



**PUBLIC SUMMARY  
STAGE 2 AUDIT ON  
PENUAN-LEBUWAI FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC – NF 00139  
Date of First Certification: 18<sup>th</sup> April 2023  
Audit Date: 27<sup>th</sup> June- 2<sup>nd</sup> July 2022  
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## **EXECUTIVE SUMMARY**

The Stage 2 audit for forest management certification on the Jaya Tiasa Holdings Berhad – Penuan-Lebuwai FMU (T/3370) was conducted from 27 June – 2 July 2022. This was an audit conducted following the previous Stage 1 audit which was conducted on 6-7 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, Malaysia.

The audit was conducted with the full cooperation of the Penuan-Lebuwai FMU by a four-member team comprising Mohd Razman Salim (Lead Auditor), Mohd Annas Amin Hj Omar (Auditor), Azrul Ikhsan Mohamed (Auditor) Angelica Sinimis Suimin (Auditor) and Khairul Najwan Ahmad Jahari (Observer).

Based on the findings of this stage 2 audit, it was found that Penuan-Lebuwai 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 fifteen (15) 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 Penuan - Lebuwai 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**

Penuan-Lebuwai 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

Fax # : 084-213855

### **1.3 General Background on the Penuan-Lebuwai FMU**

Penuan-Lebuwai Forest Management Unit (FMU) is located in the Bukit Mabong District, Kapit Division, Sarawak. Forest Timber Licence (FTL) No. T/3370 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 19 April 2015. The latest renewal of the licence is valid until 31<sup>st</sup> December 2022.

The total license area covers 132,416 ha that consists of Baleh Protected Forest (63,917 ha), Bahau Protected Forest (58,407 ha), Stateland Forest (11,469 ha), Mujong-Merirai Protected Forest (743 ha), Gayum Forest Reserve (338 ha) and Taman Protected Forest (30 ha). The FMU lies between latitudes 1° 33' 19" N and 2° 08' 55" N, and longitudes 113° 53' 02" E and 114° 14' 43" E.

The existence of Bakun Reservoir for Bakun dam catchment area that affected partially at Coupes 12, 13, 15, 16, 17, 21, 22, 24 and 25 of the FMU was excluded from the General Harvesting Plan (GP) and approved by the FDS on 20 February 2019.

Forest type of the FMU divided to 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.

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

### **1.4 Date First Certified**

18<sup>th</sup> April 2023

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

The FMU is located between latitudes 1° 33' 19" N and 2° 08' 55" N, and longitudes 113° 53' 02" E and 114° 14' 43" 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) (2021-2053) was presented during this audit.

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

The rate of harvest for forest product is clearly stated in the FMP 2021-2053. Based on the Mean Annual Increment (MAI) of 1.0 m<sup>3</sup>/ha/year for cutting diameter limits of ≥50 cm for Dipterocarps and ≥45 cm for Non-Dipterocarps, the Annual Allowable Cut (AAC) of Penuan-Lebuwai FMU was set to not more than 64,600 m<sup>3</sup>/year (average annual production area shall be 3,800 ha/year) for the 32-year cutting cycle.

## 1.8 Environmental and Socioeconomic Context

The 'EIA for the timber harvesting within the Penuan Lebuwai Forest Management Unit Under the Forest Timber Licence No T/3370 at Sungai Penuan-Sungai Lebuwai area Bukit Mabong and Belaga Districts, Kapit Division' was prepared by Ecosol Consultancy Sdn Bhd on June 2019 NREB/6-3/2F/101 under item 2(i). 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 Penuan-Lebuwai 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.

The FMU has established procedure "SOP 2.3.9.2 Land Claim (Baleh-Balui FMU T/3371, Penuan-Lebuwai FMU T/3370 and Mengiong-Entulu FMU T/3372)" and the Community Representative Committee (CRC) will be the mechanisms to resolve disputes over tenure claims and use rights. They are 4 local communities (Sang Anau-Long Bulan, Long Bulan, Long Busang, and Long Jawe) that reside adjacent to the FMU that have been identified and mapped in the General Harvesting Plan (GP) map titled "Penuan-Lebuwai FMU T/3370".

Based on interview with the Local Communities at Long Busang & Sang Anau-Long Bulan, the Shifting Agriculture (SA) areas were controlled by the local communities. There is no forest harvesting operation within the SA areas as verified by the audit team.

Forest Management Practices of Penuan -Lebuwai 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 Worker's registry as of June 2022, was verified and there were 10 local communities comprising of males (23.3%) were employed by the FMU. Inspection of employment records showed that there is no underage employment, employment of illegal migrant workers, child labour and forced labour.

## 2.0 AUDIT PROCESS

### 2.1 Audit Dates

27<sup>th</sup> June- 2<sup>nd</sup> July 2022 (24 man-days)

### 2.2 Audit Team

Mohd. Razman Salim	(Lead Auditor)
Mohd. Annas Amin Hj. Omar	(Forester)
Azrul Ikhsan Mohamed	(Forester)
Angelica Sinimis Suimin	(Sociologist)
Khairul Najwan Ahmad Jahari	(Observer)

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 June 2022 to solicit feedback from stakeholders on the compliance of the Penuan-Lebuwai 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 Penuan-Lebuwai 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 outside FMU area, Long Jawe and Bulan and Representative of CRC. Consultation was also 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 Penuan-Lebuwai 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 Penuan-Lebuwai FMU for comment. A second draft of Stage 2 audit report which had incorporated the comments received from the Penuan-Lebuwai 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 Penuan- Lebuwai 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, fifteen (15) 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 – Penuan-Lebuwai 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 fifteen (15) 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 Penuan-Lebuwai 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 raise, 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 Penuan-Lebuwai 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 Penuan- Lebuwai FMU.

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

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance With Laws and Principles</b>	<p>Penuan-Lebuwai FMU has up-to-date records of all relevant national, local laws, regulations and policies related to forest management in a "Book Checklist", stipulated in the MC&amp;I SFM.</p> <p>Interview with camp manager found that he has demonstrated an understanding of the federal, state, local laws and regulatory framework 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 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>1. Boundary demarcation was not evident as verified along Batang Balui from Sg. Lebuwai to Sg. Penuan at Coupe 16 and 17 (boundary with Nibong FMU).</p> <p>2. Licensed boundary between the FMU and Curiah Sdn Bhd at Coupe 30, 31 and 32 had been demarcated by the FMU in year 2019 as verified in the GPS Garmin unit from surveyor team. However, there was no report available to show the boundary marking activity had been done.</p> <p>3. Evidence of control measures such as signboard, poster, etc. to prevent encroachment, illegal harvesting and hunting were not evident at strategic location.</p> <p>Therefore, a <b>Major NCR 01/2022</b> for <b>Indicator 1.5.2</b> was raised.</p> <p>Based on documentation review it was noted that the documentation for conflicts between laws, regulations and these principles and criteria were insufficient.</p> <p>Therefore, a <b>Minor NCR AZR 07/2022</b> for <b>Indicator 1.4.1</b> was raised.</p> <p>There is no evidence of policies and statements to adhere to the MC&amp;I SFM in the contractor work order (CWO) for JAYA TIASA FOREST PLANTATION (JTFFP).</p> <p>Therefore, a <b>Minor NCR AZR 01/2022</b> for <b>Indicator 1.6.2</b> was raised.</p>
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	<p>Sarawak State Government through Forest Department Sarawak (FDS) has granted an area of 132,416 ha forest logging re-entry/ harvesting licence under the Forest Timber License No. T/3370 to the Jaya Tiasa Holdings Berhad officially on 22 June 1999 with 16 years period and expired on 19 April 2015. Licence renewal for 2022, Forest Department Sarawak</p>	<p>1. Mechanism to resolve disputes over tenure claims and use rights was not made available in the Public summary for Penuan-Lebuwai FMU.</p> <p>2. During site consultation with local communities at Sang Anau-Long Bulan and Long Bulan, they were not aware of</p>

Principle	Strengths	Weaknesses
	<p>only approved renewal of the FTL from 19<sup>th</sup> April 2022 to 31<sup>st</sup> December 2022. The reason was, to make sure that FMU obtain the forest management certification before the end of 2022. This is the forest certification initiative for long-term licence holders that has been enforced by the Sarawak State Government.</p> <p>Documentation of legal or customary tenure or use rights of local communities within relevant federal, state, and local laws in the FMU was sufficiently gathered during the SIA consultation.</p> <p>The FMU has consulted with the local communities to identify, document, and protect sites of significant importance to them (e.g. burial grounds and water catchments), during the CRC meeting.</p> <p>The Forest Managers respect the user rights of the communities around them and report to the Forest Department Sarawak if any new area established within the FMU or Protected Forest Zone.</p>	<p>the mechanism to resolve disputes over tenure claims and use rights</p> <p>Therefore, a <b>Minor NCR AZR 02/2022</b> for <b>Indicator 2.3.1</b> was raised.</p>
<p><b>Principle 3 Indigenous People's Rights</b></p>	<p>The relevant documents on the customary rights of indigenous people land were made available at the Penuan-Lebuwai camp office. There is no forest harvesting operation within the SA areas as verified by the audit team.</p> <p>Based on interview with the Local Communities at Long Busang &amp; Sang Anau-Long Bulan, the Shifting Agriculture (SA) areas were controlled by the local communities.</p> <p>Forest Management Practices of Penuan-Lebuwai FMU do not threaten or diminish the resources or user rights of the indigenous communities.</p> <p>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 Jawe to provide guide and water transportation to access the inaccessible villages. The services provided was paid based on the current</p>	<ol style="list-style-type: none"> <li>1. Based on the consultation with local communities, Sang Anau-Long Bulan and Long Bulan were not aware of the SOP for Conflict Resolution for Local Community.</li> <li>2. SOP for Conflict Resolution for Local Community was not made available in there Penuan-Lebuwai FMU website.</li> </ol> <p>Therefore, a <b>Minor NCR AZR03/2022</b> for <b>Indicator 3.1.3</b> was raised.</p> <ol style="list-style-type: none"> <li>1. List and maps depicting locations of important cultural, ecological, economic or religious sites in the FMU were e.g. Temuda, Damun, Pulau Galau, Sungan, water intake point) were not comprehensive to include 'new villages' (Sang Anau-Long Bulan and Long Bulan).</li> <li>2. Consultations with communities from Sang Anau-Long Bulan 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</li> </ol>



Principle	Strengths	Weaknesses
	market rate and mutually agreed by the FMU and Communities.	<p>Significance to natives is yet to be done.</p> <p>Therefore, a <b>Minor NCR AS01/2022</b> for <b>Indicator 3.3.1</b> was raised</p> <p>During the documentation review, there was no evidence of written procedures on mechanism for fair and equitable compensation for the commercial utilization of traditional-related knowledge and practices of indigenous people.</p> <p>Therefore, a <b>Minor NCR AS02/2022</b> for <b>Indicator 3.4.2</b> was raised.</p>
<b>Principle 4 Community Relations and Workers' Rights</b>	<p>Penuan-Lebuwai 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>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>The FMU has established a worker Representative Committee as a platform for workers to raise concerns about their social welfare benefits and well-being.</p> <p>The FMU has established a mechanism to resolve grievances and fair compensation for any loss or damage affecting the local communities.</p>	<p>Field visits at Sang Anau-Long Bulan and Long Bulan during this audit found that these communities were not included in the Social Impact Studies of Jaya Tiasa Holdings carried out in 2018 and 2020.</p> <p>Therefore, a <b>Major NCR AS04/2022</b> for <b>Indicator 4.4.1</b> was raised.</p> <p>Interview with 7 surveyors and 2 mechanics indicated that they were generally lack the understanding of the Forest Certification Process (MC&amp;I).</p> <p>Therefore, a <b>Minor NCR AZR04/2022</b> for <b>Indicator 4.1.1</b> was raised.</p> <ol style="list-style-type: none"> <li>1. Based on the consultation with local communities Sang Anau-Long Bulan was not aware of the job opportunities for employment at Penuan-Lebuwai FMU.</li> <li>2. Record of effort to recruit workers from Sang Anau-Long Bulan was not made available.</li> </ol>

Principle	Strengths	Weaknesses
		<p>Therefore, a <b>Minor NCR AZR05/2022</b> for <b>Indicator 4.1.2</b> was raised.</p> <ol style="list-style-type: none"> <li>1. Penuan Lebuwai FMU has yet to conduct Chemical Hazardous Risk Assessment (CHRA) as per requirement of the Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000). Site visit to FMU nursery has confirm that no CHRA has been conducted to cover spraying activities.</li> <li>2. Safety Data Sheet for chemical not display at the workplace (chemical mixing area) and at the chemical store.</li> </ol> <p>Therefore, a <b>Minor NCR ANS01/2022</b> for <b>Indicator 4.2.5</b> was raised.</p> <p>Minutes of the First Management Worker Committee (MWC) on the 12<sup>th</sup> Way, 2022 showed that the workers representatives were elected by the FMU Management team instead of the workers thus restricting them to organize and undertake collective bargaining and non-discrimination in the workplace in accordance with the ILO conventions no.87 and the FMU Good Social Practices Policy dated 16<sup>th</sup> August, 2021.</p> <p>Therefore, a <b>Minor NCR AS03/2022</b> for <b>Indicator 4.3.2</b> was raised.</p>
<b>Principle 5 Benefits From the Forest</b>	<p>Penuan-Lebuwai FMU was found committed with the investment and reinvestment for forest management activities. Details of the allocation were found consistent with FMU tenure particularly on administration, research, human resource development, protection, economic, conservation environmental and social aspects.</p> <p>Silvicultural treatment or enrichment planting (Kelempayan, Binuang, Sawih and others) along skid trails and in open logged area were conducted at the post-</p>	<p>Based on 'Summary of Coupe Operational Inventory Analysis' for Coupe 01A, the average volume (m<sup>3</sup>/ha) for Blocks 24 and 28 in Coupe 01A were 8.33 and 9.09 m<sup>3</sup>/ha. These harvestable timber volumes were below than the projected harvestable timber volume at 15 m<sup>3</sup>/ha. However, the FMU has targeted to harvest these blocks from Jun 2022 to March 2023.</p> <p>Therefore, a <b>Major NCR MRS02</b> for <b>Indicator 5.6.1</b> was raised.</p>

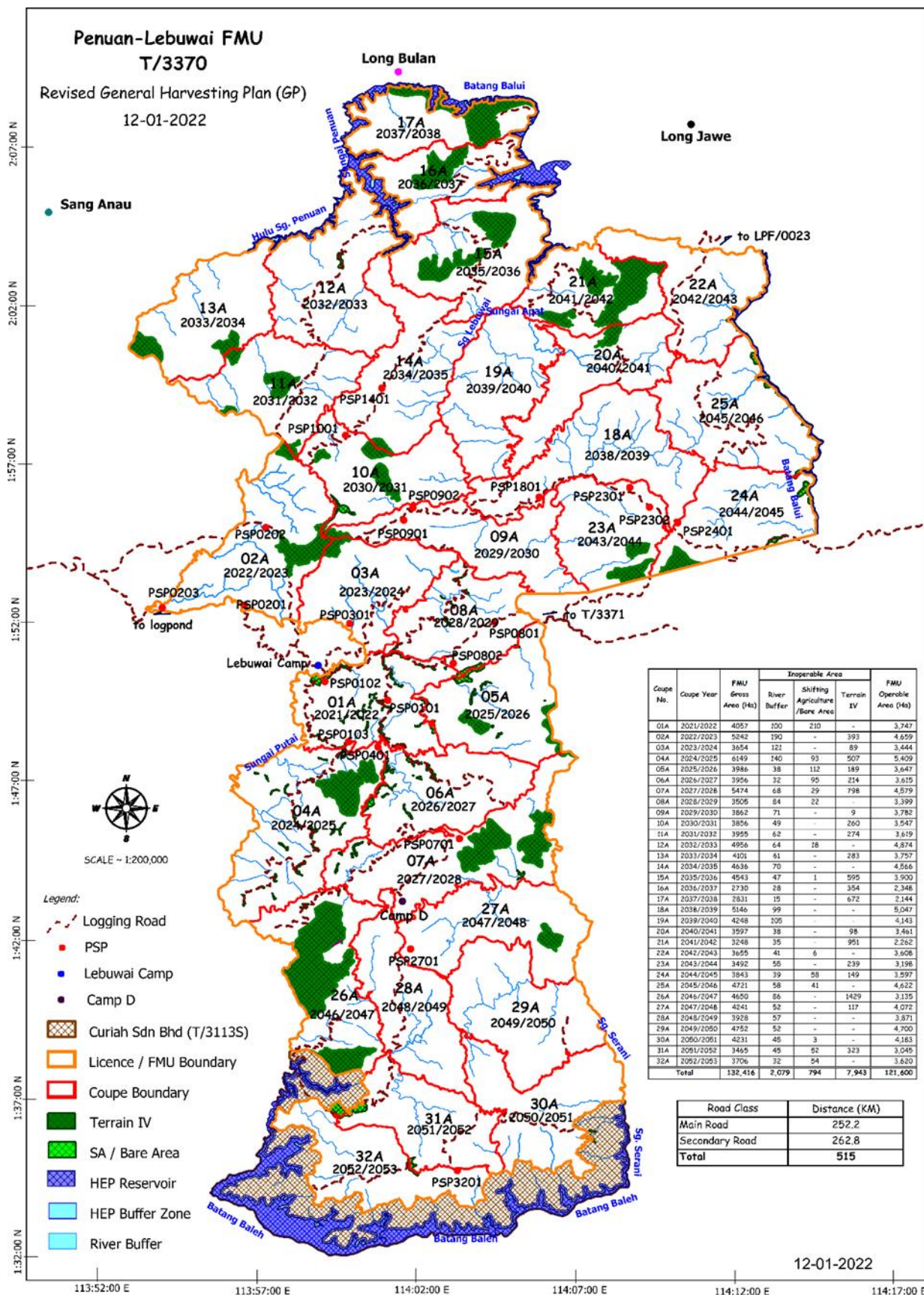
Principle	Strengths	Weaknesses
	<p>harvesting area in Block 1, 6 &amp; 16 in Coupe 01A as verified during site visit.</p> <p>Calculation of initial AAC was based on the projected gross volume for growing stock of 1.0 m<sup>3</sup>/ha/year (DBH ≥ 45 cm) with reference to the PSP measurement in T/3370 (Penuan-Lebuwai FMU) and T/3236 (Bahau-Kahei FMU). Penuan-Lebuwai FMU management has set up a total of 21 out of 96 sampling units of Permanent Sample Plot (PSP) for the whole FMU area.</p> <p>Timber is the main product, no non-timber forest product harvested from the FMU.</p> <p>During site visit, it was found that sensitive areas were demarcated and protected for protection of soil and watercourses which include Stream Buffer Reserve (SBR) or riparian buffers, Terrain IV, water catchment and other HCVs.</p>	
<p><b>Principle 6 Environmental Impact</b></p>	<p>'EIA for the timber harvesting within the Penuan Lebuwai Forest Management Unit Under the Forest Timber Licence No T/3370 at Sungai Penuan-Sungai Lebuwai area Bukit Mabong and Belaga Districts, Kapit Division' was prepared by Ecosol Consultancy Sdn Bhd on June 2019 (Ref. NREB/6-3/2F/101) under item 2(i), was presented during the audit.</p> <p>The FMU had incorporated the results of environmental impacts assessment in Chapter 7 of the FMP.</p> <p>Mitigation measures to the environment, socio-economic impact, water quality, and others were covered in the EIA report.</p> <p>The activities on hunting, fishing and collecting activities and inappropriate activities were prohibited in the FMU.</p> <p>The FMU has collaborated with UNIMAS, WWF and Forest Department Sarawak on the Baleh Watershed Wildlife Connectivity Project that was conducted on 15-25 September 2020.</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</p>	<ol style="list-style-type: none"> <li>1. During site consultation with local communities at Sang Anau-Long Bulan and Long Bulan, they were not made aware of endangered, rare and threatened species of forest flora and fauna found in the FMU.</li> <li>2. There was no poster of Totally Protected and Protected Wildlife in Sarawak found during site consultation during site consultation with local community at Sang Anau-Long Bulan.</li> </ol> <p>Therefore, a <b>Minor NCR AZR06/2022</b> for <b>Indicator 6.2.5</b> was raised.</p> <p>Ten diagnostic sampling plots were established at post-harvesting area in Coupe 01A. However, no assessment was carried out at the same diagnostic sampling plots before harvest.</p> <p>Therefore, a <b>Minor NCR MRS 03/2022</b> for <b>Indicator 6.3.1</b> was raised.</p> <ol style="list-style-type: none"> <li>1. During inspection to Secondary Road (S-1-1) at Coupe 01A</li> </ol>

Principle	Strengths	Weaknesses
	<p>mapped.</p> <p>The forest fire management plan for Penuan-Lebuwai FMU was made available during the audit. Forest fire control equipment such as water pump, water tank and chainsaw was verified during the audit at the Camp Store.</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 102, SW 305, SW 417, and SW 410 were verified during this audit.</p> <p>Records presented and site visit showed that there was no application of biological control agents in the FMU.</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>found that the sediment trap (Soil Trap) was not constructed as per (a) Construction of logging road, skid trail and roadside landing. (Guideline 10 RIL for ground-based harvesting system Part 2).</p> <ol style="list-style-type: none"> <li>It was found soil erosion from main logging road direct to natural stream at corner between Block 6/Block 8 in Coupe 01A. No water diversion (sump and culvert) was constructed at the inspected area.</li> <li>Bridge that connect Block 21 and Block 22 in Coupe 01A was found damaged.</li> </ol> <p>Therefore, a <b>Minor NCR ANS03/2022</b> for <b>Indicator 6.5.3</b> was raised.</p> <p>Based on documentation review and site inspection at FMU Nursery found that plan for reduction of use chemical pesticide (Chalcid 5.0 SC) not available.</p> <p>Therefore, a <b>Minor NCR ANS 04/2022</b> for <b>Indicator 6.6.4</b> was raised.</p>
<p><b>Principle 7 Management Plan</b></p>	<p>The Forest Management Plan (FMP) for Forest Timber Licence (FTL) No. T/3370, Penuan-Lebuwai Forest Management Unit for the period of 2021-2053 was verified during the audit.</p> <p>A periodic review of the FMP2021-2053 will be conducted at every five-year interval. The latest revision of the FMP was in 2022 and approved by the FDS as verified from an official letter titled 'Amendments to the Forest Management Plan for Penuan-Lebuwai FMU (T/3370)' on 21 June 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) Organisation Chart' and Job Description table.</p> <p>Annual Training Programme 2022 to train forest workers to their respective roles was made available and found to be adequate. In 2022 17 trainings has been conducted by FMU.</p>	<p>The FMP2021-2053 was not updated with the following required information:</p> <ol style="list-style-type: none"> <li>Protection of water catchment area in Coupe 01A (area representing the existing ecosystem) was yet to be included in the FMP.</li> <li>Description of stakeholder consultation with relevant government agencies, NGOs, and affected local communities were not available in the FMP. Only CRC organization chart of Long Jawe and Long Busang were available.</li> <li>Result of social evaluation of Long Bulan and Sang Anau-Long Bulan including encroachment of Long Busang villagers in Coupe 8 and 24 yet to be incorporated.</li> </ol> <p>Therefore, a <b>Major NCR MRS04/2022</b> for <b>Indicator 7.1.1</b> was raised.</p>

Principle	Strengths	Weaknesses
	<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 <a href="http://www.jayatiasa.net/usr/pagesub.aspx?pgid=185">http://www.jayatiasa.net/usr/pagesub.aspx?pgid=185</a>.</p>	
<b>Principle 8 Monitoring and Assessment</b>	<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>'SOP for Internal Audit, Management Review and Continual Improvement' was made available during the audit. The internal audit was conducted on 14-16 July 2020. The management review meeting was conducted on 24 December 2020 &amp; 25 May 2021 and chaired by Chief Operations Officer.</p> <p>The results and findings of the monitoring activities will be incorporated into the implementation and revision of the forest management plan in the 5<sup>th</sup> year (2027).</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 website.</p>	<p>Site inspection at Coupe 01A Block 6 found that:</p> <ol style="list-style-type: none"> <li>1. Tree number A 0796, Species Tapang Lalat size 42 cm was felled and change into Species Binuang size 41 at Trip Record for Logging truck document reference number JTH F 12346 dated 7 February 2021.</li> <li>2. Tree number A0744, Species Seladah size 56 cm was felled and changes into Keruing size 35 cm at Log Specification document SB71HWT3370 dated 11 March 2021</li> <li>3. Tree number tagging A0788, Species Ubah size 55 cm was felled and the log movement untraceable.</li> </ol> <p>Therefore, a <b>Major NCR ANS02/2022</b> for <b>Indicator 8.3.1</b> was raised.</p> <p>The horizontal distance was not correctly measured in the establishment of PSP plot boundaries as verified at PSP0103 and PSP0201.</p> <p>Therefore, a <b>Minor NCR MRS 05/2022</b> for <b>Indicator 8.2.1</b> was raised.</p>
<b>Principle 9 Maintenance of High Conservation Values</b>	<p>The HCV assessment report titled 'High Conservation Value Forest (HCV1-HCV6) Assessment Report Timber License No. T/3370 Penuan-Lebuwai area, Kapit Division, Sarawak' dated July 2018 was verified.</p> <p>Record of consultation with stakeholders was presented during the audit. Consultation was conducted on 12<sup>th</sup> May 2022 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>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>The FMU has incorporated HCVs information from the HCV assessment report into the Forest Management Plan.</p> <p>The website link for HCV specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach:  <a href="https://www.jayatiasa.net.usr/pagesub.aspx?pgid=185">https://www.jayatiasa.net.usr/pagesub.aspx?pgid=185</a></p> <p>The latest monitoring record for salt licks for 2022 was conducted by the FMU as verified in the monitoring record titled 'Registration Form (Discoveries &amp; Monitoring of HCV 1.4)'.</p>	

## Map of Penuan-Lebuwai 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 experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local &amp; international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as 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&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>• EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013.</li> <li>• OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013.</li> <li>• QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</li> <li>• Auditor Training Course on MC&amp;I Sustainable Forest Management organized by MTCC, 18 August 2020.</li> </ul>
Mohd Annas Amin Hj Omar	Auditor/ Forester	<p>Academic Qualification: <i>Diploma in Forestry, UPM</i> <i>B. Sc. In Forestry, UPM</i></p> <p>Work Experience: Six years as Assistant Forest Officer at Perak State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations.</p> <p>Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as</p>



		<p>Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Program of MTCS Training Course (MC&amp; I) In Kuantan, (9-12 July 2018)</li> <li>• Lead Auditor ISO 9001, ISO 14001 &amp; ISO 45001 Exemplar Global Certified (13-18 Ogos 2018)</li> <li>• Auditor Training Course on MC&amp;I Sustainable Forest Management organized by MTCC, 18 August 2020.</li> </ul>
Azrul Ikhsan Mohamed	Assessor / Forester	<p><b>Academic Qualification:</b> Bachelor of Science (Plant Resource Science and Management), Universiti Malaysia Sarawak.</p> <p><b>Work Experience:</b> Five years of Experience in the field of Forestry, 2 Years of Forest Plantation as Assistant Plantation Manager in Forestry Assets Sdn Bhd in the year from 2015 to 2017, and 4 Years in Natural Forest as Forest Manager in Reliwood Sdn Bhd in the year 2018 – 2021. Main responsibility is assisting and manage in the administrative work, forest development, and forest operations based on the MC&amp;I SFM standard. Work closely with relevant stakeholders on the development of the forest such as Enrichment planting, HCV collaboration, Improvement of the Reduced impact logging, and developing procedures.</p> <p><b>Training / Research Areas:</b></p> <ul style="list-style-type: none"> <li>• Auditor Training Course on Forest Management Certification (MC&amp;I SFM) Under the Malaysian Timber Certification Scheme (MTCS) – (13<sup>th</sup> – 15<sup>th</sup> October 2021)</li> <li>• SIRIM Lead Auditor Course Integrated Management Systems (IMS) ISO 9001, ISO 14001 &amp; ISO 45001 (LIMS02) – (25<sup>th</sup> – 29<sup>th</sup> October 2021)</li> </ul>
Angelica Sinimis Suimin	Auditor / workers' & community issues and related legal issues	<p><b>Academic Qualification:</b> <i>B. Sc. Social (USM)</i> <i>MSc. Environmental Management (UNIMAS)</i></p> <p><b>Work Experience:</b> 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 &amp; (iv) Freelance consultant – SAGE Consult with Sabah Forest Industries Sdn Bhd (SFI) from 2011 to 2015.</p> <p><b>Other consultancy work experience for other organisations:</b></p> <ol style="list-style-type: none"> <li>High Conservation Values Assessment (HCV) – Jambongan Island</li> <li>Due Diligence Social Assessment at SAFODA area, Pitas District</li> <li>Social Baseline and Strategic CSR intervention, Hijauan Bengkoka Plantations- Pitas District</li> <li>High Conservation Value Assessment (HCV) and pre-liminary</li> </ol>

		<p>social baseline for proposed Oil palm project- Kerema, Gulf Province, Papua New Guinea.</p> <p>v. Part-time Consultant for Hijauan Bengkoka Plantations</p> <p><b>Attended and pass in the following training programmes:</b></p> <ol style="list-style-type: none"> <li>1. Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)] organized by MTCC, 1-4 December 2013.</li> <li>2. EMS 14001: 2004 Training, 2013</li> <li>3. OHSAS 18001: 2007 Awareness Training, 2012.</li> <li>4. FSC Expert Lead Auditor, NEPCON-Tawau, 2015.</li> <li>5. Social Impact Assessment (SIA) by ENSEARCH, Kota Kinabalu, 2012.</li> <li>6. Auditor Training Course on MC&amp;I Sustainable Forest Management organized by MTCC, 18 August 2020.</li> </ol>
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## Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Stakeholder 1 – Ketua Kampung Long Jawe Belaga, Jating Ibau	<p>Adalah dimaklumkan bahawa kami mempunyai komen terhadap unit pengurusan hutan (FMU) Penuan Lebuwai untuk ditentukan oleh kumpulan juruaudit yang ditugaskan semasa audit peringkat kedua kelak. Komen adalah seperti berikut:</p> <p>Pengurusan hutan dan alam sekitar tidak mengikuti standard SIRIM QAS International pada pengamatan kami adalah seperti</p> <ol style="list-style-type: none"> <li>1. Pengondolan hutan belantara (dulu) berleluasa sampai ketebing sungai utama sehingga menyebabkan sungai tercemar dan tidak dapat dipulihkan kembali ke asal keasliannya.</li> <li>2. Pemuliharaan kepelbagaian biologi terjejas sampai tidak dapat dipulihkan kembali terhadap keasliannya.</li> <li>3. Peluang pekerjaan untuk orang kampung atau tempatan diketepikan kerana mengutamakan pekerja asing atau orang luar.</li> <li>4. Hubungan komuniti dan hak pekerja tidak dihormati. Contoh: Pihak syarikat tidak bermurah hati untuk memberi bantuan kemudahan kepada penduduk sekitar seperti bantuan perayaan tahun baru dan Hari Krismas.</li> <li>5. Manfaat dari hutan sudah sangat kritikal dan sulit:</li> </ol> <p>a) Amalan budaya memburu binatang sangat susah kerana semua jenis binatang buruan kian pupus kerana kawasan pembiakan mereka semakin mengecil serta pokok buah-buahan</p>	<p><u>1. Pengondolan hutan belantara (dulu) berleluasa sampai ketebing sungai utama sehingga menyebabkan sungai tercemar dan tidak dapat dipulihkan kembali ke asal keasliannya.</u></p> <p>The Revised General Harvesting Plan showed 10,816 ha of Protection Forest that included 7,943 ha of Terrain IV, 2,079 ha of River Buffer and 794 of Shifting Agriculture area.</p> <p>Detailed Harvesting Plan (DP) / Road Plan for Coupe 01A of T/3370 showed the buffers demarcated on the map. The harvesting plan was designed taking into consideration the need for the conservation of biological corridors and buffer zones of Sg. Putai and tributaries for features of special biological interest for wildlife.</p> <p>During site visit, it was found that sensitive areas were demarcated and protected for protection of soil and watercourses which include Stream Buffer Reserve (SBR) or riparian buffers, Terrain IV, water catchment and other HCVs. The riparian buffer reserve was marked with signage 'Stream Buffer Reserve - SBR' and blue paint followed the buffer width as referred to EIA mitigation measures requirement as verified at (i) pre-harvesting area in Block 52 and 61, (ii) post-harvesting area in Block 1, 6 &amp; 16, and (iii) Sg Kawa in Block 11, Coupe 01A.</p> <p>During the stage 2 audit, there was no active harvesting area in Coupe 01A. During site visit at the post harvesting area in Block 1, Coupe 01A, it was found that no tree was felled into the buffer area.</p> <p><u>2. Pemuliharaan kepelbagaian biologi terjejas sampai tidak dapat dipulihkan kembali terhadap keasliannya.</u></p> <p>As mentioned above, the FMU has demarcated and protected all protection areas to conserve,</p>

		<p>sebagai pengeluaran makanan habis ditebang.</p> <p>b) Hasil hutan seperti rotan dan sebagainya semakin pupus. Rotan sebagai penghasilan aktiviti kraftangan sudah sangat susah dicari.</p> <p>6. Hubungan kami dengan FMU tidak seperti yang kami inginkan kerana FMU Penuan Lebuwai merespon permintaan orang kampung selanjutnya FMU tidak ada kata putus membayar adat pemali seperti yang kami sudah tuntutan.</p> <p>7. Berikut adalah cadangan penambahbaikan proses pemantauan pengurusan hutan seperti yang dituntut oleh SIRIM QAS International adalah dengan melibatkan agensi-agensi yang bersangkutan seperti dibawah:</p> <p>a) Pihak NGO b) Pihak Forestry c) Land &amp; Survey d) Pihak SEB e) Pihak NREB</p> <p>Agensi-agensi yang tersenarai diatas dapat memberi ulasan yang dapat mengikut standard SIRIM QAS International.</p>	<p>maintain and enhance the biology diversity as verified in the Revised General Harvesting Plan that covered 10,816 ha of Protection Forest that included 7,943 ha of Terrain IV, 2,079 ha of River Buffer and 794 of Shifting Agriculture area.</p> <p>Representative areas of existing forest ecosystems located in the block – water catchment area in their natural state have been protected in their natural state and demarcated on the ground. This protection area also will be served as a gene pool collection area.</p> <p><u>3. Peluang pekerjaan untuk orang kampung atau tempatan diketepikan kerana mengutamakan pekerja asing atau orang luar.</u></p> <p>The FMU contractor, Mantan Sdn Bhd (Camp Bina) had made the effort to employ local communities. Worker's registry as of June 2022 was examined and there were 10 local communities comprising of males (23.3%), and the rest 31 males and 2 females (76.7%) employed from all over Sarawak. Whilst, Jaya Tiasa Holdings Sdn Bhd - Camp Bina also employed local community 3 males (23.1%) and 10 males (76.9%) from all over Sarawak.</p> <p>However, during consultation with the local communities at Sang Anau, they were not made aware of the job opportunities at Penuan-Lebuwai FMU. Record of effort to recruit workers from Sang Anau was not made available during the audit. Thus, <b>Minor NCR AZR05/2022 against Indicator 4.1.2</b> was raised.</p> <p>Inspection of employment records showed that there is no underage employment and employment of foreign workers in the FMU.</p> <p><u>4. Hubungan komuniti dan hak pekerja tidak dihormati. Contoh: Pihak syarikat tidak bermurah hati untuk memberi bantuan kemudahan kepada penduduk sekitar seperti bantuan perayaan tahun baru dan Hari Krismas.</u></p> <p>The MC&amp;I SFM standard has no specific requirements or compulsory for the FMU to do any CSR (such as</p>
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			<p>donation for New Year and Christmas Day) to the local community. This goodwill is depend on the discussion agreed between the FMU and local community during FPIC.</p> <p><u>5.Manfaat dari hutan sudah sangat kritikal dan sulit:</u>  <u>a)Amalan budaya memburu binatang sangat susah kerana semua jenis binatang buruan kian pupus kerana kawasan pembiakan mereka semakin mengecil serta pokok buah-buahan sebagai pengeluaran makanan habis ditebang.</u>  <u>b)Hasil hutan seperti rotan dan sebagainya semakin pupus. Rotan sebagai penghasilan aktiviti kraftangan sudah sangat susah dicari.</u></p> <p>Same as for queries no 1. and 2. that the FMU has protected and demarcated on the ground the 10,816 ha of Protection Forest. Protection areas included 7,943 ha of Terrain IV, 2,079 ha of River Buffer and 794 of Shifting Agriculture area.</p> <p>The FMU also has assessed the endangered, rare and threatened flora and fauna species as verified in the HCV assessment report that has been taken into protection initiatives as stated in the Forest Management Plan in Chapter Ten: 'Conservation of Biodiversity and Protection of Ecosystem'.</p> <p><u>6.Hubungan kami dengan FMU tidak seperti yang kami inginkan kerana FMU Penuan Lebuwai merespon permintaan orang kampung selanjutnya FMU tidak ada kata putus membayar adat pemali seperti yang kami sudah tuntutan.</u></p> <p>Issue of compensation request from Long Jawe to the FMU, audit team has consulted the head of village Long Jawe, FMU representatives and the Forest Certification Manager during the audit. It was found that the area claimed for compensation (adat pemali) was located within the licensed planted forest LPF/0023 (outside of the FMU area).</p> <p><u>7.Berikut adalah cadangan penambahbaikan proses pemantauan pengurusan hutan seperti yang dituntut oleh SIRIM QAS International</u></p>
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			<p><u>adalah dengan melibatkan agensi-agensi yang bersangkutan seperti dibawah:</u></p> <p><u>a)Pihak NGO</u>  <u>b)Pihak Forestry</u>  <u>c)Land &amp; Survey</u>  <u>d)Pihak SEB</u>  <u>e)Pihak NREB</u></p> <p><u>Agensi-agensi yang tersenarai diatas dapat memberi ulasan yang dapat mengikut standard SIRIM QAS International.</u></p> <p>The audit team conducted an offsite (submission of letter for comments to all relevant stakeholders) and onsite consultation with the Forest Department Sarawak (FDS), Labour Department, Land and Survey Department, and all local communities as identified in the SIA report during the Stage 2 audit. All the feedback from these agencies had been taken into consideration during the Stage 2 audit.</p>
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## Stage 2 Audit Plan

DAY	TIME	PROGRAM			
		Razman	Annas	Azrul & Najwan	Angelica
<b>Travel Day 1</b>  <b>25 June 2022</b>  <b>Saturday</b>	12.00 - 8.00 pm	<ul style="list-style-type: none"> <li>Razman, Annas, Azrul &amp; Najwan travel from KLIA to Sibu: <b>MH2718: 16:10 - 18:15</b></li> <li>Overnight at Kingwood Hotel</li> </ul>			Angelica travel from  i) Kota Kinabalu to Kuching: <b>MH2807: 10:50 - 12:10</b>  ii) Kuching to Sibu <b>AirAsia: 14:35 - 15:20</b>  <ul style="list-style-type: none"> <li>Overnight at Kingwood Hotel</li> </ul>
<b>Travel Day 2</b>  <b>26 June 2022</b>  <b>Sunday</b>	8.00 am - 5.00 pm  5.00 - 7.00 pm	<ul style="list-style-type: none"> <li>All Auditors travel from Sibu to JTP Putai</li> <li>Inspection of CoC at Simpileh logpond</li> <li>Travel from Simpileh log pond to JTP Mill</li> </ul>			
<b>Audit Day 1</b>  <b>27 June 2022</b>  <b>Monday</b>	8.00 am - 5.00 pm	<ul style="list-style-type: none"> <li>Opening Meeting with representatives of FMU</li> <li>Briefing session by Forest Manager of the FMU</li> <li>Q&amp;A Session</li> <li>Follow up on issues of concern from Stage 1</li> <li>Check on complaints, stakeholder comments and follow-up actions (if any)               <ul style="list-style-type: none"> <li>Local Communities</li> <li>Government agencies</li> <li>NGOs</li> </ul> </li> <li>Evaluate on internal audit and management review</li> </ul>			
		Razman	Annas	Azrul & Najwan	Angelica
		Documentation and records review: <ul style="list-style-type: none"> <li>Principle 5 – Benefits from the forest</li> <li>Principle 7 – Management Plan</li> <li>Principle 9 – Maintenance of High Conservation Value (HCV)</li> </ul>	Documentation and records review: <ul style="list-style-type: none"> <li>Principle 6 – Environmental Impact</li> <li>Principle 8 – Monitoring and Assessment</li> </ul>	Documentation and records review: <ul style="list-style-type: none"> <li>Principle 1 – Compliance with Laws</li> <li>Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>Principle 3 – Indigenous Peoples' Right</li> <li>Principle 4 – Community Relations and Worker's Right</li> </ul>	Documentation and records review: <ul style="list-style-type: none"> <li>Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>Principle 3 – Indigenous Peoples' Right</li> </ul>
		Review of Day 1 Findings by Audit Team Leader			



<b>Audit Day 2</b> <b>28 June 2022</b> <b>Tuesday</b>	8.00 am – 5.00 pm	<b>Razman</b> Site visit: • Inspection of Coupe and Block boundary – Block 61, Coupe 1 • Inspection of pre-harvesting / tree tagging – Block 61, Coupe 1 • Inspection of post harvesting i)closed block – Block 1, Coupe 1 ii)silviculture treatment – Block 1 & 16, Coupe 1	<b>Annas</b> Site visit: • Inspection of Coupe and Block boundary - Block 52, Coupe 1 • Inspection of pre-harvesting / tree tagging - Block 52, Coupe 1	<b>Azrul &amp; Najwan</b> Site visit: • Consultation with Local Communities <b>(outside FMU)</b> - Long Busang (Kenyah Badeng) • Inspection of Shifting agriculture area / user rights • Inspection of FMU license boundary - Baleh-Balui FMU (T/3371)	<b>Angelica</b> Site visit: • Consultation with relevant stakeholders NGOs, Land & Survey, FDS, Labour Department, etc. in Kapit town • Consultation with Community Representative Committee (CRC) • Consultation with Local Communities <b>(outside FMU)</b> - Long Jawe • Consultation with Local Communities <b>(outside FMU)</b> - Long Bulan -Overnight in Long Bulan
		Review of Day 2 Findings by Audit Team Leader			
<b>Audit Day 3</b> <b>29 June 2022</b> <b>Wednesday</b>	8.00 am – 5.00 pm	<b>Razman</b> Site visit: • Wildlife monitoring - Camera trap, Block 5, Coupe 1 • Inspection of PSP plot – PSP0103	<b>Annas</b> Site visit: • Inspection of post harvesting i)closed block – Block 6, Coupe 1 ii)diagnostic sampling – Block 6, Coupe 1 iii)silviculture treatment – Block 6, Coupe 1	<b>Azrul &amp; Najwan</b> Site visit: • Consultation with Local Communities <b>(outside FMU)</b> • Sang Anau-Long Bulan • Inspection of Shifting agriculture area / user rights	<b>Angelica</b> Site visit: • Inspection of FMU license boundary - Bahau-Linau FP (LPF/0024) -Travel to Lebuwai base camp
		Review of Day 3 Findings by Audit Team Leader			
<b>Audit Day 4</b> <b>30 June 2022</b> <b>Thursday</b>	8.00 am – 5.00 pm	<b>Razman</b> Site visit: • Inspection of FMU licence boundary – Merirai-Balui FP (LPF/0023), Sg. Putai, Coupe 1 • Riparian buffer – Sg. Kawa, Block 11, Coupe 1	<b>Annas</b> Site visit: • Inspection of PSP plot – PSP0202 • Management of forest fire • Point of Royalty Marking (PoRM)	<b>Azrul &amp; Najwan</b> Site visit: • Inspection of PSP plot – PSP0201 • Check on store, workshop, genset room, skid tank, etc • Inspection of workers' quarters	<b>Angelica</b> Site visit: • Consultation with contractors and workers

		• Review of Day 4 Findings by Audit Team Leader			
Audit Day 5  1 July 2022  Friday	8.00 am – 5.00 pm	Razman	Annas	Azrul & Najwan	Angelica
		Site visit: • Inspection of FMU licence boundary – Baleh-Balui FMU (FTL/3371) at Coupe 8 and Coupe 23 • HCV area - Saltlick Apan Bangat, Coupe 18	Site visit: • Inspection of scheduled waste and wastes management • Inspection of nursery and chemical store	Site visit: • Consultation with staff and field workers • Worker Committee representative	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  2 July 2022  Saturday	8.00 am – 1.00 pm	Razman	Annas	Azrul & Najwan	Angelica
		Documentation and records review: • Principle 5 – Benefits from the forest • Principle 7 – Management Plan • Principle 9 – Maintenance of High Conservation Value (HCV)	Documentation and records review: • Principle 6 – Environmental Impact • Principle 8 – Monitoring and Assessment	Documentation and records review: • Principle 1 – Compliance with Laws and • Principle 2 – Tenure and Use Rights and Responsibilities • Principle 3 – Indigenous Peoples’ Right • Principle 4 - Community Relations and Worker’s Right	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			
3 July 2022 Sunday	8.00am – 7.00pm	• All Auditors travel from JTP Mill to Sibu • Overnight at Tanahmas Hotel			
4 July 2022  Monday		• Razman, Annas, Azrul & Najwan travel from Sibu to KLIA. • Flight from Sibu to Kuala Lumpur (MH2715: 11:15 - 13:15)			Angelica travel from Sibu 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
<b>Indicator</b>  <b>Major</b>  <b>NCR:</b> <b>MRS</b> <b>01/2022</b>	<p><b>Requirement: Indicator 1.5.2</b> - FMU shall be protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities.</p> <p><b>Finding:</b> Control measures on encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities were not sufficient.</p> <p><b>Objective evidence:</b>  1. Boundary demarcation was not evident as verified along Batang Balui from Sg. Lebuwai to Sg. Penuan at Coupe 16 and 17 (boundary with Nibong FMU).  2. Licensed boundary between the FMU and Curiah Sdn Bhd at Coupe 30, 31 and 32 had been demarcated by the FMU in year 2019 as verified in the GPS Garmin unit from surveyor team. However, there was no report available to show the boundary marking activity had been done.  3. Evidence of control measures such as signboard, poster, etc. to prevent encroachment, illegal harvesting and hunting were not evident at strategic location.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Lack of awareness and commitment on both licence and boundary demarcation.</li> <li>2. No time schedule for marking licence boundary</li> <li>3. No monitoring schedule to maintain the licence boundary marks/paints and signages including monitoring of any illegal encroachment, illegal harvesting and hunting activities.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To send notification letters to KK Long Jawe and KK Sang Anau-Long Bulan, respectively; and to be duly acknowledged by them – before work commencement, stating clearly: <ol style="list-style-type: none"> <li>a. time schedule for the marking of Licence boundary between Sg. Lebuwai to Sg. Penuan;</li> <li>b. the letter attachment shall clearly indicate the signages used for License boundary marking; Signage for SA boundary shall also be shown to the communities in order to avoid any unnecessary confusion; and</li> <li>c. to disseminate this information to as many community members as possible by engaging them in Long Jawe (via dialogue).</li> </ol> </li> <li>2. To GPS-mark the waypoints of every marked License boundary and plot it onto the map:</li> </ol>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022. The last evidence of implementation was received on 11 January 2023 and verified on 25 January 2023.</p> <p>The FMU has briefed the local community of Long Jawe and Sang Anau-Long Bulan on the license boundary demarcation as verified in the reports:  i)'Minit Taklimat Pemahaman Asas SFM &amp; Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Long Jawe' dated September 2022. The briefing was conducted on 21 August 2022.  ii)'Minit Taklimat Pemahaman Asas SFM &amp; Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Sang Anau' dated September 2022. The briefing was conducted on 31 August 2022.</p> <p>Licence boundary marking report from Sg. Penuan to Sg. Lebuwai:  i)Date:21-25 July 2022  ii)Licence boundary demarcation in the northern part of the FMU; along Sg. Lebuwai and along Sg. Penuan (bordering with LPF/0023 and Nibong FMU T/3432).  iii)Approximate 100 km stretch of license boundary was successfully demarcated with orange colour paint at living tree trunks and installation of wooden signboards and metal plates.  iv)Waypoint list with point name, latitude, longitude, altitude and description.</p> <p>Licence boundary marking report from Sg.</p>

		<ul style="list-style-type: none"> <li>a. linking Sg. Lebuwai to Sg. Penuan; and</li> <li>b. License boundary between T/3113 and T/3370, which will be marked/repared in stages.</li> </ul> <p>3. Miscellaneous:</p> <ul style="list-style-type: none"> <li>a. to take photos on the works that have been done; and</li> <li>b. The Chief Forest Surveyor is to make the final Report Summary on the works that have been done.</li> </ul> <p>4. To prepare monitoring schedule to maintain licence boundary marks/paints and signages including monitoring of any illegal encroachment, illegal harvesting and hunting activities.</p> <p>5. The above shall be readied by September 2022.</p>	<p>Penuan to Sg. Lebuwai:</p> <ul style="list-style-type: none"> <li>i) Date: 16 August - 5 September 2022</li> <li>ii) Licence boundary demarcation in the southern part of the FMU; between the FMU and Curiah Sdn Bhd (T/3113).</li> <li>iii) Demarcation work started from the middle of the FMU (due to the availability of road access) towards Sg. Laie; and from the middle of the FMU towards Sg. Serani.</li> <li>iv) Approximate 168 km stretch of license boundary was successfully demarcated with orange colour paint at living tree trunks and installation of wooden signboards and metal plates.</li> <li>vi) Waypoint list with point name, latitude, longitude, altitude and description.</li> </ul> <p><b>Status: Closed</b></p>
<p><b>Indicator</b></p> <p><b>Major</b></p> <p><b>NCR: AS 04/2022</b></p>	<p><b>Requirement: Indicator 4.4.1</b> Forest managers shall evaluate, through consultations, social impact of forest operations directly affecting communities, and the people and groups directly affected by the forest operations shall have access to information on the results of the social impact evaluations.</p> <p><b>Finding:</b> Social Impact Assessment for Sang Anau-Long Bulan and Long Bulan Communities was not available.</p> <p><b>Objective evidence:</b> Field visits at Sang Anau-Long Bulan and Long Bulan during this audit found that these communities were not included in the Social Impact Studies of Jaya Tiasa Holdings carried out in 2018 and 2020.</p>	<p><b>Result of investigation and determination of root cause:</b> Lack of awareness and engagement with Sang Anau-Long Bulan and Long Bulan communities.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>To address this Objective Evidence:</p> <ul style="list-style-type: none"> <li>1. to prepare a preliminary SIA report on Sang Anau-Long Bulan and Long Bulan, comprising: <ul style="list-style-type: none"> <li>a. localities of local communities in relations to Penuan-Lebuwai FMU;</li> <li>b. brief description on the history of Sang Anau-Long Bulan and Long Bulan;</li> <li>c. to gather latest social profile of Sang Anau-Long Bulan and Long Bulan (both sides of Batang Balui);</li> <li>i. regarding Long Bulan, a letter shall be sent to FDS – informing about the erection of new isolated temporary houses at the Old Long Bulan site; these temporary houses are found</li> </ul> </li> </ul>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022. The last evidence of implementation was received on 11 January 2023 and verified on 25 January 2023.</p> <p>Verified 'Baseline Assessment of Old Long Bulan Settlement (Asal)' dated September 2022. Content of the assessment report is as below:</p> <ul style="list-style-type: none"> <li>1. Introduction</li> <li>2. Background</li> <li>3. Old Long Bulan's Profile</li> <li>4. Respondent's Profile</li> <li>5. Transportation</li> <li>6. Social Amenities</li> <li>7. Utilities – Water Supply, Electricity, and Tele-Communication</li> <li>8. Main activities in Long Bulan Lama</li> <li>9. Present Legal Status of Long Bulan Lama/Asal</li> <li>10. Management &amp; Monitoring Actions</li> </ul> <p>Verified 'Social Impact Assessment (SIA) Report of Sang Anau' dated September 2022. Content of the assessment report is as below:</p>

		<p>inside the Bakun HEP buffer along the FMU boundary; and</p> <p>ii. a separate letter shall also be sent to the DO of Belaga – enquiring on the current legal status of Long Bulan.</p> <p>d. to identify sites of special cultural, ecological, economic and religious significance to Sang Anau-Long Bulan and Long Bulan (if any) – and plot it onto the map;</p> <p>e. to consult at community level:</p> <p>i. to establish the presence and/or level of interest, pertaining to the dependence on Penuan- Lebuwai FMU for their livelihood;</p> <p>ii. to gauge the permanency level of communities at Sang Anau-Long Bulan and Long Bulan, i.e. are they going to set foot in the current area in the long term?</p> <p>2. To disseminate preliminary SIA outputs to the community members of Sang Anau-Long Bulan and Long Bulan; and</p> <p>3. Full-fledged SIA report, however, will only be carried out whenever item #e is sufficiently been established.</p> <p>4. The FMU holder is going to carry out social surveys at these local settlements beginning from 19<sup>th</sup> August 2022 and the reports shall be readied by September 2022.</p>	<p>Chapter 1: Introduction</p> <p>1.1 Objectives of the study</p> <p>1.2 Approach and methodology</p> <p>Chapter 2: Profiles of Respondent – Sang Anau</p> <p>2.1 Location of Settlement</p> <p>2.2 Background Information of Communities</p> <p>2.3 Sang Anau Household Profile</p> <p>Chapter 3: Findings and Discussion</p> <p>3.1 Significant Sites</p> <p>Chapter 4: Management &amp; Monitoring Actions</p> <p>1.1 Summary of Findings</p> <p>1.2 4.2 Management &amp; Monitoring Actions</p> <p>Chapter 5: Conclusion</p> <p>Verified report ‘Minit Taklimat Pemahaman Asas SFM &amp; Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Long Jawe’ dated September 2022. The briefing was conducted on 21 August 2022. Map of the special cultural, ecological, economic and religious site for Long Jawe Community dated 1 August 2022 including information of name of site, latitude, longitude, altitude and description.</p> <p>Verified report ‘Minit Taklimat Pemahaman Asas SFM &amp; Pembentangan Keputusan Tinjauan Sosial Bersama Komuniti Sang Anau’ dated September 2022. The briefing was conducted on 31 August 2022. Map of special cultural, ecological, economic and religious site for Sang Anau Community dated 1 August 2022 including information of name of site, latitude, longitude, altitude and description.</p> <p>The FMU has sent a letter to the District Office and FDS titled ‘Enquiry on the Status of New Settlement at Abandoned Long Bulan (Long Bulan Asal)’ dated 28 July 2022 informing that the erected building structures are scattered and found within inundated old Long Bulan. These temporary houses are found at the fringe of Bakun Lake, not knowing whether the current legal status</p>
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			<p>of Long Bulan Asal has been given the 'Settled Status'.</p> <p><b>Status: Closed</b></p>
<p><b>Indicator</b></p> <p><b>Major</b></p> <p><b>NCR: MRS 02/2022</b></p>	<p><b>Requirement: Indicator 5.6.1</b> - Rate of harvest shall not be greater than estimated regrowth of the residual stand based on permanent sample plots within a pre-defined cutting cycle. (NF)</p> <p><b>Finding:</b> The forest management practices does not take into consideration of the estimated regrowth of the residual stand based on projected harvestable timber volume within a pre-defined cutting cycle.</p> <p><b>Objective evidence:</b> Based on 'Summary of Coupe Operational Inventory Analysis' for Coupe 01A, the average volume (m<sup>3</sup>/ha) for Blocks 24 and 28 in Coupe 01A were 8.33 and 9.09 m<sup>3</sup>/ha. These harvestable timber volumes were below than the projected harvestable timber volume at 15 m<sup>3</sup>/ha. However, the FMU has targeted to harvest these blocks from Jun 2022 to March 2023.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. No financial analysis to determine the minimum economic cut.</li> <li>2. No monitoring on minimum rate of harvest tree/ha to achieve minimum economic cut.</li> <li>3. No estimation of minimum commercial PCTs to achieve sustainable timber stocking for the next cutting cycle of 32 years.</li> <li>4. Insufficient tagged commercial PCT, due to shortage of manpower.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To conduct financial analysis to determine the minimum economic cut and profit margin; by taking into account the total FOB cost (RM/m<sup>3</sup>) and average selling price of timber (RM/m<sup>3</sup>);</li> <li>2. Since re-assessment has not been carried out yet, the minimum number of commercial PCT shall be projected via MAI<sub>DBH</sub> at 0.40 cm/year (e.g. van Hoeflaken, 2019 (<a href="https://www.greeni.nl/iguana/CMS.MetaDataEditDownload.cls?file=2:146879:1">https://www.greeni.nl/iguana/CMS.MetaDataEditDownload.cls?file=2:146879:1</a>)). Currently, the Pre-F inventory data for Coupe 1, T/3370 is 10,746 trees.</li> <li>3. Thus, the minimum number of PCT to be marked in order to achieve the targeted harvestable volume at 15.00 m<sup>3</sup>/ha for the next cutting cycle is <b>19,674 trees</b>.</li> <li>4. Based on the current scenario in Coupe 01A, the PCT were only tagged whenever harvestable trees were available; however, other area where PCT could be found has</li> </ol>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022. The last evidence of implementation was received on 11 January 2023 and verified on 25 January 2023.</p> <p>Verified the yield regulation by projected yield and projected harvest in section 3.6 Yield Regulations and Annual Allowable Cut in the FMP2021-2053 (Rev.1/22). The projected harvestable timber volume is 15m<sup>3</sup>/ha. The total projected production is 1,824,000m<sup>3</sup>. The estimated AAC over 32-year cutting cycle is 57,000 m<sup>3</sup>/year from the estimated average operation area at 3,800 ha/year remained unchanged.</p> <p>The minimum number of commercial PCT shall be projected via MAI<sub>DBH</sub> at 0.40 cm/year (e.g. van Hoeflaken, 2019 (<a href="https://www.greeni.nl/iguana/CMS.MetaDataEditDownload.cls?file=2:146879:1">https://www.greeni.nl/iguana/CMS.MetaDataEditDownload.cls?file=2:146879:1</a>)).</p> <p>The enumerated of Coupe 01A (PEC area 2,989 ha) for harvestable and Potential Crop Tree (PCT) trees are 4.17 and 3.59 tree/ha with the estimated volume at 30,176.97 m<sup>3</sup> and 13,873.32 m<sup>3</sup>. The estimated volume for harvestable and PCT trees are 10.10 m<sup>3</sup>/ha and 4.64 m<sup>3</sup>/ha.</p> <p>Thus, the minimum number of PCT to be marked to achieve the targeted harvestable volume at 15 m<sup>3</sup>/ha for the next cutting cycle is 6.6 trees/ha. Where the minimum number of commercial PCT for the next cutting cycle is 19,674 trees/ha.</p> <p>Verified letter titled 'Re-submission of Chapter 3 for FMP Penuan-Lebuwai FMU (T/3370)' dated 16 November 2022 (Ref:JTH70/FD-13/22) from the</p>

		<p>not been covered.</p> <ol style="list-style-type: none"> <li>The PCT inventory has emphasized more on commercial Dipterocarps. Based on the Tree Inventory Database, more than 8,000 Dipterocarp PCT were enumerated, compared to over 2,000 Non-Dipterocarp PCT.</li> <li>The FMU shall increase manpower to cover the entire harvesting range to tag more PCT in Coupe 02A. This includes employment opportunity promotion as forest surveyors during the engagement with communities.</li> <li>Based on the projected harvest at 15 m<sup>3</sup>/ha, the AAC as stated in the FMP at 57,000 m<sup>3</sup>/year remained unchanged.</li> <li>If the minimum target of PCT at 6.6 trees/ha could not be attained – either at block or coupe level, harvesting operation will be halted at the identified area.</li> <li>Shall revise the FMP by adding the minimum economic cut, profit margin and minimum PCT at 6.6 tree/ha as prerequisites before harvesting.</li> </ol>	<p>FMU to Forest Department Sarawak on the revised Chapter 3 with additional 'Section 3.7: Rate of Harvest and Profit Margin'.</p> <p>Based on the revised Chapter 3, the section has described at the block level, a minimum of 6.6 trees/ha of Potential Crop Tree (PCT) must be attained to achieve a targeted harvestable 15 m<sup>3</sup>/ha for the next cycle. If the minimum number of PCT at 6.6 trees/ha could not be attained at the block level, harvesting operation will be halted.</p> <p>Tree enumeration in Coupe 01A was concluded in 51 blocks (out of 61 blocks) with low PCTs and timber stocking and currently progressing in Coupe 02A.</p> <p>At the same section 3.7 in the FMP also stated the projected minimum economic cut at 7.47 m<sup>3</sup>/ha to gain profitability from timber operations at the FMU where the FMU is still able to generate a profit margin of RM65.76/m<sup>3</sup>.</p> <p><b>Status: Closed</b></p>
<p><b>Indicator</b></p> <p><b>Major</b></p> <p><b>NCR: MRS</b></p> <p><b>04/2022</b></p>	<p><b>Requirement: Indicator 7.1.1</b> - Availability and implementation of forest management plan including consideration of risks and opportunities concerning compliance with the requirements of the standard.</p> <p><b>Finding:</b> The Forest Management Plan did not fully cover all required information as listed in the Criterion 7.1.</p> <p><b>Objective evidence:</b> The FMP2021-2053 was not updated with the following required information: i. Protection of water catchment area in Coupe 01A (area representing the existing ecosystem) was yet to be</p>	<p><b>Result of investigation and determination of root cause:</b> Lack of awareness in updating the FMP covering the required information as listed in Criterion 7.1.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>The FMP shall be revised and updated – by incorporating the following actions to be taken and results that shall be obtained: <ol style="list-style-type: none"> <li>the protected Water Catchment Area in Coupe 1 represents the existing ecosystem, where both PSP and DSP serve as Study Plots for forest gene pool conservation;</li> <li>to incorporate stakeholder consultation</li> </ol> </li> </ol>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022. The last evidence of implementation was received on 11 January 2023 and verified on 25 January 2023.</p> <p>Verified letter titled 'Submission of Revised Chapters 3 and 11 of FMP for Penuan-Lebuwai (T/3370) and Reports on Baseline Assessment of Long Bulan (Asal) and SIA of Sang Anau' submitted to Forest Director Sarawak dated 26 October 2022.</p> <p>The FMP2021-2053 was updated with the following required information: i. Inclusion of water catchment area in Coupe 01A (a protected area that represents the existing ecosystem) in Chapter 3.</p>

	<p>included in the FMP.</p> <p>ii. Description of stakeholder consultation with relevant government agencies, NGOs, and affected local communities were not available in the FMP. Only CRC organization chart of Long Jawe and Long Busang were available.</p> <p>iii. Result of social evaluation of Long Bulan and Sang Anau-Long Bulan including encroachment of Long Busang villagers in Coupe 8 and 24 yet to be incorporated.</p>	<p>held in May 2022 – together with various government and semi-government agencies, the NGO and affected communities; and</p> <p>c. to include social profiles of Sang Anau-Long Bulan and Long Bulan; including land encroachment by Long Busang villagers in Coupes 08A and 24A of T/3370.</p> <p>2. The above shall be readied by September 2022.</p>	<p>ii. Inclusion of stakeholder consultation with relevant government agencies, NGOs, and affected local communities (including dialogue with the communities by FDS) in Chapter 11.</p> <p>iii. Inclusion of land encroachment by the local community into Coupes 08A and 24A of T/3370 and efforts to curb such illegal activities in Chapter 11.</p> <p>iv. Inclusion of social profiles for old Long Bulan and Sang Anau.</p> <p><b>Status: Closed</b></p>
<p><b>Indicator</b></p> <p><b>Major</b></p> <p><b>NCR: ANS 02/2022</b></p>	<p><b>Requirement: Indicator 8.3.1</b> - Forest managers shall provide relevant documents to ensure that all forest products leaving the certified area can be identified (including volumes and types) so that their origin can be determined. Specific claims to communicate the origin of products are specified in APPENDIX B.</p> <p><b>Finding:</b> Forest products leaving the area cannot be identified and not traceable.</p> <p><b>Objective evidence:</b> Site inspection at Coupe 01A Block 6 found that:</p> <p>4. Tree number A 0796, Species Tapang Lalat size 42 cm was felled and change into Species Binuang size 41 at Trip Record for Logging truck document reference number JTH F 12346 dated 7 February 2021.</p> <p>5. Tree number A0744, Species Seladah size 56 cm was felled and changes into Keruing size 35 cm at Log Specification document SB71HWT3370 dated 11 March</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Lack of awareness and monitoring on log production process from the stump to PoRM.</li> <li>2. Lack of procedure on inspection of returned harvest tree tags by the Log Production Clerk; including log ID inspection by the Chief Log Scaler at the PoRM.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. The 'SOP on Timber Harvest Operations' shall be revised and updated; these include – among others, that (i) the Chief Forest Surveyor is the PIC to reaffirm the log ID – should there is a dispute arises due to changes in the tree species name; (ii) FDS is to be notified – in case of untraceable log(s) due to human error and/or technical glitches;</li> <li>2. Logging foremen, logging teams and log scalers are to be given intensive training, so that C.o.C. flow shall be followed through uninterrupted.</li> <li>3. To be addressed and shall be readied by September 2022.</li> </ol>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022. The last evidence of implementation was received on 11 January 2023 and verified on 25 January 2023.</p> <p>Subsection of the procedure titled 'SOP 08 – RIL: Tree felling and log Extraction' in the SOP Forest Management and Operations has been revised and updated in October 2022. In the section Log Scaling, if the harvestable tree at the PoRM was wrongly identified. The Chief Log Scaler must inform the Chief Forest Surveyor and both to conduct a joint-inspection of the disputed tree species at its original stump. The Chief Forest Surveyor will have the 'decisive factor' to maintain or make the correction. The correction is to be duly made by the Production Clerk.</p> <p>Record of intensive training conducted for logging foremen, logging teams and log scalers on the CoC flow from the tagging of the harvestable tree with white tag, separation of stump tag and logs tag, recording at harvesting block, checking of log tag at PoRM and Revlog System was conducted on 9 January 2023. Training records titled 'Matters relating to Chain of Custody' and 'Taklimat Chain of Custody (Coc) bagi Pekerja FMU' including the attendance list were verified.</p>



	<p>2021</p> <p>6. Tree number tagging A0788, Species Ubah size 55 cm was felled and the log movement untraceable.</p>		<p>The FMU has notified FDS on the untraceable logs with tree number A0788, species Ubah and size 55 cm as verified the letter titled 'Notification on Untraceable Log in Penuan-Lebuwai FMU (T/3370) during Stage 2 Audit' dated 9 November 2022 (Ref:JTH07/FD-12/22).</p> <p><b>Status: Closed</b></p>
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: AZR 07/ 2022</b></p>	<p><b>Requirement: Indicator 1.4.1 -</b> Availability of documentation of any conflicts between laws, regulations and these Principles and Criteria.</p> <p><b>Finding:</b> Documentation of any conflicts between laws, regulations and Criteria was not available.</p> <p><b>Objective evidence:</b> Based on documentation review it was noted that the documentation for conflicts between laws, regulations and these principles and criteria were insufficient.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Yet to engage with relevant agencies and communities on potential conflicts between laws and regulations indicated in <i>MC&amp;I SFM</i>.</li> <li>2. No mechanism to identify, manage and resolve any potential conflict.</li> <li>3. No internal meeting/discussion between Certification Department and the FMU management.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To meet and brief relevant parties on any potential conflict between laws and regulations as indicated in <i>MC&amp;I SFM</i> as listed below: <ul style="list-style-type: none"> <li>• To prepare the '<i>SOP on Boundary Demarcation</i>' (e.g. Licence (orange color); Coupe (red color); Block (yellow color); Protected Area (blue color) and SA (green color)) and disseminate it to workers at all level, including the affected communities;</li> <li>• To issue supplementary tag for any missed out harvestable tree in the previous tree tagging operation (if any);</li> <li>• To issue 'U-tags' to extract cut undersize trees located on both sides of the aligned skid trail. However, the undersize trees may remained standing; or may be cut to avoid obstruction during log hauling and are not extracted due to uneconomical</li> </ul> </li> </ol>	<p>Corrective action plan was received and accepted by the audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

		<p>reasons; the cut logs are then to be used as 'slope guard' (without any documentation); and</p> <ol style="list-style-type: none"> <li>2. To create a file on Conflict Management Action Plan to identify, manage and resolve any potential conflict that may arise in the FMU.</li> <li>3. To discuss/update any conflicts that arises during management review meeting.</li> <li>4. The above shall be addressed by November 2022.</li> </ol>	
<b>Indicator</b>  <b>Minor</b>  <b>NCR:</b> <b>AZR</b> <b>01/ 2022</b>	<p><b>Requirement: Indicator 1.6.2</b> - Policies or statements are communicated throughout the organisation and its contractors, and are made available to the public.</p> <p><b>Finding:</b> Policies or statements on the MC&amp;I SFM was not adhere in the contract work order.</p> <p><b>Objective evidence:</b> There is no evidence of policies and statements to adhere to the MC&amp;I SFM in the contractor work order (CWO) for JAYA TIASA FOREST PLANTATION (JTFFP).</p>	<p><b>Result of investigation and determination of root cause:</b> Lack of both awareness and engagement with the contractor on CWO and MC&amp;I SFM-related policies</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. The new Contract Work Order (CWO) for JTFFP shall be prepared and entered into, which will include policies and/or statements on <i>MC&amp;I SFM</i>.</li> <li>2. The above shall be readied by November 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>
<b>Indicator</b>  <b>Minor</b>  <b>NCR:</b> <b>AZR</b> <b>02/ 2022</b>	<p><b>Requirement: Indicator 2.3.1</b> - Availability of appropriate mechanisms to resolve disputes over tenure claims and use rights.</p> <p><b>Finding:</b> Appropriate mechanisms to resolve disputes over tenure claims and use rights was not made publicly accessible.</p> <p><b>Objective evidence:</b> 3. Mechanism to resolve disputes over tenure claims and use rights was not</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Lack of both awareness and engagement with the communities on mechanism to resolve disputes over tenure claims and use rights.</li> <li>2. Complaint form yet to be included contact information of PIC and contact number.</li> <li>3. Mechanism to resolve disputes over tenure claims and use rights yet to disseminate to local community; this includes public display at strategic location(s).</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

	<p>made available in the Public summary for Penuan-Lebuwai FMU.</p> <p>4. During site consultation with local communities at Sang Anau-Long Bulan and Long Bulan, they were not aware of the mechanism to resolve disputes over tenure claims and use rights</p>	<p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. to disseminate SOP on land tenure claim and use rights (Indicator 2.3.1) during briefing to the affected communities; and</li> <li>2. to publicly display Flowchart and Complaint Forms at strategic locations, where it can be easily seen/retrieved by the community members;</li> <li>3. the flowchart shall indicate various processes and time frame to resolve such disputes at each level; and</li> <li>4. to attach sample of the complaint form with contact information of the Person In-charge (e.g. name, phone number (for WhatsApp messaging), etc.</li> <li>5. to publish this mechanism at <i>jayatiasa.net</i></li> <li>6. The above shall be readied by November 2022.</li> </ol>	
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: AZR 03/ 2022</b></p>	<p><b>Requirement: Indicator 3.1.3</b> - Availability and use of appropriate mechanisms to resolve any conflicts and grievances between parties involved.</p> <p><b>Finding:</b> Mechanisms to resolve any conflicts and grievances between parties involved was not made publicly available.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>3. Based on the consultation with local communities, Sang Anau-Long Bulan and Long Bulan were not aware of the SOP for Conflict Resolution for Local Community.</li> <li>4. SOP for Conflict Resolution for Local Community was not made available in there Penuan-Lebuwai FMU website.</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Lack of both awareness and engagement with the communities on <i>SOP for Conflict Resolution for Local Community</i>.</li> <li>2. Complaint form yet to be include contact information of PIC and contact number.</li> <li>3. <i>SOP for Conflict Resolution for Local Community</i> yet to disseminate to local community; this includes to public display at strategic location(s).</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. mechanisms to resolve conflicts shall cover any loss or damage affecting all affected local communities' legal, customary rights, property, resources and/or other livelihoods caused by forest operations;</li> <li>2. to publicly display Flowchart and Complaint Forms at strategic locations,</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

		<p>where it can be easily seen/retrieved by the community members:</p> <ol style="list-style-type: none"> <li>the flowchart shall indicate various processes and time frame to resolve such disputes at each level; and</li> <li>to attach sample of the complaint form with contact information of the Person In-charge (e.g. name, phone number (for WhatsApp messaging), etc.</li> <li>to publish this mechanism at <i>jayatiasa.net</i></li> <li>The above shall be readied by November 2022.</li> </ol>	
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: AS 01/2022</b></p>	<p><b>Requirement: Indicator 3.3.1</b> - 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><b>Finding:</b> Sites of special cultural, ecological or religious significance to indigenous peoples were not fully identified within the FMU</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>List and maps depicting locations of important cultural, ecological, economic or religious sites in the FMU were e.g. Temuda, Damun, Pulau Galau, Sungan, water intake point) were not comprehensive to include 'new villages' (Sang Anau-Long Bulan and Long Bulan).</li> <li>Consultations with communities from Sang Anau-Long Bulan confirmed that identification, Protection and demarcation of community use areas and cultural and economic importance to the communities based on the SOP</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>Lack of engagement with Sang Anau-Long Bulan and Long Bulan communities.</li> <li>Social impact study was non-available.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <p>To address Objective Evidences #1 – #2:</p> <ol style="list-style-type: none"> <li>to consult/engage Sang Anau-Long Bulan and Long Bulan at community level;</li> <li>to identify sites of special cultural, ecological, economic and religious significance belonging to Sang Anau-Long Bulan and Long Bulan</li> <li>To plot significant sites onto the map (including Long Jawe's and Long Busang's significant sites).</li> <li>Social impact studies are to be conducted – beginning from 19<sup>th</sup> August 2022 and the report shall be readied by October 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

	2.3.5.1 Identifying and Protecting Sites of Special Cultural, Ecological, Economic and/or religious Significance to natives is yet to be done.		
<b>Indicator</b>  <b>Minor</b>  <b>NCR:</b> <b>AS</b> <b>02/2022</b>	<p><b>Requirement: Indicator 3.4.2 –</b> Availability of appropriate mechanisms and fair and equitable compensation for the commercial organization of traditional forest-related knowledge and practices of indigenous peoples in accordance with existing legislation or by mutual agreement in the absence of such legislation.</p> <p><b>Finding:</b> No mechanisms and fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of indigenous peoples.</p> <p><b>Objective evidence:</b> During the documentation review, there was no evidence of written procedures on mechanism for fair and equitable compensation for the commercial utilization of traditional-related knowledge and practices of indigenous people.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Lack of awareness on written procedures on mechanism for fair and equitable compensation for the commercial utilization of traditional-related knowledge and practices of indigenous people.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. The SOP shall be developed: <ol style="list-style-type: none"> <li>a. with mechanism for fair and equitable compensation; and</li> <li>b. for the commercial utilization of traditional forest-related knowledge and practices of indigenous people.</li> </ol> </li> <li>2. The above shall be readied by October 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>
<b>Indicator</b>  <b>Minor</b>  <b>NCR:</b> <b>AZR</b> <b>04/ 2022</b>	<p><b>Requirement: Indicator 4.1.1</b> Forest managers provide appropriate Support training, retraining, local infrastructure facilities and socio- economic programs that commensurate with the scale and intensity of forest Management operations</p> <p><b>Finding:</b> Training for workers were not sufficient.</p> <p><b>Objective evidence:</b></p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Lack of engagement with forest workers in disseminating information on MC&amp;I SFM requirements.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To enable forest workers have a better understanding of SFM, MC&amp;I SFM and FMC processes: <ol style="list-style-type: none"> <li>a. training shall be carried more than</li> </ol> </li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

	Interview with 7 surveyors and 2 mechanics indicated that they were generally lack the understanding of the Forest Certification Process (MC&I).	<p>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 at all levels; and</p> <p>c. records of training to the forest workers shall be properly kept.</p> <p>2. Training shall commence beginning from September 2022 onwards.</p>	
<b>Indicator</b>  <b>Minor</b>  <b>NCR:</b> <b>AZR</b> <b>05/ 2022</b>	<p><b>Requirement:</b> : <b>Indicator 4.1.2</b> - Communities living within, or adjacent to, the FMU are given preference for employment and contract works.</p> <p><b>Finding:</b> Communities adjacent to the FMU were not given preference for employment and contract works.</p> <p><b>Objective evidence:</b></p> <p>3. Based on the consultation with local communities Sang Anau-Long Bulan was not aware of the job opportunities for employment at Penuan-Lebuwai FMU.</p> <p>4. Record of effort to recruit workers from Sang Anau-Long Bulan was not made available.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Lack of engagement with the communities on employment opportunities in the FMU.</li> <li>2. No mechanism to inform local community on any job vacancy.</li> <li>3. No PIC to update such information and relay it to the local community.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. to give priority of recruiting workers from in and around the FMU –as stipulated in the SFM Policy – shall be disseminated during consultation/engagement with community at Sang Anau;</li> <li>2. to post posters on job vacancies that are available at the time, where it shall be displayed at the strategic locations of Sang Anau; and</li> <li>3. To assign PIC keep up-to-date record of such activities carried out at Sang Anau-Long Bulan and all other affected communities.</li> <li>4. The above shall be addressed beginning from September 2022 onwards.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>
<b>Indicator</b>  <b>Minor</b>	<p><b>Requirement:</b> <b>Indicator 4.2.5</b> - Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Site management did not aware on the requirements under <i>Occupational Safety and</i></p>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation</b></p>

<p><b>NCR: ANS 01/ 2022</b></p>	<p><b>Finding:</b> Handling hazardous materials in accordance with requirement Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000)</p> <p><b>Objective evidence:</b> 3.Penuan Lebuwai FMU has yet to conduct Chemical Hazardous Risk Assessment (CHRA) as per requirement of the Occupational Safety and Health (Use and standards of exposure of chemical hazardous to health Regulations 2000). Site visit to FMU nursery has confirm that no CHRA has been conducted to cover spraying activities.</p> <p>4.Safety Data Sheet for chemical not display at the workplace (chemical mixing area) and at the chemical store.</p>	<p><i>Health (Use and Standards of Exposure of Chemical Hazardous to Health Regulations, 2000)</i> to conduct CHRA.</p> <p><b>Correction and corrective action plan including completion date:</b> To address Objective Evidence #1 – #2: 1. To engage CHRA Assessor from Oasis Chemical Sdn. Bhd to conduct CHRA; and 2. To display Safety Data Sheet (SDS) at both chemical store and mixing area. 3.The above should be readied by December 2022.</p>	<p><b>will be verified during the next audit.</b></p>
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: AS 03/2022</b></p>	<p><b>Requirement: Indicator 4.3.2</b> 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><b>Finding:</b> The relevant ILO conventions on collective bargaining and non-discrimination in the workplace and FMU's Good Social Practices Policy was not fully complied.</p> <p><b>Objective evidence:</b> Minutes of the First Management Worker Committee (MWC) on the 12<sup>th</sup> Way, 2022 showed that the workers representatives were elected by the</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Lack of awareness to carry out trainings (including dissemination of information on Good Social Practices) for its forest workers and workers' representatives were not independently elected by the workers themselves.</p> <p><b>Correction and corrective action plan including completion date:</b> 1. To prepare an '<i>SOP for the Establishment of Management-Worker Committee</i>' with elements on: a. adherence to GSP Policy; b. Terms of Reference (TOR); and c. the selection process of workers'</p>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

	<p>FMU Management team instead of the workers thus restricting them to organize and undertake collective bargaining and non-discrimination in the workplace in accordance with the ILO conventions no.87 and the FMU Good Social Practices Policy dated 16<sup>th</sup> August, 2021.</p>	<p>representatives by workers.</p> <ol style="list-style-type: none"> <li>2. To re-establish the Management-Worker Committee following the good social practices;</li> <li>3. To reconvene meeting to disseminate information on GSP Policy and also to address grievances (if any); and</li> <li>4. The above shall be readied in November 2022.</li> </ol>	
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: AZR</b></p> <p><b>06/ 2022</b></p>	<p><b>Requirement: Indicator 6.2.5</b> - Forest workers and local communities shall be made aware of endangered, rare and threatened species of forest flora and fauna found in the FMU.</p> <p><b>Finding:</b> Local communities was not made aware of endangered, rare, and threatened species of forest flora and fauna in the FMU.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>3. During site consultation with local communities at Sang Anau-Long Bulan and Long Bulan, they were not made aware of endangered, rare and threatened species of forest flora and fauna found in the FMU.</li> <li>4. There was no poster of Totally Protected and Protected Wildlife in Sarawak found during site consultation during site consultation with local community at Sang Anau-Long Bulan.</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Yet to brief local communities on the ERT species of flora and fauna in the FMU.</li> <li>2. No mechanism to disseminate poster/list of ERT species to the local community.</li> <li>3. No PIC has been assigned to inform these requirements to the local community.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. to prepare a detailed '<i>List of ERT Flora and Fauna</i>' found in the FMU; including re-stock of posters on both '<i>Protected and Totally Protected Flora and Fauna of Sarawak</i>';</li> <li>2. To assign PIC to disseminate this information to Sang Anau, Long Bulan and all other affected communities;</li> <li>3. to display this information at strategic points within the Penuan-Lebuwai FMU;</li> <li>4. to keep record(s); and</li> <li>5. The above shall commence beginning from September 2022 and be readied by November 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: MRS</b></p>	<p><b>Requirement: Indicator 6.3.1</b> - Availability and implementation of management guidelines to assess post-harvest natural regeneration, and measures to supplement natural regeneration and rehabilitate degraded</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Lack of awareness on the need to set up and sample the Pre-harvest plots.</p> <p><b>Correction and corrective action plan</b></p>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>



03/2022	<p>areas, where necessary, in the FMU.</p> <p><b>Finding:</b> Diagnostic sampling plot was yet to be established at pre-harvest area.</p> <p><b>Objective evidence:</b> Ten diagnostic sampling plots were established at post-harvesting area in Coupe 01A. However, no assessment was carried out at the same diagnostic sampling plots before harvest.</p>	<p><b>including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To revise and update the 'SOP on Diagnostic Sampling';</li> <li>2. To establish and assess the plots before harvesting;</li> <li>3. To re-assess the same plots after harvesting; and</li> <li>4. To include miscellaneous analyses on logging damage, etc.</li> <li>5. Pre-F sampling shall commence in 10 blocks, Coupe 01A, T/3370 in October/November 2022; to be followed by Post-F sampling in December 2022 or January 2023.</li> </ol>	
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: ANS</b></p> <p><b>03/ 2022</b></p>	<p><b>Requirement:</b> Indicator 6.5.3 - Availability and implementation of guidelines for forest road lay-out and construction, including log landings and drainage requirements.</p> <p><b>Finding:</b> Guidelines for construction drainage requirement was not implemented</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>4. During inspection to Secondary Road (S-1-1) at Coupe 01A found that the sediment trap (Soil Trap) was not constructed as per (a) Construction of logging road, skid trail and roadside landing. (Guideline 10 RIL for ground-based harvesting system Part 2).</li> <li>5. It was found soil erosion from main logging road direct to natural stream at corner between Block 6/Block 8 in Coupe 01A. No water diversion (sump and culvert) was constructed at the inspected area.</li> <li>6. Bridge that connect Block 21 and Block 22 in Coupe 01A was found damaged.</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Road maintenance unit lack of awareness on forest road guideline.</li> <li>2. No monitoring mechanism on sediment trap, sump, culvert, bridge, etc at post-logging site.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To provide training and guidance to the Road Maintenance Unit on the proper construction of roadside silt/soil/sediment traps; including culverts/bridges; where proper records shall be kept.</li> <li>2. Monitoring program for forest road and maintenance: (i) bi-monthly in the active, operational blocks; (ii) quarterly for major access roads.</li> <li>3. The above shall be ready by December 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: ANS 04/ 2022</b></p>	<p><b>Requirement:</b> : Indicator 6.6.4 - Forest management shall prepare an implementation plan for the reduction of use of chemical pesticide.</p> <p><b>Finding:</b> Implementation plan for the reduction of use chemical pesticide not prepared.</p> <p><b>Objective evidence:</b> Based on documentation review and site inspection at FMU Nursery found that plan for reduction of use chemical pesticide (Chalcid 5.0 SC) not available.</p>	<p><b>Result of investigation and determination of root cause:</b> Lack of awareness on preparing the plan for reduction of use of chemical pesticide.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To establish baseline data on chemical consumption at both nursery and FMU (<i>i.e.</i> planting sites) levels;</li> <li>2. At this juncture, chemical spraying is only confined to the nursery area and no spraying is being conducted at the planting sites: <ol style="list-style-type: none"> <li>a. to measure rate of survival and growth of planted trees without chemical spray treatment; and</li> <li>b. to monitor whether such practice can be continued, thus reducing chemical consumption at minimum level.</li> </ol> </li> <li>3. From the baseline information, derive plan to reduce the consumption of chemicals (if achievable).</li> <li>4. The above shall be readied by November 2022.</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>
<p><b>Indicator</b></p> <p><b>Minor</b></p> <p><b>NCR: MRS 05/2022</b></p>	<p><b>Requirement: Indicator 8.2.1 -</b> Forest managers shall gather the relevant information, appropriate to the scale and intensity of the forest management operations, needed to monitor the items (a) to (e) listed in Criterion 8.2.</p> <p><b>Finding:</b> Horizontal distance was not correctly measured for establishment of PSP plot.</p> <p><b>Objective evidence:</b> The horizontal distance was not correctly measured in the establishment of PSP plot boundaries as verified at PSP0103 and PSP0201.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <ol style="list-style-type: none"> <li>1. Inadequate knowledge of one of the Forest Surveyors on the usage of survey equipment.</li> <li>2. No quality inspection by PIC on the PSP establishment</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <ol style="list-style-type: none"> <li>1. To inspect and make sure that all equipment are in working order (replacement is to be made – if necessary);</li> <li>2. To prepare 'Slope Correction Table' and conduct training for Forest Surveyors on</li> </ol>	<p>Corrective action plan was received and accepted by audit team on 26 September 2022.</p> <p><b>Status: The effectiveness of implementation will be verified during the next audit.</b></p>

		<p>the correct way of surveying and demarcating study plots; and</p> <p>3. Proper records on equipment and training shall be kept.</p> <p>4. To establish monitoring mechanism to make sure that the plot establishment follows the PSP procedure.</p> <p>5. The above shall be readied by November 2022.</p>	
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**End of Report**