



PUBLIC SUMMARY
3rd SURVEILLANCE AUDIT (SA3) ON
MELATAI-PARA FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION

Certificate Number: FMC-NF 00123
Date of First Certification: 27 November 2019
Audit Date: 14 - 16 February 2023
Date of Public Summary: 17 August 2023

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EXECUTIVE SUMMARY

The Surveillance 3 audit for forest management certification on the Solid Hartabina Sdn Bhd – Melatai-Para FMU was conducted from 14th -16th February 2023. This was an audit conducted following the Surveillance 2 audit which was conducted on 18-21 May 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 Solid Hartabina Sdn. Bhd. by a three -member team comprising Haji Roslee Jamaludin (Lead Auditor), Ismail Adnan Malek (Auditor) and Mohd Annas Amin Bin Haji Omar (Auditor).

The Melatai-Para FMU only covers an area of 49,574 ha of Baleh Protected Forest (part only) and other area of 70,325 was proposed for Totally Protected Area of Proposed Baleh National Park, and another remaining 2,854 ha (adjacent to Proposed Baleh National Park area) was not included in the scope of certification due to unreachable area. The forest area is situated approximately between Latitudes 10 13' 98" N to 10 34' 02" N and Longitudes 1130 39' 13" E to 1140 11' 35" E in upper part of Batang Baleh within the Kapit Division, Sarawak, about 95km Southeast from Kapit town and accessible by the Batang Rajang and Batang Baleh from Sibu Town to Kapit and to Nanga Gaat Log Pond, and continue with logging roads through Licensees T/3401 (STIDC) and T/3148 (First Count) and passing through Sungai Melatai Bridge. It covers a distance of about 118 kilometers and took about 13 hours of travelling time from Sibu to Berkakap Camp.

The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the Forest Department Sarawak. Consultation with the local community was not conducted as there was no community living within FMU and adjacent to FMU.

In general, the findings of this surveillance 3 audit have indicated that the Melatai-Para FMU had complied with most of the requirements of the MC&I SFM despite the issuance of total one (1) Major, and seven (7) Minor Non-Conformance Report (NCRs) against the requirements of the MC&I SFM

The audit team had also verified the corrective action plan taken by the Melatai-Para FMU to address all the finding raised during the previous surveillance 2 audit.

The Audit Team Leader after consultation with team members recommends that certification of Melatai-Para FMU to be maintained against the MC&I SFM for certification conditional upon acceptance of corrective action plans within one (1) month and subject to closing of Major NCR satisfactorily.

The FMU had submitted a proposed corrective action plan to address the NCRs raised during this Surveillance 3 audit by mail on 22nd March 2023 which has been accepted by the audit team leader. The evidence of implementation for Major NCR for Indicator 4.1.1 was submitted by FMU through email on 28th May 2023. The Audit Team Leader has requested additional evidence to be submitted before the Major NCR been closed. Therefore, the last evidence of corrective action taken for Major NCR was received on 7th June 2023. The audit team leader after consultation with the audit team, has accepted the evidence of implementation to close the Major NCR, therefore, the Major NCR 4.1.1 was satisfactorily closed on 8th June 2023. The FMU has submitted additional evidence regarding the internal Training on Nursery by 2nd July 2023. The FMU has been approved on the extension to submit evidence of implementation for Major NCR till 16th July 2023.

The effectiveness of the corrective actions taken by the FMU 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

Melatai-Para Forest Management Unit

1.2 Contact Person and Address

Name : Wong Ting Chung
Designation : Forest Management Certification Coordinator
Address : No.17, 2nd & 3rd Floor,
Jalan Wong Nai Siong
96000 Sibu, Sarawak
Phone # : 084 335335
Fax # : 084 318380

1.3 General Background on the Melatai-Para FMU

The Forest Timber Licence (FTL) No. T/3343 was issued to Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) by the Forest Department Sarawak on 17th June 1997 to 16th June 2017 to manage a total 126,442 ha of the Baleh Protected Forest (part only), which is located within the Seventh Division, Southeast of Kapit Division, Sarawak for an initial period of 20 years. It was subsequently renewed on 22nd May 2017 to 16th June 2018 and continued until 16 June 2022n and the latest renewal was from 17th June 2022 to 16th June 2023. Solid Hartabina Sdn. Bhd. was appointed by the Perbadanan Kemajuan Perusahaan Kayu Sarawak to manage the part of area or known as Melatai-Para Forest Management Unit (FMU).

The Melatai-Para FMU only covers an area of 49,574 ha of Baleh Protected Forest (part only) and other area of 70,325 was proposed for Totally Protected Area of Proposed Baleh National Park, and another remaining 2,854 ha (adjacent to Proposed Baleh National Park area) was not included in the scope of certification due to unreachable area.

The forest area is situated approximately between Latitudes 10 13' 98" N to 10 34' 02" N and Longitudes 113 39' 13" E to 114 11' 35" E in upper part of Batang Baleh within the Kapit Division, Sarawak, about 95km Southeast from Kapit town and accessible by the Batang Rajang and Batang Baleh from Sibu Town to Kapit and to Nanga Gaat Log Pond, and continue with logging roads through Licensees T/3401 (STIDC) and T/3148 (First Count) and passing through Sungai Melatai Bridge. It covers a distance of about 118 kilometers and took about 13 hours of travelling time from Sibu to Berkakap Camp, adjacent to Kalimantan on the south side.

The forest types in the FMU consist of mix of broken terrain and rugged mountain conditions. The FMU has about 78% under terrain Class III and the remaining 22% under Terrain Class IV. The general landform of the FMU ranges from hilly to mountainous terrain with elevation between 750ft to 4000ft a.s.l. A map of the FMU showing the significant features of the forest is attached in **Attachment 1**.

1.4 Date First Certified

27 November 2019

1.5 Location of the FMU

The FMU is located between Latitudes 1° 13' 98" N to 1° 34' 02" N and Longitudes 113° 39' 13" E to 114° 11' 35" E.

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Licence Agreement of the State government. A Forest Management Plan (FMP: 2022-2026). was presented during this audit.

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

For the Twelfth Malaysia Plan (2021-2026), the annual allowable cut (AAC) for the FMU had been set at 2,505 ha. During this Stage 3 Surveillance Audit, the size of the FMU is 37,972 ha.

1.8 Environmental and Socioeconomic Context

The audit is basically limited to the Melatai-Para FMU, a gazetted entity under the management of KTS Plantation Sdn Bhd (KTSP), and demarcated on the ground by clear boundaries. The total area of 57,247 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 FMU. Similarly, the socioeconomic context referred to in the audit is also confined within the FMU borders. The audit report does not concern with matters outside the designated FMU boundaries.

2.0 AUDIT PROCESS

2.1 Audit Dates

14-16 February 2023 (9 auditor days)

2.2 Audit Team

1. Hj. Roslee Jamaludin (Lead Auditor)
2. Mohd Annas Amin Omar (Auditor)
3. Ismail Adnan Abdul Malek

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 January for a period of one month inviting relevant stakeholders to give comments on the FMU. The comment of stakeholder as in **Attachment 3**.

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

2.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the FMU, 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 Peninsular/Sarawak/Sabah, 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 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 audit.

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

The FMU 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 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 but without sufficient objective evidence to support a non-conformity. The closing of an OFI shall be made during the next surveillance audit.

3.0 SUMMARY OF AUDIT FINDINGS

A total of one (1) Major [Indicator 4.1.1] and seven (7) Minor Non-Conformance Report (NCRs) [Indicator 1.5.2, 4.2.5, 5.2.1, 6.5.3, 6.5.5, 7.1.1, and 8.3.1] were raised on the Melatai -Para FMU against the requirements of the MC&I SFM (MTCS ST 1002:2021). There was one [1] OFI for Indicator 9.2.1. The audit team had examined all the proposed corrective action plans to address the NCRs raised during the audit by mail/email on 22nd March 2023 which has been accepted by the audit team leader. The last evidence of corrective action taken for Major NCRs was received on 7th June 2023 and has been accepted and closed on 8th June 2023. However, the FMU has submitted additional evidence regarding the internal Training on Nursery by 2nd July 2023. The FMU has been approved on the extension for submission of evidence of implementation for Major NCR till 16th July 2023.

FMU had showed their commitment to address the non-conformities by establishing action plans as detailed in **Attachment 4**. The summary on the findings of the Stage 3 surveillance audit on the Melatai-Para FMU against the requirements of the MC&I (Natural Forest) are given below.

Principle	Strengths	Weaknesses
Principle 1 Compliance with Laws and Principles	The forest management had maintained records of all relevant national, local laws, regulations and policies related to forest management. Copies of all relevant laws, policies and regulations stipulated in the Malaysian Criteria and Indicator for Sustainable Forest Management (MC&I SFM) fundamental for the FMU management were available in the office at the Berkakap Base Camp. The relevant	Site inspection to Coupe boundary between Coupe 2 and Salvage logging at point N 010 28' 78.6" and E 1130 45' 25.1" and along M2 road revealed that the coupe boundary was not demarcated on the ground. Therefore, a Minor NCR RJ 01/2023 for Indicator 1.5.2 was raised.

Principle	Strengths	Weaknesses
	<p>Laws, Regulation, Policy, International Agreements & Conventions and Guidelines were included in the new MC&I SFM. Records of compounds issued by the Forestry Department Sarawak were sighted.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Berkakap Camp Office. The current list of all legally prescribed fees, royalties, taxes, and other charges, e.g. First Schedule [Section 52(2)] 17th June 1997 were verified at the Berkakap Base Camp.</p> <p>The forest managers were aware of all the binding international agreements such as International Labour Organisations Conventions (ILO), Convention of Biological Diversity (CBD) and International Tropical Timber Agreement 1994. These documents were made available to the forest managers at the Berkakap Base Camp.</p> <p>Documentation of any conflicts between laws, regulations and these principles and criteria was made available in Berkakap Camp dated 14 April 2022. The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise. It was noted that there was no permanent local settlement within the Melatai-Para FMU.</p> <p>Legal provisions were available for the establishment and protection of the Forest Management Unit, a Forest Timber Licence (FTL) No. T/3343, issued to Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC). Agreement dated 17th June 1997 to 16th June 2017, renewed until 16th June 2018, and subsequently continued until 16th June 2019, and renewed from 2 July 2020 to 1 July 2021. The latest renewal was from 17th June 2022-16th June 2023. Documents governing the legal establishment and protection of the FMU were made available in the office in Berkakap Camp. The FMU was adequately protected from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities. Adequate boundary demarcation, signage and records of monitoring were verified during</p>	

Principle	Strengths	Weaknesses
	<p>site visits.</p> <p>A written policy entitled “Policy Statement for The Sustainable Forest Management of Revised Melatai-Para Forest Management Unit” was presented during the audit. This policy statement had included the commitment to undertake forest management certification under Malaysian Timber Certification Scheme for well-manage forest. The document was signed by the Managing Director, Solid Hartabina Sdn Bhd in January 2022. Based on a letter ref. no. STIDC.10.SH(CER)Jld.5) (25) dated 4 April 2022 under Seksyen Khidmat Undang-undang, all licensed should include commitment in MC&I SFM in new licensed agreement.</p>	
Principle 2 Tenure and Use Rights and Responsibilities	<p>The Forest Timber Licence (FTL) No. T/3343 issued to <i>Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC)</i> by the Forest Department Sarawak was effective from 17th June 1997 to 16th June 2017. The license is to manage a total 126,442 ha of the Baleh Protected Forest (part only), which is located within the Seventh Division, Southeast of Kapit Division, Sarawak for an initial period of 20 years. The timber license was subsequently renewed from 17 June 2022 to 16 June 2023. The company, Solid Hartabina Sdn. Bhd. was appointed by STIDC to manage, fell, extract, harvest, sell and remove all merchantable timber logs from the area of Melatai-Para Forest Management Unit (FMU). Socio economic impacts affecting the local people due to the timber harvesting operation in the FMU was not an issue up to time of audit. Nevertheless, in view of potential establishment of communities in future, Melatai-Para Forest managers had stated their willingness to establish and support legally recognized mechanisms for resolving land claims if any through the “Land Claim” SOP.</p> <p>Melatai-Para FMU had acknowledged that there are no local communities living within or vicinity of the FMU and confirmed there was no local communities’ settlements area or ‘Shifting Agriculture (SA) land’ (directed to be identified as by the Sarawak Forest Department) in the FMU. The General Harvesting Plan (GHP) of Forest Timber License (FTL) T/3343) Melatai-Para FMU’</p>	

Principle	Strengths	Weaknesses
	<p>sighted showed no Shifting Agriculture (SA) in Melatai-Para FMU.</p> <p>The FMU Forest managers are willing to resolve disputes over tenure claims and use rights if these should eventuate in the future. A legally recognized mechanisms for resolving tenure and use rights shall be established through SOPs, namely 'Communication with Natives' and 'Native Claims and Compensation' although there was no issue on land claim/tenure and use rights up to date as verified by the Auditor.</p>	
Principle 3 Indigenous People's Rights	<p>The only local settlement found, Long Singut a Kenyah community, is located outside the Malatai-Para FMU area, about 23 km away from the north-east boundary. As such, the matter regarding delegation of control, customary rights, or mechanism for conflict resolution, do not arise.</p> <p>No indigenous people land within and adjacent of Melatai-Para FMU was used in the FMU existing practices, hence, the FMU do not threaten or diminish, either directly or indirectly indigineous people's resources or tenure rights.</p> <p>No sites of special cultural, ecological, economic or religious significance to indigenous peoples are present within the Melatai-Para FMU. Nevertheless, the FMU has prepared future possibility of sites of special cultural, ecological, economic or religious significance to indigenous peoples present in the FMU as described in the FMP.</p> <p>There was no application of indigenous people traditional knowledge with regards to the use of forest species or management systems in the Melatai-Para FMU forest operations.</p>	
Principle 4 Community Relations and Workers' Rights	<p>Employment preference are offered to qualified people in communities living adjacent to Long Singut the FMU. Records show that a total 9 workers employed in the FMU were from Long Singut (5 as tractor operators, 1 as Logging Truck Driver, 1 as feller and 2 mechanics.). Currently, 93 were still working in the FMU.</p> <p>Updated information on all applicable laws and/or regulations covering occupational</p>	<p>During this surveillance 3 audit, record of training on scheduled waste management and nursery management were not available. Therefore, the Minor ANS04/2022 raised in the previous Surveillance 2 Audit was upgraded to Major NCR (ANS01/2023) for Indicator 4.1.1.</p> <p>During site inspection at Bekakap Workshop and nursery some</p>

Principle	Strengths	Weaknesses
	<p>safety and health of forest workers has been disseminated to them in Bahasa Malaysia and/or English. Management policies addressing the occupational safety and health of forest workers and their families in accordance with current legislation and/or regulations are available. Consultation with harvesting workers indicated their awareness for to use PPE when working. Site inspection found the Emergency Response Procedures have been established. Appropriate safety and operational equipment in good working condition, including operational procedures, are made available to forest workers. Minutes of safety committee meeting was current and sighted.</p> <p>The workers were aware of their freedom to form/join union of their own choice. The audit however found that there is no union formed in the FMU. ILO Convention No. 87 that entitled Freedom of Association and Protection of the Right to Organize Convention was available. Records on EPF, EIS and SOCSO payment November to December 2022 were sighted. Discussion with the staff and workers revealed that the mechanism to resolve conflict/issue of workers was available through consultation and the matter brought to the attention of the matters to camp manager.</p> <p>There is no permanent local settlement within the Melatai-Para FMU as mentioned earlier. As such the social economic impact affecting the local community due to the timber harvesting operation in the FMU does not arise.</p> <p>A Social Impact Assessment (SIA) Report on Solid Hartabina Forest Management Unit T/3343 dated July 2016 was made available. Based on the SIA report, it was found there are no permanent local indigenous settlement within the Melatai-Para FMU. Concern on customary rights is thus obviated.</p>	<p>discrepancies were noted. Bottles and a container containing waste were not properly labelled or dated. Different wastes, generated on different dates, were stored together in common container. The store for scheduled wastes was without label. For these non-compliance a Minor NCR RJ 02/2023 for Indicator 4.2.5 was raised.</p>
Principle 5 Benefits from the Forest	Investments and reinvestments in forest management at Melatai-Para FMU included provisions for forest administration, research (scientific collaboration and PSP), human resource development, protection (patrolling), economic (operating),	Site inspection in active harvesting area (Block 23 coupe 3A at MT 23A) showed that several trees with DBH above 30cm and within the definition of potential Crop Tree (PCT) were not tagged as such. For the oversight a

Principle	Strengths	Weaknesses
	<p>conservation (HCV), environmental (EMR and ECA) and social aspects (CSR, compensation). Site visits verified post-harvest enrichment planting with native species and restoration of degraded sites. The FMP ensured regeneration and growing stock improvement.</p> <p>The Annual Allowable Cut (AAC) averaged 98,650 m³/year or 2,505 ha/year for the first 15 years (within the 25 years of cutting cycle). Hence, a moratorium on logging will be observed for the next 10 years (after the first 15 years) within the cycle. A total of 24 permanent sample plots (PSP) were established to accurately assess stand growth. The timber production quota for the FMU was 8,306 m³/year for local consumption and export. Timber is the only product since no non-timber forest products were harvested from the FMU.</p> <p>RIL Guidelines (Guidelines for Reduced and Low Impact Logging Systems in Forest Management Certification (Natural Forest) Area, second edition, 2014) was implemented at Melatai-Para FMU to minimise damage to residual stand and product wastage in log extraction operations. The Detail Harvesting Plan ((DP)/Road Plan for Coupe 3A covering Blocks 1-33; approved by FDS on 25 September 2020) for Melatai-Para FMU was also available and verified. The established SOPs for RIL implemented in the FMU were also sighted. Regular training will be conducted in May 2023. was conducted for the staff on techniques of reduced-impact logging. The training covered equipment handling and RIL guidelines and implementation.</p> <p>Other than logs, Melatai-Para FMU has no plan for production of non-timber forest products.</p> <p>Documentation review and site visit verified that sensitive areas were demarcated and protected for protection of soil and water, watercourses and wetlands which include Stream buffer reserve (SBR) or Riparian buffers, Terrain IV, Water Catchments and other HCVF. The FMU has implemented procedures on protection of sensitive areas titled 'Demarcation of demarcation of buffer zone, protection/conservation areas, and</p>	<p>Minor NCR RJ03/2023 for Indicator 5.2.1 was raised.</p>

Principle	Strengths	Weaknesses
	<p>sensitive areas prior to application to FDS for Pre-felling checking. The FMU has implemented guidelines on enhance the value of forest services and resources including climate positive practices as stated in the Forest Management Plan as section 13.2 Climate Change and Forests.</p> <p>As indicated in the FMP, the rate of harvest does not exceed the estimated regrowth of the residual stand based on PSP assessment. Harvesting shall be implemented in the first 15 years followed by 10 years of harvesting moratorium in the cutting cycle. The FMU has also kept records of log production for 2022 and 2023. This was evident from the monthly production record (August 2022- June 2023) which stated an annual production of 8,306m³/year (4,984 m³ for local and 3,322 m³ for export). This limit did not exceed the maximum quota for domestic demand and export.</p>	
Principle 6 Environmental Impact	<p>An EIA (Environmental Impact Assessment) was carried out prior to the commencement of forest operations in the Melatai-Para FMU based on requirement of 2(i) of the First Schedule of the said Order (Section 11A (1) of the Natural Resources and Environmental Ordinance). The EIA report was submitted to the Natural Resources and Environment Board (NREB) for endorsement and approval. The potential impacts on rare, threatened endangered species (ERT) of flora and fauna, and rare and vulnerable ecosystems were assessed in the EIA, and also described in the FMP.</p> <p>Standard guidelines for Sarawak namely “A Guideline to Identify Endangered, Rare and Threatened or Protected Forest Trees Species 2013”, “Guidelines for Fauna Conservation and Ecosystem” and “Master Plan for Wildlife in Sarawak and Wildlife Protection Ordinance 1998” were presented and verified during the audit. Feature of special biological habitat was identified as verified in the report titled “HCVF Assessment Report Sector A of Forest Timber Licence No. T/3343 Baleh, Ulu Kapit” dated 19 May 2016. Documents related to existing cooperation between forest managers and conservation organizations, and regulatory authorities in</p>	<p>Site inspection of the Main Skidtrail MT-2a in the Post Harvesting (Coupe 03A) discovered improper construction of earth bunds or water bunds and cross drains that should serve to minimize surface flow/ earth erosion. Further at Feeder Road (F-20-1-A) in Block 18, Coupe 03A, the side drain and cross drain alongside the road were not constructed and one culvert was found clogged and ineffective. A Minor NCR ISMA 01/2023 for Indicator 6.5.3 was thus raised.</p> <p>Inspection of the fire equipment store however showed no records for checking and maintenance of fire suppressant equipment. This is specifically mentioned in the Forest Fire Management Plan (sub para (f) Vehicles, Machinery and Fire Suppressant Equipment. In addition, the water pump was dysfunctional since the motor was not operational during inspection. A Minor NCR RJ 03/2023 for Indicator 6.5.5 was therefore raised.</p>

Principle	Strengths	Weaknesses
	<p>implementing conservation and management activities were available during audit. Hunting, fishing, trapping and collecting activities were controlled in the FMU. FMU workers were familiarised with ERT species through in-house training. Additionally, printed information including posters were widely displayed in strategic locations in the FMU.</p> <p>Post-harvest assessment of natural regeneration at Melatai-Para FMU is guided by 'The Green Book: Manual, Procedures and Guidelines for Forest Management Certification in Sarawak (Natural Forest 2019' which was available during the audit. Immediate post-harvest silviculture treatment, including rehabilitation of degraded areas, in particular the skid trails and landings, and restorative planting was implemented to avoid further site degradation. Guidelines for the conservation of genetic, species and ecosystem diversity were available and verified by the auditors. The recommended mitigation measures, best management practices and need for biological corridors, were incorporated in harvest and road plans.</p> <p>Representative samples for forest ecosystem in the FMU were marked in the FMP maps, where protected areas (including Terrain of Class IV and HCVFs) were identified and excluded from logging activities. Appropriate action has been taken and implemented to protect those sites and on-site verifications were made during the audit.</p> <p>Forest establishment and harvesting procedures in the Melatai-Para FMU followed the concept of RIL based on the "Guidelines for Reduced Impact Logging Systems in Forest Management Certification (Natural Forest) Area, Second Edition, 2014", "The Green Book: Manual, Procedures and Guidelines for Forest Management Certification in Sarawak (Natural Forest) 2019" and latest guidelines the "Reduced Impact Logging Guidelines for Ground – Based Timber Harvesting in the State of Sarawak (2021)". Guidelines for forest road layout and construction, including log landings and drainage requirement comprised "Guidelines for</p>	

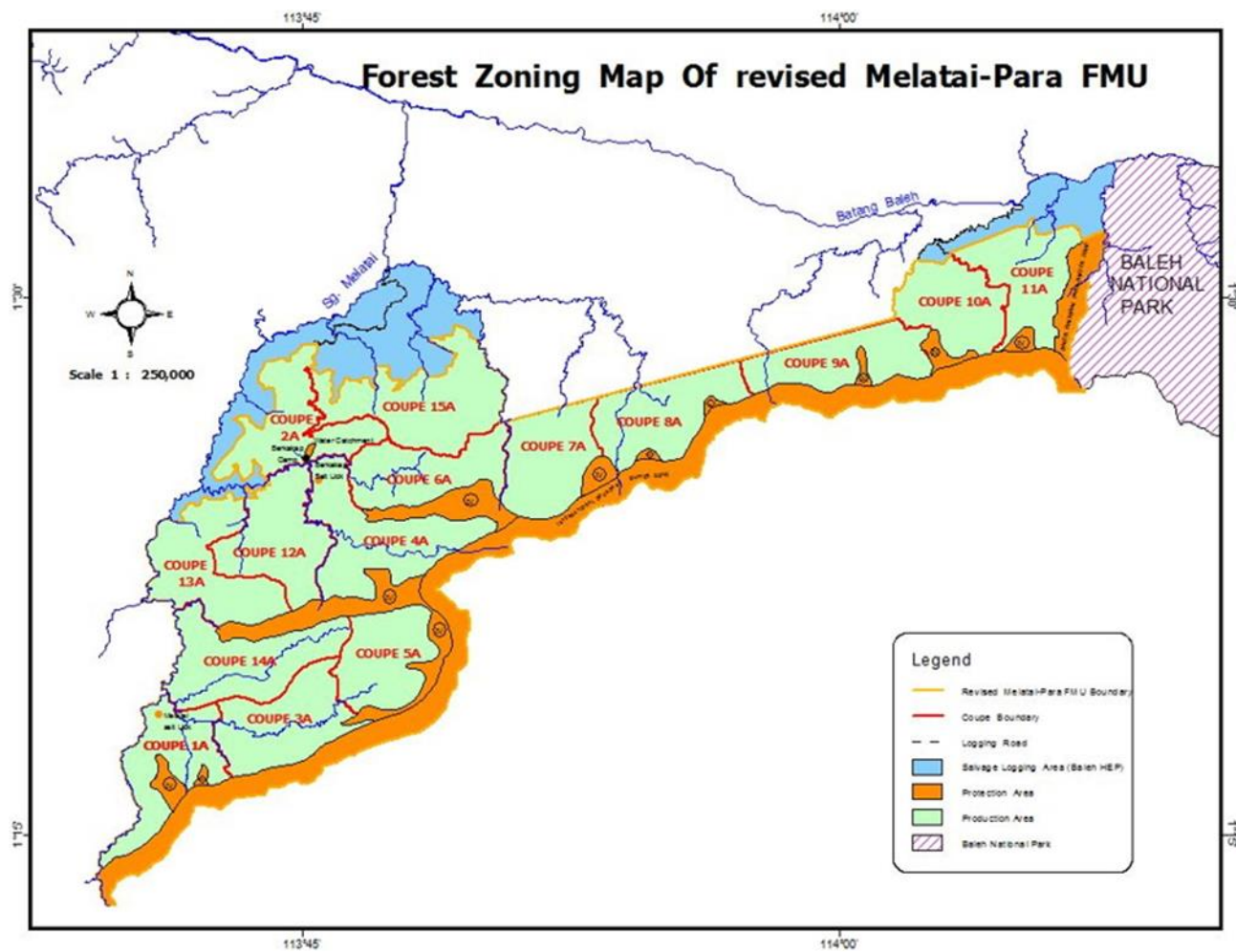
Principle	Strengths	Weaknesses
	<p>Forest Road Layout and Construction, Forest Department Sarawak” and the “Reduced Impact Logging Guidelines for Ground – Based Timber Harvesting in the State of Sarawak (2021)”. Guidelines for natural hydrology of wetlands and conservation of buffer strips along streams and rivers were documented under “The Green Book: Manual, Procedures and Guidelines for Forest Management Certification in Sarawak (Natural Forest) 2019” and “Reduced Impact Logging Guidelines for Ground – Based Timber Harvesting in the State of Sarawak (2021)”. For fire management the “Fire Prevention and Control Plan” in the FMP provides the guidelines. All these documents were available and verified during audit.</p> <p>An “Environmental Policy” (2018) on the use of environmentally friendly non-chemical methods of pest management and avoiding the use of chemical pesticides were available and verified. The FMU did not use chemical pesticides in nursery operation since the scale is rather small. Site visit to the nursery and interview with the forest manager confirmed that no pesticide was used in the nursery.</p> <p>Records on Scheduled Waste disposal at the Berkakap nursery workshop were verified. Standard plastic containers were used in the nursery for storage of benzene, hydraulic oil and scheduled wastes. These were found correctly labelled. The previous practice of using drinking bottles as containers was discontinued in compliance with the guidelines in the Environmental Quality (Schedule waste) Regulation 2005 and Part VI: Labelling and Relabeling under Occupational Safety and Health Act 1994 (Act 514).</p> <p>There is no use of biological control agents in Melatai – Para FMU.</p> <p>The use of the exotic species <i>Mucuna bracteata</i> as reported in the previous SA 2 Audit was found sufficiently monitored and controlled during this audit. Records of maintenance was verified. No other exotic species were used in FMU planting.</p> <p>There is no conversion of natural forest to plantation or other land use in the FMU.</p>	

Principle	Strengths	Weaknesses
	<p>There is no conversion of natural forest to plantation or other land use in Melatai – Para FMU.</p> <p>There was no conversion of severely degraded forests to forest plantations in the FMU.</p>	
Principle 7 Management Plan	<p>The Forest Management Plan (Melatai-Para Forest Management Plan) for Forest Timber Licence No. T/3343 Covering Part of Baleh Protected Forest Under Melatai-Para Forest management Unit (2022-2026) was available during audit. It was updated January 2022 covering a period of 15 years. The FMP had addressed all issues and requirements of Criterion 7.1. items (a) to (j).</p> <p>Periodic revision the forest management plan was conducted every 5 years as stated in the FMP (updated January 2022). Interim records of new scientific and technical information pertinent to the management of the area to be certified were also available to the forest managers. Records of new scientific and technical information and from monitoring activities were covered in the FMP. The Final Report on wildlife assessment in the FMU for example (January 2022) was presented during this surveillance audit.</p> <p>Forest managers undertook clearly defined and assigned specific roles and responsibilities as evidenced by the list of Job Description prepared by FMU for all level of staffs and workers. Forest workers were aware of the need for PPE when working. The Emergency Response Procedures have been established to accommodate emergencies during fire occurrence and other safety measures were in place. The training programme for year 2022 was also sighted.</p> <p>A summary of the primary elements of the forest management plan as prepared and implemented under Indicator 7.1.1 was made available to the public at http://www.solidhartabina.com/forest-management-plan/</p>	<p>A close review of the FMP found that the description and justification of harvesting techniques and equipment used in the FMU were incomplete. Specifically, the description and justification of the use of Modified Excavator for Log Skidding in the FMU was not provided for in the FMP and as provisioned under Criterion 7.1 (item l). A Minor NCR ISMA 02/2023 for Indicator 7.1.1 was thus reissued.</p>
Principle 8 Monitoring and Assessment	<p>FDS has conducted harvesting monitoring as per 'Guidelines for Reduced and Low Impact Logging Systems in Forest</p>	<p>Site Inspection at Berkakap Stumping showed some discrepancies in the</p>

Principle	Strengths	Weaknesses
	<p>Management Certification (Natural Forest) Area, second edition, 2014'. Pre-felling boundary and buffer zone inspections were made (Blocks 011-013,016-018, & 021-025 PEC T3343/20/03A) on 7 December 2022. Procedures to monitor social, ecological, environmental and economic impacts for forest management operations was made available. An internal audit was conducted on 9-11 January 2023 and the ensuing report was verified during the audit.</p> <p>The relevant information for monitoring items (a) to (e) as listed in Criterion 8.2 were made available and sighted by the auditor.</p> <p>Logs leaving the logged stand to stumping area were issued with a Transit Bill prepared by the FMU where the relevant information (log production number, LPI No., species, etc.) were provided. A Removal Pass issued by the FDS was verified during the audit. The tagging of sampled tree stumps were verified on site (Block 6, Coupe 03) and matched with the records.</p> <p>Periodic 5-year revisions of the FMP was provisioned in the FMP (Chapter 3, Clause 3.7, (Amendment)). Recent results on research and monitoring were included. The FMP, updated December 2018, was made available and presented to the auditors.</p> <p>The auditor has verified the public summary of the results of monitoring in Indicator 8.2.1 at the Solid Hartabina's website http://www.solidhartabina.com/forest-management-plan/</p>	<p>tagging procedure; namely, erroneous switching of tree tags and changes made in tag information, as registered in the Transit Bill (Block stumping). Therefore, a Minor NCR ANS02/2023 for Indicator 8.3.1 was raised.</p>
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>Identification of HCVFs for the FMU was conducted in May 2016, as reported in the "HCVF Assessment Report Sector A of Forest Timber Licence No. T/3343 Baleh, Ulu Kapit". This was verified by the Auditor. No new assessment for HCVFs was made since this report.</p> <p>The FMU has consulted with various agencies to maintain and enhance established HCV areas. These included the Forest Department of Sarawak, the Sarawak Forest Corporation, UPM and</p>	<p>The HCVFs could be further enhanced if the FMU expanded their stakeholder consultation to include NGOs, Universities and other relevant agencies. An OFI for Indicator 9.2.1 was thus raised on this.</p>

Principle	Strengths	Weaknesses
	<p>selected NGOs. The FMP planning and patrolling records (2023), and Monitoring Plan (2022-2023) were made available and verified.</p> <p>The Melatai-Para FMU has successfully documented, demarcated, maintained and/or enhanced the HCVFs attributes in the Melatai-Para FMP (2022-2026) in Chapter 10: Conservation of Biodiversity and Protection of Ecosystem. A public summary of the HCVFs at the Solid Hartabina website was also verified at the link: http://www.solidhartabina.com/forest-management-plan/</p> <p>To assess the effectiveness of measures in the management of the HCVFs, the Melatai-Para FMU followed the documents entitled “Procedures for Monitoring of Protection Areas as Identified Based on the Different Categories of HCV in Melatai-Para FMU (dated on 1st August 2018)” and “Procedures on Hunting Control and Wildlife Monitoring”. The procedures included wildlife monitoring for mammals, avifauna (birds), conservation status of ERT fauna species and endemic fauna species covered in HCV 1.2, HCV 1.3, HCV 1.4, and HCV 2. The monitoring records of all HCVs were also available. The forest managers also confirmed that new results and findings from HCVFs monitoring will be implemented in the next revision of the forest management plan.</p>	

Map of Melatai-Para FMU



Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Hj.Roslee Jamaludin	Lead Auditor	<p><u>Academic Qualification:</u> B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma in Forestry, Mara Institute of Technology, Malaysia.</p> <p><u>Work Experience:</u> A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS was appointed as an Internal Auditor for the MC&I. Has 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><u>Training / Research Areas:</u></p> <ul style="list-style-type: none"> • Had Attended and Passed the following Training programmes: • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015 • EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. • Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016. • FMC Workshop 28th -29th November 2017 • FMC Workshop for 2018 organised by SIRIM (Food, Agr. &Forestry) 22 November 2018 • COC Workshop 2018 organised by SIRIM 26 November 2018 • Auditor Training Course on PEFC Chain of Custody Certification organized by MTCC on 19th -20th December 2018. • MSPO Training Course 16-17 Feb 2019 organised by SIRIM • Forest Management Certification (FMC) Workshop' for 2019 on 25 & 26 June 2019 organised by SIRIM QAS (Food, Agri &Forestry Section).

		<ul style="list-style-type: none"> CoC Workshop for 2019 on 27/6/2019 organised by SIRIM QAS (Food, Agri & Forestry Section).
Ismail Adnan Abdul Malek	Auditor	<p><u>Academic Qualification:</u></p> <p>Master of Forestry, University of British Columbia, Canada</p> <p><u>Work Experience:</u></p> <p>One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing local/international seminars on Forestry areas. Published and presented research findings at seminars/conferences and journals. Currently as Auditor at the Food, Agriculture and Forestry /ion (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Forest Plantations).</p> <p><u>Training / Research Areas:</u></p> <ul style="list-style-type: none"> Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2), 9th-10th July 2015, SIRIM QAS International Sdn Bhd ISO 14001:2004 Lead Assessor Training, 23rd-27th Nov 2015, SIRIM Training Services Sdn. Bhd Training on Auditing Techniques, 26th January 2016, SIRIM QAS International Sdn Bhd
Mohd Annas Amin Bin Haji Omar		<p><u>Academic Qualification:</u></p> <p><i>Diploma In Forestry, Upm</i> <i>B. Sc. In Forestry, Upm</i></p> <p><u>Work Experience:</u></p> <p>Six Years As Assistant Forest Officer At Perak State Forestry Department From 2013-2018. Main Responsibility Is Assisting District Forest Officers In Administrative Work, Forest Development And</p>

		<p>Forest Operations.</p> <p>Conduct Forest Enforcement Team Activities Such As The Prevention Of Illegal Logging. Appointed As Raid Officer In Raid Eradicating Illegal Refinery In Kinta Manjung Forest District. Also Appointed As Investigation Officer In A Case Involved Ayer Chepam Forest Reserve And Cased Prosecuted In Court.</p> <p><u>Training / Research Areas:</u></p> <p>Attended And Pass The Following Training Programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on MC&I Sustainable Forest Management 18/08/2020 – 18/08/2020 • Smeta- Sedex Members Ethical Trade Audit (Awareness & Auditor Course) 20/10/2021 – 21/10/2021 • MTCS Auditor Training Course 09/07/2018 – 12/07/2018 • Lead Auditor Integrated Management Systems (IMS) Iso 9001, Iso 14001 & OHSAS 18001/ISO 45001 13/08/2018 – 18/08/2018 • COC Auditor Training 19/12/2018 – 20/12/2018 • RSPO P&C 5-Day Lead Auditor Course 09/03/2020 – 13/03/2020 • Training On Indigenous People 04/10/2021 – 04/10/2021 • FMC Workshop 23/11/2021 – 24/11/2021 • Audit Report Writing & NCR 25/06/2018 – 25/06/2018 • Culture Transformation Program 04/04/2019 – 04/04/2019 • Workshop For MSPO SC 22/08/2019 – 22/08/2019 • Calibration Workshop for Rspo Workshop P&C (Session 2) 28/01/2020 – 28/01/2020 • SIA Workshop 30/01/2020 – 30/01/2020 • Training EMS for FMC Auditor 12/02/2020 – 12/02/2020 • Training OHSAS for FMC Auditor 11/02/2020 – 11/02/2020 • ISO /IEC 17021 12/06/2020 – 12/06/2020 • Principles Of Conformity Assesment 12/06/2020 – 12/06/2020 • RSPO PC WORKSHOP 22/12/2020 – 23/12/2020 • Program Siri Bicara Integriti Bagi Anggota Kerja Kumpulan Sirim Dan Anak-Anak Syarikatnya 20/09/2021 – 20/09/2021 • MSPO Workshop 2022 06/07/2022 – 07/07/2022 • General Workshop for MSCD 29/08/2022 – 29/08/2022 • Legal Awareness Osha Act 2020 30/08/2022 – 30/08/2022 • RSPO P&C Calibration Workshop [Session – 2] 22/09/2022 – 22/09/2022 • RSPO P&C Calibration Workshop (Session – 2) 22/09/2022 – 22/09/2022 • RSPO P&C 5-Day Lead Auditor Course 09/03/2020 – 09/03/2020
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Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Stakeholder	Comments/Issues Raised	Response by Audit Team
1	Kg. Sg. Pulang Baleh Kapit,	<p>Forest Management Feedback</p> <p>1. Environment Protection: The vigorous concerned to our environment proposed FMU Licence No. T3401 Gaat-Mengiong. Our Longhouse located within the said area the community of Sg. Pulang Baleh Kapit, anxious logging operations were given evidenced huge impact to the community degrade of soil, pollute rivers and lands, and cause areas to dry out affecting the overall productivity for the peoples and animals that live there. – Licence no. not for Melatai-Para.</p> <p>2. Biodiversity Conservation: loss of biological and genetic diversity. It is quite clear, felling substantial areas of forest will result in loss of specie and Loss of many natural resources causes the local community loss of jungle product and income. This is real loss to our community majority of our Longhouse communities are still reliant on natural resources to survive.</p> <p>3. Opportunities for Employment: Honestly speaking, employment benefit contribution to our community is very minimal. Employment benefit is nothing much as expected. 2 workers, Cook and dumtruck driver from Sg .Pulang.</p> <p>4. Community Relations and Workers Rights: Our communities are fears of logging Operator's altitude they are trauma once licence issue they will ignore all the Memorandum of Understanding (MOU) or mutual understanding, local had experienced and had been happened. Community never given ample chance raising up our voice their grievances and to resolve issues/ dispute.</p> <p>5. Benefit from the forest: Forests products provided many benefits and services to society, including clean water, recreation opportunities, wildlife habitat, carbon storage, watershed protection, flood control, erosion reduction, and improved human health. Furthermore, we JKKK Sg. Pulang has been applied for the "Scheme</p>	<p>The whole comment was referring to Licence No. T3401 Gaat-Mengiong FMU, not to this Licence No.T/3343 Melatai-Para FMU. The person sending the comment has been contacted during the audit through phone call. The person admitted The comment not for this particular licence area.</p> <p>However, based on the record, 2 workers from this community has been employed as cook and dump truck driver.</p>

		<p>Tagang” through the Department of Agriculture Sarawak the approval is still on going.</p> <p>6. Relationship with FMU: Weak definition on forest land rights, leads to tenure conflicts among state, private sector and communities. Weakness of forestry development institutions to address the actual problems on the ground it may escalating the conflict between Logging Operator and communities.</p> <p>7. Suggestions for improvement: Recommendation Forest Management Unit must be clearly demarcated boundary between longhouse and FMU area. FMU should recognize Longhouse perimeter boundary to avoid conflict and land dispute between communities and Logging Operators. Our Sungai Pulang Communities has strongly opposed FMU Licence No T.3041 establishing within Sungai Pulang Area. As the community insist to retain the natural habitat and environment without pollution.</p>	
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Stage 3 Surveillance Audit Plan

DAY	TIME	PROGRAM		
		AUDITOR 1 (Hj.Roslee)	AUDITOR 2 (Annas)	AUDITOR 3 (Ismail)
Travelling Day 1 12th Feb. 2023 (Sunday)	2pm-7pm	All Auditors travel from KLIA to Sibu. Flight No. MH 2718 ETD: 16.15, ETA: 18.20. All Auditors overnight in Sibu.		
Travelling Day 2 13th Feb. 2023 (Monday)	8.00am-5.00pm	All Auditors travel to Melatai- Para Camp.		
Audit Day 1 14th Feb. 2023 (Tuesday)	8.00 am – 1.00 pm	<ul style="list-style-type: none"> • Opening Meeting with representatives of FMU • Briefing session by Forest Manager of the FMU • Q&A Session • Follow up on findings raised during last audit. • Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> ○ Local Communities ○ Government agencies ○ NGOs <p>Documentation and records review</p>		
	2.00 pm – 5.00 pm	<ul style="list-style-type: none"> • Principle 1 – Compliance with Laws and Principles • Principle 5 – Benefits from the forest • Principle 7 – Management Plan 	<ul style="list-style-type: none"> • Principle 2 – Tenure and Use Rights and Responsibilities • Principle 4 – Community Relations and Worker's Right • Principle 8 – Monitoring and Assessment 	<ul style="list-style-type: none"> • Principle 3 – Indigenous Peoples' Right • Principle 6 – Environmental Impact • Principle 9 – Maintenance of High Conservation Value (HCV)

Day 2 15th Feb. 2023 (Wednesday)	7.30 am – 1.00 pm	Site visit <ul style="list-style-type: none"> • Inspection of Active harvesting area. Block 23A Coupe 3, (50%) • Consultation with contractors and workers • Inspection of FMU Licenses • Boundaries- Coupe 2/coupe 6 and salvage logging. • Workshop, Genset, Schedule waste store, quarters. - Camp • Nursery.- Camp 	Site visit <ul style="list-style-type: none"> • Inspection of pre-harvest harvesting area- Block 18A Coupe 3 • Consultation with contractors and workers, • Inspection of PSP- Block 11A3- coupe 14 • Inspection of Central Stumping Site – Camp site, Coupe 2. 	Site visit <ul style="list-style-type: none"> • Inspection of Post-harvesting area- Silviculture treatment – Block 2A, Coupe 3. • Inspection of Coupe Boundaries- Coupe 1/coupe14 • Conservation area. – Water Catchment, RBZ. • HCV- Melatai Saltlick, Coupe1, Block 1
	2.00 pm – 5.00pm			
		Review of Day 2 Findings by Audit Team Leader		
Day 3 16th Feb. 2023 (Thursday)	8.00 am – 1.00pm	<ul style="list-style-type: none"> • Documentation and records review 		
	2.00pm - 3.00pm	<ul style="list-style-type: none"> • Preparation of audit report and finding 		
	4.00pm	<ul style="list-style-type: none"> • Briefing to representatives of FMU on the findings of audit 		
	4.30pm	<ul style="list-style-type: none"> • Closing Meeting and presentation of audit findings and discussion on follow-up activities • Adjourn Closing Meeting • Travel to Kapit, overnight in Kapit/Sibu 		
17th Feb. 2023 (Friday)	9.00am	All auditors Travel to Sibu Airport and Travel back to KLIA flight MH 2717, ETD 19.10, ETA 21.10		