Result of investigation and determination of root cause:</p> <p>No training on Scheduled Waste Handling procedures was conducted for the workers. The guidelines on labelling, packaging and storing of SW were not communicated to the workers.</p> <p>Correction and corrective action plan including completion date:</p> <ol style="list-style-type: none"> 1. Label the used container and store it at the scheduled waste store. 2. Segregate the scheduled waste (batteries) from other materials/equipment and store it at the scheduled waste store. 3. Provide training (scheduled waste handling) pertaining to guidelines for the storage and handling of scheduled waste.

	first generated.	<p>Completion date: The Scheduled Waste Store has been re-organised and Store clean up were carried out in Dec 2022.</p> <p>The training on Scheduled Waste handling is planned to conduct in May 2023.</p>
<p>Minor</p> <p>NCR: RJ03/ 2022</p>	<p>Requirement: Indicator 9.2.1 - Forest managers shall consult with relevant stakeholders on the options to maintain or enhance the identified HCV areas.</p> <p>Finding: Stakeholder consultation for identified HCVs did not include Government agencies, universities, and NGOs.</p> <p>Objective evidence: Record review of Stakeholders consultation for identified HCVs only conducted during FMCLC meeting on 23rd March 2022. The stakeholder consultation for Government agencies, Universities and NGOs on the option to maintain or enhance the identified HCV areas was not conducted by the FMU.</p>	<p>Result of investigation and determination of root cause: Government agencies, Universities and NGOs are not invited to FMCLC meeting held on 23rd March 2022 due to the pandemic Covid-19. Participants are limited to local communities, FMU and Forest Department.</p> <p>Correction and corrective action plan including completion date: 1. To conduct the consultation with the relevant government agencies, Universities and NGOs on the option to maintain or enhance the identified HCV area in the FMU area. List of stakeholders as follows:</p> <ul style="list-style-type: none"> i. Wildlife Conservation Society (WCS) ii. World Wildlife Fund (WWF) iii. Sarawak Biodiversity Centre (SBC) iv. Sarawak Forestry Corporation (SFC) v. Universiti Malaysia Sarawak (UNIMAS) <p>Completion date: The HCV Stakeholder Consultation is planned to conduct in May 2023 with Oya-Balingian FMU CRC and FMCLC meeting.</p>

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

Indicator	Specification Major/Minor/OFI	Details of Non- conformances	Corrective Action Taken	Verification by Assessor
NA	NA	NA	NA	NA

End of Report