



**PUBLIC SUMMARY
SURVEILLANCE 1 AUDIT REPORT (2017) ON
BORNION TIMBER SDN BHD FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 00113
Date of First Certification: 13 Jan 2017
Audit Date: 5-7 DEC 2017
Date of Public Summary: 27th December 2018**

Certification Body:

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EXECUTIVE SUMMARY

The Surveillance 1 audit for forest management certification on the Bornion Timber Sdn Bhd FPMU was conducted from 5-7 Dec 2017. This audit was conducted after the FPMU being certified for MC&I Forest Plantation.v2 standard using the verifiers stipulated for Sabah during the Stage 2 audit from 26-29 April 2016. The audit was conducted with the full cooperation of the Bornion Timber Sdn. Bhd. by two-member team comprising Khairul Najwan Ahmad Jahari (Lead Auditor) and Ismail Adnan Abdul Malek.

The Forest Plantation Management Unit (FPMU) covers area of 58,512.77 ha and Natural Forest Management Unit (FMU) covers area of 40,645.5 ha of the total FMU 11 area respectively. The scope of the audit was limited to the forest plantation management system and practices of the Plantation Forest area within the Sook District, Keningau, Sabah. The audit involved the verification of documentations and field visits and inspections. There were also consultations being held with the relevant indigenous settlements near to FPMU.

In general, the findings of this Surveillance 1 audit have indicated that the Bornion Timber FPMU had complied with most of the requirements of the MC&I Forest Plantation.v2 despite the issuance of total two (2) Major Non-Conformance Report (NCRs) on the Bornion Timber FPMU, against the requirements of the MC&I Forest Plantation.v2. During the Surveillance 1 audit, audit team had also verified on the implementation and correctives action taken by the The Bornion Timber Sdn. Bhd. - FPMU 11, 2 Minor NCRs closed, 1 NCR upgraded to Major Non-Conformance Report NCRs as raised during Stage 2 audit.

The Audit Team Leader after consultation with team members recommends that certification of Bornion Timber Sdn. Bhd. - FPMU 11 against the MC&I Forest Plantation.v2 to continue to be certified conditional upon acceptance of corrective action plans and evidence of implementation for 2 Major NCRs within three (3) months from the date of the Surveillance 1 Audit.

The Bornion Timber Sdn. Bhd. - FPMU 11 had submitted corrective action plans on 4th January 2018 which has been accepted by the audit team leader. The last evidences of corrective action taken for Major NCR was received on 27th February 2018, and has been accepted and closed on 7th March 2018

2 INTRODUCTION

2.1 Name of FMU

Bornion Timber Sdn Bhd

2.2 Contact Person and Address

Timothy Pan
Operations Manager
3rd Floor, lot 16-18, Block K
Jalan Ikan Juara Satu, Sadong Jaya
Karamunsing, 88000 Kota Kinabalu
Sabah
Phone #: 088-240111
Fax #: 088-240112
E-mail: tim@bornion.com

2.3 General Background on the Lana Reforestation FPMU

Bornion Timber Sdn. Bhd. (BTSB) had signed a Sustainable Forest Management Licence Agreement 03/97 (SFMLA 03/97) with the Sabah State Government on 10th September 1997 to establish and maintain 98,984.60 ha of Forest Management Unit (FMU 11) located in Sg. Milian Forest Reserve (Block A) and Part of the Sapulut Forest Reserve (Block B) in Sook District, Keningau, Sabah, for a period of 100 years. The FMU 11 had been split into two separate management units of Natural Forest and Forest Plantations. The Forest Plantation Management Unit (FPMU) covers area of 58,512.77 ha and Natural Forest Management Unit (FMU) covers area of 40,645.5 ha of the total FMU 11 area respectively.

However, the certified Forest Plantation Management Unit (FPMU) managed by Bornion Timber Sdn. Bhd. covers an area of 25,536.71 ha, which is part of the 58,512.77 ha of FPMU 11 areas. It is located at longitudes approximately 116° 15' E to 116° 50' E and latitudes 4° 40' N to 5° 30' N. The certified forest plantation area only covers limited areas as in Table 1 below. Other compartments that not listed in the table were not certified due to conversion after year 2010 as compliance of indicator 6.10.1 in MC&I (Forest Plantation) V2.

The forest types of the FPMU prior to 1997 consisted mainly of Lowland Mixed Dipterocarp Forest, Upland Mixed Dipterocarp Forest, Upland Mixed Dipterocarp Forest and Kerangas Forest with small areas of Limestone Forest and Heath Forest. Repeated re-entry in the past had resulted in low stocking and this was aggravated with 13,500 ha were damaged by fire following the severe drought occurring in 1998. In addition, 5% to 15% were affected by shifting cultivation.

The plantation was started in 2007 with *Hevea brasiliensis*. To date, the main product extracted from the FPMU at present is latex. Latex and Latex Cup Lump collections are being carried out in the FPMU although no logging of rubber trees are done yet. The planned Latex and Rubber Cup Clump harvesting substantial in the planning period 2012 to 2021 was addressed in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11, (Revised April 2016). The planned harvesting for rubber timber products beginning year 2029 was also

addressed. Currently, the forest operations involved activities such as slashing, spraying and manuring.

Table 1: Areas covered in the audit

Forest Plantation Management Unit	Audit Scope	Area
Bornion Timber - FMU11	Main Office of Bornion Timber Sdn Bhd	3rd Floor, Lot 16-18, Block K, Jalan Ikan Juara Satu, Sadong Jaya, Karamunsing, 88000 Kota Kinabalu, Sabah, Malaysia
Bornion Timber - FMU11	Ulu Sg. Milian Forest Reserve	Compartment: 2,4,5A,10A,11A,8,9,12,13,14,50,49,51, *52,53,54,56,*57,*58,60,61,62,85,86,87,88,89,44,4 5,64,65,66,77,78,79,80,81,82,123,125, 127, 128, 142, 143, 144, 145, 146, 147, 148, 149, 152, 153, 154, 155, and 162. *Acacia (800.20ha)
	Sapulut Forest Reserve	Compartment: 177, 181,182 and 189
	Settlement within FPMU	Kg Wawasan – in Compartment 59
	Village adjacent/near to the FPMU	Kg Batu Lunguyan, Kg Kilo, Kg Pinipi, Kg Kuit, Kg Lanas Station, Kg Alab Lanas, Kg Matiku, Kg Kagasa, Kg Paginatan

2.4 Date First Certified

13 Jan 2017

2.5 Location of the FPMU

The certified FPMU is located at longitudes approximately 116° 15' E to 116° 50' E and latitudes 4° 40' N to 5° 30' N.

2.6 Forest Management System

The Bornion Timber Sdn Bhd FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. The 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised April 2016) endorsed by Mr. Ho Fun Shan (Director) on behalf of BTSB was made available during the audit.

2.7 Annual Allowable Cut/Annual Harvest under the Forest Plantation Management Plan

The planned Latex and Rubber Cup Clump harvesting in the planning period 2012 to 2021 was addressed in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11, (Revised April 2016). The planned harvesting rate for rubber timber products beginning year 2029 and Acacia on year 2020 were also addressed.

2.8 Environmental and Socioeconomic Context

An Environmental Compliance Report titled 'Special Environmental Impact Assessment for Areas Under SFMLA 03/97 of FMU 11' for Y1/2016 November 2015 – February 2016 (Date of inspection: 4-6 January 2016) was conducted for Bornion Timber Sdn. Bhd.

Bornion Timber – FPMU 11 has cooperated with relevant stakeholders including WWF, University Malaysia Sabah (UMS), and with local communities from Kg. Batu Lunguyan, Kg. Paginatan, Kg. Kagasa and Kg. Lanas Station on identification of HCVF including flora and fauna in October 2015. Management also has cooperated with institutions of higher learning UMS, IPS (Institut Pertanian Sabah) and Politeknik by providing place for diploma students to do their industrial training.

3. AUDIT PROCESS

3.1 Audit Dates

5-7 December 2017

3.2 Audit Team

1. Khairul Najwan Ahmad Jahari (Lead Auditor)
2. Ismail Adnan Abdul Malek

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

3.3 Standard Used

Malaysian Criteria and Indicators for Forest Management Certification MC&I Forest Plantation.v2 standard using the verifiers stipulated for Sarawak.

3.4 Stakeholder Consultations

A stakeholder notification was issued in 21 March 2016 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There was comment received from the stakeholders on Bornion Timber - FPMU11 during the period, as in Attachment 4.

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

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

3.5 Audit Process

The audit was conducted primarily to evaluate the level of compliance of the FPMU, current documentation, Standard Operating Procedures (SOPs) and field practices in forest management with the detailed of the listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sabah, Malaysia.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU or stakeholders or field audit or a combination of these methods. Depending on the level of compliance with the verifiers on a particular indicator, the auditors had reviewed and verified the degree of the overall compliance in the indicator before a finding was raised either a non-conformity (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 FPMU.

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

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

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

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

4. SUMMARY OF AUDIT FINDINGS

The summary on the findings of the Stage 2 on the Bornion Timber FPMU against the requirements of the MC&I Forest Plantation.v2 standard are as follows:

Principle	Strengths	Weaknesses
<p>Principle 1 Compliance with Laws and Principles</p>	<p>The FPMU maintained a legal register with records of all relevant national and local laws and regulations and policies related to forest plantation management. Copies of all relevant laws, policies and regulations stipulated in the MC&I Forest Plantation.v2 fundamental for the FPMU management were available in the meeting room, Lana Camp office.</p> <p>Forest managers are aware and/or knowledgeable of the applicable federal, state and local laws, as well as the regulatory framework for forest management.</p> <p>Bornion Timber Sdn Bhd (BTSB) FPMU has not violated any law and therefore no compound or penalty imposed by the relevant authorities.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the BTSB Camp Office.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>The forest managers had expressed their willingness to participate in resolution of such conflicts if they arise.</p>	
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>The sighted license agreement between Bornion Timber Sdn. Bhd. and the Sabah Government to manage the Forest Management Unit (FMU), which is located within the Sook District into a commercial forest plantation for a period of 100 years from 10 September 1997 to 9 September 2097 confirmed the legal status, and established forest use rights for BTSB of the land or forest resources within the relevant federal and state legal frameworks.</p> <p>Within the boundary of the FPMU, there is only one local community i.e. a Dusun settlement named as Kg Wawasan in Compartment 59. Living outside of the FPMU were other local and indigenous communities i.e. Dusun settlement (Kg Batu Lunguyan) and Dusun Labou villages (Kg Kilo, Kg Pinipi, Kg Kuit, Kg Lanas Station, Kg Alab Lanas). The Dusuns live in the vicinity of Ulu Sg Millian FR whilst the Murut communities live in areas adjacent to Sapulut FR. Both Dusun, Dusun Labou, and Murut communities have no legal rights in the forest plantation area because the FMU 11 is a gazzeted Forest Reserve.</p> <p>Document entitled 'Community Conflict resolution was available. The mechanism to resolve disputes over tenure claims and use rights is through series of meetings with local communities.</p>	<p>There were no negative findings</p>
<p>Principle 3 Indigenous People's Rights</p>	<p>Within the Bornion FPMU, there was no NCR land and the FPMU also did not use any community land belonged to indigenous communities outside the FPMU.</p> <p>Appropriate mechanisms to resolve any conflicts and grievances between communities and BTSB were available.</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p>The Bornion FPMU did not threaten or diminish, either directly or indirectly the resources or tenure rights of indigenous peoples since no indigenous land were located in the FPMU area, this was confirmed during assessment and discussion with villagers in the Dusun settlement (Kg Batu Lunguyan) and Dusun Labou settlements (Kg Kilo, Kg Lanas Station and Kg Alab Lanas).</p> <p>The Standard Operating Procedure on 'Management of Community Traditional Knowledge and Practices Uses in FMU 11' was available and presented. However, the FPMU does not use the traditional forest-related knowledge and practices of indigenous people in the use of forest species or management systems in forest plantation operations.</p>	
<p>Principle 4 Community Relations and Workers' Rights</p>	<p>The FPMU, as the records examined showed, provided training, retraining, local infrastructure, facilities and social program for all levels of its employees. Management has conducted various training related to forest management and logging operation for their staff.</p> <p>Bornion FPMU had given preference to qualified people in communities living within, or adjacent to the FPMU for employment and contract works.</p> <p>BTSB management has taken measures to prevent loss or damage affecting the local communities' legal or customary rights, property, resources, or their livelihoods.</p> <p>Appropriate mechanisms were available and employed to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods, caused by forest plantation management operations as in the SOP entitled 'Community Claim and Compensation</p>	<p>During site inspection at Compartment 127, it was found, six (6) slashing workers did not wear PPE such as reflector and hat during work. In addition, four machetes (parang) used during work did not have cover ("sarung parang"). The SOP "Field Maintenance and Up Keep (BTSB-SOP-PD-09-01) dated March 2016 and Notice to all workers: "<i>Kewajipan menggunakan alat pelindung keselamatan (PPE) semasa Bekerja</i>" dated 29 June 2016 were not adhered to. Hence, a Minor NCR (NCR No: KN02/2017) against Indicator 4.2.3 is raised.</p>
<p>Principle 5</p>	<p>Annual operating and development budget was presented in the Annual</p>	<p>There were no negative findings</p>

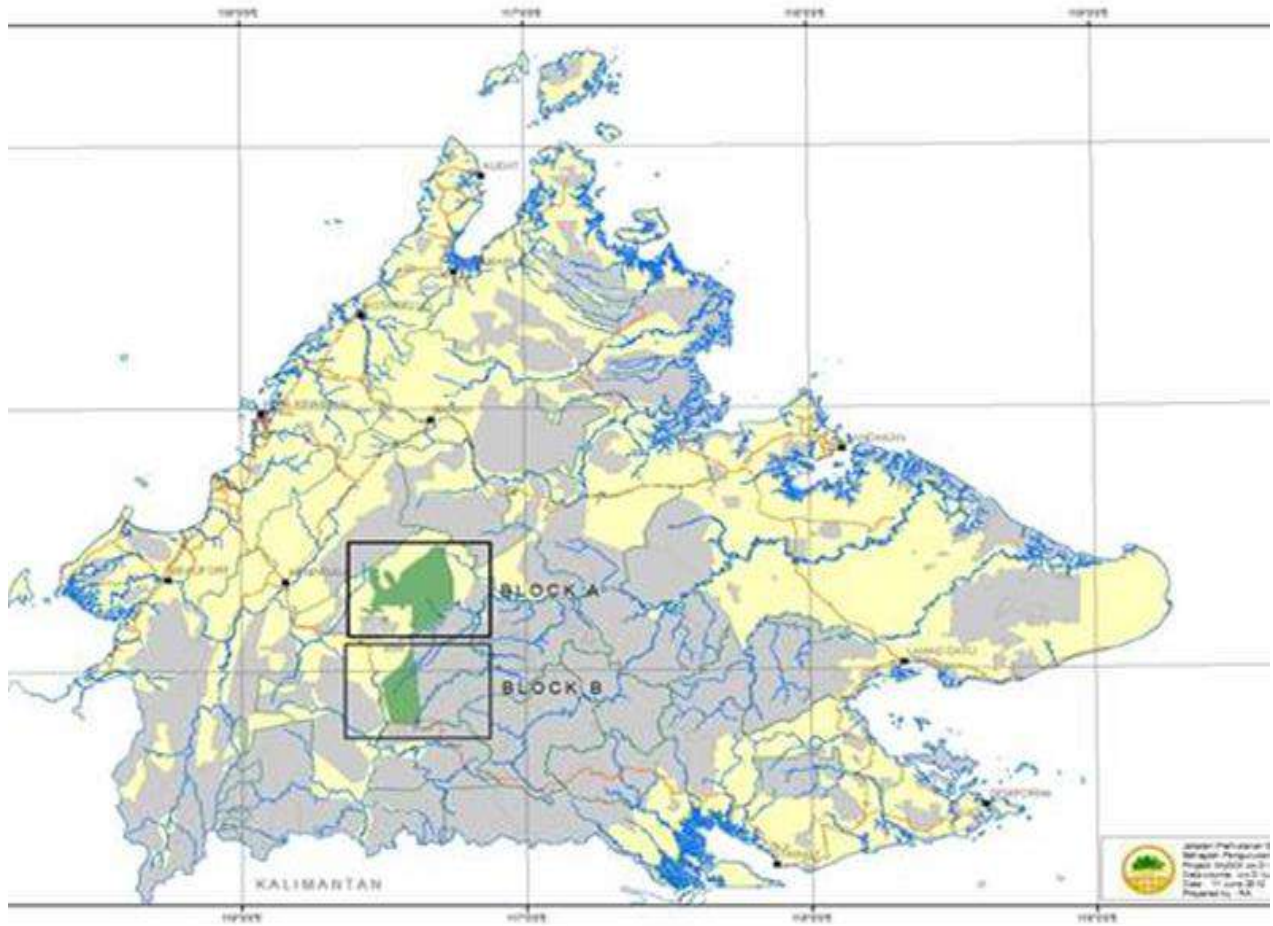
Principle	Strengths	Weaknesses
<p>Benefits from the Forest</p>	<p>Working Plan 2017; the 10-year operating and development budget was presented in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 - 2021) for FPMU11.</p> <p>The main product extracted from the FPMU at present is latex. Latex is a minor forest produce extracted. Timber from salvage logging are only extracted from non-certifiable area in the FPMU</p>	
<p>Principle 6 Environmental Impact</p>	<p>An Environmental Compliance Report titled 'Special Environmental Impact Assessment for Areas Under SFMLA 03/97 of FMU 11' for Y1/2016 November 2015 – February 2016 (Date of inspection: 4-6 January 2016) was conducted for Bornion Timber Sdn. Bhd.</p> <p>Bornion Timber – FPMU 11 has cooperated with relevant stakeholders including WWF, University Malaysia Sabah (UMS), and with local communities from Kg. Batu Lunguyan, Kg. Paginatan, Kg. Kagasa and Kg. Lanas Station on identification of HCVF including flora and fauna in October 2015. Management also has cooperated with institutions of higher learning UMS, IPS (Institut Pertanian Sabah) and Politeknik by providing place for diploma students to do their industrial training.</p> <p>Guidelines for the conservation of genetic, species and ecosystem diversity for the FPMU was available titled 'Guidelines for Conservation of Genetic, Species and Ecosystem Diversity'.</p> <p>The FPMU had established procedure for waste disposal of solid non-organic wastes titled 'SOP Removal and Disposal of Solid Waste' and 'SOP Storage, Handling and Disposal of Hazardous Goods'</p>	<p>Management also has established SOP titled SOP Riparian Marking for conservation of buffer strips along stream and rivers.</p> <p>However, during site inspection at Compartment 148, it was found that soil was pushed near riparian buffer zone (near bridge), and the side drain was constructed directly into the water stream. Site inspection of Compartment 127, it was found that soil was pushed into the area adjacent to the riparian buffer zone. The riparian marking was also pushed down during the road maintenance. The maintenance and conservation of riparian zone and other un-authorized activities in the FMU were not sufficient. Therefore, Minor NCR KN01/2017 on indicator 6.5.3 was raised.</p> <p>During this surveillance audit, it was found the implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities were still not sufficient.</p> <ol style="list-style-type: none"> List of chemicals used at the chemical store was not properly updated for Pingas Camp and for Labau Nursery (Base Camp), it was only updated for

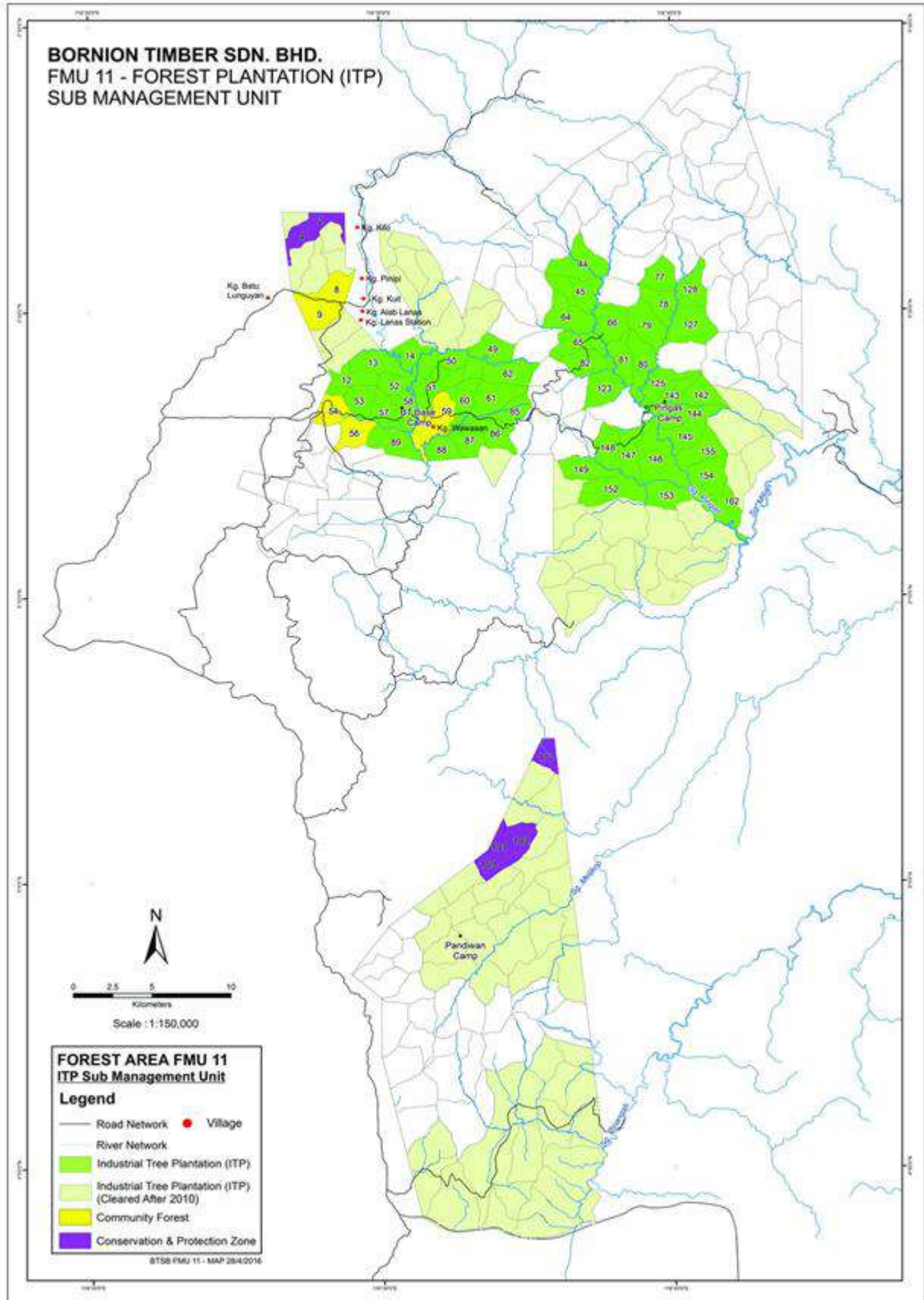
Principle	Strengths	Weaknesses
		<p>months of October until November 2017</p> <ol style="list-style-type: none"> 2. The chemical mixing facilities area was not properly planned. Facilities for suitable water piping are required at Pingas Camp and Labau Nursery chemical mixing areas. 3. Workers did not wear goggle during the chemical mixing activities <p>Therefore, Minor NCR MRS02/2016 was upgraded to Major NCR KN03/2017</p>
<p>Principle 7 Management Plan</p>	<p>Records of new scientific and technical information pertinent to the management of the planted area to be certified were available to the forest managers. Records of new scientific and technical information and from monitoring activities had been used in the review of the PDP.</p> <p>Training and human resource development are recognized by B T S B management as means for skill advancement to ensure successful implementation of the PDP. B T S B has provided training facilities both local and outside venues for identified B T S B personnel to undergo skill training.</p> <p>A public summary of the primary elements on the forest plantation management plan implemented under Indicator 7.1.1 together with Maps describing the forest resource base including protected areas, planned management activities, land ownership as well supporting documents are available in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) (Revised April 2016) for FMU11 available at the website www.bornion.com</p>	<p>It was found B T S B management supporting documents on Trial Harvesting of Acacia in Block 10 (part), Compartment 58 – Kup KGU 06/02 (4.8 ha) were not available, i.e.</p> <ol style="list-style-type: none"> 1. B T S B management approval document on harvesting 2. Working plan to include; <ul style="list-style-type: none"> • Justification of project • Objectives • Cost/expected revenues • Harvesting techniques • Map of location <p>Supporting document and management plan for Trial Harvesting of Acacia Plot in Block 10 (part), Compartment 58 – Kup KGU 06/02 were not available (against Criteria 7.1 (c)). Therefore, Major NCR IA01/2017 was raised</p>

Principle	Strengths	Weaknesses
<p>Principle 8 Monitoring and Assessment</p>	<p>Internal Audit was conducted by Bornion Timber Sdn. Bhd. – FPMU 11 on 4th-8th September 2017. The internal audit coverage was satisfactorily conducted, to comply with MC&I (Forest Plantations). The audit team have attended the MC&I training conducted by MTCC on 6-9 November 2017.</p> <p>Forest plantation managers has and will incorporate the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan from time to time.</p>	
<p>Principle 9 Maintenance of High Conservation Values</p>	<p>Annual monitoring of HCVFs are implemented at FPMU in accordance to SOP (BTSB-SOP-CP-02: Management, Effectiveness Monitoring and Enhancement of HCVF). Monitoring records of HCVF are shown and evidenced (BT-NFFP-09-04: Monitoring Records for Natural Forest and Forest Plantation: dated 11th May 215); (Monitoring Report - 02: HCVF and Protected Areas in Forest Plantation); Wildlife Monitoring Report, CPT 77, dated 7th March 2014).</p> <p>In addition, training on HCVF was conducted on 1-3 November 2017 by WWF Kota Kinabalu, Sabah. A total 5 staff from Bornion Timber has attending the training. The latest training on HCVF on SMART Tool Training dated 18-21 June 2017 conducted by same person from WWF was conducted in Bornion Camp. An attendance list and training report was verified during the audit.</p>	<p>There were no negative findings</p>
<p>Principle 10 Forest Plantation Development and Management</p>	<p>Forest plantation design and layout have addressed on protection, restoration and conservation of natural forests for forest plantation areas such as 20m buffer to natural forest, 30m riparian reserve of Sg Labau and Sg Pingas and no physical disturbance in the areas with slopes >25 degrees and protect watershed areas.</p> <p>The FPMU had recorded information of rubber tree titled 'Assessment of <i>Hevea brasiliensis</i> as Timber</p>	<p>There were no negative findings</p>

Principle	Strengths	Weaknesses
	<p data-bbox="459 248 925 338">Plantation Species in Forest Management Unit No. 11, Sook District, Sabah.</p> <p data-bbox="459 371 925 857">The FPMU had established a procedure titled 'Assessment of ecological functions in rubber cultivation areas' in order to assess quality of ecological functions and impacts of exotic plants. The FPMU had also conducted Environmental Impact Assessment titled 'Environmental Compliance Report Y1/2016'. Based on the report, the management had addressed all comments and recommendations from the report. On the social part, the FPMU has conducted assessment titled 'Interim report - Social Impact Assessment' dated March 2016.</p>	

Map of Bornion Timber Sdn Bhd





Details of the Auditors and their Qualification

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Khairul Najwan Ahmad Jahari	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), Universiti Putra Malaysia.</p> <p>Work Experience: Appointed as contract Research Officer in the Natural Forest Division, Forest Research Institute of Malaysia (FRIM), since 2001. Conduct and coordinate a research on 8th Malaysian Plan Project. Produce technical reports, meeting, seminar and conferences reports as well as quarterly physical and financial reports. Coordinate and participate field works, multi-level meetings, seminars, conferences and workshops. Spent some time in other existing FRIM projects (inter divisional) as an organizing committee member, division level activities and projects. Currently as Lead Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International, since 2009. Involved in conducting assessments on forest management certification (MC&I and FSC P&C), MYNI of RSPO P&C and other management system on ISO 9001, 14001 and OHSAS 1800</p> <p>Training / Research Areas:</p> <p>Was attending and pass in the following training programmes:</p> <p>Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (2002)] organized by MTCC, 30 March - 2 April 2009. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 2-6 March 2009. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23-27 Feb 2009. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 16 – 21 Feb 2009.</p>
Ismail Adnan	Auditor/ Forester	<p>Academic Qualification: Master of Forestry, University of British Columbia, Canada</p> <p>Work Experience: 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</p>

		<p>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>Training / Research Areas:</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
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Surveillance 1 Audit Plan

DAY	TIME	PROGRAM	
		(AUDITOR 1)	AUDITOR (2)
Day 0	07:00-19:30	All Auditors travelling from KLIA to Kota Kinabalu on 4 th December 2017 Flight MH 2610, ETD-09:15, ETA-11:50 Travel to Bornion Camp site Briefing by Audit Team Leader on the audit plan	
Day 1 5.12.17	8.00 am – 1.00 pm 2.00 pm – 5.30 pm	<ul style="list-style-type: none"> • Opening Meeting with representatives of FPMU • Briefing session by Forest Manager of the FPMU • Q&A Session • Follow up on findings from Stage 2 Audit • Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> ○ Local Communities ○ Government agencies ○ NGOs • Evaluate on internal audit and management review Documentation and records review Principle 1 – Compliance with Laws and Principles Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples’ Right Principle 4 - Community Relations and Worker’s Right Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 7 – Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV) Principle 10 – Forest Plantation Development and Management <ul style="list-style-type: none"> • Review of Day 1 Findings by Audit Team Leader 	
Day 2 6.12.17	7.30 am – 1.00 pm 2.00 pm – 5.30pm	Site visit <ul style="list-style-type: none"> • Inspection of active harvesting (if any) • Tree planting/maintenance activities • Consultation with contractors and workers operating in active logging area, bulldozer, hook-man, chainsaw and supervisor. • Fauna monitoring sites/HCV sites 	Site visit <ul style="list-style-type: none"> • Consultation with Aborigines Settlement / Local communities/ stakeholders • Boundary of FPMU • Conservation area and PSP plots.

		<ul style="list-style-type: none"> Workshop and Nursery
		<ul style="list-style-type: none"> Review of Day 2 Findings by Audit Team Leader
Day 3 7.12.17	8.30 am – 1.00 pm 2.00pm-3.00 pm 3.00pm	<ul style="list-style-type: none"> Documentation and records review Preparation of audit report and finding Briefing to representatives of FMU on the findings of audit Closing Meeting and presentation of findings of audit and discussion on follow-up activities Adjourn Closing Meeting Travel back to Kota Kinabalu, check-in at Klagan Hotel.
All Auditors travel back to Kuala Lumpur on 8 th December 2017, Flight MH2743, ETD-11:20, ETA-13:25		

Surveillance 1 Audit (2017) Findings and Corrective Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p>Minor NCR</p> <p>KN01/2017</p>	<p>Indicator 6.5.3 – Availability and implementation of guidelines for conservation of buffer strips along stream and rivers</p> <ul style="list-style-type: none"> • SOP Riparian Marking BTSB-SOP-PD-02-01 dated Jan 2016 • SOP Road Upgrading and Maintenance by Bulldozer BTSB-SOP-FO-02(2) dated 28 Feb 2015 <p>The maintenance and conservation of riparian zone and other un-authorised activities in the FMU were not sufficient.</p> <ol style="list-style-type: none"> 1. During site inspection at Compartment 148, it was found that soil was pushed near riparian buffer zone (near bridge), and the side drain was constructed directly into the water stream. 2. During site inspection of Compartment 127, it was found that soil was pushed into the area adjacent to the riparian buffer zone. The riparian marking was also pushed down during the road maintenance. 	<p>The monitoring of conservation of riparian zone and other un-authorised activities are not sufficient especially during any road maintenance</p> <p>To undertake a comprehensive review of the company's operational monitoring system to detect shortcomings and failures. Develop a proposal for an overall integrated monitoring system that covers all forest operational activities (Jan- March 2018)</p> <p>Strengthen monitoring schedule of buffer strips along streams and rivers. Ensure that proper signboards are erected and regularly maintained at all buffer strips (Jan-Feb 2018)</p> <p>Brief all road maintenance machinery operators and support labour in awareness on avoiding buffer strips disturbance (river, stream, steep areas and other protected areas i.e. HCV areas) during all road construction, road repair and maintenance works (Jan-Feb 2018)</p>	<p>Corrective action had been accepted and the effectiveness of the action taken will be verified during the next audit</p>

<p>Minor NCR</p> <p>KN02/2017</p>	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the work place.</p> <ul style="list-style-type: none"> SOP Field Maintenance and Up Keep BTSB-SOP-PD-09-01 dated March 2016 Notice to all workers: <i>"Kewajiban menggunakan alat pelindung keselamatan (PPE) semasa Bekerja"</i> dated 29 June 2016 <p>The appropriate safety and operational equipment was not made available to forest plantation workers in the work place.</p> <p>During site inspection at Compartment 127, it was found, six (6) slashing workers did not wear PPE such as safety vest and hat during work. Four machetes (parang) used during work also did not have cover (sarung parang).</p>	<p>Awareness program on safety & health i.e. PPE wearing was not done enough to cover all workers especially field contractors of about 300-400 persons</p> <p>To organized special PPE briefing for the seven concerned field workers, and all other workers that have not yet been briefed about safety and health awareness requirements and procedures, and the objectives of forest certification (Jan 2018)</p> <p>To prepare an updated list on all staff, workers, and contractors to identify and monitor the attendance of training and briefing sessions. Give priority to those who have not attended any previous briefing (Feb-March 2018)</p> <p>To organize extra briefing sessions and seminars for all staff and workers, using simplified and easily understandable descriptions for workers to understand and remember the meaning and objectives of forest certification, the importance of safety and health at work, forest conservation/HCVF, etc. (all year program of 2018)</p>	<p>Corrective action had been accepted and the effectiveness of the action taken will be verified during the next audit</p>
<p>Major NCR</p> <p>KN03/2017</p>	<p>Indicator 6.6.1 - Availability and implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities.</p> <ul style="list-style-type: none"> SOP Chemical Handling BTSB-SOP-PD-12-01 dated March 2016 Notice to all workers: <i>"Kewajiban menggunakan alat pelindung"</i> 	<p>The management of chemical handling is not up to advance standards, because of experiences and advance training are required to identify and manage issues like this</p> <p>Review the while system of storing, recording, monitoring and mixing of chemicals: identify and correct weaknesses, upgrade systems and procedures. Involve all concerned staff and workers. Discuss the option of pre-mixing larger</p>	<p>Evidences verified as below:</p> <ol style="list-style-type: none"> Chemical Management Flow Chart Photos in Annex 1 showed the sample of chemical requesting form and the way of handling from warehouse to the chemical mixing area and storage.

	<p><i>keselamatan (PPE) semasa Bekerja”</i> dated 29 June 2016</p> <p>The implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities were not sufficient.</p> <ol style="list-style-type: none"> 4. List of chemicals used at the chemical store was not properly updated for Pingas Camp and for Labau Nursery (Base Camp), it was only updated for months of October until November 2017 5. The chemical mixing facilities area was not properly planned. Facilities for suitable water piping are required at Pingas Camp and Labau Nursery chemical mixing areas. 6. Workers did not wear goggle during the chemical mixing activities <p><i>Upgraded from minor NCR</i></p>	<p>quantities of ready-to-use chemicals for easy dispensing and transport to the field (Jan-Feb 2018)</p> <p>Rearrange all chemical recording (input and output) in a proper manner using a stock monitoring system. Appoint a supervisor to manage the chemical stock (Jan 2018)</p> <p>Reorganise the chemical mixing facilities in Pingas Camp and Base Camp through:</p> <ul style="list-style-type: none"> - Establishing a proper water piping system - Improved shower facilities - Improved drainage and Scheduled Wastes collection system <p>(Please refer to Annex 1 - Pingas Chemical Mixing Floor Plan) (Jan-Feb 2018)</p> <p>Train any staff or workers who are responsible for chemical mixing on usage of all necessary PPE in a proper manner. List all staff who will do the mixing and ensure that only these authorized staff are preparing the chemical mix (Jan-Feb 2018)</p>	<ol style="list-style-type: none"> 3. Chemical mixing area facilities was upgraded. Photos showed the new chemical mixing facility in Labau Base Camp and Pingas Camp. 4. Photos of refreshment training on PPE usage for supervisor and staffs who are handling chemical mixing (half face and full-face respirator) on 20 Feb 2018 was verified. <p>Status: Closed</p>
<p>Major NCR</p> <p>IA01/2 017</p>	<p>Indicator 7.1.1. Implementation of Forest Plantation Management Plan</p> <p>Supporting document and management plan for Trial Harvesting of Acacia Plot in Block 10 (part), Compartment 58 – Kup KGU 06/02 were not available (against Criteria 7.1 (c)).</p> <p>BTSB management supporting documents on Trial Harvesting of Acacia in Block 10 (part), Compartment 58 –</p>	<p>The Management did not aware that a proper documentation of approval is required to address even atrial harvesting of Acacia (4ha)</p> <p>The management shall produce an Acacia Harvesting Plan 2017- 2020 and incorporated into the forest management plan (revised version). The harvesting plan shall include the management objectives, estimated cost and expected revenues, harvesting technique, applicable SOP, harvesting map indicating</p>	<p>“Management Harvesting Plan for Mature <i>Acacia crassicarpa</i> Stands 2017-2020” was verified.</p> <p>The management to produce an Acacia Harvesting Plan 2017-2020 and incorporated into the forest management plan (revised version). The harvesting plan was including the;</p> <ol style="list-style-type: none"> 1.1 stand establishment and management, 1.2 Rationale for harvesting

	<p>Kup KGU 06/02 (4.8 ha) were not available, i.e.</p> <p>3. BTSB management approval document on harvesting</p> <p>4. Working plan to include;</p> <ul style="list-style-type: none"> • Justification of project • Objectives • Cost/expected revenues • Harvesting techniques • Map of location 	<p>location and operational sequence, exclusion areas, etc. (Jan-Feb 2018)</p> <p>Develop a mechanism/procedure that ensures the recurrence of similar situations in future: any major change in forest management activities needs to be discussed and formally approved/documentated. Relevant parties shall be informed, and management plan/annual working plan are to be amended and updated accordingly (Jan-Feb 2018)</p>	<p>1.3 Management objectives, 2.1 Growth performance and stocking conditions 2.2 Estimated harvesting volume</p> <p>1.1 Harvesting planning and logging method 1.2 Harvesting trial 1.3 Harvesting schedule 1.4 Harvesting cost and revenue 1.5 Harvesting technique,</p> <p>The management plan including map of location, tables, etc. were also verified.</p> <p>Status: Closed</p>
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Verification on Previous Stage 2 Audit (2017) Findings and Action Taken

Indicator	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
<p>Indicator 4.2.3</p> <p>NCR: MRS01/2016</p> <p>Minor</p>	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the work place.</p> <p>Finding: Auditor has found the safety and operational equipment's were not in good working condition</p> <p>Objective Evidence: During site visit at the workshop, auditor has found numbers of non-compliances as stated below:</p> <ol style="list-style-type: none"> 1. Fire extinguisher at the diesel tank location, workshop, store and chemical store were not inspected by BOMBA. 2. Pressure gauge meter for acetylene and oxygen cylinder tank was found damaged 3. Chain block used at workshop found without safety latch and its loading capacity not clearly labelled and faded 4. Drain at the workshop was not fully covered 	<p>Immediate actions had been taken by BTSB as below;</p> <ul style="list-style-type: none"> • To review current practice of fire extinguisher maintenance • To ensure all fire extinguisher are checked, maintained, and labelled with validity stickers according to legal requirements • Regularly check pressure gauge meters for full functionality • To dispose or repair any damage equipment • To install chain block safety latch and labelling indicating load capacity • To cover workshop drain system where necessary <p>The action plan targeted to be completed on 31st July 2016</p>	<p>Evidences of action taken had been verified as below;</p> <ul style="list-style-type: none"> • Updated SOP on Monitoring System of Fire Extinguishers, BTSB-SOP-SH-07 dated 21.5.2016 • Pictorial report was verified as below; <ul style="list-style-type: none"> ○ Replaced fire extinguisher at general store, chemical store, workshop and diesel tank area. ○ Replacement of pressure gauge meter for acetylene and oxygen cylinder ○ Chain block had been replaced with new one complete with latch • Purchase Order (PO) No.099 dated 14.5.2016 to replaced 25 pieces of drain cover. <p>Visit to BTSB nursery area found the 'Procedure on chemical handling' was available at the chemical mixing area. The following items were also inspected and found the following;</p> <ol style="list-style-type: none"> 1. Fire extinguisher at the diesel tank, workshop, store and chemical store has been inspected by BOMBA. 2. Pressure gauge for acetylene and oxygen cylinder tank were newly replaced

			<p>3. Chain block used at workshop has already safety latch installed, and its loading capacity clearly labelled and</p> <p>4. Drains at the workshop were fully covered</p> <p>Thus, the Minor NCR MRS 01 2016 for Indicator 4.2.3 raised in the last audit, is therefore, closed.</p>
<p>Indicator 6.6.1</p> <p>NCR: MRS02/2016</p> <p>Minor</p>	<p>Indicator 6.6.1 - Availability and implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities.</p> <p>Finding: Auditor has found that usage of chemicals at the nursery was not accordance with USECHH Reg. 2000</p> <p>Objective Evidence:</p> <ol style="list-style-type: none"> List of chemicals used at the chemical store was not up-to-date Two containers used for mixing pesticides in the chemical store were not relabeled Safety data sheet for Zap-Up 410 was not available in the chemical store Written assessment of the risks (CHRA) created by chemical use to the health of the employees was not available 	<p>The Bornion Timber PIC was not aware on CHRA requirement is compulsory.</p> <p>Immediate action had been taken by BTSB as below;</p> <ul style="list-style-type: none"> to update and maintain list of chemicals in store, Undertake labelling of containers for mixing chemicals to highlight their purpose of use, To ensure Safety Data Sheets (SDS) are kept at chemical store for all chemicals currently stocked To conduct Chemical Health Risk Assessment (CHRA) for use, handling, storage and transportation of chemical hazardous to health at the workplace, To carry out staff briefing to all persons involved in transport, handling and application of chemicals <p>The action plan targeted to be completed on 31st August 2016</p>	<p>The pictorial reports showed;</p> <ul style="list-style-type: none"> The SDS had already been displayed, according to the chemical containers at the chemical store. The containers used for mixing pesticides in the chemical store have been labelled. The quotation to iBosh Consultant to conduct CHRA in Bornion Timber The SOP on Monitoring System at Chemical Store BTSB-SOP-SH-08 was updated on 21.5.2016 to include Chemical Storage Room Checklist. <p>During the surveillance audit (2017) The implementation of guidelines and/or procedures on the use of chemicals in forest plantation areas approved by relevant regulatory authorities were not sufficient.</p> <ul style="list-style-type: none"> SOP Chemical Handling BTSB-SOP-PD-12-01 dated March 2016 Notice to all workers: <i>"Kewajipan menggunakan alat pelindung keselamatan (PPE) semasa Bekerja"</i> dated 29 June 2016

			<ol style="list-style-type: none"> 1. List of chemicals used at the chemical store was not properly updated for Pingas Camp and for Labau Nursery (Base Camp), it was only updated for months of October until November 2017 2. The chemical mixing facilities area was not properly planned. Facilities for suitable water piping are required at Pingas Camp and Labau Nursery chemical mixing areas. 3. Workers did not wear goggles during the chemical mixing activities <p>The effectiveness of the action taken were not sufficient to close the Minor NCR. Thus, this NCR was upgraded to Major NCR KN03/2017.</p>
<p>Indicator 10.4.2</p> <p>NCR: MRS03/2016</p> <p>Minor</p>	<p>Indicator 10.4.2 - Availability of justification and/or analysis of the comparative advantages/benefits of choosing exotic species over native species in forest plantations establishment and/or restoration.</p> <p>Finding: Results of comparative justification and/or analysis on the advantages /benefits of using exotic species over native species found naturally in the planted areas for forest plantation establishment and/or restoration were not evident.</p> <p>Objective Evidence: Comparative results and justification of using exotic species over native species were not evident.</p>	<p>The risk assessment of the rubber was conducted. However, the comparative result and justification of rubber over indigenous species was missed out during the assessment. The action plan taken as below;</p> <ul style="list-style-type: none"> • To compile list of potential fast growing native plantation species • To compile growth rates of such species (adopt from literature review) • To compare the growth rates and draw conclusions on benefits of exotic/native species. <p>Target of closure date on 30th September 2016</p>	<p>Analysis results and benefits of using exotic species, rubber tree, was made available to auditor as verified in the report 'Assessment of <i>Hevea brasiliensis</i> as Timber Plantation Species in Forest Management Unit No. 11, Sook District, Sabah'. Verification on the action taken found the report was amended with additional Chapter 15 - Comparison of <i>Hevea brasiliensis</i> (rubber) with native timber species (Laran).</p> <p>Status: Closed</p>

<p>Indicator 4.2.5</p> <p>OFI: 1</p>	<p><u>Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials</u></p> <p>Auditor has found that pictorial signage such as 'Danger', 'Explosive', 'No Smoking', 'Flammable' and also signage of PPE equipment required before entering hazardous area such as respirator, safety boot, gloves, etc.at hazardous areas at chemical store, fuel store and diesel tank were not clearly demarcated</p>	<p>Not applicable</p>	<p>Visit to BTSB nursery area found the 'Procedure on chemical handling' was available at the chemical mixing area. The following items were also inspected and found the following;</p> <ol style="list-style-type: none"> 1. Fire extinguisher at the diesel tank, workshop, store and chemical store has been inspected by BOMBA. 2. Pressure gauge for acetylene and oxygen cylinder tank were newly replaced 3. Chain block used at workshop has already safety latch installed, and its loading capacity clearly labelled and 4.Drains at the workshop were fully covered <p>Status: Closed.</p>
<p>Indicator 6.4.1</p> <p>OFI: 2</p>	<p><u>Representative areas of existing forest ecosystems, appropriate to the scale and intensity of forest plantation operations, identified and selected under 6.2.2, are demarcated, mapped and protected in their natural state.</u></p> <p>Management has mapped protected riparian river Sg. Labau and Sg. Pingas and made available at the office. However, the map could be improved with additional information on the printed map such as date, title and signature of authority person.</p>	<p>Not applicable</p>	<p>During this audit, it was found procedure on GIS and Mapping Layout Standard BTSB-DOC-PD-21 was revised with standard map sample. The HCVF Map-Forest Plantation was printed with dated and name code of responsible person in charge.</p> <p>Status: Closed</p>
<p>Indicator 6.7.1</p> <p>OFI: 3</p>	<p><u>Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner</u></p>	<p>Not applicable</p>	<p>The BTSB had disposed their scheduled wastes such as contaminated cotton rags (SW410), contaminated container (SW409) and contaminated soil (SW408) as verified through Consignment Note for Scheduled</p>

	<p>During inspection at workshop, it was found that scheduled waste containers have adequately stored and labelled. However, the SW containers were not closed during storage.</p>		<p>Wastes – Disposal by licensed transporter dated 18 January 2016. During site visit at Pingas and base camp workshop, auditor has verified that scheduled waste containers have adequately stored, closed and labelled. Thus, an OFI for Indicator 6.7.1 was closed.</p>
<p>Indicator 6.9.1</p> <p>OFI: 4</p>	<p><u>Forest plantation managers shall carefully document, control and monitor the use of exotic species to avoid adverse ecological impacts.</u></p> <p>The FPMU had monitored exotic species at the riparian reserved. However, monitoring area could be enhanced especially at the boundary area between ITP and NFM.</p>	<p>Not applicable</p>	<p>During this surveillance audit (2017), it was found the monitoring was conducted at the boundary area between ITP and NFM on July & August 2017 and Oct & Nov 2017 and planned on Feb & March 2018. The monitoring records was verified during the audit.</p> <p>Status: Closed</p>
<p>Indicator 8.1.1</p> <p>OFI: 5</p>	<p><u>Forest plantation managers shall implement a comprehensive network of permanent sample plots, appropriate to the scale and intensity of forest plantation management operations, to assess the health of the planted trees, forest ecosystem and the forest environment, growing stock conditions and increment</u></p> <p>All the parameters measurement was verified to be correct. However, management could improve on:</p> <ol style="list-style-type: none"> 1. Measurement instrument such as diameter tape and distance tape. 2. Unique code for sample plot in the summary data was not clearly differentiate between old and new sample plot such as PSP2-001 	<p>Not applicable</p>	<p>New and good conditions of measurement instrument such as diameter tape, distance tape and laser range finder were verified during the PSP inspection. And, unique code for sample plot in the summary data was designed to differentiate between old and new sample plot such as PSP1-006.</p> <p>Status: Closed</p>