



**PUBLIC SUMMARY  
2<sup>nd</sup> SURVEILLANCE AUDIT (2<sup>nd</sup> CYCLE) ON  
KAPIT FOREST MANAGEMENT UNIT  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC - NF 00118  
Date of First Certification: 11<sup>th</sup> June 2018  
Audit Date: 8<sup>th</sup> - 12<sup>th</sup> May 2023  
Date of Public Summary: 15<sup>th</sup> October 2023**

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## EXECUTIVE SUMMARY

This Surveillance 2 audit for forest management certification on the Ta Ann Holdings Sdn Bhd – Kapit FMU was conducted from 8<sup>th</sup> – 12<sup>th</sup> May 2023. This was an audit conducted following the previous surveillance 1 audit which was conducted on 27<sup>th</sup> September- 1<sup>st</sup> October 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 Kapit FMU by a three-member team comprising Hj. Roslee Jamaludin (Lead auditor), Azrul Ikhsan Mohamed (Auditor), and Angelica Sinimis Suimin (Sociology).

The Kapit FMU covers an area of 149,877 ha of Baleh Permanent Forest Reserve. The licensed area has been revised by Forest Department Sarawak (FDS) on 29 July 2019 from 149,756 ha to 149,877 ha. The forest area is situated approximately between latitudes 1° 32' 4.4" N and 2° 00' 7.1" N and longitudes 112° 43' 45.8" E and 113° 20' 30" E in the Southern Kapit District, Kapit Division, Sarawak. The Kapit FMU is served by public roads and logging roads. The administrative centre of Kapit FMU is located at Engkeramuh Camp, 38 km from the Melekun Logpond.

The audit involved the verification of documentations and field visits and inspections. There were consultations being held with the Forest Department Sarawak (FDS), Kapit Land and Survey Department, Community Representative (CRC - GEMAZON), and site visit at indigenous settlements within FMU by cluster/zone.

In general, the findings of this Surveillance 2 audit have indicated that the Kapit FMU had complied with most of the requirements of the MC&I SFM despite the issuance of a total of four (4) Minor Non-Conformance Report (NCRs) and two (2) Opportunity of Improvement (OFI) against the requirements of the MC&I SFM.

The Audit Team Leader after consultation with team members recommends that certification of Kapit FMU against the MC&I SFM be maintained conditional upon acceptance of corrective action plans within one (1) month from the date of the surveillance 2 audit.

The FMU submitted a proposed corrective action plan to address the NCRs raised during the Surveillance 2 audit by mail on 25<sup>th</sup> May 2023 which has been accepted by the audit team and team leader.

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

## 1 INTRODUCTION

### 1.1 Name of FMU

Kapit Forest Management Unit

### 1.2 Contact Person and Address

Name : Mr Nelson Bijack James Chas  
Designation : General Manager Tanjong Manis Holding Sdn. Bhd  
Cum Forest Manager, SFM Dept.  
Address : Ta Ann Building  
No 6, Jalan Rawang,  
96000, Sibul, Sarawak  
Phone # : (+60-84) 315154  
Fax # : (+60-84) 315 154  
E-mail : nelson.bijack@taann.com.my / sfm@taann.com.my

### 1.3 General Background on the Kapit FMU

Kapit FMU is operating under the Forest Timber License (FTL) No. T/3491 issued to Tanjong Manis Holdings Sdn Bhd, a subsidiary of Ta Ann Holdings Berhad. Kapit FMU covers an area of 149,877 hectares, located in the southern part of Kapit District. The renewal of FTL was approved by Forest Department Sarawak for 30 years effective from 12<sup>th</sup> April, 2023 until 11<sup>th</sup> April, 2053 as evidence by a letter dated 11<sup>th</sup> April, 2023. Ref; (36) JHS/WPO.628.388(IV) made available during the audit.

Kapit FMU lies between latitudes 1° 32' 4.4" N and 2° 00' 7.1" N and longitudes 112° 43' 45.8" E and 113° 20' 30" E. The Forest Management Plan of Kapit FMU (2017 – 2026) Rev.2 has been approved by the Forest Department Sarawak (FDS) on 19 August 2021. The Administrative center of Kapit FMU is at Engkeramuh camp.

The forest area covered in the scope as below:

Gazette	Area (Ha)	Percentage	Note
Balleh Protected Forest	57,408 ha	38%	-
Stateland Forest	51,152 ha	34%	Proposed as Balleh Protected Forest dated 6 February 2003
Stateland Forest	41,317 ha	28%	-
Total	149,877 ha	100%	-

Currently, harvesting activities was conducted in Coupe 04A(I) with PEC No: T/3491/21/04A(I) dated 27<sup>th</sup> Feb. 2023, approved from 27<sup>th</sup> Feb. 2023 until 26<sup>th</sup> November 2023, and in Coupe 04A(II) dated 25<sup>th</sup> January 2023, approved from 25<sup>th</sup> January 2023 until 24<sup>th</sup> Feb. 2024.

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

### 1.4 Date First Certified

11<sup>th</sup> June 2018

### 1.5 Location of the FMU

The FMU is located between latitudes 1° 32' 4.4" N and 2° 00' 7.1" N and longitudes 112° 43' 45.8" E and 113° 20' 30" 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) covering a period of 2017 to 2026, which subject to a periodic review of every five years had been presented during the audit.

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

The Annual Allowable Cut (AAC) has been revised based on the report dated 13<sup>th</sup> Feb. 2023 after 31 PSPs has been established, the overall new AAC was 127,486.37 M3 / year or 4789.12ha. (26.62M3/ha-Intensity), for 25 years of cutting cycle.

## 1.8 Environmental and Socioeconomic Context

Kapit FMU has carried out the Environmental Impact Assessment titled “The Proposed Timber Harvesting Operation within Kapit Forest Management Unit (FMU) Under Forest Timber Licence (FTL) No. T/3491, Melekun and Sg. Yong, Kapit Division, Sarawak” dated June 2017 in accordance with The Prescribed Activity 2 of the First Scheduled, Natural Resources and Environment (Prescribed Activities) Order, 1994 states that the extraction or felling of timber from any area exceeding 500 hectares which have previously been logged. The EIA report was then submitted for endorsement to the Natural Resources and Environment Board (NREB) on 8th August 2017 and later acknowledged by the NREB with the EIA Report Approval on 29th January 2018.

Generally, there are about 28 local settlements located within the FMU area, 24 local settlements located within a 3 KM radius from the FMU boundary, and 3 local settlements located outside of the FMU (4.5 – 5.5. KM from the FMU boundary). The main ethnicity of the communities is Iban and other races are Chinese, Malay, Orang Ulu, Melanau, Bidayuh and others. It is about 90% of workers hired by the forest manager are Malaysian including community members living within and surrounding Kapit FMU.

A Community Representative Committee (CRC), the “Gerempong Masyarakat Zon Melekun (GEMAZOM)” for Kapit FMU had been established to maintain continuous communication with local communities to resolve any issues that were raised. The CRC is a member of the SFM Liaison Committee, chaired by the Forest Department Sarawak (FDS) to maintain communication between local communities, all relevant Government agencies and the FMU.

The Forest Management Plan for Kapit FMU has incorporated information on Environmental Impact Assessment (EIA) as in Chapter 7 – Environmental and Social Impact Assessment, under sub-chapter 7.2.4 – Mitigation Measures Recommended by The Environmental Consultant.

## 2 AUDIT PROCESS

### 2.1 Audit Dates

8<sup>th</sup> -12<sup>th</sup> May 2023 (15 man-days)

### 2.2 Audit Team

Hj.Roslee Jamaludin (Lead Auditor)  
Azrul Ikhsan Mohamed (Forester)  
Angelica Sinimis Suimin(Sociologist)

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, Malaysia.

## 2.4 Stakeholder Consultations

A stakeholder notification was issued in April 2023 for a period of one month inviting relevant stakeholders to give comments on the FMU. However, there was no comments received from the stakeholders.

## 2.5 Audit Process

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

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

Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity report (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 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 the forest management systems and practices in the FMU.

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

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

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

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

Consultations were held with CRC Representative, the local communities Rh. Lawan and Rh. Rh.Kancin, Kapit Land and Survey office, Kapit Labour office, Forestry Department, Kapit, workers and staff of the FMU. The audit team had also held meetings with the officers of the Kapit FMU.

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

The Kapit FMU had sent a corrective action plan to the audit team to address the minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim Surveillance 2 audit report and sent it to the Kapit FMU for comment. A second draft of Surveillance 2 audit report which had incorporated the comments received from the Kapit FMU was then prepared. The amended report was then sent to the FMU for the front-page signature after accepting the report.

### 3 SUMMARY OF AUDIT FINDINGS

Based on the findings of this Surveillance 2 audit, it was found that the Kapit FMU had continued to manage the Kapit FMU in compliance with most of the requirements of the MC&I SFM. This surveillance2 audit had resulted in the issuance of 4 minor NCRs and 2 OFIs.

The audit team had reviewed, accepted and verified the corrective actions taken by the Kapit FMU to address the 4 Minor NCR raised during this Surveillance 2 audit. The audit team had reviewed and accepted the Kapit FMU's proposed corrective actions to address the 4 minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the Kapit FMU to address the 3 Minor NCRs which were raised during the previous audit.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through Communities Representatives Committee (CRC). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Kapit FMU. With regard to Criterion 6.10, there was no new conversion of the PRF to forest plantations or other non-forest land uses during the intervening period since the last audit.

As there was no Major NCR raised during this surveillance 2 audit, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Tanjong Manis Holdings Sdn. Bhd.'s Kapit FMU be extended.

The summary on the findings of the surveillance 2 audit on the Kapit 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>The Kapit FMU had maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest management. The office staff had been appointed to update and maintain all these relevant documents.</p> <p>Forest managers are aware of the international agreements such as the ILO Conventions and other forestry-related agreements.</p> <p>Generally, Kapit FMU has complied with all applicable federal, state, and local laws and administrative requirements.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges were available at the Engkeramuh base camp office.</p> <p>There are no conflicts between Kapit FMU regarding the laws, regulations and the MC&amp;I SFM Principles and Criteria.</p> <p>The FMU has established a monitoring plan to monitor and prevent encroachment and any illegal activities within the FMU area titled '<i>Jadual Pemantauan Dan Rondaan FMU 2023</i>'.</p> <p>Aerial boundary patrolling by Helicopter Kapit FMU was conducted on 14<sup>th</sup> February 2023</p>	There was no negative finding

Principle	Strengths	Weaknesses
	<p>to detect any encroachment, illegal harvesting, hunting and settlement and other unauthorized activities within T/3491 Tanjong Manis Holdings Sdn. Bhd.- Kapit FMU Boundary. The FMU has conducted ground surveillance and monitoring to rectified on the findings of the aerial surveillance on 15<sup>th</sup>, 16<sup>th</sup>, and 20<sup>th</sup> February 2023.</p> <p>Public summary on the policies or statement of commitment to forest management of natural resource via implementation of Malaysian Criteria and Indicators (MC&amp;I) for Forest Management Certification (Natural Forest) was available publicly through website: <a href="http://www.kapitfmu.com.my/policy/">http://www.kapitfmu.com.my/policy/</a></p>	
<b>Principle 2 Tenure and Use Rights and Responsibilities</b>	<p>All relevant documents of legal or customary tenure or use rights of the FMU were made available during the audit.</p> <p>The new renewal, FTL approved for 30 years effective from 12<sup>th</sup> April, 2023 until 11<sup>th</sup> April, 2053 dated 11<sup>th</sup> April, 2023. Ref; (36) JHS/WPO.628.388(IV) was made available during the audit.</p> <p>The Social Impact Assessment (SIA) report (June 2017) identified a total of 55 communities that have interest or impacted from the logging operation in the FMU. Out of the 55 settlements, 30 settlements are located within the FMU area, and 25 settlements were located outside or adjacent to the FMU.</p> <p>A Kapit FMU's "Community Representative Committee" (CRC) was established to serve as a mechanism for village members to address conflicts, requests and communication with the FMU. The CRC was form with Forest Department Sarawak known as '<i>Gerempong Masyarakat Zon Melekun</i> (GEMAZOM)' which was established on 1 December 2016.</p> <p>The local communities' settlements or 'Shifting Agriculture (SA) land' were identified and demarcated in the 'Forest Zoning Map of Kapit FMU' and 'Annual Coupe of Kapit FMU (T/3491)' document, which are attached in the FMP and also in the General Harvesting Plan (GP).</p> <p>The FMU had established SOP on 'Communication with Natives' and 'Native Claims and Compensation' to enabled grievances from the natives to be received, rectified and recorded.</p>	<p>There was no negative finding</p>



Principle	Strengths	Weaknesses
<b>Principle 3 Indigenous People's Rights</b>	<p>The relevant documents on the customary rights of indigenous peoples' lands were kept at Engkeramuh Base Camp office.</p> <p>Map of 'Location of Community Settlement and Shifting Agriculture (SA)'&amp; Special sites at Kapit FMU ref: FMU/FMP/Settlement/05 dated 23/12/2022 revised on Aug, 2022 was made available and updated.</p> <p>Sarawak Forestry Department interviewed by the Auditor, confirmed that there was no court case involving land claim between villagers and Kapit FMU.</p> <p>The management and use of shifting agriculture (SA) areas are controlled by the local communities.</p> <p>A preventive and mitigation measures to protect community use area, cultural sites and religious site were incorporated in the 'Identification and Management of Protection and Conservation Areas' section of the FMP (2017-2022).</p> <p>There was no application of any traditional forest-related knowledge and practices of natives in forest operations. However, the FMU has established an SOP titled 'Compensation for commercial utilization of traditional forest related knowledge'. and an SOP on 'Management and monitoring of native forest – related traditional knowledge and special sites' as a guides for a fair and equitable compensation for the commercial utilization of traditional forest-related knowledge and practices of local communities.</p>	<p>There was no negative finding</p>
<b>Principle 4 Community Relations and Workers' Rights</b>	<p>Kapit FMU, had provided training, retraining, local infrastructure, facilities, and social program for all levels of its employees.</p> <p>Internal and external training planned from May 2023 onwards to include topics related to forest operations were verified during the audit.</p> <p>Based on the record of 'Kapit FMU Current Employment Record for the Month Ending 31<sup>st</sup> July 2022, Kapit FMU had employed 13 workers from local communities that located within and adjacent to the FMU.</p> <p>Management Policies on Safety and Health had been clearly established and implemented by the FMU. Posters on Occupational Safety and Health Policy have been displayed at the store, camp office and</p>	<p>Review of the service record of logging truck, Excavators, Tractor, and Shovel at the workshop showed that the periodic maintenance/service did not follow the Periodic Maintenance/Service checklist. The Checklist stated that, service engine oil, change for every 250 hrs, However, the Maintenance/Service of the following vehicles/equipment were based on the time basis (every two months):</p> <ul style="list-style-type: none"> <li>i. Excavator HW 335 (CAT. 320 D) – Last Maintenance/service 27/2/23, next Maintenance/service 27/4/23</li> <li>ii. Excavator HW 216 (CAT. 320D) - Last Maintenance/</li> </ul>

Principle	Strengths	Weaknesses
	<p>workshop.</p> <p>The FMU has appointed Safety and Health Officer, a key person to monitor safety and health issue.</p> <p>Policy of FMU on workers' rights: Social Policy dated 1<sup>st</sup> February, 2021 signed by CEO. no objection to form or join union of their choice.</p> <p>The FMU has established an "Employee Representatives Committee" (Jawatankuasa Perwakilan Pekerja Kapit FMU) to address any grievances raised and for conflict resolution.</p> <p>The Community Representative Committee is used as a mechanism to resolve grievances and compensation for any loss or damage affecting the local communities' legal or customary rights, property, resources, as well as their livelihoods caused by the forest operations.</p>	<p>Service 18/3/23, next Maintenance/service 18/5/23</p> <p>iii. Logging Truck HW 366 (MB 3836) - Last Maintenance/Service 18/3/23, next Maintenance/service 18/5/23</p> <p>iv. Logging Truck HW 310 (MB 3836) - Last Maintenance/Service 19/2/23, next Maintenance/service 19/4/23</p> <p>v. Logging Truck HW 365 (MB 3836) - Last Maintenance/Service 20/3/23, next maintenance/service 20/5/23</p> <p>vi. Shovel T127 966E - Last Maintenance/ service 3/3/23, next Maintenance/service 3/6/23</p> <p>vii. Tractor SPJ 79, D6D – Last Maintenance/ service 5/3/23, next Maintenance/service 5/5/23</p> <p>viii. Tractor SPJ 8, D6D – Last Maintenance/service 30/3/23, next Maintenance/service 30/5/23.</p> <p>Therefore, a <b>Minor NCR RJ 01/2023 for Indicator 4.2.3</b> was raised.</p> <p>1. Verification of employment agreement of 11 sampled foreign workers of Hariwood Sdn Bhd, indicated that the terms and conditions of employment was based on contract of service but has not included minimum wage.</p> <p>2. Interviews with 2 workers from Tanjung Manis Holdings Sdn Bhd confirmed that they were not aware of their compensation and benefits including annual leave, medical/sick leave and other statutory deductions leave entitlement except the 5 days accumulated rest days due to Employment Agreement for all the workers (foreign workers and local) were all in English.</p> <p>Therefore, a Minor NCR <b>AS 01/2023 for Indicator 4.3.3</b> was raised.</p>

Principle	Strengths	Weaknesses
		<p>i. Verification of documents showed that Number of households and settlement in the SIA report (2017) Chapter 3 page C3-1, C3-2, C3-3 compare to Section 1.6 (Pg C1-20 and C1-21) of Kapit Forest Management Plan (Revision 2 May 2021) were not consistent. In SIA report, there's 55 number of settlement but in the FMP, it was stated 52 settlement and in one of the CRC report, it was noted 51 settlement.</p> <p>ii. Updated SIA Monitoring reports and Information through the CSR representatives {GERUMPONG MASYARAKAT ZON MELEKUN (GEMAZON)} was not incorporated in the SIA and FMP.</p> <p>Therefore, a Minor <b>NCR AS 02/2023</b> for <b>Indicator 4.4.1</b> was raised.</p>
<b>Principle 5 Benefits From the Forest</b>	<p>The "2022 Annual Budget for Kapit FMU" was presented during the audit. The budget includes Investments and reinvestments in forest management at Kapit FMU. The allocated budget was for forest administration, research, human resource development, Security and Protection, economic, conservation and environmental Management, social responsibilities, certification, Invest and Reinvestment and Enrichment Planting.</p> <p>Statement 'to maintain, restore or enhance the productive capacity and ecological integrity of the FMU to ensure its economic viability', was evidence in the Forest Management Plan for Kapit Forest Management Unit (T/3491) as stated in chapter 3. During this Surveillance 2 audit, the enrichment planting was conducted at post harvesting area in Coupe 04A (1), 2750 Kelampayan trees has been planted till April 2023.</p> <p>Kapit FMU had already established 61 Forest Resource Assessment (FRA) plots in the FMU, of which 31 will be converted into PSPs, which will cover the whole coupes in the FMU licenced area, during this surveillance 2 audit, 31 PSPs has been</p>	There was no negative finding

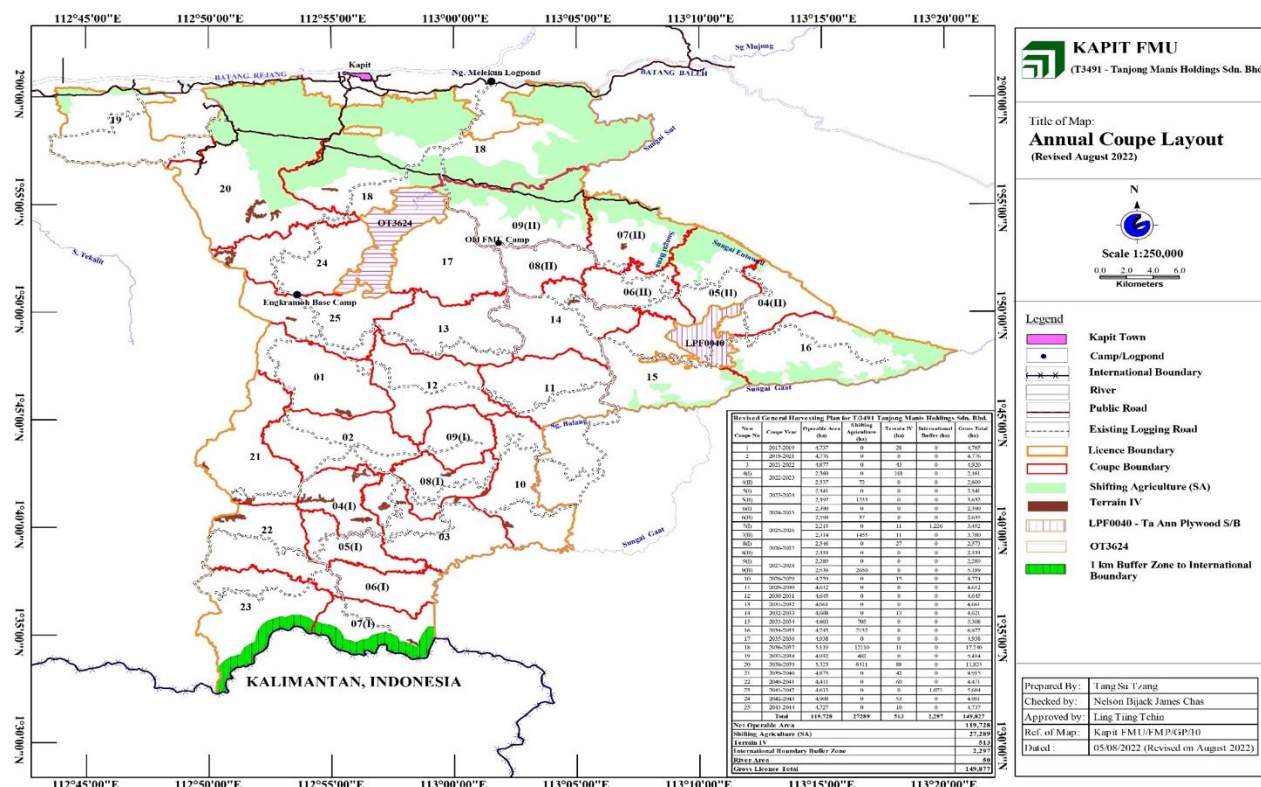
Principle	Strengths	Weaknesses
	<p>established.</p> <p>The harvesting activities is based on the “Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest); Second edition 2014”, (Sarawak FD).</p> <p>Interviews with workers and staff during site visit to active harvesting area found that they were aware and fully understood RIL objectives and requirements. For 2023 the training on RIL will be conducted June 2023. For 2022 RIL training was conducted from 19<sup>th</sup> – 22<sup>nd</sup> April 2022.</p> <p>The local communities are allowed to gather non-timber forest products for their own consumption as reported by the Social Impact Assessment (SIA) consultant. Kapit FMU had allocated Shifting Agriculture area (SA) about 27,289.00 ha for the total of 55 surrounding Long Houses.</p> <p>Sensitive areas were demarcated in the map and on the ground, and protected for protection of soil and water, watercourses and wetlands which include Riparian buffers, Terrain IV, Water Catchments and other HCVF.</p> <p>The Annual Allowable Cut (AAC) has been revised based on the report dated 13<sup>th</sup> Feb. 2023 after 31 PSPs has been established, the overall new AAC was 127,486.37 M3/year or 4789.12ha. (26.62M3/ha-Instensity), for 25 years of cutting cycle.</p>	
<b>Principle 6 Environmental Impact</b>	<p>An EIA for the proposed Timber Harvesting Operation in Kapit FMU under Forest Timber Licence (FTL) No. T/3491, Melekun and Sg. Yong, Kapit Division, Sarawak was conducted as required under the Natural Resources and Environmental Ordinance.</p> <p>The Forest Management Plan (2<sup>nd</sup> Revision) (2017-2026) for Kapit FMU had incorporated information Environmental Impact Assessment (EIA) as verified in Chapter 7 – Environmental and Social Impact Assessment, under sub-chapter 7.2.4 – Mitigation Measures Recommended.</p> <p>The mitigation measures on the potential impacts and safeguard of the rare, threatened, and endangered (RTE) species of flora and fauna and the need for biological corridors were stated in Chapter 11 – Identification and Management of Protected Areas, and Chapter 12 – High Conservation</p>	<p>The Forest Fire Management Plan For Kapit Management Unit(FMU) under The Forest Timber Licence No. T/3491 Tanjong Manis Holdings Sdn. Bhd dated February 2021 Version 1, could further be improve to include list of firefighting equipment, maintenance of fire equipment and Firefighting Team. Therefore, an <b>OFI for Indicator 6.5.5</b> was raised</p>

Principle	Strengths	Weaknesses
	<p>Value (HCV).</p> <p>There was existing cooperation between forest managers, conservation organizations, and regulatory authorities in implementing conservation and management activities, with UNIMAS and SFC.</p> <p>The activities of hunting, fishing, and collecting in the FMU were controlled by the appointed two (2) Honorary Wildlife Rangers (HWR) that were still valid until 31<sup>st</sup> Dec 2023. Latest Briefing by SFC on 10<sup>th</sup> April 2023, for Honorary Wildlife Ranger was conducted.</p> <p>“Enrichment Planting QC Summary for the Month” for Tanjong Manis Holding Sdn. Bhd. prepared by Tree Planting Division showed that 16,636 seedlings of Kelampayan have been planted for Coupe 03A and 2,750 seedlings for Coupe 04A (I). Evidence of enrichment planting done by Kapit FMU was verified during the auditor site inspection to the closed harvesting area in Coupe 04A(I) Block 1 and 2 with seedlings of Kelampayan.</p> <p>Conservation of genetic, species and ecosystem diversity in the FMU was implemented based on guidelines on ‘Conservation of Genetic, Species and Ecosystem diversity in the FMU’.</p> <p>Harvesting was designed by taking consideration on the need for a conservation of biological corridors and buffer zones.</p> <p>Management policy on the use of environmentally friendly non-chemical methods of pest management and avoiding the use of chemical pesticides were available in “Environmental Policy” signed by the CEO on 1<sup>st</sup> Feb.2021.</p> <p>Inventory of scheduled waste dated 23<sup>rd</sup> September 2022 was made available. The invoice for payment of disposal of the scheduled waste by TLM Tiasa Hijau Sdn. Bhd. was presented and verified.</p> <p>No biological control agents been use in Kapit FMU.</p> <p>There is no conversion of natural forest to plantation or other land use in Kapit FMU.</p>	

Principle	Strengths	Weaknesses
<b>Principle 7 Management Plan</b>	<p>The Forest Management Plan (2017 – 2026) Rev. 02 for Kapit FMU of FTL No: T/3491 dated May 2021 has been approved by Sarawak Director of Forestry on 19 August 2021. Subject to a periodic review of every five years.</p> <p>The FMU has reviewed the FMP with new information and requirements from MC&amp;I SFM standard, EIA, SIA, data obtained from monitoring activities conducted by the FMU as refer at Chapter 8 Forest Research and Chapter 12 HCV.</p> <p>Job Description for workers for Kapit FMU has been included in FMP-under para 3.2.7 “Job Description for all the posts for Kapit FMU. The job description has detail all the roles and responsibilities of the management and staff.</p> <p>A summary of the primary elements (a) to (i) of the Kapit FMU Forest Management Plan (2017 – 2026) implemented under Indicator 7.1.1 was made publicly available through website: <a href="http://www.kapitfmu.com.my/fmp/">http://www.kapitfmu.com.my/fmp/</a></p>	<p>The frequency of training on Tree Identification could be increase in order to improve the skill in tree identification of forest operation staff or workers. Therefore, an <b>OFI for Indicator 7.3.2</b> was raised.</p>
<b>Principle 8 Monitoring and Assessment</b>	<p>The forest manager had identified and I implement a monitoring activity, through internal audit and management review to assess the social, ecological, environmental and economic impacts due to the forest management operations. The Internal audit was conducted on 20<sup>th</sup> -25<sup>th</sup> March 2023, and Management Review Meeting on 29<sup>th</sup> March 2023.</p> <p>Kapit FMU management has appropriately included all relevant information needed to monitor yield of all forest products harvested, composition and observed changes in the flora and fauna, environmental and social impacts of harvesting and other operations, costs and productivity of forest management, as well as growth rates, regeneration and condition of the natural forest and planted forest and tracing of the forest product (logs) from its origin.</p> <p>Tracing the forest product (logs) from its origin, a process known as the “Chain of Custody”, leaving the certified area, was verified through selected records and relevant documents such Procedure COC titled “Log Chain-of-Custody in Forest Management Unit” dated 1<sup>st</sup> Sept 2016, (Revised on 1<sup>st</sup> November 2022 ver.04) SOP Ref. No. TA-SOP-CoC-01 was verified. Sample of tree stumps number from active</p>	<p>The social impact monitoring was not sufficient as this settlement, Rh. Ngindang, Rh. Seli, Rh. Mamut, Rh. Said and Rh. Nading, were not included.</p> <p>Therefore, a <b>Minor NCR AZR 01/2023</b> for <b>Indicator 8.1.2</b> was raised.</p>

Principle	Strengths	Weaknesses
	<p>harvesting area was compared to the document of CoC it was found the logs were traceable.</p> <p>Public summary of the forest monitoring indicators a) to e) is available at the website: <a href="http://www.kapitfmu.com.my/monitoring/">http://www.kapitfmu.com.my/monitoring/</a></p>	
<b>Principle 9 Maintenance of High Conservation Values</b>	<p>Assessment on the presence of the attributes consistent with HCVF was found in the report entitled “Assessment of High Conservation Values Areas Within Kapit FMU” dated for the period of December 2015 – November 2016.</p> <p>Stakeholder consultations for the assessment was conducted on 21<sup>st</sup> December 2015. Stakeholders consulted included both government and NGOs. The consultation program is a continual effort from the FMU, as for 2022, the FMU has conducted a new consultation during a Social Awareness Program at Rh. Kancin, Ng. Stapang, Sg.Gaat on 24<sup>th</sup> March 2022, Rh.Lawan, Ng.Ramong, Sg.Gaat, Kapit on 19<sup>th</sup> January 2022, and on 25<sup>th</sup> March 2022 at Rh.Said, Ng.Puro, Sg. Gaat</p> <p>Site verification of the HCVF salt lick Apan Ukit in Block 4, Coupe 01A found that the area had been marked with blue paint with an approximate area of 1 ha.</p> <p>The FMU has established monitoring procedures to assess the effectiveness of the measures in the management of the HCV areas titled “Management and Effectiveness Monitoring of HCV AREA – TA-SOP-COM-01.</p> <p>Specific measure was outlined in the Kapit FMP for recognizing HCV areas in the form of map entitled “HCV attributes Identified in Kapit FMU” dated on 14<sup>th</sup> February 2023. It was also stated in FMU public summary at <a href="http://www.kapitfmu.com.my/hcv/">http://www.kapitfmu.com.my/hcv/</a>. Updated 20<sup>th</sup> April 2023.</p> <p>The FMU has prepared an annual report of all HCV in their report titled “Monitoring Report for Jan – Dec 2022”, the report includes the Management recommendation for monitoring the effectiveness of the monitoring.</p>	<p>There was no negative finding</p>

## Map of Kapit FMU





## Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj.Roslee Jamaludin	Assessment Team Leader / Forester	<p>Academic Qualification:</p> <p>B.Sc. of Forestry (Forest Management), University Putra Malaysia.</p> <p>Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience:</p> <p>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>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>• Had Attended and Passed the following Training programmes:</li> <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> <li>• Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food , Agri &amp; Forestry Section) 26 Jan 2016.</li> <li>• FMC Workshop 28th -29th 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>

		<ul style="list-style-type: none"> <li>• Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018.</li> <li>• MSPO Training Course 16-17 Feb 2019 organised by SIRIM</li> <li>• Forest Management Certification (FMC) Workshop' for 2019 on 25 &amp; 26 June 2019 organised by SIRIM QAS (Food,Agri &amp;Forestry Section).</li> <li>• CoC Workshop for 2019 on 27/6/2019 organised by SIRIM QAS (Food,Agri &amp;Forestry Section).</li> </ul>
Angelica Sinimis Suimin	Assessor/ Forester	<p>Academic Qualification:</p> <p>She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resources Management (UM).</p> <p>Work Experience:</p> <p>A competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global services.Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the Forestry Related Industries both in Sabah and Sarawak for 28 years in different capacities (e.g independent Researcher, Rural Sociologist, Sr.Training and Administrator, Human Resources Executive, Emergency Medical Technician,Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia).</p> <p>Attended training programmes:</p> <p>Has attended the following courses:</p> <ol style="list-style-type: none"> <li>1. MTCC Forest certification Standards for Forest Management and Plantations, 2013,Sirim QAS</li> <li>2. FSC Forest Certification standards fro Forest Management and Control Wood, 2015;Nepcon</li> <li>3. LEAD ASSESSOR COURSE ISO 14001(EXEMPLAR GLOBAL CERTIFIED LEMS01) , 2016; Sirim QAS</li> <li>4. DIPLOMACY TRAINING (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of law, Uni New South Wales</li> <li>5. MC&amp;! *Natural Forests and Plantation v.2 standards, 2017 – MTCC</li> </ol>
Azrul Ikhsan Mohamed	Assessor/Forester	<p>Academic Qualification:</p> <p>Diploma in Agriculture, Universiti Putra Malaysia Kampus Bintulu</p> <p>Bachelor of Science with Honours (Plant Resource Science and Management), Universiti Malaysia Sarawak.</p> <p>Work Experience:</p> <p>Five years of Experience in the field of Forestry, 2 Years of Forest Plantation as Assistant Plantation Manager in Forestry</p>

		<p>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>Training / Research Areas:</p> <ul style="list-style-type: none"> <li>· Auditor Training Course on Forest Management Certification Under the Malaysian Timber Certification Scheme (MTCS) – (13th – 15th October 2021)</li> <li>· SIRIM LEAD AUDITOR COURSE INTEGRATED MANAGEMENT SYSTEMS (IMS) ISO 9001, ISO 14001 &amp; ISO 45001 (LIMS02) – (25th – 29th October 2021)</li> </ul>
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**Comments Received from Stakeholders and Responses by Audit Team Leader**

No.	Comments/Issues Raised	Response by Audit Team
1	None	
2	None	

## Surveillance 2 Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (Hj. Roslee )	AUDITOR 2 (Azrul)	AUDITOR 3 (Angelica )
Saturday 06/05/2023	3.00 pm- 4.30pm	none		Auditor 3 travelled from Kota Kinabalu to Sibul on 6/5/2023 (Saturday) Flight: AK 6090 : ETD 15.10, ETA: 16.25 Overnight in Tanah Mas Hotel.
Sunday 07/05/2023		Auditors 1 and 2 travel from KLIA to Sibul on 07/05/2023- MH2712 ( ETD 8:30 – ETA 10:30).  All Auditors Travel to Engkeramuh Base Camp, Kapit FMU		
Day 1  Monday  (08/05/2023)	8.00 am – 5.00 pm	AUDITOR 1 (Hj.Roslee)	AUDITOR 2 (Azrul)	AUDITOR 3 (Angelica )
<ul style="list-style-type: none"><li>• Opening Meeting with representatives of FMU</li><li>• Briefing session by Forest Manager on progress of forest activities</li><li>• Evaluation of changes to the management of the FMU</li><li>• Check on complaints, stakeholder comments and follow-up actions with Government agencies and NGOs</li><li>• Follow up on NCR from previous audit</li><li>• Evaluate on internal audit and management review</li></ul>				
		Documentation and records review <ul style="list-style-type: none"><li>• Principle 1 – Compliance with Laws and Principles</li><li>• Principle 5 – Benefits from the forest</li><li>• Principle 7 – Management Plan</li><li>• Preinciple 4 – Community Relation and Worker’s Right ( Indicator 4.2.5, 4.2.3)</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><li>• Principle 9 – Maintenance of High Conservation Value Forests</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><li>• Principle 4 - Community Relations and Worker’s Right</li><li>• Consultation with staff and workers at camp</li></ul>
<ul style="list-style-type: none"><li>• Review of Day 1 Findings by Audit Team Leader</li></ul>				

<b>Day 2</b>  <b>Tuesday</b>  <b>(09/05/2023)</b>	8.00 am – 5.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b> <ul style="list-style-type: none"> <li>• Inspection of active harvesting area – Coupe 04, Block 3</li> <li>• Inspection of Post- Harvest area- Coupe 04, Block 2</li> <li>• Inspection of Riparian buffer- Coupe 04 Block 2</li> <li>• Inspection of conservation area.- Buffer zone &amp; Coupe Boundary- Coupe 2A/Coupe 3A, Sungai Balang.</li> <li>• Interview with workers in the field.</li> </ul>	<b>AUDITOR 2</b> <b>(Azrul)</b> <ul style="list-style-type: none"> <li>• Inspection of Coupe Boundary- Coupe 04 Block B/Coupe 2, Block 57</li> <li>• Inspection of post harvesting &amp; enrichment planting, post logging assessment plot- Coupe 04, Block 1</li> <li>• Inspection of PSP – Coupe 4, plot: PSP 21-SU 59.</li> </ul>	<b>AUDITOR 3</b> <b>(Angelica)</b> <ul style="list-style-type: none"> <li>• Consultation with CRC representative</li> <li>• Consultation with local Community- Rh.Lawan</li> <li>• Overnight in Kapit</li> </ul>
		• Review of Day 2 Findings by Audit Team Leader		
<b>Day 3</b>  <b>Thursday</b>  <b>(10/05/2023)</b>	8.00 am – 5.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b> <ul style="list-style-type: none"> <li>• PSP- Coupe 20, Plot – PSP 1- SU 11</li> <li>• HCV- Salt Lick -Coupe 01, Block 4, Sungai Ukit</li> </ul>	<b>AUDITOR 2</b> <b>(Azrul)</b> <ul style="list-style-type: none"> <li>• Inspection of active harvesting area and Buffer zone- Coupe 04, Block 5</li> <li>• Inspection of Pre-harvest area- Coupe 04, Block 4.</li> <li>• Water catchment area- Coupe 25 (RoEFE).</li> </ul>	<b>AUDITOR 3</b> <b>(Angelica)</b> <p>Consultation with local communities – Rh. Kanchin</p>
		• Review of Day 3 Findings by Audit Team Leader		
<b>Day 4</b>  <b>Friday</b>  <b>(11/05/2023)</b>	8.00 am – 5.00 pm	<b>AUDITOR 1</b> <b>(Hj.Roslee)</b> <ul style="list-style-type: none"> <li>• Inspection of External boundary- Coupe 10, at Sungai Balang.</li> <li>• Base camp inspection – diesel storage, lubricant store, SW store, workshop, housing, genset, nursery and chemical store</li> <li>• Consultation with contractors and workers</li> </ul>	<b>AUDITOR 2</b> <b>(Azrul)</b> <ul style="list-style-type: none"> <li>• Inspection of CoC and Place of Royalty Marking (PoRM) at Sg. Melekun Collection and Distribution Centre (CDC).</li> <li>• Inspection of external boundary – Pasin FMU (T3135)/ Kapit FMU (T3491)</li> </ul>	<b>AUDITOR 3</b> <b>(Angelica)</b> <ul style="list-style-type: none"> <li>• Consultation with Kapit Land &amp; Survey Department and Jabatan Tenaga (Labour Office).</li> <li>• Consultation with workers in base camp.</li> </ul>
		• Review of Day 4 Findings by Audit Team Leader		

<b>Day 5</b>		<b>AUDITOR 1 (Hj.Roslee)</b>	<b>AUDITOR 2 (Azrul)</b>	<b>AUDITOR 3 (Angelica)</b>
<b>Saturday</b> <b>(12/05/2023)</b>	8.00 am – 1.00 pm  2.00 – 5.00 pm	<ul style="list-style-type: none"> <li>• Continue documentation and records review</li> <li>• Audit team discussion and preparation of audit finding and reports</li> <li>• Closing meeting</li> <li>• Travel back to Sibu and overnight in Tanah Mas Hotel.</li> </ul>		
<b>Sunday</b> <b>13/05/2023</b>		<p>Auditor 1 and 2 travel back to Kuala Lumpur from Sibu by flight MH 2717 (ETD: 19:10-ETA: 21: 10 – earlier flight no available ).</p> <p>Auditor 3 travel back to Kota Kinabalu from Sibu by flight <b>AK 6091 ETD: 16.40, ETA: 18.05</b></p>		

**End of Report**