



**PUBLIC SUMMARY  
2<sup>ND</sup> SURVEILLANCE AUDIT (3<sup>RD</sup> CYCLE) ON  
SEGAN FOREST PLANTATION MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-FP 00002  
Date of First Certification: 18 July 2014  
Audit Date: 12 - 14 October 2022  
Date of Public Summary: 15 April 2023**

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## EXECUTIVE SUMMARY

This Surveillance 2 audit for forest management certification on the Segan Forest Plantation Management Unit – Segan FPMU was conducted on 12<sup>th</sup> -14<sup>th</sup> October 2022. This was an audit carried out following the previous audit which was conducted on 25-26 February 2021 (Remote) and 22-24 February 2022 (Onsite) on the overall forest management system and practices of the FPMU 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 Segan FPMU by a two-member team comprising Hj.Roslee Jamaludin (Lead Auditor) and Mohd. Annas Amin Hj.Omar (Auditor). The Segan FPMU covers an area of 10,332 ha of the LPF/0014. The forest area is situated approximately between Latitudes 03° 0' 0"N to 03° 07' 30" N and Longitudes 113° 0' 0" E to 113° 10' 0" E in the Tatau District, Sarawak. The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with relevant government agencies, local community, and indigenous people within FPMU. In general, the findings of this surveillance 2 audit have indicated that the Segan FPMU had complied with most of the requirements of the MC&I SFM despite the issuance of total one (1) Major and four (4) Minor Non-Conformance Report (NCRs), against the requirements of the MC&I SFM. The audit team had also verified on the corrective action plan taken by the Segan FPMU to address all the finding raised during the previous audit. The Audit Team Leader after consultation with team members recommends that certification of Segan FPMU against the MC&I SFM be maintained upon acceptance of corrective action plans within one (1) month and closure of Major NCR within 3 months from the date of the surveillance 2 audit. The FPMU had submitted a proposed corrective action plans to address the NCRs raised during the surveillance 2 audit by mail on 19<sup>th</sup> December 2022, and which has been accepted by the audit team leader on 26<sup>th</sup> December 2022. Evidence of implementation was also on submitted on 19<sup>th</sup> December 2022, and was accepted and closed on 26<sup>th</sup> December 2022. The effectiveness of the corrective actions taken by the FPMU to address the Minor NCRs shall be verified by the audit team during the next surveillance audit.

## 1.0 INTRODUCTION

### 1.1 Name of FMU

Segan Forest Plantation Management Unit – Segan FPMU

### 1.2 Contact Person and Address

Name : Philip Visser  
Designation : Silviculture Manager, Samling Reforestation  
Address : Wisma Samling, Lot 296,  
Jalan Temenggong Datuk Oyong Lawai Jau, 98000 Miri, Sarawak  
Phone # : 085-413099  
Fax # : 085-429073

### 1.3 General Background on the Segan FPMU

The Segan FPMU is managed by the Syarikat Samling Timber Sdn Bhd (SST) and located on the Tatau District, Sarawak. The SST is committed in the management of the FMU on a sustainable basis. It has signed a Licensed Planted Forests LPF0014 with the Sarawak State Government on 27 January 1999 to establish and maintain a forest plantation in the LPF0014 - Segan for a period of 60 years from 27 January 1999 to 26 January 2059. Segan Licensed Planted Forest is an Industrial Tree Plantation (ITP) operating under a government license (LPF/0014) held by Syarikat Samling Timber Sdn Bhd (SSTSB). The license was issued in 1999 under the Forests Ordinance 1954 Section 65 B License for establishment of planted forest. SST holds a 60-year lease over land on which it is licensed to establish an ITP. The lease (LPF/0014) was issued on 27th January 1999. The leased land is in three discrete areas some 15 to 35 km south east of Bintulu, in the Bintulu District and Sebauh Sub-District of Bintulu Division. The three areas are known individually as Segan West (Coupe 1A and Coupe 2A(Part I)), Segan East (Coupe 2A (Part II), Coupe 3A, Coupe 4A and Coupe 5A (Part I)) and Segan North (Coupe 5A (Part II), Coupe 6A and Coupe 7A) referred to as such in this management plan. The original gross area has been revised by government agencies at least twice. It is now 10,332 ha. About 55% is productive or potentially productive ITP area with the unproductive balance being SA and protected SMZs. The FPMU was one of the earliest ITPs to be established in Sarawak with the first planting in 1999/2000. The forest plantation was started in 1999/2000 with *Acacia mangium* and followed by other fast-growing quality timber species such as *Acacia crassicaarpa*, *Acacia hybrid*, *Eucalyptus pellita*, *Falcataria moluccana*, *Gmelina arborea*, etc. For sustainable management, harvesting rotation of 5 to 10 years is applied to ensure efficient timber production. There are 23 villages that were within and around 3 km radius of the FPMU located along the main river systems. The inhabitants mostly Iban except for the Melanau in Kedayan Kampung Kuala Segan.

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

### 1.4 Date First Certified

18 July 2014

### 1.5 Location of the FMU

The FMU is located between Latitudes 030 0' 0"N to 030 07' 30" N and Longitudes 1130 0' 0" E to 1130 10' 0" E in the Tatau District, Sarawak.

### 1.6 Forest Management System

The FPMU has adopted the MC&I SFM Standard.

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

The Allowable Annual Cut (AAC) in the Segan Forest Plantation Management Plan, for LPF/0014 (1st November 2013- 31st oct. 2023) was set at 69,000 metric tonnes.

## 1.8 Environmental and Socioeconomic Context

The audit is Segan FPMU, a gazetted entity under the management of the Syarikat Samling Timber Sdn Bhd, and demarcated on the ground by clear boundaries. The total area of 10,332 ha was subjected to the certification process. The physical environment, related forest-based operations and community areas referred to in the audit, and their associated documentation, are confined within the borders of the said FPMU. Similarly, the socioeconomic context referred to in the audit is also confined within the FPMU borders. The audit report does not concern with matters outside the designated FPMU boundaries.

## 2.0 AUDIT PROCESS

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

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a nonconformity (NCR) (minor or major) or opportunities for improvement (OFI).

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

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

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

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

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

iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I SFM but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

### 2.1 Audit Dates

12th-14th October 2022

### 2.2 Audit Team

1. Hj. Roslee Jamaludin (Lead Auditor)
2. Mohd. Annas Amin Hj. Omar (Auditor)

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

### 2.3 Standard Used

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

## 2.4 Stakeholder Consultations

A stakeholder notification was issued in September 2022 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There were no comments received from the stakeholders on Segan FPMU during the period.

The audit team had conducted an onsite consultation with the relevant stakeholders during the Surveillance 2 audit. Details of the consultation with the stakeholders are showed in the audit plan as well as in the Surveillance 1 audit report in Principles 2, 3 and 4.

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 FPMU, current documentation, Standard Operating Procedures (SOPs) and field practices in forest management with the detailed of the listed in the MC&I SFM using the verifiers stipulated for Sarawak, Malaysia.

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

iii) An OFI is a situation where the auditor has noted an area of concern on the capability of the forest management system to achieve conformance to the requirements of the MC&I SFM but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

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

## 3.0 SUMMARY OF AUDIT FINDINGS

A total of one (1) Major Non-Conformance (NCR) (Indicator 8.1.3), and four (5) Minor Non-Conformance Report (NCRs) [Indicator 2.3.1, 4.3.4, 4.4.2, 7.4.1, 8.4.1] were raised on the Segan FPMU against the requirements of the MC&I SFM. The audit team had examined all the proposed corrective action plans to address the NCRs and OFI raised during the audit by mail/email on 19<sup>th</sup> December 2022 which has been accepted by the audit team. The evidence of implementation for Major NCR was also submitted on 19<sup>th</sup> December 2022 and closed on 26<sup>th</sup> December 2022.

The effectiveness of the corrective actions taken by the FPMU to address the Minor NCRs and OFIs shall be verified by the audit team during the next surveillance audit. Details on NCRs and OFIs Raised During this Stage 4 Surveillance Audit and Corrective Actions are shown in **Attachment 5**.

Segan FPMU had showed their commitment to address the non-conformities by establishing action plans as detailed in Attachment 6.

The summary on the findings of the Stage 2 Surveillance audit on the SEGAN FMU against the requirements of the MC&I (Plantation Forest) are as follows:

Principle	Strengths	Weaknesses
<b>Principle 1 Compliance with Laws and Principles</b>	The FPMU had maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest management. Interviewed forest managers had demonstrated knowledge of the federal, state, and local laws and regulatory framework. There was no forest offence recorded for years 2021 and January to September 2022 as verified in the 'Annual Forest Offences Summary Reports'. The FPMU had maintained a list of all legally prescribed fees. The Samling-Segan Forest managers were aware of all the binding international agreements such as International Labour Organizations Conventions (ILO), Convention of Biological Diversity (CBD) and International Tropical Timber Agreement 1994. The record of evaluation of conflicts between laws, regulations and these Principles and Criteria were available at the Segan camp office. Segan FPMU Licensed Planted Forest is an Industrial Tree Plantation (ITP) operating under a government license (LPF/0014) held by Syarikat Samling Timber Sdn Bhd (SSTSB). The license was issued in 1999 under the Forests Ordinance 1954 Section 65 B License for establishment of planted forests. A written policy statement 'Certification Policy Statement' for Segan Plantation Management Unit (LPF/0014) was presented to the audit team. This policy statement had included the commitment to undertake forest management certification under MC& I SFM.	
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	Documentation of legal status, including forest use rights of the land or forest resources for the FPMU area was available. Section 22 (1) of Licence No. LPF/0014 (1999-2059) stated that "Nothing in the License shall be deemed to affect rights which any native has, prior to the issue of this Licence, lawfully acquired over the said land under the Land Code or Ordinance. Such rights shall be referred to this Licence as native customary rights". During the audit, records review and consultation with several communities of Heads and villagers confirmed no official claim (court cases) has been made by local communities to date. Sampled current and 'payment in process' agreements between local communities and Samling-Segan FPMU were verified. Forest plantation managers support legally recognised mechanisms for resolving land claims and a relevant document to the effect was sighted.  All relevant documents on legal or customary	During further verification of the PR001 Procedures, the audit found that the mechanism for recording minutes of meetings with local communities was not adequate. a <b>Minor NCR (ISMA 01/2022) against Indicator 2.3.1 was thus raised.</b>

Principle	Strengths	Weaknesses
	<p>tenure or use rights of local communities within relevant federal and state legal frameworks for the forest plantation were made available for verification during the audit. Records of communication with the local communities were maintained to resolve issues on legal or customary tenure or use rights. Forest plantation managers collaborated with holders of duly recognised legal or customary tenure or use rights. The related documents were sighted during audit. Boundary issues in SA land and FPMU areas were resolved.</p> <p>A mechanism was employed to resolve disputes over tenure claims and use rights related to the FMU. The relevant document <i>PR001 Procedures taken in dealing with Land Claims</i> was sighted. There were however no extant official land claims (court cases) recorded.</p>	
<b>Principle 3 Indigenous People's Rights</b>	<p>Documents relevant to the customary rights of indigenous people were in accordance to the Land Ordinance (Land Code; Chapter 81) and established native customary rights of the State (Native Customs (Declaration) Ordinance, 1992. There was record of delegating control of such land to the FPMU. Sampled Agreements were verified for four villages. The FPMU has maintained that its <i>Guideline for Conflict Resolution</i>, with the reviewed date 1 October 2019, as appropriate mechanism to resolve any conflicts and grievances between parties involved.</p> <p>The FPMU plantation established was only on indigenous people's lands that was recognized within the extant legal frameworks. FPMU had a long-term tenure on the land through the leases signed with the government; hence negotiations are still in place to cater land claimed by the local people.</p> <p>There were no sites of special cultural, ecological, economic, or religious significance to indigenous peoples present within the FPMU. This was confirmed during consultations with 4 longhouses during the audit. Appropriate mechanisms for conflict resolution involving local communities were however available as outlined in the SOP '<i>PR001 Procedures taken in dealing with Land Claims</i>'.</p> <p>The audit verified that there was no indigenous traditional forest-related knowledge and practices that have been used by the FPMU in forest operations.</p>	
<b>Principle 4 Community Relations and Workers' Rights</b>	<p>The FMU provided training for their staff as documented in the <i>Annual Training Plan Jul 2022 – June 2023 Training Reports</i>. Qualified people in communities living within, or adjacent to the</p>	<p>During the previous audit, a review of the "Worker Grievance" SOP (PR005) found it to be not adequate. The <i>Borang Rungutan</i></p>



Principle	Strengths	Weaknesses
	<p>FMU are given preference for employment and contract works. Records and interviews showed that the FPMU does not employ or was not involve in the employment of illegal immigrants. This was confirmed during consultation with workers on site.</p> <p>Field workers were updated on applicable laws and regulations regarding occupational safety and health, through briefing conducted for them. Policy on Health, Safety and Environmental (HSE) dated 1 January 2020 was widely displayed within the FMU. It has also been published at the Samling website and included in the FMP. Operational procedure for workshop and logging activities was verified during the audit. SOPs for Preventive Maintenance for Equipment and Machinery, Breakdown Maintenance and Work Instruction for Preventive Maintenance have been made available. Record of equipment and maintenance was in order. Workers were provided with adequate personal protective equipment (PPE). Site inspection at the workshop found the demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials found were adequate.</p> <p>Workers have the right to organize into union of their own choices according to ILO Convention No.87. The company also made available at the Sg. Mas Camp, the acts and regulations pertaining to these rights. Interviews with local and foreign workers confirmed they have not established a union and were aware of their rights to form one or join any union of their choice. The right of workers to employment benefits and social protection is assured under applicable laws and/or regulations in the FMU. All workers have been insured by PERKESO with coverage on annual basis. Contribution through SOCSO (Social Security Organisation) for workers was mandatory. Procedures to address grievances raised by forest plantation workers and/or their organizations and for conflict resolution were available.</p> <p>The Social Impact Assessment on the Samling Segan FPMU was conducted in 2021 by the Universiti Putra Malaysia, which profiled 10 longhouse communities within the FPMU and 13 bordering it. The communities were mainly Iban following a traditional way of life.</p> <p>Provisions and measures within relevant federal and state legal frameworks shall be taken to prevent loss or damage affecting the local peoples' legal or customary rights, property, resources, or their livelihoods were available. Consultation with members of the communities visited confirmed that the FPMU operations did not in any way affect their legal or customary</p>	<p>(Complaints Form) did not provide columns for (1) record of management decision to resolve the grievance, and (2) record of acknowledgement of grievance upon receiving the management decision. <b>A Minor NCR ISMA 02/2022 against Indicator 4.3.4 was therefore raised.</b></p> <p>Results of the social impact evaluation on forest operation affecting local communities, dated 22 February 2022, were not incorporated in the Forest Plantation Management Plan for Segan Industrial Tree Plantation LPF/0014. Revision 6. <b>A Minor NCR ANS 01/2022 for Indicator 4.4.2 was thus raised.</b></p>

Principle	Strengths	Weaknesses
	<p>rights, property, resources, or livelihoods. Mechanisms within relevant federal and state legal frameworks employed to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods, caused by forest plantation management operations were available. The relevant SOP document <i>PR001 Procedures taken in dealing with Land Claims</i> was sighted.</p>	
<p><b>Principle 5 Benefits From the Forest</b></p>	<p>Samling Segan FPMU has made investments and reinvestments in forest plantation management, including for forest plantation administration, research, human resource development, protection, economic, conservation, environmental and social aspects. Provisions and management were made to maintain, restore, or enhance the productive capacity and ecological functions of the forest plantation areas to ensure its economic viability. This was included in the Segan Industrial Tree Plantation LPF/0014 Forest Plantation Management Plan (Sixth revision) A letter of approval for Annual Harvest Plan (AHP) under LPF/0014 and Permit to Harvest (PHC) was verified.</p> <p>The main product being extracted from the forest plantation in the FPMU is timber. The plantation practices the optimal use of forest plantation resources by extracting all the timber at the site. All harvests were for local processing i.e., mainly for chips, sawn timber and plywood within the mill of the parent company. No timber product has been exported.</p> <p>A ground based "High Lead" yarding system was used for timber harvesting, hence, impacts on the forest plantation soil was low as skid trail construction was minimized. Several manual guides to harvesting, designed to minimize impacts, were available and sighted. The FMP also stressed the importance of continuous training in the implementation of the MC&amp;I to undertake effective auditing process of the FPMU. Regular training was conducted for the staff and forest contractors on techniques of reduced-impact logging organized by Sarawak Timber Association (STA).</p> <p>During the audit at Segan Nursery, information was provided on production, stock used, seeding age, height and sowing for <i>Acacia mangium</i>, <i>Acacia crassicaarpa</i>, and <i>Eucalyptus pellita</i>. Site inspection to the trial plots of <i>Eucalyptus urophylla</i> <i>E. grandis</i> and <i>E. pellita</i> were made and growth records sighted. Maps showing planted areas with species of <i>Acacia</i>, <i>Eucalyptus</i>, <i>Falcata</i>, <i>Gmelina</i>, and other species were available.</p>	

Principle	Strengths	Weaknesses
	<p>Samling Segan FPMU has established Special Management Zones (SMZ) with protected residual forest which contributed towards a protective function for soil and water. The guidelines, <i>Procedures for Identifying and Demarcating Sensitive areas for the Protection of soil and water</i> (Sarawak Forest Department, 1999) (PR003) in the forest plantation areas were sighted. These sensitive areas had been identified, classified, and mapped as sighted in the <i>Harvesting General Map</i> (Coupe 1A, 2A and 6A) and <i>Plantation Base Map</i> (Management Plan LPF/0014 Segan).</p> <p>Based on para 10.1 the Allowable Annual Cut (AAC) in the Segan Forest Plantation Management Plan, for LPF/0014 (1<sup>st</sup> November 2013- 31<sup>st</sup> oct. 2023), the rate of annual timber harvest was set at 69,000 metric tonnes. Records sighted showed timber harvest below the AAC. The rate of harvest (SAAC) planned for Segan FPMU was deemed sustainable over the felling cycle.</p>	
<b>Principle 6 Environmental Impact</b>	<p>The EIA report for the FPMU titled '<i>Environmental Impact Assessment of the Proposed Segan Forest Plantation Bintulu Division, Sarawak</i>' prepared in June 1999 (as required under the prescribed activities of the Natural Resources and Environment (Prescribed Activities) Order 1994) was presented and sighted. The potential impacts and strategies to mitigate the impacts were included in this document. The potential impacts from forest plantation operations on endangered, rare, and threatened (ERT) species of flora and fauna, and the need for biological corridors in forest plantation management had also been identified in the EIA report. Similarly, measures to mitigate environmental impacts caused by harvesting activities identified in the EIA study had been incorporated in the FPMP.</p> <p>The list of endangered species provided by the authority was included in the <i>Wildlife Protection Ordinance 1998</i> and <i>A Master Plan for Wildlife in Sarawak 1996</i>. It was also given in the IUCN Red List of Threatened Species and in the FPMU own manual, <i>Segan Forest Plantation LPF/0014 Wildlife Monitoring Manual (GL016)</i>. Representative conservation areas had been established in forest plantation based on the SOP titled '<i>Guidelines and Procedures: Fauna Conservation and Ecosystem Management Forest Management (GL011)</i>'. Record of cooperation between forest plantation managers, and conservation organizations and regulatory authorities in implementing conservation and ongoing management activities in the FPMU was</p>	

Principle	Strengths	Weaknesses
	<p>sighted. Hunting and fishing within the FPMU were not allowed. Proper signage was strategically located in the area and routine patrolling was also maintained. Knowledge on the threatened and endangered species within the plantation was conveyed through regular briefings given to the field staff. Related posters were prominently displayed. Training record on '<i>Wildlife Conservation and Mechanism to Conflict Resolution</i>' was sighted.</p> <p>Guidelines and Procedures of <i>Fauna Conservation and Ecosystem Management (GL011)</i> had specified procedures to be implemented for diversity conservation and the need to establish biological corridors and buffer belts in natural forests in the FPMU. Special Management Zones (riparian buffer belts, steep slopes and conservation areas) were demarcated on the ground and mapped.</p> <p>Representative areas of existing forest ecosystem consisting of the riparian buffer belts, steep sites and residual forest had been demarcated and mapped for protection. These were verified during field visits. Based on the Segan FPMU Updated Base Map (dated on 07<sup>th</sup> October 2022), it was evident that the forest plantation design and layout have promoted the protection, restoration, and conservation of the residual natural forests. These sites were demarcated on the ground and verified by the audit team.</p> <p>SOP for plantation establishment (<i>SOP SST/RP/OP/02 Site Preparation</i>) was implemented to avoid loss of topsoil nutrients, and soil erosion and compaction from inappropriate use of mechanical and chemical techniques. The FPMU adhered to the specifications of Reduced Impact Logging (RIL) Harvesting Operation of the Forestry Department as per the <i>Guidelines for Forest Road Lay-out and Construction</i> prepared by the Forest Department Sarawak 1999. The Annual Harvesting Plan (AHP) for active harvesting site was designed towards implementation of forest road lay-out and construction, including log landings and drainage requirements. The document, '<i>Fire Protection Plan Segan Plantation</i>', updated 2 January 2022, was made available during the audit together with the Emergency Action Plan (Fire) or "<i>Pelan Tindakan Menghadapi Kecemasan (Kebakaran)</i>" and Emergency Response Team Organization Chart 2022/2023. Firefighting equipment were tested/checked annually. The record of application of fertilizer and chemical pesticides titled '<i>Chemical &amp; Fertilizer Record</i>' for year 2022 was verified by auditor.</p>	

Principle	Strengths	Weaknesses
	<p>The FPMU has adhered to set policy, the '<i>Pesticide Use in the Management of Industrial Tree Plantations</i>' (26 November 2020) on the use of environmentally friendly non-chemical methods of pest management and prohibition of use of banned pesticides. The FPMU has established guidelines and procedures on the use of chemicals in the FPMU area. These were verified during the audit. Trainings had been conducted on the use of chemicals and scheduled waste management (Chemical Safety Training). Interviews with nursery workers confirmed that they were aware on the correct handling of chemicals. The FPMU has also implemented a plan for the reduction of use of chemical pesticides in the forest titled '<i>Implementation plan for the reduced use of chemical pesticides</i>'.</p> <p>Used lubricant oil, fuel containers, liquid and solid non-organic wastes were disposed of in an environmentally appropriate and legal manner. Procedures for disposing such materials and containers were prescribed in '<i>Guidelines on Disposal and Storage of Scheduled Wastes</i>' and '<i>Guidelines on Storage and Handling of Hazardous Material</i>'. The management had notified DOE on scheduled waste generated by Segan FPMU on 26 February 2020 through e-Swiss system. Disposal was conducted by registered SW handler.</p> <p>The FPMU has never used nor sought the use of biological control agents in its forest management.</p> <p>Exotic species were planted within the FPMU and a list of all the species was presented in the Forest Plantation Management Plan. Growth and development of these species were carefully monitored to avoid adverse ecological impacts on the environment. A policy statement titled '<i>Invasive exotic species introduction</i>' (13 November 2013) for Segan LPF 0014 confirmed FPMU commitments to control exotic species.</p> <p>Not Applicable. No conversion of natural forest area to plantation presently envisaged.</p> <p>EIA findings showed that the plantation areas had been severely logged over several occasions resulting in a degraded forest ecosystem. No high conservation value sites were identified except for riparian buffer belts along the main waterways. The area was poor in commercial tree species.</p> <p>The FPMU had only planted areas that were formerly cleared for traditional farming by local communities through mutual agreements. All claims by local communities on NCR land had been settled and compensation made based on</p>	

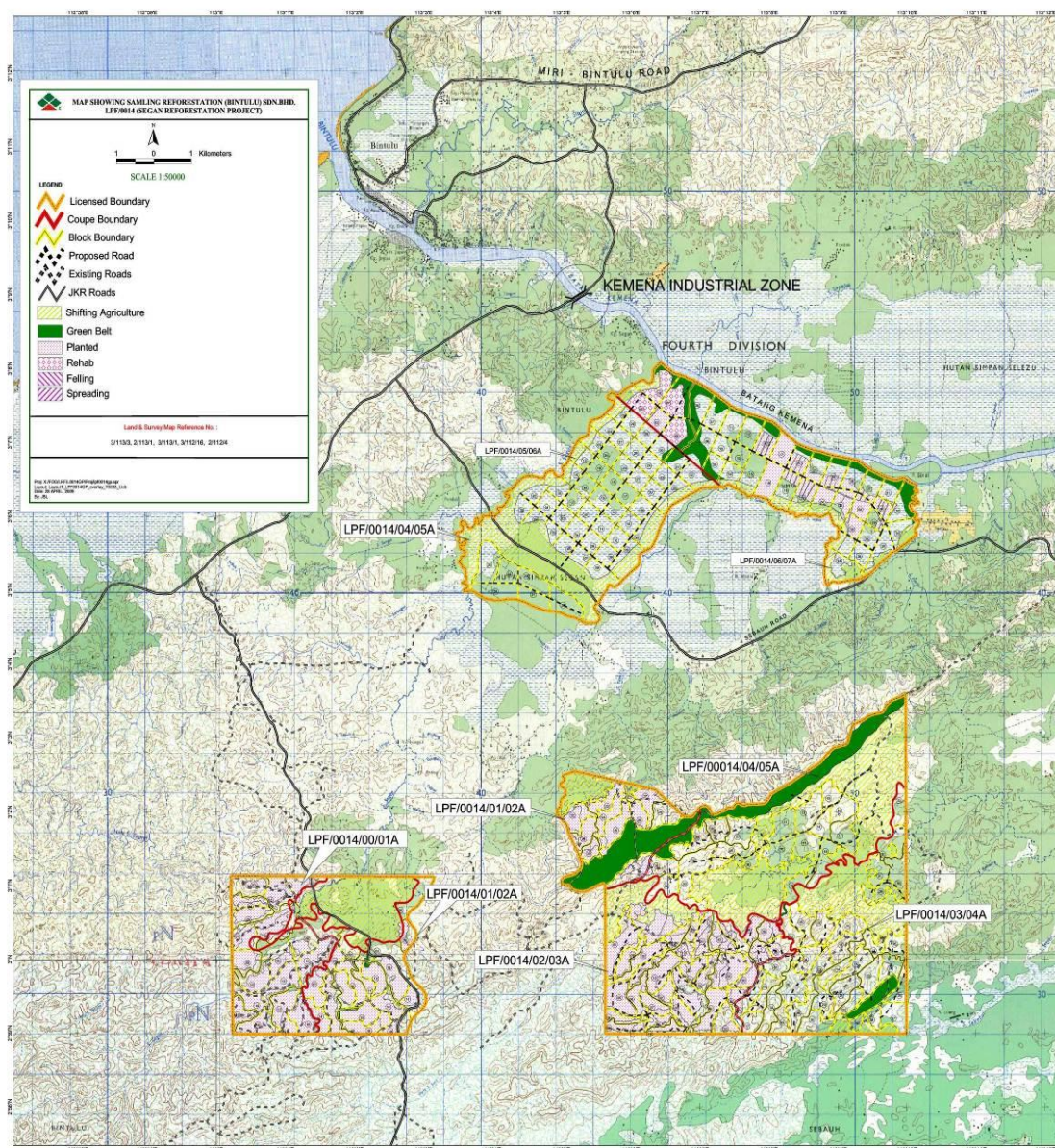
Principle	Strengths	Weaknesses
	<p>mutually agreed terms by both parties. Records of consultation between the FPMU and headmen involved were verified. Conversion of forest plantation area into non-forest land use had not occurred within the FPMU.</p> <p>There was no conversion of severely degraded forests to forest plantations as verified during this audit.</p> <p>There was no afforestation of non-forest ecosystems as verified by the audit.</p>	
<b>Principle 7 Management Plan</b>	<p>The Segan Industrial Tree Plantation LPF/0014 Forest Plantation Management Plan (Revision 6), dated November 2013 to October 2023 and revised on 29<sup>th</sup> September 2022, had incorporated the items listed from a) to j) in Criterion 7.1. This incorporation, as well as its implementation, were verified during the audit.</p> <p>The Forest Plantation Management Plan was revised annually to incorporate data obtained from monitoring and research activities within the FPMU. The R&amp;D Monthly Progress Report for 2022 was made available during the audit. The report recorded measurements of trial plots, their maintenance and silvicultural operation conducted.</p> <p>The forest manager has clearly defined specific job descriptions assigned to forest workers and staff.</p> <p>They were informed of their various roles in the implementation of the forest plantation management plan through regular on-job trainings. They were also briefed of their daily assignments during morning roll calls. The Annual Training Plan for 2021-2022 and 2022-2023 was presented during the audit. The training records including attendance list and pictorial report were verified during the audit.</p> <p>The publicly available summary of the forest plantation management plan was presented in the web page. <a href="https://www.samling.com/sarawak-itp-certification">https://www.samling.com/sarawak-itp-certification</a></p>	<p>During audit examination of documentation review of the Forest Plantation Management Plan (FPMP) and the Public Summary of the FPMP (on Samling website), Para 3.1 (Chapter 3), under <i>Our Commitment</i>, was not changed under the new Standard MC&amp;I SFM. As such, <b>a Minor NCR RJ02/2022 for Indicator 7.4.1</b> was raised.</p>
<b>Principle 8 Monitoring and Assessment</b>	<p>A network of Permanent Sample Plots (PSPs) was established in the Samling Segan FPMU in planted blocks at the rate of one (1) plot for every five (5) hectares planted area. The plots monitored tree growth and survival for developing tree growth models, pest and disease attacks and changes in stocking and tree volume. The information allows for estimation of potential stocks and the SAAC. The FPMU has conducted environmental monitoring and mitigation measures as recommended in the Environmental</p>	<p>During the previous audit, the internal audit conducted on 13-15 January 2022 identified non-compliance to the Procedure for Internal Audit and Management Review. Specifically, the management has yet to train and officially appoint an auditor before conducting internal audit. During the present audit, this requirement was found still outstanding. There</p>

Principle	Strengths	Weaknesses
	<p>Monitoring Report (EMR) and the EIA Report. Water qualities were generally found to be good. Wildlife monitoring in FPMU area was carried out weekly and reported in the <i>Wildlife Sighting Record</i>. The Internal Audit and Management Review (September 2022) was sighted and minutes of <i>Management Review Meeting</i> (Oct 2022) made available during audit.</p> <p>Monitoring report on the PSPs at the Segan FPMU were reviewed during the audit. The MAIs for the dominant tree species were presented. The R&amp;D Report Year 2022 outlining the progress of all research and species trials conducted and monitored was also verified. The HCV report included monitoring of fauna as listed in the Segan Plantation Management Plan. The latest <i>Wildlife Sighting Record</i>, January – September 2022, was sighted.</p> <p>The movement of harvested logs from stump to mill according to the log flow chart (Chain of Custody, CoC) titled <i>Segan ITP Log Flow: Harvesting Blocks to Bintulu Mills</i> was monitored by both FDS and Segan FPMU. Documents related to the CoC procedure were available and verified. All documents inspected were found to be in order.</p> <p>Results from the various monitoring activities for items (a) to (e) listed in Criterion 8.2 were incorporated in the forest plantation management plan (<i>SST Management Plan for LPF/0014-Segan</i>) Edition 5.</p> <p>A public summary providing monitoring results of Indicator 8.2 was provisioned for in the Forest Plantation Management Plan Segan Industrial Tree Plantation LPF/0014, Edition 5 from 1<sup>st</sup> November 2013 to 31<sup>st</sup> October 2023, and revised on 29<sup>th</sup> September 2022. The summary can be accessed through the Samling website: <a href="https://www.samling.com/sarawak-its-certification">https://www.samling.com/sarawak-its-certification</a></p>	<p>was no record of letter of appointment for an internal auditor. The Minor NCR MRS 02/2022 for Indicator 8.1.3 issued earlier for the non-compliance was therefore upgraded to <b>Major NCR RJ 01/2022 Indicator 8.1.3</b>.</p> <p>Results of evaluation for social monitoring report, for the year 2022 dated 15 September 2022, was found not incorporated into the Forest Plantation Management Plan for Segan Industrial Tree Plantation LPF/0014. Revision 6. Item (c). A <b>Minor NCR ANS02/2022 for Indicator 8.4.1 was thus raised</b>.</p>
<b>Principle 9 Maintenance of High Conservation Values</b>	<p>The guidelines Common guidance for the Management and Monitoring of High Conservation values (GL005B) and High Conservation Value Forest (HCV) Toolkit for Malaysia, 1st edition, 2009” (GL 005) were available and referenced by Segan FPMU in the identification of potential HCV attributes. The High Conservation Value Forest (HCV1-HCV4) Assessment Report, March 2014 and the report A Socioeconomic Profiling Study of Communities Living Within and Around the Northern Block of Segan Licensed Planted Forest (LPF/0014), Bintulu Division November 2013 conducted by Sarawak Forestry Corporation were reports on the potential attributes of HCV5 and HCV6 in the FPMU. The</p>	

Principle	Strengths	Weaknesses
	<p>reports however suggest that these requirements (HCV5 and HCV6) were not necessary for the Segan FPMU. This was also indicated in the Forest Management Plan.</p> <p>A list of relevant stakeholders for HCV consultation was available and presented. Verified documents showed the following stakeholders were consulted regarding HCVs. Several meetings/dialogues with relevant stakeholders were conducted. The status or information on HCV had been incorporated into the current Forest Plantation Management Plan. The audit team has also verified that SMZ areas were present in the FPMU and had been protected and demarcated on the ground.</p> <p>The High Conservation Value Forest (HCV1-HCV4) Assessment Report Segan Forest Plantation (LPF/0014) Sarawak Malaysia March 2014 had prescribed management and monitoring recommendations for HCV 1.2 and HCV 1.3. The Forest Plantation Management Plan (Revision 6) as mentioned earlier however found no justification for HCV sites in the Segan FPMU. Nevertheless, all Special Management Zones (SMZ) sites identified in the FPMU had been protected. These measures have been included in the management plan and made publicly available at the Samling website. <a href="https://www.samling.com/sarawak-itp-certification">https://www.samling.com/sarawak-itp-certification</a></p> <p>The Segan Industrial Tree Plantation LPF/0014 Forest Plantation Management Plan (Revision 6) had incorporated annual monitoring measures on protected areas which included residual forests areas protected as wildlife corridors and riparian buffer belts. The results and findings of the SMZ monitoring activities had been incorporated in the revision of the forest plantation management plan. Regular Monitoring for the protected SMZ areas were conducted during the periodic patrolling.</p>	



### Map of Segan FPMU



## Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Hj. Roslee Jamaludin	Lead Auditor	<p><b>Academic Qualification:</b> B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma of Forestry, Mara Institute of Technology, Malaysia.</p> <p><b>Work Experience:</b> A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&amp;I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&amp;I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p><b>Attended training programmes:</b></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)] organised by MTCC, 9 – 10 July 2015</li> <li>• EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015.</li> <li>• Briefing on RSPO Principle &amp; Criteria (HCV) organised by SIRIM QAS (Food, Agri &amp; Forestry Section) 21 August 2015.</li> </ul> <p>Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri &amp; Forestry Section) 26 Jan 2016.</p> <ul style="list-style-type: none"> <li>• Forest Management Certification (FMC) Workshop' organised by SIRIM (Food, Agr &amp; Forestry Section) 06 &amp; 07 December 2016</li> <li>• Forest Management Certification (FMC) Workshop 2017 organised by SIRIM (Food, Agr. &amp; Forestry Section) 08 – 09 May 2017</li> <li>• 'Forest Management Certification (FMC) Workshop' for 2017 organised by SIRIM (Food, Agr &amp; Forestry Section) 28 &amp; 29 November 2017.</li> <li>• FMC Workshop for 2018 organised by SIRIM (Food, Agr &amp; Forestry) 22 November 2018</li> <li>• COC Workshop 2018 organised by SIRIM 26 November 2018</li> </ul> <p>Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19<sup>th</sup> -20<sup>th</sup> December 2018.</p>
Mohd Annas Amin bin Haji Omar	Auditor	<p><b>Academic Qualification:</b> <i>Diploma in Forestry, UPM</i> <i>B. Sc. In Forestry, UPM</i></p> <p><b>Work Experience:</b></p>

		<p>Six years as Assistant Forest Officer at Perak Forestry State Department in the year from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed to be Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed to be Investigative Officer in Investigations into a case involved Ayer Chepam Forest Reserve and Cased Prosecuted in Court.</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> <li>• Program of MTCS Training Course (MC&amp;I) in Kuantan (9-12 July 2018)</li> <li>• Lead Auditor ISO 9001, ISO 14001 &amp; ISO 45001 Exemplar Global Certified (13-18 August 2018)</li> </ul>
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**Comments Received from Stakeholders and Responses by Audit Team Leader**

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
	None	None	None

## Surveillance 2 Audit Plan (2022)

DAY	TIME	PROGRAM	
		AUDIT TEAM LEADER (Hj.Roslee)	AUDITOR (2) (Annas)
Day 0 11/10/22 (Tuesday)	3.00 pm	<ul style="list-style-type: none"> <li>Travel from KLIA to Bintulu (MAS – MH 2746 17.20 – 19:30)</li> <li>Travel to <b>Sg. Mas Camp</b></li> </ul> <p>Briefing by Audit Team Leader on the surveillance audit plan</p>	
Day 1 12/10/2022 (Wednesday)	8.30 am – 11.00 am	<ul style="list-style-type: none"> <li>Opening Meeting with representatives of FMU/FPMU</li> <li>Briefing session by Forest Manager of the FMU/FPMU</li> <li>Q&amp;A Session</li> <li>Evaluation of changes to the management of the FPMU</li> <li>Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</li> <li>Check on complaints and follow-up actions</li> <li>Evaluate on procedures for internal audit</li> <li>Evaluate on management review system</li> <li>Verification of NCRs raised during the previous audit.</li> </ul>	
	11.30 am – 5.30 pm	<u>Documentation Review</u> <ul style="list-style-type: none"> <li>Principle 5 – Benefits from the forest</li> <li>Principle 6 – Environmental Impact</li> <li>Principle 7 – Management Plan</li> <li>Principle 8 – Monitoring and Assessment</li> <li>Principle 9 – Maintenance of High Conservation Value Forests</li> </ul>	<u>Documentation Review</u> <ul style="list-style-type: none"> <li>Principle 1 – Compliance with Laws and Principles</li> <li>Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>Principle 3 – Indigenous Peoples' Right</li> <li>Principle 4 - Community Relations and Worker's Right.</li> </ul>
		Review of Day 1 Findings by Audit Team Leader Briefing to representatives of FPMU on the progress of audit	
Day 2 13/10/2022 (Thursday)	8.00 am – 5.30pm	Site Visits <ul style="list-style-type: none"> <li>Active Harvesting area -coupe 2A/14B</li> <li>PSP Plots-2A/3A Eu. 3yrs old</li> <li>Inspection of replanting area- 1A/18A</li> <li>Nursery -</li> <li>Inspection of R&amp;D plot- 1A/10C-1A/10C, 2A/17D, 1A/11A – A.Hybrid (Am,Ac)</li> <li>HCVFs-</li> <li>Coupe Boundary- SA/SST- block 13A ,LPF 0014/Coupe 2A</li> <li>License Boundary- LPF 0014/BBC (Almabumi</li> </ul>	Site Visits <ul style="list-style-type: none"> <li>Stakeholders Consultation with local communities situated nearest to current harvesting area – Rh. Chundi, Rh.Musis, Rh.Sibat, Rh.Seli,</li> <li>Forestry Department</li> <li>Interview with workers– union, insurance, pay slip, medical &amp; accident, training etc.</li> <li>Inspection of FPMU's License boundary – Coupe 1A LPF/SST / SPF</li> <li>Coupe 2A- SST/BBC</li> </ul>

		<p>Sdn.Bhd), Coupe 1A, Block 17 A- SPF 0043/LPF 0014 (SST)</p> <ul style="list-style-type: none"> <li>• Inspection of Fuel, oil and lubricant store, workshop, and forest fire equipments.</li> <li>• Verification on CoC process for certified and uncertified logs.-</li> </ul>	
		Review of Day 2 Findings by Audit Team Leader	
<b>Day 3</b> <b>(Friday)</b> <b>14/10/2022</b>	<p>8.00 am – 1.30 pm</p> <p>3.30 pm-5.00 pm</p>	<ul style="list-style-type: none"> <li>• Documentation and records review</li> <li>• Preparation of audit report and finding</li> <li>• Closing meeting</li> <li>• Travel to Bintulu Stay at New World Suites Hotel, Bintulu</li> </ul>	
<b>Saturday</b> <b>15/10/2022</b>	9.00 am	All Auditors Travel from Bintulu to KLIA ( <b>MAS – MH 2743; 11:25 - 13:40</b> )	

## Audit Findings and Corrective Action Taken (Current year: October 2022)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Major  NCR: RJ 01/2022	<p><b>Requirement : Indicator 8.1.3</b> - Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in <b>APPENDIX A</b>.</p> <p><b>Finding</b> : Management has not officially appointed internal auditor before conducting internal audit.</p> <p><b>Objective evidence</b> : The internal audit that was conducted on 28<sup>th</sup> – 29<sup>th</sup> September 2022 did not follow the requirement of 'Procedure for Internal Audit and Management Review', under para 3.0 Responsibility and Authority (Document No. FMC/PRO-001 date approved 12 Jan 2022 and effective date 7 February 2022 (revision 2 - 01/17/2022):</p> <p>i). No record of appointment letter for internal auditor.</p> <p>Therefore, <b>Minor NCR MRS 02/2022 for Indicator 8.1.3</b> was <b>upgraded to Major NCR RJ 01/2022</b> due to recurrence of noncompliance.</p>	<p><b>Result of investigation and determination of root cause:</b> <b>Result of Investigation:</b> OE is Correct.</p> <p><b>Determination of root cause:</b> The appointment letter was prepared. However, it has not been handed to the appointed internal auditor before conducting the internal audit.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>Corrective action plan:</b></p> <ol style="list-style-type: none"> <li>1. A copy of the appointment letter for this audit will be placed in the Principle file.</li> <li>2. For Future internal Audit, the appointment letter will be on site prior to the audit taking place.</li> </ol> <p><b>Completion date:</b> Immediate action</p>	<p>Corrective Action Plan has been submitted by FMU on 19<sup>th</sup> December 2022 by email. The Corrective Action has been accepted by the audit team. The evidence of implementation for this Major NCR was also submitted on 19<sup>th</sup> December 2022. The evidence has been accepted by the audit team was closed on 26<sup>th</sup> December 2022.</p> <p>The FMU has prepared the appointment Letter for Lead Auditor to conduct the Internal Audit on 28<sup>th</sup> September 2022- 29<sup>th</sup> September 2022, as a Letter Ref. No. SRB/SGN/IA/230922 dated 23<sup>rd</sup> September 2022. The appointment was approved by Chief Operating Officer.</p> <p>Status: <b>Closed</b></p>

<p>Minor</p> <p>NCR: ANS01/202 2</p>	<p><b>Requirement: Indicator 4.4.2</b> - Forest planning and management practices shall consider and incorporate the results of such evaluations.</p> <p><b>Finding:</b> Results of evaluation not incorporated.</p> <p><b>Objective evidence:</b> Result evaluation of social impact of forest operation affecting communities dated 22 February 2022 not incorporate in the Forest Plantation Management Plan for Segan Industrial Tree Plantation LPF/0014. Revision 6.</p>	<p><b>Result of investigation and determination of root cause:</b> <b>Result of Investigation:</b> OE is Correct.</p> <p><b>Determination of root cause:</b> Incorporation was waiting for the upcoming Year 10 revision of the FMP.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>Corrective action plan:</b> The FMP will incorporate the result of evaluation of social impact of forest operation affecting communities into the Forest Plantation Management Plan.</p> <p><b>Completion date:</b> Before the next surveillance audit.</p>	<p>Corrective Action Plan has been submitted by FMU on 19<sup>th</sup> December 2022 by email. The Corrective Action has been accepted by the audit team.</p> <p>Status: The effectiveness of Corrective Action Plan will be verified in the next audit.</p>
<p>Minor</p> <p>NCR : RJ 02/2022</p>	<p>Requirement : <b>Indicator 7.4.1</b> - A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 shall be made publicly available.</p> <p><b>Finding</b> : Document of Forest Plantation Management Plan (FPMP) and FPMP Public summary for Segan FPMU – LPF 0014 still referring to MC&amp;I Forest Plantation v.2.</p> <p><b>Objective evidence</b> : Documentation review of Forest Plantation Management Plan (FPMP) for Segan Industrial Tree Plantation ( 1<sup>st</sup> November 2013- 31<sup>st</sup> October 2023 and the Public Summary of the FPMP (in Samling website), it was found that, Para 3.1 (Chapter 3) “Our Commitment” has not been change to the new Standard: MC&amp;I SFM.</p>	<p><b>Result of investigation and determination of root cause:</b> <b>Result of Investigation:</b> OE is correct.</p> <p><b>Determination of root cause:</b> Was waiting to undertake the necessary revision of the public summary after the upcoming revision of the FMP.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b> : The para 3.1 (Chapter 3) “ Our Commitment” of Forest Plantation Management Plan (FPMP)and FPMP Public Summary will change to new Standard : MC&amp;I SFM.</p>	<p>Corrective Action Plan has been submitted by FMU on 19<sup>th</sup> December 2022 by email. The Corrective Action has been accepted by the audit team.</p> <p>Status: The effectiveness of Corrective Action Plan will be verified in the next audit.</p>



<p>Minor</p> <p>NCR : ANS02/202 2</p>	<p><b>Requirement</b> : Indicator 8.4.1 - Forest managers shall incorporate the results and findings of the monitoring activities into the implementation and revision of the forest management plan.</p> <p><b>Finding</b> : The results and findings of the monitoring activities into the implementation and revision of the forest management plan. (Item C).</p> <p><b>Objective evidence</b> : Result of evaluation for social monitoring report for the year 2022 dated 15 September 2022 has not been incorporate into the Forest Plantation Management Plan for Segan Industrial Tree Plantation LPF/0014. Revision 6.</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p><b>Result of Investigation:</b> OE is correct.</p> <p><b>Determination of root cause:</b> Incorporation was waiting for the upcoming Year 10 revision of the FMP</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b> : The FMP will incorporate the result of evaluation for social monitoring report into the Forest Plantation Management Plan.</p> <p><b>Completion date:</b> Before the next surveillance audit.</p>	<p>Corrective Action Plan has been submitted by FMU on 19<sup>th</sup> December 2022 by email. The Corrective Action has been accepted by the audit team.</p> <p>Status: The effectiveness of Corrective Action Plan will be verified in the next audit.</p>
<p>Minor</p> <p>NCR: ANS03/202 2</p>	<p><b>Requirement</b> : Indicator 8.5.1 - A summary of the results of monitoring indicators, including those listed in Criterion 8.2, shall be made publicly available.</p> <p><b>Finding</b> : A summary of the monitoring (item C) not made publicly available.</p> <p><b>Objective evidence:</b> A summary of the Social monitoring report of Segan FPMU for the year 2022 dated 15 September 2022 was not updated in the Public Summary Edition 5. (Revised-partially-17 February 2020).</p>	<p><b>Result of investigation and determination of root cause:</b></p> <p><b>Result of Investigation:</b> OE is correct.</p> <p><b>Determination of root cause:</b> Incorporation was waiting for the upcoming Year 10 revision of the FMP</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p><b>Corrective action plan</b> : The FMP will update the summary of the monitoring report of Segan FPMU into the Forest Plantation Management Plan.</p> <p><b>Completion date:</b> Before the next surveillance audit.</p>	<p>Corrective Action Plan has been submitted by FMU on 19<sup>th</sup> December 2022 by email. The Corrective Action has been accepted by the audit team.</p> <p>Status: The effectiveness of Corrective Action Plan will be verified in the next audit.</p>

## Previous Audit Findings and Corrective Action Taken (Previous year: Feb. 2022)

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<b>Indicator 2.3.1</b>  <b>Minor</b>  <b>NCR: ISMA 01/2022</b>	<p><b>Requirement: Indicator 2.3.1</b> Availability of appropriate mechanism to resolve disputes over tenure claims and use rights</p> <p><b>Finding:</b> Mechanism of the "Recording of Minutes of Meeting with Local Communities" not adequate.</p> <p><b>Objective evidence:</b></p> <ol style="list-style-type: none"> <li>1. The form "Record of meetings with Communities" did not differentiate between 'CSR request' and "Complaints"</li> <li>2. No column provided in the form to record management decision on the request/complaint</li> <li>3. No column provided to record acknowledgement of requesting or complainant party upon receiving the management decision</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Investigation: The objective evidence (OE) Items 1, 2 and 3 above are not disputed.</p> <p>Determination of root cause:</p> <ol style="list-style-type: none"> <li>1. It had not been recognized by the FMU that the form in use should differentiate between 'CSR request' and 'Complaints'.</li> <li>2. An updated 'Complaints Form' which has the columns mentioned in OE Items 2 &amp; 3 was available from 14 February 2022 (having been revised after auditor comment at recent Marudi FMU surveillance audit - 27 January 2022). However, although this revised form had already been distributed to all FMUs and was in use in Segan FMU at the time of the surveillance audit the revised edition was not on the file reviewed by the auditors.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <p>Corrective action plan: Ensure that:</p> <ol style="list-style-type: none"> <li>1. 'CSR requests' and 'Complaints' are clearly differentiated on the forms;</li> <li>2. By staff briefing - the correct form is used and that the management decisions regarding requests and complaints are recorded and acknowledged on the form by the requesting</li> </ol>	<p>During this surveillance 2 audit, based on document review:</p> <ol style="list-style-type: none"> <li>4. 'Request for assistance form' Rev 1(8/4/2022) and 'Complaints' Rev 4(16/2/2022) are clearly differentiated on the forms;</li> <li>5. Record management decision on the request/complaint was included in Complaints' Rev 4(16/2/2022)</li> <li>6. A record acknowledgement of requesting or complainant party upon receiving the management decision was included in 'Request for assistance form' Rev 1(8/4/2022) and 'Complaints' Rev 4(16/2/2022)</li> </ol> <p>Thus, A minor NCR ISMA01/2022 against indicator 2.3.1 was satisfactorily closed.</p> <p><b>Status: Closed</b></p>

		<p>or complainant party upon receiving the management decision; and that</p> <p>3. details of both the person requesting or complaining and the person acknowledging the management decision are included in the relevant form.</p> <p>Completion date: For immediate action.</p>	
<p><b>Indicator 4.3.4</b></p> <p><b>Minor</b></p> <p><b>NCR: ISMA 02/2022</b></p>	<p><b>Requirement: Indicator 4.3.4</b> Availability of appropriate mechanism to address grievances raised by workers and/or their organizations and for conflict resolution</p> <p><b>Finding:</b> SOP on the “Worker Grievance” (PR005) not adequate.</p> <p><b>Objective evidence:</b> The form “Borang Rungutan” did not provide columns for the following:</p> <ol style="list-style-type: none"> <li>1. Record of management decision to resolve the grievance.</li> <li>2. Record of acknowledgement of grievance upon receiving the management decision</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Investigation: The form which was on file was the previous version which do not provide the columns required for the OE Items 1 &amp; 2.</p> <p>Determination of root cause: The updated form (14 February 2022) which has the columns mentioned in OE Items 1 &amp; 2 was in place in the “Worker Grievance” box. However, the form which was kept on file had not been changed to the current edition.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>Correction: The previous ‘Grievance form’ on file has been replaced with the latest revised edition of “Grievance form” which has the columns mentioned under OE Items 1 &amp; 2.</p> <p>Corrective action plan: Pek Hing Lee to remind the admin executive (Mdm Mudam) to always ensure that the latest editions of the correct forms are in use.</p> <p>Completion date: 25<sup>th</sup> February 2022</p>	<p>During this Surveillance 2 audit, based on documentation review and inspection on worker grievance box at Segan Office found that the worker grievance SOP (PR005) Rev 4, was updated on 16 February 2022 to included record of management decision to resolve the grievance and record of acknowledgement of grievance upon receiving the management decision. Thus, a minor NCR ISMA02/2022 against indicator 4.3.4 was satisfactorily closed.</p> <p><b>Status: Closed</b></p>

<p><b>Indicator 7.1.1</b></p> <p><b>Minor</b></p> <p><b>NCR: MRS 01/ 2022</b></p>	<p><b>Requirement: Indicator 7.1.1</b> Availability and implementation of forest management plan including consideration of risk and opportunities concerning compliance with the requirements of the standards</p> <p><b>Finding:</b> The Samling Segan FPMP Ed 5 did not include required information with the requirements of the standards</p> <p><b>Objective evidence:</b> In the FPMP Ed 5, the following information yet to be included:</p> <ol style="list-style-type: none"> <li>2. Fire prevention and control</li> <li>3. Non timber forest product used commercially</li> <li>4. Description of stakeholder consultation (local community)</li> <li>5. Harvesting target for Financial year 2021 and 2022 set at 69,600 tons and 59,200 tons respectively, however, in the FPMP set at 42,000 tons, hence, the AAC in the FPMP shall be revised.</li> <li>6. Harvest cycle should be mentioned in the AAC description in the FPMP</li> </ol>	<p><b>Result of investigation and determination of root cause:</b></p> <p>The OE is correct. However,</p> <ol style="list-style-type: none"> <li>1. Segan does have a standalone fire plan.</li> <li>2. There are currently no commercial NTFPs in the Segan FMU.</li> <li>3. For Items 3 to 5, Segan FMP has yet to be revised to incorporate the changes.</li> </ol> <p><b>Correction and corrective action plan including completion date:</b></p> <p>Corrective action plan: The FMP will be revised to include reference to the Fire Plan and to OE Items 3 to 5.</p> <p>Completion date: Before the next surveillance audit.</p>	<p>During this surveillance 2 Audit, it was found that the following information as required by new MC&amp;I SFM standard has been included in the FPMP Ed. 6 (which was revised on 29<sup>th</sup> September 2022) :</p> <ol style="list-style-type: none"> <li>1. Fire prevention and control – Para- 6.5</li> <li>2. Non timber forest product used commercially- Para- 10.5</li> <li>3. Description of stakeholder consultation (local community)-para 7.5</li> <li>4. Harvesting target for financial year 2021 and 2022 set at 69,600 tons and 59,200 tons respectively, however, in the FPMP set at 42,000 tons, hence, the AAC in the FPMP shall be revised. - para 10.1</li> <li>5. Harvest cycle should be mentioned in the AAC description in the FPMP-Para 10.1</li> </ol> <p>Therefore, a Minor NCR MRS01/2022for Indicator 7.1.1 was satisfactorily closed.</p> <p><b>Status: Closed</b></p>
<p><b>Indicator 8.1.3</b></p> <p><b>Minor</b></p> <p><b>NCR: MRS 02/ 2022</b></p>	<p><b>Requirement: Indicator 8.1.3</b> - Forest managers shall undertake annual internal audit and management review of forest management for continual improvement. The conduct of internal audit, management review and continual improvement is stipulated in <b>APPENDIX A</b>.</p> <p><b>Finding:</b> Management has yet to train and officially appoint internal auditor before conducting internal audit.</p> <p><b>Objective evidence:</b></p>	<p><b>Result of investigation and determination of root cause:</b></p> <p>Investigation:</p> <ol style="list-style-type: none"> <li>1. Samling staff were recently trained by MTCC in the MC&amp; I audit process</li> <li>2. The new internal audit procedure available and was included in the FMP.</li> <li>3. AGM plans to request thru STA or direct to MTCC for onsite MC&amp;I audit training.</li> </ol> <p>Determination of root cause:</p> <ol style="list-style-type: none"> <li>1. Past Reform practice was to conduct Internal Audits using senior staff from other FMUs.</li> </ol>	<p>During this surveillance 2 audit, the internal audit that was conducted on 28<sup>th</sup> – 29<sup>th</sup> September 2022 did not follow the requirement of 'Procedure for Internal Audit and Management Review', under para 3.0 Responsibility and Authority (Document No. FMC/PRO-001 date approved 12 Jan 2022 and effective date 7 February 2022 (revision 2 - 01/17/2022):</p> <p>j) No record of appointment letter for internal auditor.</p>

	<p>The internal audit that conducted on 13-15 January 2022 did not follow the requirement of 'Procedure for Internal Audit and Management Review':</p> <ul style="list-style-type: none"> <li>i) No record of appointment letter for internal auditor.</li> <li>ii) No record of training for internal auditor on internal audit procedure.</li> </ul>	<p>2. The internal audit procedure is newly created and only came into effect on 1st January 2022.</p> <p><b>Correction and corrective action plan including completion date:</b></p> <p>Correction: Samling now has MTCC trained and certificated auditors able to conduct internal audits for MC&amp;I and these people will be used in future to lead the internal audit teams.</p> <p>Corrective action plan: 1. AGM will officially appoint the lead auditor and audit team for future internal audits. 2. AGM plans to request thru STA, or direct to MTCC, for onsite MC&amp;I audit training.</p> <p>Completion date: On going for all future audits.</p>	<p>Therefore, <b>Minor NCR MRS 02/2022</b> for <b>Indicator 8.1.3</b> was <b>upgraded to Major NCR RJ 01/2022</b> due to recurrence of noncompliance.</p> <p><b>Status: Upgraded to Major NCR 01/2022</b></p>
<p><b>OFI#1</b></p> <p><b>Indicator 4.1.1</b></p>	<p><u>Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and socio-economic programmes that commensurate with the scale and intensity of forest management operations</u></p> <p>Following 'Community consultation' programmes to be developed by Samling Segan FPMU for 2022, the community visits shall be implemented to provide awareness briefings to include the following topics:</p> <ul style="list-style-type: none"> <li>1. Current status of operation of the FPMU</li> <li>2. RTE species</li> <li>3. HCV and special site protection</li> <li>4. Grievance/request procedures</li> </ul>	<p><b>Not required for corrective action plan.</b></p>	<p>During this surveillance 2 audit, the documentation review of community consultation minute meeting and slide presentation on 23-27 May 2022 to 12 villages has included:</p> <ul style="list-style-type: none"> <li>1. Current status of operation of the FPMU</li> <li>2. RTE species</li> <li>3. HCV and special site protection</li> <li>4. Grievance/request procedures</li> </ul> <p>Therefore, an OFI for indicator 4.1.1 was satisfactorily closed.</p> <p><b>Status: Closed</b></p>

**End of Report**