# Surveillance Report 2016

## PT BELAYAN RIVER TIMBER

<table>
<thead>
<tr>
<th>Client number:</th>
<th>813447</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name contact person:</td>
<td>Dr. Untung Iskandar</td>
</tr>
<tr>
<td>Address client:</td>
<td>Gedung Manggala Wanabakti, Ruang 218 B, Blok IV, Jalan Gatot Subroto, Senayan, Jakarta 12410, INDONESIA</td>
</tr>
<tr>
<td>Telephone:</td>
<td>+62 21 572.0204</td>
</tr>
<tr>
<td>Mobile:</td>
<td>+62 813.9277.4654</td>
</tr>
<tr>
<td>Fax:</td>
<td>+62 21 572.0204</td>
</tr>
<tr>
<td>Name/location of forest area:</td>
<td>Forest concession of PT. BELAYAN RIVER TIMBER, East Kalimantan, INDONESIA</td>
</tr>
<tr>
<td>Type of certificate:</td>
<td>Single FMU</td>
</tr>
<tr>
<td>Date of issue of certificate:</td>
<td>28-04-2012</td>
</tr>
<tr>
<td>Certificate registration code:</td>
<td>CU-FM/COC-813447</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date and length of audit:</th>
<th>29th May-1st June 2016 (4 days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of auditor(s):</td>
<td>Mr. Paul Sandys (Lead auditor), Mr. Muhammad Fajar (Local Expert), Mr. Mohammad Faiz Zaini (Local Expert/translator)</td>
</tr>
<tr>
<td>Inspected sites:</td>
<td>Block C Forest Concession of PT. BELAYAN RIVER TIMBER</td>
</tr>
<tr>
<td>Report finalized:</td>
<td>01-09-2016</td>
</tr>
</tbody>
</table>

Certificate issued by: Control Union Certifications  
Address: Meeuwenlaan 4-6  
8011 BZ Zwolle  
Telephone: 0031 (0) 38 426 0100  
Fax: 0031 (0) 38 423 7040  
Email: fsc@controlunion.com  
Website: [http://certification.controlunion.com](http://certification.controlunion.com)  
Certifier (contact person): Mr. Supun Nigamuni
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1. Methodology

Control Union Certifications (CUC), a member of the Control Union World Group is an international inspection and certification body and is accredited by the Forest Stewardship Council (FSC) to carry out audit and certification according to the CUC Forestry Standards. CUC performs inspection and certification in the fields of FSC, organic production, and input, sustainable textile production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP. CUC is also accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and GLOBALGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Audit and certification is carried out in conformity with the procedures as laid down in the Procedure Manual and the program manual for the auditor and certifier. During the audit the qualified CUC auditors use standardised audit forms to record their findings.

Based on the information provided by the auditor and by the client, the certifier reviews and evaluates all information provided and certifies the products when all conditions of the regulations are fulfilled. The result of the evaluation is documented in Chapter 8. Audit work by the auditor and certification by the certifier are clearly separated activities.

2. Report

This report is the result of the findings of a certification evaluation carried out by an independent team of experts representing Control Union Certifications. The purpose of the assessment was to monitor PT Belayan River Timber’s continued conformity with applicable certification requirements of the Forest Stewardship Council (FSC). The report is made in accordance with standard FSC-STD-20-007 v3-0 (Forest management evaluations), FSC-STD-20-007A v1-0 (Forest certification reports) and FSC-STD-20-007B v1-0 (Forest certification public summary reports).

The first part (chapters 1 - 8) is the public summary of the report, which is published on the FSC database of registered certificates (www.fsc-info.org). The full audit report (including the public summary) is sent to the client and contains detailed information about the client’s forest management. The full report can only be reviewed by authorized Control Union and FSC staff and reviewers who are bound by confidentiality agreements.

In case of any complaint or appeal with respect to findings and certification decisions taken by CUC, a dispute protocol and form is available on the CUC website (http://certification.controlunion.com/Publications.aspx?Program_ID=0) and can also be provided on request.
3. Conversion table

Data presented in this report should be in metric system units. If non metric system units are used, the following conversion rates shall be applied.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Imperial</th>
<th>Metric</th>
<th>Imperial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Length</strong></td>
<td></td>
<td><strong>Area</strong></td>
<td></td>
</tr>
<tr>
<td>25.4 mm=0.0254 m</td>
<td>1 inch</td>
<td>6.45 cm²=0.00065 m²</td>
<td>1 sq inch</td>
</tr>
<tr>
<td>1,000 m</td>
<td>39.37 inches</td>
<td>1.000 cm²</td>
<td>0.1550 sq inch</td>
</tr>
<tr>
<td>30.48 cm=0.3048 m</td>
<td>1 foot=12 inches</td>
<td>0.09290 m²</td>
<td>1 sq foot</td>
</tr>
<tr>
<td>1,000 m</td>
<td>3,2808 feet</td>
<td>1.0000 m²</td>
<td>10.764 sq foot</td>
</tr>
<tr>
<td>0,9144 m</td>
<td>1 yard=3 feet</td>
<td>0.8361 m²</td>
<td>1 sq yard</td>
</tr>
<tr>
<td>1,6093km=1609.3m</td>
<td>1 mile</td>
<td>1,0000 m²</td>
<td>1,1960 sq yard</td>
</tr>
<tr>
<td>1,000km</td>
<td>0,6214 mile</td>
<td>2,5900 km²</td>
<td>1 sq mile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,0000 km²</td>
<td>0,3861 sq mile</td>
</tr>
<tr>
<td><strong>Weight</strong></td>
<td></td>
<td><strong>Volume</strong></td>
<td></td>
</tr>
<tr>
<td>28,350 g</td>
<td>1 ounce</td>
<td>0,02832 m³</td>
<td>1 cbc foot</td>
</tr>
<tr>
<td>1 g=0,001 kg</td>
<td>0,035274 ounce</td>
<td>1,0000 m³</td>
<td>35,315 cbc foot</td>
</tr>
<tr>
<td>0,45359 kg</td>
<td>1 pound</td>
<td>0,7646 m³</td>
<td>1 cbc yard</td>
</tr>
<tr>
<td>1 kg</td>
<td>2,2046 ponds</td>
<td>1,0000 m³</td>
<td>1,3080 cbc yard</td>
</tr>
<tr>
<td>1,016 ton</td>
<td>1 long ton</td>
<td>0,56826 l</td>
<td>1 pint</td>
</tr>
<tr>
<td>1,000 ton</td>
<td>0,9842 long ton</td>
<td>1 l=0,001 m³</td>
<td>1,75976 pints</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,546 l</td>
<td>1 gallon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 l</td>
<td>0,21997 gallon</td>
</tr>
</tbody>
</table>
4. Significant changes since last evaluation

4.1 Changes in the scope of the certificate, the management and/or harvesting methods

Certified forest area under scope

<table>
<thead>
<tr>
<th>Name FMU</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Production Natural forest (non-plantation)</td>
</tr>
<tr>
<td>PT. Belayan River Timber</td>
<td>82.372</td>
</tr>
<tr>
<td><strong>Total Area</strong></td>
<td>82.372</td>
</tr>
</tbody>
</table>

Land Cover:
Land Cover based on Landsat Image 22 April 2015, 28 March 2015 and 9 June 2015 is approved by the Director of Forest Resources Inventory and Monitoring in Forestry Planning Directorate with a letter of: S.320/IPSDH-2/2015 (12 October 2015) is:

<table>
<thead>
<tr>
<th>No.</th>
<th>Land Cover</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Primary Dryland Forest</td>
<td>28.333 Ha</td>
</tr>
<tr>
<td>2.</td>
<td>Secondary Dryland Forest (LOA)</td>
<td>54.039 Ha</td>
</tr>
<tr>
<td>3.</td>
<td>Non-forest</td>
<td>1.614 Ha</td>
</tr>
<tr>
<td>5.</td>
<td>Other use</td>
<td>13.514 Ha</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>97.500 Ha</strong></td>
</tr>
</tbody>
</table>

Forest

**Name of forest:**

**Geographical location of FMUs in the scope of the certificate:**

<table>
<thead>
<tr>
<th>Longitude: (E/W)</th>
<th>0° 32’25,20” – 0° 56’03,00”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latitude: (N/S)</td>
<td>115° 29’21,60” – 116° 12’25,20”</td>
</tr>
</tbody>
</table>

**Note:** coordinates should refer to the center of each FMU

**Forest zone:**
### Sustainable rate of harvest of commercial timber: For RKT 2016

<table>
<thead>
<tr>
<th>Timber Class</th>
<th>Botanical (Latin) Name</th>
<th>AAC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meranti group</td>
<td>Dryobalanops aromatica, Canarium spp, Dipterocarpus cadiferus Merr, Shorea collaris, Shorea angustifolia, Shorea parvifolia, Shorea patoensis, Shorea ovalis, Shorea macroptera, Palaquium mangiferum, Lapophetalum mangiferum, Alstonia scholaris</td>
<td>38,544,05 m³</td>
</tr>
<tr>
<td>Mixed Group</td>
<td>Pterospermum javanicum, Vitex pubescen, Octomeles sumatranus, Callophyllum soulatri, Seriethes minahassae, Duabuanga moluccana, Cratoxylon arborescens, Neolamarckia cadamba, Eugenia elliptica, Koordershidendron differsifolium, Koompasia malaccensis, Dacryodes costata, Dialium indum, Litsea Maxima, Myristica iners, Scaphium macropodum, Dillenia excelsa, Artocarpus elasticus</td>
<td>987,07 m³</td>
</tr>
<tr>
<td>Fancy wood Group</td>
<td>Elmerillia stiampaca, Eusideroxylon zwageri, Quercus spp, Nauclea subdita</td>
<td>180.49 m³</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>39.14 m³</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong> 39,731,75 m³</td>
</tr>
</tbody>
</table>

Note: The AAC planned for RKT 2016 has reduced considerably from previous years as the harvesting targets have reduced due to large amounts of logs still in the log yards without attractive market rates.

**Land ownership and use rights**

No changes occurred since the last audit.

**National legislation**

1. East Kalimantan Governor Decree No. 561/K.115/2015 on the 2016 minimum wage of West Kutai Regency
2. East Kalimantan Governor Decree No. 561/K.694/2015 on the 2016 minimum wage of East Kalimantan Province
3. Ministry of Forestry Decree No. P.44/Menlhk-Setjen/2015 on The procedure of Collecting and Deposit of Forest Resources Provision (PSDH), Reposition Fund, Forest Stand Compensation and Forest Management Permit Fee.
4. Ministry of Forestry Regulation No. P.45/Menlhk-Setjen/2015 on Sustainable Forest Production Integrated Information System
7. Director of Sustainable Forest Management Regulation No. P.19/PHPL-SET/2015 on Technical Guidance for Payment of Forest Resources Provision, ), Reboisation Fund, Forest Stand Compensation and Forest Management Permit Fee through “simponi”.

Conflicts
No social conflicts, occurred since previous audit.

Management structures
No changes since previous audit.

Management system
No changes since previous audit.

Harvesting methods or intensity, silvicultural methods used and other important changes relevant to forest management of the certificate holder
The company is active in Block C. In block A no work has started yet, though inventory work has already began.

Operational plans for the next 12 months:
1. TPTI
   - Work Area Establishment (PAK) (Et-3) 2016: 5.246 Ha
   - Inventory before Harvesting (ITSP) for URKT 2017 & URKT 2018: Area 5.246 Ha ; 54 Compartments
   - PWH: Total Road constructions 23.17 km
   - Harvesting:
     - Block Area: 1.220.52 Ha
     - Volume: 39.731 m³
     - Compartments: 12

2. Forest Development
   - Seedling Stocks: Beginning stock 63.142; Final Stock : 17.245
   - Enrichment: Carry over from 2014 & 2015 Block Areal 37.50 Ha; 36 Compartments
   - Rehabilitation: LOA Carry over from 2014 & 2015 Block Area - 56.25 Ha
   - Planting on Road Sides : Location for 2016 Km 111A – 113A ; Areal 20 Ha
Replanting Non Forest: Location Block 2014; Area - 20 Ha
- Maintenance: Enrichment - 37.5 Ha; Rehabilitation: 56.25 Ha

3. Protection, Environmental and Social Management
- Patrol from illegal activities e.g. illegal logging, Hunting, Flora & Fauna
- Warning Signs construction
- Environmental Education to local communities
- Buffer zone area maintenance
- Work Environment: Waste Management
- Local Communities capacity building, local infrastructure construction

4. Research and Development
- Harvesting Impact Monitoring
- Yield, Regeneration Measurement at PSP
- Erosion measurement at LOA

Inventory and harvesting records:
The planned harvest is based on a 100% inventory of the forest stand. Approval of the selected trees for harvesting can be shown. Realization documents, including samples of harvested trees and log stems in the forest, are in line with the approved harvests.

The area to be harvested in 2016 (RKT 2016 and carry over from RKT 2015) is 5,316.15 ha and the volume planned be harvested is 39,731 m³ (Above 50 cm- commercial harvest 38,894 m³, non-commercial due to road constructions etc. 987,07 m³).

By the end of 2015 they have been able to realize 79,487 m³ from the total planned 140,440 m³ (as indicated in the last evaluation report).

Other changes:
No Change since previous audit

4.2 Chemical pesticides used within the forest area since last audit
No chemical pesticides used since last audit.

4.3 Exclusion of areas from the scope of certificate since last audit
No areas excluded since last audit
5. Standards

5.1 Standards used

The standard used for this surveillance audit is the FSC Harmonised Certification Bodies’ Forest Stewardship Standard for the Republic of Indonesia (FSC-STD-IDN-01-01-2013 Indonesia Natural, Plantations and SLIMF EN Harmonised). This standard(s) can be found as an Annex to this report (Annex I) and is also available on the website of CUC (http://certification.controlunion.com). It can also be provided by CUC on request.

Where applicable, CUC shall use the standards in combination with other FSC requirements, such as “Requirements for use of the FSC trademarks by Certificate Holders” (FSC-STD-50-001 Version 1-2), “FSC Standard for group entities in forest management groups” (FSC-STD-30-005 Version 1-0), FSC Policy on “The excision of areas from the scope of certification” (FSC-POL-20-003 (2004)), FSC Policy on “Partial certification of large ownerships” (FSC-POL-20-002 (2000)) and/or FSC Pesticides Policy (2005) (FSC-POL-30-001). All these documents can be downloaded from the FSC website (www.fsc.org) or can be provided by CUC on request.

5.2 Adaptation of the standard since last audit

Not applicable as the standard used for the evaluation being a harmonized standard. The harmonization and the stakeholder consultation was undertaken by FSC itself.

6. The evaluation process

6.1 Audit team and qualifications

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Paul Sandys</th>
<th>Lead auditor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Paul Sandys</td>
<td>Lead auditor</td>
</tr>
<tr>
<td></td>
<td>CUC contracted Lead Auditor for FM and COC.</td>
<td>CUC contracted Lead Auditor for FM and COC.</td>
</tr>
<tr>
<td></td>
<td>Paul holds a masters degree in Forest Management from Aberdeen University.</td>
<td>Paul holds a masters degree in Forest Management from Aberdeen University.</td>
</tr>
<tr>
<td></td>
<td>He previously held the position as Forestry Certification Manager with Control Union UK. Currently, he is the Director of UK Forest Certification Ltd, an independent FSC certified forestry group scheme. Also as Director at Paul Sandys, where he provides technical expertise in forest management, timber marketing, and timber wood based product certification. Paul has working experience of FSC FM since 1999. He has led audits since 2006, in Africa, Asia and Europe.</td>
<td>He previously held the position as Forestry Certification Manager with Control Union UK. Currently, he is the Director of UK Forest Certification Ltd, an independent FSC certified forestry group scheme. Also as Director at Paul Sandys, where he provides technical expertise in forest management, timber marketing, and timber wood based product certification. Paul has working experience of FSC FM since 1999. He has led audits since 2006, in Africa, Asia and Europe.</td>
</tr>
<tr>
<td></td>
<td>Muhammad Fajar</td>
<td>Local expert</td>
</tr>
<tr>
<td></td>
<td>Muhammad Fajar</td>
<td>Local expert</td>
</tr>
</tbody>
</table>
Holds Bachelor degree in Forest Product Technology Management from Bogor Agricultural University (IPB). He is currently working as an Auditor mainly for the Forestry certification programme at Control Union Indonesia. He has 3 years working experience in forestry in Indonesia. Previously he has conducted several audits for FSC FM/CoC, PEFC, SVLK, with Control Union Indonesia.

Muhammad Faiz Zaini  
Local Expert  
Holds Bachelor degree in Forest Management from Bogor Agricultural University (IPB). He is currently working as an Auditor Trainee mainly for the organic certification programme at Control Union Indonesia. He has 1 year working experience as a Forestry Research Assistant, assisting the Faculty of Forestry IPB in several Forestry projects. He previously has joined in a Assistance Program with Perum Perhutani for the Surveillance Audit for FSC FM Controlled Wood.

6.2 Description of surveillance audit

Audit method, including approach to evaluation of management systems

The audit initiated with an opening meeting, where the previous open NCs were discussed/reviewed. The documents were checked along with interviews for the better understanding of the activities carried out and the management system. The field visits were carried out on 29th - 30th May. Interviews were held with respective managers of departments, employees and local stakeholders. On the last audit day the audit closing took place. The audit concluded with the closing meeting held at PT. BRT Main Camp on 1st June During the surveillance audit Principle 2 and 5; Criteria 1.5, 2.3, 4.2, 4.4, 5.6, 6.2, 6.3, 6.9, 8.2, and 9.4 were evaluated.

Sampling system (only applicable for group forest management and multiple FMU’s)
Not applicable: single certificate.

Itinerary

<table>
<thead>
<tr>
<th>Date &amp; time</th>
<th>Activity, Unit, Location</th>
<th>Persons present (See annex III for full list)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 28th</td>
<td>08.00 – 14.30</td>
<td>Travelling from PT RMT to PT BRT, Forestry Service of Mahakam Ulu Regency [stakeholder]</td>
</tr>
</tbody>
</table>
| May 28th    | 20.00                    | Opening Meeting  
                      -Review of open NCs (current status); | CUC Audit Team, BRT Staff |
| May 29th    | 08.00 – 22.00            | Document Check, Review  
                      / interviews with Company Staff. Main topics: | CUC Audit Team, BRT Staff |
Review of open NCs (current status);
changes in the management;
training (overview and registrations);
sales/ volume control/ logo use.
Economical aspects
Management plan

May 29th
15.00 - 16.30
Visit to Logistics Storage, Vehicles Workshop (garage), waste storage
CUC Audit Team, BRT Staff

May 30th
08.00 - 14.00
Field Inspection:
- Harvesting Block 2016
- Buffer zone
- PSP, Erosion Stick/Control
- Rehabilitation ex- extraction roads and ex-landing sites Block 2012, 2013, 2015
- Health Clinic
CUC Audit Team, BRT Staff

May 30th
15.00 - 22.00
Document Review
CUC Audit Team, BRT Staff

May 31th
Document Review, Review of NC’s
CUC Audit Team, BRT Staff

May 31th
Reporting
CUC Audit Team

June 1th
08.00 - 10.30
Closing Meeting
CUC Audit Team, BRT Staff

Additional techniques used for surveillance
Not applicable.

Total number of person days spent on the surveillance audit (=number of auditors participating X number of days spent in preparation* and on-site visit**): 10 days
(3 auditors x 3 days on site + 1 day )

*: including review of documents, interviewing stakeholders
**: excluding travel to and from the region

6.3 Stakeholder issues

<table>
<thead>
<tr>
<th>FSC Principle</th>
<th>Stakeholder comment</th>
<th>CUC response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Compliance with laws and FSC principles</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>2 - Tenure and use rights and responsibilities</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>3 - Indigenous peoples’ rights</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>4 - Community relations and workers’ rights</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>5 - Benefits from the forest</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>6 - Environmental impact</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>7 - Management plan</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>8 - Monitoring and assessment</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>9 - Maintenance of high conservation value forests</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>10 - Plantations</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
<tr>
<td>Chain of Custody</td>
<td>No comments received.</td>
<td>NA.</td>
</tr>
</tbody>
</table>
7. Observations

7.1 Non-conformities and Corrective Action Requests

Minor non-conformity:
- it is a temporary lapse, or
- it is unusual/non-systematic, or
- the impacts of the non-conformity are limited in their temporal and spatial scale, and
- it does not result in a fundamental failure to achieve the objective of the relevant FSC Criterion or another applicable certification requirement.

Minor non-conformities shall be corrected within one (1) year (under exceptional circumstances within two (2) years).

Major non-conformity:
A non-compliance shall be considered major if, either alone or in combination with further non-conformities, it results in, or is likely to result in a fundamental failure:
- to achieve the objective of the relevant requirement of the relevant FSC Criterion, or
- in a significant part of the applied management system.

The cumulative impact of a number of minor NC's may represent a fundamental failure or total breakdown of a system and thus constitute a major NC.

Fundamental failure is indicated by non-conformity which:
- continues over a long period of time, or
- is repeated or systematic, or
- affects a wide area and/or causes significant damage, or
- is indicated by the absence or a total breakdown of a system, or
- is not corrected or adequately responded to by the client once identified.

Major non-conformities shall be corrected within three (3) months (under exceptional circumstances within six (6) months).

The occurrence of five (5) or more major non-conformities in one surveillance audit shall be considered as a total breakdown of the certificate holder’s management system and in those cases the certificate shall be suspended.

7.1.1 Outstanding non-conformities since previous evaluation report

Below an overview is given of the actions taken by the client/certificate holder to correct any NC’s identified at previous evaluations or subsequently and have remained with the status “open” since the last audit. All NC’s identified at previous evaluations or subsequently that have already been closed before can be found in previous evaluation reports.

For each NC a description of its current status is given. In the case a minor NC has not been settled within the given timeframe (i.e. the certificate holder has either not met or has partially met the Corrective Action Request – CAR), it has been upgraded to a major NC. If a major NC has not been settled within the given timeframe, the certificate shall get suspended.
**Report number:** 813447FSC.FM.CUSRPT-2016-01-PS ENG

<table>
<thead>
<tr>
<th>Nº NC: 2015-05</th>
<th>Standard Indicators: 4.3.3</th>
<th>Category: minor</th>
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<tbody>
<tr>
<td>Date found: 21-06-2014</td>
<td>Deadline for correction: 20-06-2016 (12 months from the closing meeting)</td>
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<tr>
<td>Description of indicator:</td>
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<tr>
<td>Workers shall be given information and access to participate in decision-making process that may affect their working terms and conditions</td>
<td></td>
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<tr>
<td>Description of non-conformity:</td>
<td></td>
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<tr>
<td>The Worker Union raised concerns, but complaint records did not clearly show the current status. Further it was not clear how the company communicates to the complainant after receiving comments.</td>
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<tr>
<td>Corrective action request:</td>
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<tr>
<td>It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.</td>
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<tr>
<td>Evidence received, and analysis of corrections and corrective actions provided for NC closure:</td>
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<tr>
<td>Employees have a maximum of 28 days [including travel days per year. Government regulations state 12 days per year. The company allowed up to 14 days, but some workers returned up to 20 days late. An example was followed up, the company issues an Surat Ijin Bepergian [SIB] this is a permit to travel, with the agreed days e.g. 14 days is the maximum in any calendar 6 month period. Workers who returned late demanded full payment for the missing days. The company refused to pay, and the Union was involved. n. The Union [SP BRT Worker] is specifically for the Belayan River company, and the Company could not reach an agreement.. The Company sought guidance from who the regional Ministry office of Labour &amp; Transmigration Office at Kutai Kartanegara. The Ministry confirmed that he company had the right to cut the payment, the worker was advised of the outcome. Communication between the Company and the Ministry was reviewed and a copy taken. Union representative confirmed all workers fully understand the approach taken, and in fact it is specified in the SIB. <strong>Evidence:</strong> Ministry office of Labour &amp; Transmigration Office at Kutai Kartanegara - letter dated 12.11.2015 Ref: 567/1320/1.5.1/11/2015 TALK UNION REP</td>
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<tr>
<td>Status: CLOSED 01.06.2016</td>
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<table>
<thead>
<tr>
<th>Nº NC: 2015-07</th>
<th>Standard Indicators: 6.2.1</th>
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<td>Date found: 21-06-2014</td>
<td>Deadline for correction: 20-06-2016 (12 months from the closing meeting)</td>
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<tr>
<td>Description of indicator:</td>
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<tr>
<td>Rare threatened and endangered species and their habitats (e.g. nesting and feeding areas) that are present or are likely to be present within the FMU shall be identified and listed using the best available expertise and information available (e.g. IUCN red list and government regulation PP no. 7/99).</td>
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<tr>
<td>Description of non-conformity:</td>
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<tr>
<td>The list of species and their IUCN status has not been updated since the HCVF consultation report in 2011. Monitoring data shall state the scientific names, rather than the local names.</td>
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<tr>
<td>Corrective action request:</td>
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<tr>
<td>It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.</td>
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<tr>
<td>Evidence received, and analysis of corrections and corrective actions provided for NC closure:</td>
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</tr>
<tr>
<td>The data collection regarding key fauna is based on the SOP Vegetation and wildlife monitoring which consist of work methods, species, coordinates, and calculation of species diversity, population density and population trends. They have an updated IUCN Red list 2015 V-4 key species of flora fauna in the FME. There has also been communication with TNC [NGO Nature Conservation], BOS [Borneo Orang utan Survival Foundation]. <strong>Evidence:</strong> SOp Vegetation and Wildlife Monitoring Fauna monitoring Report Pre and Post Harvesting. Updated IUCN Red list 2016 on Flora and Fauna 30.05.16. Evidence of communication with TNC/BOS. Pre-&amp;Post Harvest Monitoring wildlife Sublok687 [2013 harvesting]/688 [2015 harvesting] March 2016.</td>
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<td>Status: CLOSED 01.06.2016</td>
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</table>
### Nº NC: 2015-08  
**Standard Indicators:** 6.2.8  
**Category:** minor

**Date found:** 21-06-2014  
**Deadline for correction:** 20-06-2016 (12 months from the closing meeting)

**Description of indicator:**
The FME shall have systems in place in order to ensure that all measures are taken against illegal or unauthorized hunting, fishing, trapping or collection within the FMU.

**Description of non-conformity:**
The new employees (working since 1.5 months) have not been clearly instructed and monitored on the limitation of hunting; a small deer was observed to have been hunted.

**Corrective action request:**
It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.

**Evidence received, and analysis of corrections and corrective actions provided for NC closure:**
The company reached an agreement with local village leader to confirm that hunting of such non-authorised species was not permitted. The contract worker concerned, and the Contractor body have since ceased to work for the company. A termination contract is held between BRT and the Contractor [Ami], this was signed and dated 25-11-15.
There was evidence of communication of illegal activity consultation and through monitoring patrols. **Evidence:** Agreement between local communities and BRT regarding illegal hunting 8-11-2025. AMI Termination of Contract agreement 25.11.15. These measures are considered sufficient to prevent reoccurrence.

**Status:** CLOSED 01.06.2016

### Nº NC: 2015-09  
**Standard Indicators:** 6.3.1  
**Category:** minor

**Date found:** 21-06-2014  
**Deadline for correction:** 20-06-2016 (12 months from the closing meeting)

**Description of indicator:**
The forest manager shall have site-specific data or published analyses of local forest ecosystems that provide information on the FMU with regards to:
- Regeneration and succession;
- Genetic, species and ecosystem diversity; and,
- Natural cycles that affect productivity.

**Description of non-conformity:**
Not all species groups are identified, e.g. fish, amphibians, flora (non-tree), insects (see also NC 7.1.9.)

**Corrective action request:**
It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.

**Evidence received, and analysis of corrections and corrective actions provided for NC closure:**
Detailed IUCN lists are held of species. HCFV species are identified in the 10yr MP [RKU]. REVIEW RKU. Monitoring is carried out before and after harvesting on a sample basis [Andyaka Artha - Section Chief], two example detailed reports were reviewed for Sub-Blok 687 & 688 December 15. 21 cpts were cut during 2015, the above 2 were monitored in detail. Plots are randomly sampled two per year, this is a part of it. **Evidence:** Pre-&Post Harvest Monitoring wildlife Sublok687 [2013 harvesting], & 688 [2015 harvesting] March 2016. IUCN Red data list.

**Status:** CLOSED 01.06.2016

### Nº NC: 2015-10  
**Standard Indicators:** 6.7.4  
**Category:** Major

**Date found:** 21-06-2014  
**Deadline for correction:** Prior to lifting suspension

**Description of indicator:**
Fuel tanks and stores shall be located so that spillages from damage, defects or refueling shall not enter
Report number: 813447FSC.FM.CUSRPT-2016-01-PS ENG

**watercourses**

**Description of non-conformity:**
Prevention and collection of leaking oil is not sufficient installed at generators at both forest camps, consequently small amounts of oil can leak into the soil or water.

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.

**Evidence received, and analysis of corrections and corrective actions provided for NC closure:**
Oil leakage measures for the generators at both camps can be confirmed. Notices are erected at each site, and oil trap has been installed.

*Evidence:* Generator Notices and photo evidence at both camps.

Although the particular issue is settled the NC not settled as repeated findings on raised under 2016-04 for the same criterion which demonstrates that the company has not implemented corrective action across organization. To be settled upon closure of NC 2016-04

**Status:** OPEN

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**Nº NC:** 2015-12  
**Standard Indicators:** 7.1.9  
**Category:** minor

**Date found:** 21-06-2014  
**Deadline for correction:** 20-06-2016 (12 months from the closing meeting)

**Description of indicator:**
The management planning and/or supporting documents include plans for the identification and protection of rare, threatened and endangered species (see also Criteria 6.2, 6.3, 6.4, 9.3).

**Description of non-conformity:**
The company does not have an overview of all rare, threatened and endangered species (the list is mentioning tree species, mammals and birds, but no other groups such as fish, amphibians, insects, flora (non-tree species). There is no SOP showing how all endangered species shall be identified before harvesting (see also 6.2.1 and 6.3.1).

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.

**Evidence received, and analysis of corrections and corrective actions provided for NC closure:**
The data collection regarding key fauna is based on the new [August 2015] concerning SOP Vegetation and Wildlife monitoring consisting of work methods, species, coordinates, and calculation of species diversity, population density and population trends. Additionally the FME is informed of species through holding details of the current IUCN Red list 2015 V-4 key species of flora fauna. is held in the FME. There is SOP on monitoring pre/post harvesting to assess species before and after.


**Status:** CLOSED 01.06.2016

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**Nº NC:** 2015-13  
**Standard Indicators:** 7.3.4  
**Category:** minor

**Date found:** 21-06-2014  
**Deadline for correction:** 20-12-2015 (6 months from the closing meeting)

**Description of indicator:**
All workers (including contractors and their workers) shall be supervised to ensure that they implement their tasks effectively and safely, and the FME itself monitors the quality of their work.

**Description of non-conformity:**
There is no clear feedback mechanism from the monitoring back to the operational and planning division, e.g.:
- Mistakes in road construction have not been structurally communicated to the road planning team;
- Mistakes in inventory are not structurally shared with the 100% inventory team.

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have...
been carried out on the causes of this NC to minimize recurrence.

### Evidence received, and analysis of corrections and corrective actions provided for NC closure:

Documents received on 13-12-2015:

1. SUPERVISI ITSP DAN PWH.zip (supervision on pre-harvest inventory and forest opening), contains 15. SOP PENGAWASAN DI BLOK TEBANGAN.docx (SOP for harvesting block supervision) and SUPERVISI ITSP DAN PWH.pdf (report of supervision on pre-harvest inventory and forest opening).
2. SUPERVISI DI PETAK PANCANG.zip (supervision on monocable block); contains PENYEGARAN PANCANG DI CAMP TARIK ATAS.docx (minutes of socialization to monocable team), supervisi penyaradan Pancang.pdf (Socialization activity report), and DAFTAR HADIR PENYEGARAN OP TRAKTOR.pdf (socialization attendance list for tractor operators).

OP for working performance monitoring now available, as well as reports and follow-up actions. The SOP describes responsibilities and supervision mechanism in details, which applies also for the monocable team. The monocable team as well as tractor operators has been socialized to make them aware of the supervision mechanism.

Based on the informations received, this NC can now be closed.

### Verification during the audit:

#### Roading:
An investigation/report into the road planning was carried out by the Camp, Production, and Planning Manager. This revealed that the mistake was made at the planning stage [rocks were not detected] and during road construction the Production Manager who amended the road line identified this. This led to additional information being included into the existing SOP Road Planning.

#### Inventory:
Based on the ITSP 2015 evaluation report for sub Blok 689, it was found that there were a number of mis-measurements of diameter, species and numbering of trees on the ITSP Map. There followed a training meeting of the Inventory surveyors/workers [timber cruisers] and of monitoring results which were compiled into a report, about the findings, and to re-inform them that SOP Timber Cruising [inventory] must be strictly followed. There was follow monitoring of the inventory teams.

**Evidence roading:** Investigation report dated 4.06.15. SOP Road Planning.

**Evidence inventory:** Training meeting for Timber Cruisers/Surveyors/Planning Manager Report 15.11.2015. ITSP 2015 evaluation report for sub Blok 689 SOP Road Planning. Monitoring of Workers.

### Status:
CLOSED 14.12.2015

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<table>
<thead>
<tr>
<th>Nº NC: 2015-14</th>
<th>Standard Indicators: TK 1.1S</th>
<th>Category: minor</th>
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<tbody>
<tr>
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<td>21-06-2014</td>
<td>Deadline for correction: <strong>20-12-2015</strong> (6 months from the closing meeting)</td>
</tr>
</tbody>
</table>

**Description of indicator:**
The use of the FSC “checkmark-and-tree” logo shall be directly accompanied by the trademark symbols ® or ™ (in superscript font). The symbol, which represents the registration status of an FSC trademark in the country in which FSC certified products or materials are to be distributed, is an intrinsic part of the logo. The appropriate symbol shall also be added to “FSC” or “Forest Stewardship Council” for the first use in any text.

**Description of non-conformity:**
The company is using the old ™ trademark symbol and has not changed this to the ® symbol as required since the beginning of 2015.

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence.

### Evidence received, and analysis of corrections and corrective actions provided for NC closure:

7.1.2 Identified non-conformities during present evaluation

Non-conformities (NC’s) identified during this Surveillance evaluation are listed below. In case the client has provided sufficient evidence during the audit process (i.e. before the report was closed), the status of the NC is set on closed. In all other cases the NC has to be closed within the given timeframe.

Each element (indicator) of the Standard is evaluated by means of a checklist. Please refer to the annexed checklist for details (Annex 1, confidential part).

<table>
<thead>
<tr>
<th>N° NC: 2016-01</th>
<th>Standard Indicator: 4.2.3, 4.2.4, 4.2.8</th>
<th>Category: MAJOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date found:</td>
<td>Deadline for correction: Prior to lifting suspension</td>
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<tr>
<td>1.06.2016</td>
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**Description of indicator:**

4.2.3: Workers (staff and contractors) shall be provided with safety equipment in good working order, appropriate to the tasks of workers and the equipment used.

4.2.4: Workers shall be prohibited from working without the personal protective equipment that has been provided.

4.2.8: An effective first aid programme shall be in place, including worker training in basic first aid and the provision of readily accessible first aid kits with up to date supplies.

**Description of non-conformity:**

4.2.3: Workers are required to be provided with all safety equipment by the FME. If a worker needs equipment he will ask the Human Resources Manager. Discussion with the Certification Manager and through field verification interviews revealed that not all workers are currently fully equipped with PPE [e.g. one or more of - trousers, boots, shirt, helmet, hi-vis vest, gloves, goggles, mask - as appropriate to their task]. The reason given was linked to a new administrative ordering procedure from Head Office.

4.2.4: PPE was observed to worn by some workers. However owing to shortages, PPE was either not being worn and in some cases had not been provided to workers. Workers are permitted to work by the field foreman and FME Manager without the PPEs. Monitoring of workers is therefore considered to be ineffective. There was an admission that the FME is short of some management staff.

4.2.8: Workers are aware of safe practices through in house H&S training according to RIL [Reduced Impact Logging] guidelines covering H&S and Environment. In house training is based on documents prepared for both RIL and H&S with a record of those receiving training at the back of the documents used [a training list for all training was compiled during the audit]. Certification/Camp Manager communicated that there is currently a lack of available kits. The Medical Officer, and field inspections by the audit team, confirmed that workers in the field do not hold 1st Aid kits.
This is a repeat Major NC linked to previous NCs 2013-5, 2014-01, 2015-04 and therefore considered as a breakdown at the criterion level where previous corrective actions taken demonstrates insufficient. Certification is suspended as a result.

Corrective action request: It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]

Evidence received, and analysis of corrections and corrective actions provided for NC closure:
4.2.3, 4.2.4: Documents received on 5th July 2016:
1. penerimaan sepatu produksi.jpg (safety shoes receipt)
2. MONITORING APD BENGKEL.pdf (Workshop's PPE monitoring record)
3. Monit APD 13 JUN.pdf (PPE monitoring record on 13th June)
4. MONIT APD 20 JUN.pdf (PPE monitoring record on 20th June)
5. MONIT APD 27 JUN.pdf (PPE monitoring record on 27th June)

Document received on 5th July 2016:
1. POS SYSTEM MONITORING PENGGUNAAN APD 270716.pdf (SOP for PPE Monitoring)
2. KRITERIA APD RUSAK MASIH BISA PAKAI.pdf (criteria for inappropriate PPE)

From the documents received, it was observed that BRT has put efforts to replace all inappropriate PPEs. They are continuously replacing inappropriate PPEs with new ones. Some used PPEs are not replaced, with the proper justification.

Conditions/appropriateness of PPEs are being monitored regularly by the supervisors/managers, along with monitoring of work quality. The results are then reported weekly.

4.2.9: Document "pembagian kotak pppk" (first aid kit distribution) were received on 23-08-2016.

Document "PEMERIKSAAN ISI KOTAK PPPK.pdf" (First Aid Kit checking report) were received on 27-08-2016.

The FME has analyzed the root cause on why the NC was raised. As an effort to settle it, the FME has distributed first aid kits to various field staffs. A monitoring system is also in place, including replacement procedure and responsible persons appointments. The First Aid Kit pack contents are medicinal cottons, bandages, band-aids, alcohol swabs, antiseptics, foldable scissor, pins.

Documented evidence is sufficient however to be further verified during an NC verification prior to lifting suspension.

Status: OPEN

<table>
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<tr>
<th>Nº NC: 2016-02</th>
<th>Standard Indicator: 4.4.1</th>
<th>Category: Minor</th>
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<tr>
<td>Date found:</td>
<td>1.06.2016</td>
<td>Deadline for correction: 12 months from date of closing meeting or prior to Re-evaluation</td>
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</tbody>
</table>

Description of indicator:
There shall be systems in place that provide an evaluation of the social impact, appropriate to the size and intensity of their operations that:
- Identifies affected groups
- Includes consultation with affected groups
- Identifies the main impacts of the operation on those groups
- Specifies measures to ameliorate identified negative impacts
### Non-conformity Description:
There is evidence of active communication with village communities in planned and active working blocks. A social management plan is in place, and an SOP SIA [social impact activities] is available. There is also a register of social related activities. However, the SIA report for the whole FME was last completed in 2012. The SOP requires that the SIA is conducted annually for all villages. The practice has been to consult with villages the year before a Blok is worked. NC is graded as Minor as this is the first time this issue has been highlighted.

### Corrective Action Request:
It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]

### Evidence received, and analysis of corrections and corrective actions provided for NC closure:

**Status:** OPEN

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<th>Nº NC: 2016-03</th>
<th>Standard Indicator: 6.3.3</th>
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<td>Deadline for correction: 12 months from date of closing meeting or prior to Re-evaluation</td>
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<td>1.06.2016</td>
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**Description of indicator:**
Where degraded sites are identified in the FMU, the silviculture and/or management systems shall include a program for the restoration of these sites.

**Description of non-conformity:**
The company adopts the TPTI [Indonesian Selective cutting] silvicultural system. The system relies on natural regeneration and only allows enrichment planting for land rehabilitation [e.g. log landings, skid roads] due to soil compaction and or erosion. FME managers demonstrate awareness and understanding of implementing TPTI in the field. The programme for restoration follows TPTI [3 month inspection after planting, followed by 6 monthly inspections up to 3 years from planting date]. The majority of reinstated sites observed in BLOK 2012 had stocking levels of 50% or less. Other more recently worked Bloks [under 3 years] exhibited similar stocking levels. This raises questions whether methods used to ensure that adequate stocking is achieved are working properly. There does not appear to be a system in place to ensure that adequate reinstatement is achieved at the end of the 3 yr monitoring period.

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]

### Evidence received, and analysis of corrections and corrective actions provided for NC closure:

**Status:** OPEN

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<th>Nº NC: 2016-04</th>
<th>Standard Indicator: 6.7.2, 4</th>
<th>Category: MAJOR</th>
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<td>1.06.2016</td>
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**Description of indicator:**
6.7.2: There shall be a documented system in place for collecting and keeping such waste safely, and for safe transportation to the listed locations (see 6.7.1) for disposal.

6.7.4: Fuel tanks and stores shall be located so that spillages from damage, defects or refuelling shall not enter watercourses
**Description of non-conformity:**

6.7.2: Camp waste is stored outside of the camp in an isolated landfill site. Waste oils are not stored/contained adequately. Waste oil is stored away from the immediate vicinity of watercourses within the camp, but there is no containment around the storage area to prevent leakage. If leakage occurs from the tanks, it was explained that sand is added, then dug up and buried to the side of the storage tank. There was evidence of contaminated soil on a downslope from the machinery workshop area, approximately 3 metres from a flowing watercourse. The workshop yard area showed signs of oil having previously drained/washed into the same area. There were no oil containment measures in place for the workshop area.

6.7.4: Main Camp - inspection of machinery workshop and immediate vicinity confirmed that there is no proper adherence to the SOP on waste management, concerning the refuelling station/fuel tanks, sited within 3 metres of a flowing watercourse. A diesel fuel hose [used for refuelling] was seen running slowly - it was concluded that fuel would enter the watercourse having drained into the soil. This raises questions concerning the worker attitudes at the Camp(s) and training/monitoring received from FME managers [the fuel storage area was later re-visited, the hose was observed to have been turned off].

This is a repeat Major NC linked to previous NCs 2013-10, 2014-04, 2015-10 and therefore considered as a breakdown at the criterion level where previous corrective actions taken demonstrates insufficient. Certification is suspended as a result.

**Corrective action request:** It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]

**Evidence received, and analysis of corrections and corrective actions provided for NC closure:**

6.7.2: Document received on July 1st 2016: PENGELOLAAN LIMBAH BRT(JUNI 2016).pdf

It was seen from the document that BRT has put efforts to improve their oil management in the workshop. They have cleared the polluted soil at the front side of the workshop, and then dispose the polluted soil into a pit. They are also constructs culverts at the workshop area to prevent direct contamination of the watercourse, also oil traps and solid flooring to prevent direct contact if any leakage occurs. To further improve their efforts, they also conduct socialization to all workshop workers, to improve their awareness of oil waste management.

6.7.4: Documents received on 22-08-2016:
1. PENCEGAHAM PENCEMARAN SOLAR.docx (NC analysis and efforts made to settle NC)
2. P.O.S Pemeriksaan Tangki Edisi 3..docx (3rd edition SOP for oil tank inspection)

A comprehensive analysis has been done by the FME with regards to this NC. They have identified the root cause (under clause C: lack of awareness from the stationed personnels, lack of understanding in FSC indicator 6.7.4), as well as corrections made (under clause D: a dedicated container has been built to contain oil-contaminated soil, fuel hose replacement and solid flooring).

Corrective actions (under clause E) has also been made, as well as supportive actions (under clause F) to prevent reoccurrence. Socialization on the importance of preventing oil contamination has been given to personnels stationed at the refuelling stations, and each personnels are given a copy of oil tank inspection SOP. Concrete flooring with oil traps has been constructed in the refuelling station, as well as dikes which acts as protective barriers to the nearby watercourse.

Although the comprehensive analysis and efforts has been made to close this NC, a field visit is required to determine the effectiveness of the actions.

**Status:** OPEN
Nº NC: 2016-05  Standard Indicator: 8.3.3  Category: MAJOR
Date found: 1.06.2016  Deadline for correction: Prior to lifting suspension

Description of indicator:
Sales invoices and other documentation related to the sale, shipping and transport of certified products shall include the chain of custody certificate code in the correct format (e.g. CB Name-FM/COC-XXXX).

Description of non-conformity:
FSC invoices are raised only for customers requiring FSC products, invoices include 'FSC' in the reference. FSC invoices seen do not comply with FSC-STD-40-004 v2.1 clause 6.1.1. Invoices incorrectly state the FSC 'claim'. e.g. All products are 'FSC Certified (100%)' and the second invoice states ...'FSC Certified'. A delivery document must also be demonstrated.

Corrective action request: It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]

Evidence received, and analysis of corrections and corrective actions provided for NC closure:
Documents received on June 30th 2016:
1. CONTOH BAST KB BRT 2016.pdf (sample of round wood receipt document)
2. CONTOH INVOICE BRT.pdf (sample of BRT invoice document)
3. POS Pembuatan Invoice PT.BRT.pdf (SOP for invoicing)

It was observed from the documents received that BRT is now in compliance. In the invoice, they are now using "FSC 100%". They have integrated this in their SOP (page 2, Clause F.7), stating that FSC-STD-40-004 V2.1 and FSC-STD-50-001 has been incorporated in the the SOP.

As a conclusion, This NC can be settled.

Status: CLOSED 01-07-16

FSC Trademark; FSC-STD-50-001 v1.2

Nº NC: 2016-06  Standard Indicator: TMK 1.15  Category: MAJOR
Date found: 1.06.2016  Deadline for correction: Prior to lifting suspension

Description of indicator:
The use of the FSC “checkmark-and-tree” logo shall be directly accompanied by the trademark symbols ® or TM (in superscript font). The symbol, which represents the registration status of an FSC trademark in the country in which FSC certified products or materials are to be distributed, is an intrinsic part of the logo. The appropriate symbol shall also be added to “FSC” or “Forest Stewardship Council” for the first use in any text. The registration status of the FSC trademarks for the respective country is listed in Annex 1

Description of non-conformity:
The incorrect registered trademark appears after the letters ‘FSC’ on invoices, even though this is not a requirement of the clause. This use is not intended considered a promotional use. NC graded as Major as a repeat failing.

Corrective action request: It shall be guaranteed that this NC is corrected and corrective action(s) has/have been carried out on the causes of this NC to minimize recurrence [in exceptional cases additional text may be added to this CAR, provided that no advice is given]
Evidence received, and analysis of corrections and corrective actions provided for NC closure:
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As a conclusion, This NC can be settled.

**Status:** CLOSED 01-07-16

### 7.2 Observations

**Observations:**
The early stages of a problem which do not of itself constitute a non-conformity, but which the auditor considers may lead to a future non-conformity if not addressed by the client. Therefore an observation concerns a warning signal on a particular issue that, if not addressed, could turn into an NC in the future.

<table>
<thead>
<tr>
<th>Nº Obs:</th>
<th>Standard indicator: 4.2.5: All tools, machines, and equipment, including personal protective equipment shall be in safe and serviceable condition.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-1</td>
<td>Date found: 1.06.2016</td>
</tr>
<tr>
<td>Description of observation: Tractors and Lorries are serviced according to hours clocked. Service Schedule permanent whiteboards were seen in the Machinery shop at the Main Camp. It is evident that regular servicing is performed to ensure longevity of vehicles. Vehicles transporting workers are also maintained. Condition of PPE was observed on site visits to be serviceable. Vehicles transporting workers are in working order, although it was observed that condition of many vehicles appeared to require some maintenance, it was reported that vehicles do break down and workers are sometimes delayed getting to and back from the field.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nº Obs:</th>
<th>Standard indicator: 4.2.9: There shall be a written emergency plan in case of serious injury to any forest worker or contractor, and which includes provision for timely evacuation to an appropriately equipped medical facility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2</td>
<td>Date found: 1.06.2016</td>
</tr>
<tr>
<td>Description of observation: The Medical Office explained that the procedure at the FME is first to transfer the worker to the FME Health Post for assessment, if treatment cannot be provided, worker is transferred to nearest City [Long Bagun], where there is a polyclinic, if necessary, onward transfer is arranged to either Samarinda, or Sendawar, where there are hospitals. SOP for Emergency Situations &amp; SOP for Accident Treatment are available however, the Medical Officer was</td>
<td></td>
</tr>
</tbody>
</table>
not aware of the existence of these SOPs’. Observation is raised because there is a clear procedure in place and understood by relevant staff.

<table>
<thead>
<tr>
<th>Nº Obs: 2016-3</th>
<th>Standard indicator: 5.3.3 Harvested and processed wood and/or other products processed on-site shall be transported from the forest before any deterioration occurs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date found:</td>
<td>1.06.2016</td>
</tr>
<tr>
<td>Description of observation:</td>
<td>There are high levels of log stocks c. 60,000.00 cu m, in the log yards as a result of a reported low market price. Logs are transferred to log yards in a timely manner to avoid deterioration. However, there is a risk of log degrade but measures are in place to debark logs to maintain values.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nº Obs: 2016-4</th>
<th>Standard indicator: 7.2.5 The management planning reviewed at least every five (5) years shall be updated with the results of monitoring.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date found:</td>
<td>1.06.2016</td>
</tr>
<tr>
<td>Description of observation:</td>
<td>The original plan dates from 2011. The review process is underway and expected to be completed by the end of 2016. Communications have already commenced with Ministry of Forestry and Agriculture, Samarinda Provincial office.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nº Obs: 2016-5</th>
<th>Standard indicator: 9.4.3 FME shall be aware and actively monitor research developments which might contribute to management of HCVFs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date found:</td>
<td>1.06.2016</td>
</tr>
<tr>
<td>Description of observation:</td>
<td>TNC [The Nature Conservancy] an NGO, have previously provided training to BRT. TNC have offered a training proposal in early April 2016, but so far the company has not yet replied to TNC to arrange training and therefore the FME may fail to be fully aware of any new developments to manage HCVFs.</td>
</tr>
</tbody>
</table>

### 7.3 Issues hard to assess
None.

### 7.4 Possible issues related to the adaptation of the locally adapted standard
(only applicable in case a CUC locally adapted standard has been used)
None.
8. Certification proposal

8.1 Statement

The forest management system, procedures, and techniques of PT Belayan River Timber have been assessed by CUC according to the standard(s) described in chapter 5 of this summary. In the opinion of the lead auditor:

☐ PT Belayan River Timber is in continued conformity with the certification requirements (all NC’s are closed), and certificate should be maintained

☐ PT Belayan River Timber is in conformity with the certification requirements, and certificate should be maintained provided that open NC’s are closed within the given timeframes as mentioned in section 7.1

☒ PT Belayan River Timber is not in conformity with the certification requirements due to repeated nature of non-conformities and certificate should be suspended

Note: the occurrence of five or more major non-conformities in one surveillance evaluation shall be considered as a total breakdown of the company’s management system and the certificate shall be suspended.

Date of certification: 28-04-2012

Expiry date of certificate: 27-04-2017

8.2 Conditions for certification

Once certified, PT Belayan River Timber will be audited at least annually to monitor its continued conformity with all applicable certification requirements. PT Belayan River Timber will also be required to fulfill all the corrective actions (if applicable) within the given timeframes, as mentioned in section 7.1.