



**PUBLIC SUMMARY
RECERTIFICATION AUDIT ON
BORNION TIMBER FOREST MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC 0009
Date of First Certification: 21 October 2016
Audit Date: 9-12 July 2019
Date of Public Summary : 11 October 2019**

**Certification Body:
SIRIM QAS International Sdn. Bhd.
Block 4, SIRIM Complex
No. 1, Persiaran Dato' Menteri
Section 2, 40700 Shah Alam
Selangor
MALAYSIA
Tel : 60-3-5544 6400/5544 6448
Fax : 60-3 5544 6763
Website : www.sirim-qas.com.my**

TABLE OF CONTENTS

| | Page No. |
|--|----------|
| EXECUTIVE SUMMARY | 3 |
| 1.0 INTRODUCTION | 4 |
| 1.1 Name of FMU | 4 |
| 1.2 Contact Person and Address | 4 |
| 1.3 General Background on the Bornion Timber FMU..... | 4 |
| 1.4 Date First Certified | 5 |
| 1.5 Location of the FMU..... | 5 |
| 1.6 Forest Management System | 5 |
| 1.7 Annual Allowable Cut/Annual Harvest under the Forest Management Plan | 5 |
| 1.8 Environmental and Socioeconomic Context | 5 |
| 2.0 AUDIT PROCESS | 5 |
| 2.1 Audit Dates..... | 5 |
| 2.2 Audit Team | 5 |
| 2.4 Stakeholder Consultations | 6 |
| 2.5 Audit Process | 6 |
| 3.0 SUMMARY OF AUDIT FINDINGS..... | 6 |

Attachment

| | |
|--|----|
| Map of Bornion Timber FMU..... | 15 |
| Experiences and Qualifications of Audit Team Members | 16 |
| Comments Received from Stakeholders and Responses by Audit Team Leader | 18 |
| Recertification Audit Plan | 19 |
| Details on NCRs and OFIs Raised During this Recertification Audit and Corrective Actions Taken | 21 |
| Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit..... | 23 |

EXECUTIVE SUMMARY

This recertification audit on the Bornion Timber Sdn Bhd – FMU 11 (hereafter referred as the Bornion Timber FMU) was conducted on 9-12 July 2019 to assess the continued compliance of the overall forest management system of the Bornion Timber FMU against the requirements of the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* [MC&I (Natural Forest)] using the verifiers stipulated for Sabah. The scope of this recertification audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Bornion Timber FMU.

This recertification audit was conducted by 3-member team comprising Mohd Razman Salim (Lead Auditor), Mohd Annas Amin Hj Omar (Auditor), and Angelica Sinimis Suimin (Sociologist).

Based on the findings of this recertification audit, it was found that Bornion Timber FMU had continued to comply with the requirements of the MC&I (Natural Forest). This recertification audit had resulted in the issuance of one (1) major and two (2) minor Non-Conformity Reports (NCRs) respectively. In addition, three (3) Observation for Improvements (OFIs) were raised.

This public summary contains the general information on the Bornion Timber FMU, the findings of the recertification audit, NCRs raised as well as the decision on the continued certification of the FMU.

1.0 INTRODUCTION

1.1 Name of FMU

Bornion Timber Forest Management Unit

1.2 Contact Person and Address

Mr. Timothy Pan
Operations Manager
3rd Floor, Lot 16-18
Block K, Jalan Ikan Juara Satu,
Sadong Jaya, Karamunsing,
88000 Kota Kinabalu,
Sabah, Malaysia
Phone # : 088-240111
Fax # : 088-240112

1.3 General Background on the Bornion Timber FMU

The Bornion Timber - FMU11 is under Timber Licence No. 03/97. The licensed area was granted by the Sabah State Government to Bornion Timber Sdn Bhd on 10th September 1997 and valid until 9 September 2097 under the Sustainable Forest Management License Agreement (SFMLA) No. 03/97 to manage the area based on sustainable forest management principles.

The FMU 11 has been split into two separate sub-management units for the purpose of forest management certification assessment and management as separate entities under Natural Forest (40,924.72 ha) and Forest Plantation (58,233.55 ha) regime respectively.

The certified area of natural forest covers of 40,924.72 hectares located from 116° 15' E to 116° 50' E longitude and 4° 40' N to 5° 30' N in the Sook District, Keningau, Sabah. The forest area under Natural Forest Management consists of Ulu Sg. Milian Forest Reserve (Block A - 30,452.04 ha) and part of Sapulut Forest Reserve (Block B - 10,472.68 ha). The production area is 31,245.78 ha and 9,678.94 ha as the conservation area. A map of the FMU showing the significant features of the forest is attached in **Attachment 1**.

The areas that were covered in the audit are depicted in Table 1 below:

Table 1: Area covered in the audit

| Forest Management Unit | Forest District | Address |
|------------------------|---------------------------------------|---|
| 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 |
| | Ulu Sg. Milian Forest Reserve | Compartment: 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 46, 47, 48, 55, 63, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 83, 84, 90, 91, 92, 93, 94, 95, 96, 117, 119, 120, 121, 122, 124, 126, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141 & 158 |
| | Sapulut Forest Reserve | Compartment: 192, 193, 194, 195, 196, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227 & 228 |
| | Bornion Timber – FMU 11 | Village within and adjacent to the FMU |

1.4 Date First Certified
21 October 2016

1.5 Location of the FMU

The FMU is located between 116° 15' E to 116° 50' E longitude and 4° 40' N to 5° 30' N.

1.6 Forest Management System

The FMU had followed the principles of sustainable forest management (SFM) and the requirements of the Sustainable Forest Management License Agreement (SFMLA) of the State government. A Forest Management Plan (FMP) 2012 to 2021 was presented during this audit.

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

For the period 2012-2021, the annual allowable cut (AAC) for the FMU had been set at 25,808 m³ per annum or 34.41 m³/ha. During this recertification audit, the size of the FMU is 40,924.72 ha.

1.8 Environmental and Socioeconomic Context

An *Special Environmental Impact Assessment (SEIA) SFMLA 3/97 FMU 11 Bornion Timber Sdn Bhd* was produced in February 2003. The FMU has incorporated measures to mitigate the environmental impacts in the 2nd Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11 1st Revision 2018 in section 5.3, and Environmental Management Standards as identified in the SEIA – 1.4.2 Recommended Mitigation Measures.

The Final Report of “*Social Impact Assessment*” for Bornion Timber Sdn. Bhd. (FMU No. 11) dated December 2016 and update of the same document ‘Social Impact Assessment’ 2018 was available. Measures to avoid further complication regarding the NCR land were listed. This revised FMP also stated that FMU “will continue to monitor record and report any encroachments into the licensed area to the relevant government agencies”.

Currently, there is no village located within the certified area. There are villages (mainly indigenous Dusun and Murut as well as a minority Dusun-Lobou) situated outside of the certified area but within 2 KM from the certified area boundary. The actual number of villages and their use of land within the FMU has been updated. The updated SIA- BT-CF-17 24/11/18 and the Stakeholder Engagement Plan both indicated there are 24 villages.

Forest managers had recognized, respected and collaborated with holders of duly recognised legal or customary tenure or use rights of the local communities. This was verified from the minutes of the meeting with Community Representative Committee (CRC). During the meeting, the FMU had consulted with the local communities to identify, document and protect sites of significant importance to them (e.g. burial ground and water catchments). Mitigation measures on local communities was explained in the FMP at Chapter 7.3.5 Socio-economic management recommendations.

2.0 AUDIT PROCESS

2.1 Audit Dates

9-12 July 2019 (12 man-days)

2.2 Audit Team

Mohd Razman Salim (Lead Auditor)
Mohd Annas Amin Hj Omar (Forester)
Angelica Sinimis Suimin (Sociologist)

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

2.3 Standard Used

Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I (Natural Forest)] using the verifiers stipulated for Sabah.

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning June 2019 to solicit feedback from stakeholders on the compliance of the Bornion Timber FMU against the requirements of the MC&I (Natural Forest). The comments by the stakeholders and responses by the audit team are shown in **Attachment 3**.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Bornion Timber FMU's current documentation and field practices in forest management with the detailed of the standard of performances (SOPs) listed in the MC&I (Natural Forest), using the verifiers stipulated for Sabah.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FMU, local community or stakeholders or field audit or a combination of these methods. Depending on the compliance with the verifiers for a particular indicator, the auditors then decided on the degree of the FMU's overall compliance with the indicator and decided whether or not to issue a major or minor NCR or an OFI which is defined as follows:

- (i) a major NCR is a non-compliance with the requirements of the MC&I (Natural Forest);
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I (Natural Forest); and
- (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 (Natural Forest) but without sufficient objective evidence to support a non-conformance.

Consultations were held with the NGOs from Partners of Community Organization Sabah (PACOS) and WWF (Kota Kinabalu), the villagers of Kg. Alab Lanas, Kg. Kuit Lanas, Kg. Maatol, Kg. Sasagahan, Kg. Mantanid, Kg. Poring Baru, Kg. Fontas – Mendolong, Kg. Lang Kuku, Kg. Pandiwan A, Kg. Pandiwan B, Kg. Kagupil and Kg. Kalindukan as well as contractors and workers operating in the FMU. The audit team had also held meetings with the officers and the uniformed field staff of the Bornion Timber FMU.

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

The Bornion Timber FMU had sent a corrective action plan to the audit team to address the major and minor NCRs which the audit team had reviewed and accepted them. The audit team had prepared an interim recertification audit report and sent it to the Bornion Timber FMU for comment. A second draft re-certification audit report which had incorporated the comments received from the Bornion Timber FMU was then prepared and sent to two peer reviewers for independent reviewing. A final recertification audit was prepared after incorporated the comments from peer reviewers.

3.0 SUMMARY OF AUDIT FINDINGS

Based on the findings of this recertification audit, it was found that the Bornion Timber FMU had continued to manage the Bornion Timber FMU in compliance with most of the requirements of the MC&I (Natural Forest). This recertification had resulted in the issuance of 1 major, 2 minor NCRs and 3 OFIs. The details on the NCRs/OFI's raised are shown in **Attachment 5**.

The audit team had reviewed, accepted and verified the corrective actions taken by the Bornion Timber FMU to address the one (1) major NCR raised during this recertification audit. The audit team was satisfied that the corrective action had been effectively implemented and had therefore closed out this major NCR. The audit team had also reviewed and accepted the Bornion Timber FMU's proposed corrective actions to address the two (2) minor NCRs. However, these corrective actions shall be verified by the audit team during the next audit.

The audit team had also verified on the corrective actions taken by the Bornion Timber FMU to address the six (6) Minor NCRs and one (1) OFIs which were raised during the previous audit. The responses made by the audit team leader on these corrective actions and on the final status of the NCRs and OFIs are as in **Attachment 6**.

On indigenous peoples' rights, there were mechanisms in place to resolve disputes over tenure and use rights through meetings held with the Department of Orang Asli Development or Jabatan Kemajuan Orang Asli (JAKOA). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the Bornion Timber FMU.

With regard to Criterion 6.10, there was no conversion of the PRF to forest plantations or other non-forest land uses during the intervening period since the last audit. The PRF in the Bornion Timber FMU has remained the same covering an area of 40,924.72 ha.

As the major NCR raised during this recertification audit had been closed out, the audit team had therefore recommended that the Certificate for Forest Management to the Bornion Timber FMU be extended for another 3 years from 4 October 2019 to 20 October 2024.

The summary on the findings of the recertification audit on the Bornion Timber FMU against the requirements of the MC&I (Natural Forest) are as follows:

| Principle | Strengths | Weaknesses |
|---|--|---|
| Principle 1 Compliance With Laws and Principles | <p>The FMU management has respected all applicable laws and international treaties and agreements to which Malaysia is a signatory and complied with all the Principles and Criteria contained herein.</p> <p>Based on the "Summary of Patrol and Enforcement Daily Patrolling for the Year 2019" there were two cases of encroachment detected by local community. A joint operation with Sook District Forestry Office was conducted to investigate with participation of claimant and Sook Forestry office has issued warning to offenders.</p> <p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Camp Office. No logging is implemented during the audit.</p> <p>The forest manager had expressed their willingness to participate in resolution of such conflicts if they arise. No new case of disputes over tenure claims and use rights for NFM ever since the last surveillance audit for NFM. A Record Form: "Community Grievances and Action Taken" is being used as a mechanism to report the grievances by the community and action taken by Bornion Timber Sdn. Bhd.</p> <p>Signboards on control of hunting and forest reserve signboards have been erected at significant place such as security check points, base camp office and FMU's boundary. Posters on Total Protected Wildlife in Sabah were also observed at the Base Camp office, security check point and notice board at local community's hall. Patrol system had been established in 9 zones of the FMU.</p> | <p>Inspection of 8 workers' salary slip from April, May and Jun 2019 indicated that there are salary deduction for various household items like sundry goods, motorcycle and welfare fund beside the statutory deductions (EPF, SOCSO, etc) which is not allowed by the Labour Department without written permission or notification. Thus, a Minor NCR AS1/2019 for Indicator 1.1.1 was raised.</p> |
| Principle 2 Tenure and Use Rights and Responsibilities | <p>Bornion Timber Sdn. Bhd. had been given the approval to manage the Ulu Sungai Milian Forest Reserve (Block A) and part of Sapulut Forest Reserve (Block B) as evidenced in the Sustainable Forest Management License Agreement 03/97 (SFMLA 03/97) dated 10th September 1997.</p> <p>Currently, there is no village located within the certified area. There are villages (mainly indigenous Dusun and Murut as well as a minority Dusun-Lobou) situated outside of the certified area but within 2 KM from the certified area boundary. The actual number of villages and their use of land within the FMU</p> | <p>There was no negative finding.</p> |

| Principle | Strengths | Weaknesses |
|--|---|---|
| | <p>has been updated. The updated SIA- BT-CF-17 24/11/18 and the Stakeholder Engagement Plan both indicated there are 24 villages.</p> <p>Appropriate mechanisms to resolve disputes over tenure and use rights were evidenced in The Standard Operating Procedure titled “<i>Management of Community Disputes in FMU11 Doc. No BTSB-SOP-CF-01 (2017)</i>”. A Record Form: “<i>Community Grievances and Action Taken</i>” is being used as a mechanism to report the grievances by the community and action taken by Bornion Timber Sdn. Bhd.</p> <p>No new case of disputes over tenure claims and use rights for NFM ever since the last surveillance audit in 2018 for NFM.</p> <p>Records (map, report and photo) on use of land (burial ground, orchard, water catchment area) within the FMU by local communities were available.</p> | |
| <p>Principle 3 Indigenous People’s Rights</p> | <p>Records on indigenous use of land (such as burial ground and orchards) within the FMU were available. A Standard Operating Procedure (SOP) entitled “<i>Social Impact Assessment & Monitoring</i>” 2018 was aimed to assess and predict the potential social impact that may affect the local communities as result of the forest management operation.</p> <p>Mechanisms to resolve conflicts and grievances between the FMU and local communities are the MSCFC. Scheduled to meet twice a year, records showed that meetings were held on 20th June 2019 for communities in Nabawan areas and 21st June 2019 for communities in Sook sub-district.</p> <p>Procedures within current administrative processes for identifying and protecting indigenous sites of special cultural, ecological, economic or religious significance were outlined in SOP entitled “<i>Survey and Identification of HCVF and Other Protected Areas</i>” (revised 2018).</p> <p>The SIA results were incorporated in the “<i>2nd Forest Management Plan: Natural Forest Management (revised May 2018) 2012-2021 for FMU 11</i>” on land use and claim issues under Section 3.7 (Social-economic environment). Measures to avoid further complication regarding the NCR land were listed.</p> <p>List and map depicting locations of graveyard, ecological and economic sites in the FMU</p> | <p>Consultations with the 5 villages (Kg. Poring Baru, Simbuan, Kg. Matanid, Kg. Pandiwan B, Kg. Kagupil and Kg. Pandiwan A) indicated that some of the pending issues raised in the MSCFC meeting was not given a written feedback until the next meeting or the following year. Thus, a Minor NCR AS2/2019 for Indicator 3.3.2 was raised.</p> |

| Principle | Strengths | Weaknesses |
|--|--|---|
| | <p>were presented in Figure 6.12 HCV 6 for Burial ground in Compartment 32 and 33 in the revised FMP 2018. On the ground, trees were painted with red paint to indicate burial ground buffer. The revised FMP 2018 also identified important watershed areas for 12 villages. The FMU management took steps to determine burial grounds within Compartment 200 and marked on map entitled <i>Kawasan Perkuburan Lama Kampung Pandiwan A</i>.</p> <p>Catchment area at Kg. Poring Baru located at Compartment 55 is clearly demarcated and monitored.</p> <p>No traditional forest-related knowledge and practices of indigenous communities were used in the FMU in forest operations. The mechanism and fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples was based on the FMU's 2017 Standard Operating Procedure entitled "Management of Community Traditional and Practices Uses in FMU 11" (Document No: BTSB-SOP-CF-04).</p> | |
| Principle 4 Community Relations and Workers' Rights | <p>The FMU had provided training, retraining, local infrastructure, facilities and social program for all levels of its employees.</p> <p>Awareness programme on SFM including HCV, Handicraft Development, wildlife management and Employment opportunities and Grievance Mechanism, 3R recycle, SIA briefing etc. for community was held.</p> <p>BTSB has contributed to financial support for the local school program including contributions to fund poor students to continue education, harvest festival celebration at the village level, church activities and repair of public facilities such as school, balai raya and road maintenance.</p> <p>Qualified villagers in the surrounding FMU area were employed. As of June 2019, of the total 127 local employees in different capacities were from local communities in the region.</p> <p>The FMU has a written policy on freedom of association titled 'Policy Statement on Labor Rights' dated 9th January 2015. The right of workers to benefits and protection at the FMU was assured under applicable laws, i.e. Sabah Labour Ordinance, Employees Provident Fund Act 1991 and Employees' Social Security Act 1969.</p> | <p>Stakeholders awareness training on Forest Certification (MC&I) was carried out at the village level. However, stakeholders consulted in the 6 villages (, Kg. Matanid, Kg. Poring Baru, Simbuan, Kg. Pandiwan B, Kg. kagupil, Kg. Pandiwan A and Kg. kalindukan) indicated that only some of them were aware of the MC&I forest certification. Thus, an OFI for Indicator 4.1.1 was raised.</p> <p>During site visit at Pandiwan workshop, the ladder that connecting between diesel tank and diesel pump station only guarded with hand railing at the right side of the ladder. Thus, an OFI for Indicator 4.2.3 was raised.</p> <p>The FMU has planned to discuss and revise SOP of BTSB SOP-HR- 01 on any statements that are not clear / contradicting to ILO Convention 87 & 98. Refer to legal advisor / consultant. However, auditor has found the same contradict statements in the SOP at section 7.0 Code of Conduct. Thus, previous Miinor NCR LHF 03/2018 was upgraded to a Major NCR MRS 01 2019 for Indicator 4.3.4.</p> |

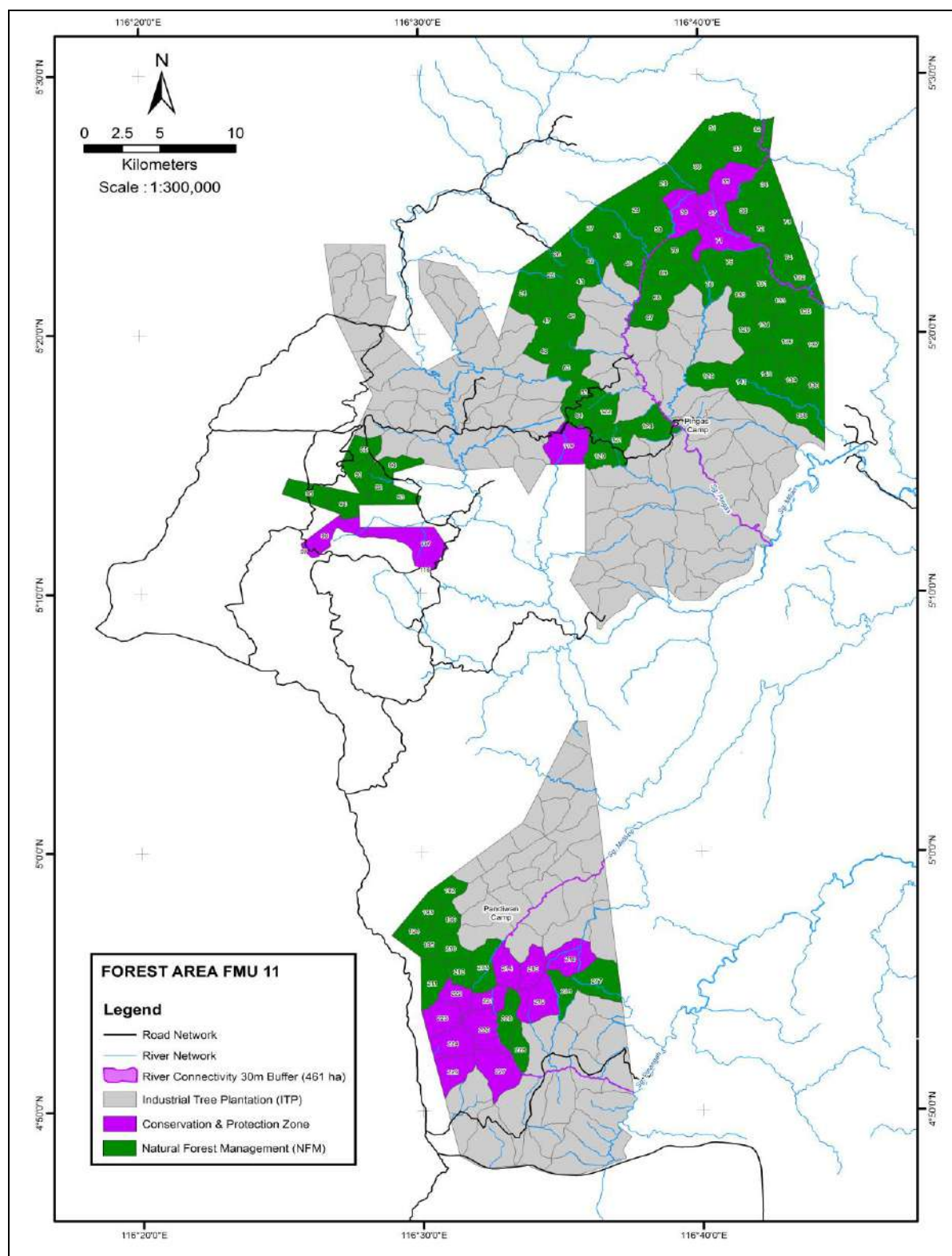
| Principle | Strengths | Weaknesses |
|---|--|---------------------------------------|
| | <p>Grievances raised by workers would be resolved based on SOP on <i>Employee Grievances</i> BTSB-SOP-HR-01 issued on 14th March 2015 and updated on the 27th June, 2019 and format “<i>Borang Aduan Pekerja</i>”.</p> <p>Social Impact Assessment update 2018 and Stakeholder Engagement plan was made available during this audit. The report also outlined social impact management plan and mitigations measures, stakeholder engagement plan and monitoring plan.</p> <p>A Standard Operating Procedure revised 2018 entitled <i>Community Claim and Compensation</i> (Document No: BTSB-SOP-CF-02) provided a guiding framework for valuation process (flowchart) and compensation for damaged or destroyed farm crops, disturbance of burial grounds, damage to private land, damage to fishing nets or other community properties and other damages where compensation have been prescribed by Native Courts/other state law or national law.</p> | |
| Principle 5 Benefits From the Forest | <p>Annual Work Plan for 2019 including estimated budget were verified that includes management, growth monitoring, conservation and protection management, resource assessment, survey and mapping, consulting/support services, community development, vehicle operating costs, forest certification, forest protection, wildlife monitoring, and capital expenditure.</p> <p>Since the FMU is scheduling to start the logging operation after the next FMP of 2021, the FMU rely on other source of income, the ITP and fruit tree from their orchard for income generation.</p> <p>In the 2nd Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11, 1st Revision 2018, the rate of harvest and Annual Allowable Cut (AAC) had been determined based on simulation period of 200 years and 30 years cutting cycle using FORMIND software. The FORMIND simulation will be use again to simulate the PSPs re-inventory data and made comparison with initial Forest Resource Assessment (FRA) data.</p> <p>The AAC had been set at 27,059 m3 per annum assuming a net production area of 23,591 ha. However, due to NFM map correction and updating exercise in 2018 that the net production area was reduced to 22,493 ha. Because of that, the AAC has been revised to 25, 808 m3 based on average</p> | <p>There was no negative finding.</p> |

| Principle | Strengths | Weaknesses |
|---|---|--------------------------------|
| | <p>harvestable AAC volume of 34.42 m3/ha and annual net production area of 750 ha (21, 493 for 30 years).</p> <p>There was no timber and important non-timber forest products harvested since previous audit.</p> | |
| Principle 6 Environmental Impact | <p><i>Special Environmental Impact Assessment (SEIA) SFMLA 3/97 FMU 11 Bornion Timber Sdn Bhd</i> was produced in February 2003. The FMU has incorporated measures to mitigate the environmental impacts in the 2nd Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11, 1st Revision 2018.</p> <p>The FMU has set aside conservation and protection area with total area 9,678.94 hectares (23.65 %) which consisting of steep area, portion lower montane forest, lowland dipterocarp forest and water catchment area. Guidelines on conservation of genetic, species and ecosystem diversity have been addressed in the FMU an SOP BTSB-SOP-CP-01 issued on 1st Mach 2015 and updated on 27th April 2018 titled 'Identification of Representative Conservation and Protection Sites'.</p> <p>The FMU had established a procedure to assess post-harvest in the SOP BTSB-SOP-FD-02 dated 2nd May 2015 - Silvicultural Operations in Natural Forest and SOP Enrichment Planting Operations.</p> <p>Disposal of non-organic solid wastes and Scheduled Wastes (Lubricant & Oil) was in accordance to the Fifth Schedule (Regulation 11) of Environmental Quality Act 1974 Environmental Quality (Scheduled Wastes) Regulations 2005 with appropriate forms for recording.</p> <p>There was no plan for converting the forest area to plantations as the area planted with rubber was separated another FMU. Conversion of natural forest into non-forest land use had not occurred within the FMU.</p> | There was no negative finding. |
| Principle 7 Management Plan | <p>A 2nd Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11 1st Revision has been ready, and sent to FD Sabah for approval as evidence by a letter JPHTN/SFM 800-1/1/3 (Jilid 5)/43 dated: 17th May 2018 and BTSB/JPHTN-SDK/18/05-02. The received has been acknowledged by FD Sabah on 18/5/2018.</p> <p>The FMP had further specified the area for logging in accordance to the AAC. For this 2nd</p> | There was no negative finding. |

| Principle | Strengths | Weaknesses |
|--|---|--|
| | <p>revision of the FMP, the AAC for the FMU has been revised to 25,808 m³ per annum or 34.41 m³/ha for cutting cycles of 30 years. (Refer to 5.6.1). The production forests would continue to be managed based on Comprehensive Harvesting Plan (CHP). Harvesting would also be conducted in accordance to the RIL specifications with pre-felling and post-felling inventories conducted. Steep slopes of above 25° and riparian buffers within the production forests would be protected.</p> <p>Summary of Forest Management Plan has been prepared, implemented and made available to the public through website link as follows: www.bornion.com</p> | |
| Principle 8 Monitoring and Assessment | <p>The FMU comply with the procedure as stated in Sabah Sustainable Forest Management Guidelines– Part IV (October 2003) by having these documented evidences;</p> <p>i. FMP [2nd Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11, 1st Revision 2018] in Chapter 10.3 Monitoring System and Components (pg. 199-204) including flowchart of Monitoring, Compliance and Evaluation (MCE) (pg. 201), 15 monitoring elements, aspects and implementation simplified in Table 10.1 (pg. 202-204)</p> <p>ii. relevant available SOP's to assess social, ecological, environmental and economic impacts such as SOP's for social impact assessment & monitoring (BTSB-SOP-CF-03), environment monitoring (BTSB-SOP-EM-07), wildlife survey & monitoring (BTSB-SOP-WU-01), natural forest resource assessment (BTSB-SOP-FD-01) and establishment & monitoring of permanent sample plots (BTSB-SOP-FD-08)</p> <p>iii. Environmental Compliance Report [KWEK-(EV)/M/19] dated on February 2019 that covered the period from November 2018 to February 2019.</p> <p>iv. Compliance Report 2018 that was submitted to FD Sabah.</p> <p>Summary of results of monitoring indicators was made available to the public via website (www.bornion.com/Monitoring.html). Information presented include (a) forest yield, (b) growth, regeneration and forest condition, (c) flora and fauna, (d) environmental and social impacts, and (e) costs, productivity and efficiency.</p> | <p>During site visit at PSPs found that the code of inventoried tree written on the tree tag with permanent marker pen could not last long especially during raining season. Thus, an OFI for Indicator 8.1.2 was raised.</p> |
| Principle 9 Maintenance of High | <p>The FMU has satisfactorily done the assessment to identify the HCVF areas based on the WWF-Malaysian Toolkit for Malaysia.</p> | <p>There was no negative finding.</p> |

| Principle | Strengths | Weaknesses |
|-----------------------------------|--|------------|
| <p>Conservation Values</p> | <p>The summary and map of the HCVF were presented in Chapter 6.3 (pg. 125-127) in the 2nd Forest Management Plan: Natural Forest Management (2012-2021) For FMU 11. 1st Revision 2018 that includes six HCV categories that were found in the FMU.</p> <p>These HCVFs were found to be monitored regularly based on the evidence of Work Plan for Annual Monitoring of HCV's NFM 2019 and HCVF Monitoring Activity Report that were presented during the audit.</p> <p>The FMU has identified all stakeholders for the HCV's. The FMU has consulted regularly with the relevant stakeholders in the government agencies, NGOs and local communities to maintain or enhance the identified HCVF. All communication mostly by emails and letter records were compiled by the management to the stakeholders such as Global Forest and Trade Network, and WWF Malaysia.</p> <p>The FMP summary entitled "Public Summary of HCVF Management by Bornion Timber Sdn. Bhd. FMU 11-Natural Forest" was available and accessible to the public latest updated on June 2019 through www.bornion.com/HCVFNFM.html.</p> <p>Annual monitoring activities were effectively implemented based on the documents of "Work Plan for Annual Monitoring of HCV's NFM 2019" and "HCVF Monitoring Activity Report". The results and findings of the past year HCVFs monitoring activities were then included in the revised FMP as shown in Chapter 6.7, Table 6.13.</p> | |

Map of Bornion Timber FMU



Experiences and Qualifications of Audit Team Members

| Assessment Team | Role/Area of MC&I Requirement | Qualification and Experience |
|-------------------------|-----------------------------------|--|
| Mohd Razman Salim | Assessment Team Leader / Forester | <p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: Five years experienced as Research Officer at the Forest Research Institute Malaysia (FRIM) since 2007 in a various area such as ecological research for lowland and hill dipterocarp forest, Geographic Information Systems, forest inventories, forest harvesting and forest management system (SMS). Participate in organizing committee member, division level activities and projects. Coordinate and collaborate a long term ecological plot and inventory data about 25 years at the Pasoh, Negeri Sembilan with Negeri Sembilan Forestry Department, universities (local & international) and NGOs. Published and presented research findings at the seminars and conferences. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2013. Involved in conducting assessments on forest management certification [MC&I (Natural Forest)] & [MC&I (Plantations)], MYNI of RSPO P&C and other management systems on ISO 9001, 14001 and OHSAS 18001</p> <p>Training / Research Areas: 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 (Natural Forest)] & [MC&I (Plantations)] organized by MTCC, 1-4 December 2013. EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 18-22 March 2013. OHSAS 18001: 2007 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 11-15 March 2013. QMS 9001: 2008 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 4-8 March 2013.</p> |
| Angelica Sinimis Suimin | Auditor/ Sociology | <p>Academic Qualification: She has a Bachelor of Arts in Social Science and MSc in Environmental Management and Social Development. Has a certificate in Paralegal Studies and Diploma in Emergency Medical Technician (UK) and Human Resources Management (UM).</p> <p>Work Experience: A competent One to One Competency Based and Education Trainer from De Taffe University, Australia. Independent Auditor under SIRIM QAS Malaysia and Technical Expert for FSC audit under SCS Global services. Has worked as Rural Sociologist under the World Bank project under the Japanese Trust Fund for Community Forestry Project in Sabah for 3 years. She has over 30 years of working experience and was working in the Forestry Related Industries both in Sabah and Sarawak for 28 years in different capacities (e.g independent Researcher, Rural Sociologist, Sr.Training and Administrator, Human Resources Executive, Emergency Medical Technician, Training Officer, CSR Manager, Chief Operation Officer for Avantha Foundation Malaysia).</p> <p>Attended training programmes: Has attended the following courses:</p> <ol style="list-style-type: none"> 1. MTCC Forest certification Standards for Forest Management and Plantations, 2013, Sirim QAS 2. FSC Forest Certification standards for Forest Management and Control Wood, 2015; Nepcon 3. LEAD ASSESSOR COURSE ISO 14001 (EXEMPLAR GLOBAL |

| | | |
|-------------------------------------|---|--|
| | | <p>CERTIFIED LEMS01) , 2016; Sirim QAS</p> <p>4. DIPLOMACY TRAINING (Human Rights, Indigenous People, the Private Sector and Development), 2017; Faculty of law, Uni New South Wales</p> <p>5. MC&I *Natural Forests and Plantation v.2 standards, 2017 – MTCC</p> |
| Mohd Annas Amin bin Haji Omar | Assessment Team Member/ Forester | <p>Academic Qualification: <i>Diploma in Forestry, UPM</i> <i>B. Sc. In Forestry, UPM</i></p> <p>Work Experience: Six year as Assistant Forest Officer at Perak Forestry State Department in the year from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed to be Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed to be Investigative Officer in Investigations into a case involved Ayer Chepam Forest Reserve and Cased Prosecuted in Court.</p> <p>Attended and pass the following training programmes:</p> <ul style="list-style-type: none"> • Program of MTCS Training Course (MC&I) in Kuantan (9-12 July 2018) • Lead Auditor ISO 9001, ISO 14001 & ISO 45001 Exemplar Global Certified (13-18 August 2018) |

Comments Received from Stakeholders and Responses by Audit Team Leader

| No. | Comments/Issues Raised | Response by Audit Team |
|-----|--|---|
| 1 | <p>1. Perlindungan alam sekitar Bornion Timber belum dapat menyelesaikan pencemaran sungai Kauluan yang mengakibatkan kemerosotan hasil penanam padi petani yang terlibat. Akibat daripada pembukaan ladang oleh Bornion Timber punca air daripada sungai tersebut rosak teruk. Bekalan air ke ladang tidak lagi mencukupi.</p> <p>2. Manfaat dari hutan sejak kawasan tersebut termasuk dalam kawasan Bornion Timber kami tidak dibenarkan mengambil apa-apa hasil hutan.</p> <p>3. Cari formula terbaik untuk menyelesaikan pencemaran sungai Kauluan yang tertangguh beberapa tahun.</p> <p>4. Keluarkan kawasan terlalu dekat dengan kampung-kampung terlibat agar penduduk kampung terlibat dapat menanam padi tanpa gangguan dari jabatan hutan dan Bornion Timber</p> | <p>Audit team has tried to consult the complainant during the audit. However, the complainant not available at the village although arrangement had been set a few times before the meeting.</p> <p>Audit team also has consulted a representatives from Partners of Community Organization Sabah (PACOS) on this issue on 8 July 2019. However, he has confirmed that there was no river pollution at the Sg. Kauluan.</p> <p>The villagers cannot collect any timber product or non-timber forest product within the Bornion Timber license area without written approval from Sabah Forestry Department.</p> <p>The FMU willing to participate and discuss for any issues raised by communities through Milian-Sapulut Community Forestry Committee (MSCFC).</p> <p>The FMU cannot allocate some of the license area to villagers for paddy planting since the license area is belongs to Sabah Forestry Department.</p> <p>Audit team also has visited the Hulu Sg. Kauluan with head of village and a few of villagers from Kg. Kuit Lanas on 12 July 2019. Based on the site visit, audit team has found that the river is flowing from conservation area at Compartment 8 & 9 in the ITP area of Bornion Timber Sdn Bhd which is certified under MC&I Forest Plantation. The location of conflict area is located at 1.045 KM from the nearest boundary of ITP with Compartment 8 & 9 (GPS Coordinate: N 05° 20' 04.7" and E 116° 29' 23.0").</p> <p>This issue is not related with this audit scope of natural forest under MC&I (Natural Forest) standard. However, the company is willing to discuss and find the cause of this issue with villagers within 2 weeks after this audit.</p> <p>The audit team will verify again this issue during Recertification Audit for ITP area under MC&I Forest Plantation standard which is expected in August or September 2019.</p> |

Recertification Audit Plan

| DAY | TIME | PROGRAM | | |
|---|--------------------|--|--|--|
| | | Auditor 1 (Razman) | Auditor 2 (Annas) | Auditor 3 (Angelica) |
| Day 0 8 July 2019 (Mon) | | <ul style="list-style-type: none"> Travel from KLIA to Kota Kinabalu (MH2610; 9:15 – 11:55) Interview with stakeholders <ul style="list-style-type: none"> (i) Partners of Community Organization Sabah (PACOS) (ii) World Wildlife Fund (WWF) Travel from Kota Kinabalu to Keningau town. Overnight at Keningau town. Briefing by Audit Team Leader on the audit plan | | |
| Day 1 9 July 2019 (Tue) | 7.00 – 9.00 am | <ul style="list-style-type: none"> Travel from Keningau town to the FMU office at Ulu Sg. Milian Base Camp | | |
| | 9.00 – 10.30 am | <ul style="list-style-type: none"> Opening Meeting with representatives of FMU Briefing session by Forest Manager of the FMU Evaluation of changes to the management of the FMU Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance Check on complaints and follow-up actions Evaluate on internal audit and management review Verification of NCRs raised during the previous audit. | | |
| | 10.30 am – 5.00 pm | <ul style="list-style-type: none"> Documentation review <ul style="list-style-type: none"> ○ Principle 5 – Benefits from the forest ○ Principle 6 – Environmental Impact ○ Principle 7 – Management Plan | <ul style="list-style-type: none"> Documentation review <ul style="list-style-type: none"> ○ Principle 8 – Monitoring and Assessment ○ Principle 9 – Maintenance of High Conservation on Value Forests | <ul style="list-style-type: none"> Documentation review <ul style="list-style-type: none"> ○ 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 Workers' Right |
| | 5.00 – 5.30 pm | <ul style="list-style-type: none"> Review of Day 1 Findings by Audit Team Leader | | |
| Day 2 10 July 2019 (Wed) | 8.00 am – 5.00 pm | Site visits: <ul style="list-style-type: none"> HCVF Bornion Educational Trail – Compt. 119 External boundary – Compt. 119 Certified boundary: 1.NFM (Compt 121) and ITP (Compt. 148) 2.NFM (Compt. 84) and ITP (Compt. 85) HCVF Sg. Pingas at Compt. 124 Permanent sample | Site visits: <ul style="list-style-type: none"> Permanent sample plot (PSPs) # SU-95 (Compt. 84) Boundary mark between NFM (Compt 82) and ITP (Compt. 83) HCVF Pond - Compt. 124 | Site visits: <ul style="list-style-type: none"> Consultation with local communities: <ul style="list-style-type: none"> -Kg. Alab Lanas -Kg. Kuit Lanas -Kg. Maatol -Kg. Sasagahan -Kg. Mantanid |

| | | | | |
|---------------------------------------|--|---|---|---|
| | | plot (PSPs) # 83 (Compt. 83) | | |
| | 5.00 – 5.30 pm | • Review of Day 2 Findings by Audit Team Leader | | |
| Day 3 11 July 2019 (Thu) | 8.00 am – 5.00 pm | • HCVF – Rafflesia at Compt. 210 • Workshop and landfill | • Permanent sample plot (PSPs) #SU-3 (Compt. 33) | • Site visits: -Kg. Poring Baru -Kg. Fontas - Mendolong -Kg. Lang Kuku -Kg. Pandiwan A -Kg. Pandiwan B -Kg. Kagupil -Kg. Kalindukan • Catchment area at Kg. Poring Baru – Compt. 55 |
| | 5.00 – 5.30 pm | • Review of Day 3 Findings by Audit Team Leader | | |
| Day 4 12 July 2019 (Fri) | 8.00 am – 12.30 pm | • Site visit to complaint area at Kg. Kuit Lanas (Mr. Mangop) nearby to Compt. 8 of ITP area • Continue documentation review <ul style="list-style-type: none">○ Principle 5 – Benefits from the forest○ Principle 6 – Environmental Impact○ Principle 7 – Management Plan | • Continue documentation review <ul style="list-style-type: none">○ Principle 8 – Monitoring and Assessment○ Principle 9 – Maintenance of High Conservation on Value Forests | • Continue documentation review <ul style="list-style-type: none">○ 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 Workers’ Right |
| | 2.00 – 5.00 pm | • Audit team discussion • Closing meeting | | |
| | *13 July 2019 (Sat) - Travel from Kota Kinabalu to Kuala Lumpur (MH2613; 9:55 – 12:25) | | | |

Details on NCRs and OFIs Raised During this Recertification Audit and Corrective Actions Taken

| Indicator | Specification Major/Minor/ OFI | Detail Non-conformances | Corrective Action Taken | Verification by Assessor |
|-----------------------|--------------------------------------|--|---|--|
| 1.1.1 AS1/2019 | Minor | <p>Requirement: Indicator 1.1.1 Records and availability of up-to-date applicable federal, state and local laws, and regulations, in particular those related to forest management.</p> <p>Finding: There was no notification or permission from Labour Department to deduct workers salary for other purposes (motorcycle, canteen etc) beside statutory deductions.</p> <p>Objective evidence: Inspection of 8 workers' salary slip from April, May and Jun 2019 indicated that there are salary deduction for various household items like sundry goods, motorcycle and welfare fund beside the statutory deductions (EPF, SOCSO, etc) which is not allowed by the Labour Department without written permission or notification.</p> | <p>1. Notify Labour Department and apply for permission to include other required deductions in worker salary. August 2019</p> <p>2. A permit will be issued by Labour Department. Sep – Oct 2019</p> | <p>Accepted corrective action plan.</p> <p>Status: Implementation and effectiveness of corrective action plan will be verified during next audit.</p> |
| 3.3.2 AS2/2019 | Minor | <p>Requirement: Indicator 3.3.2 Availability of appropriate mechanisms for Conflict Resolution.</p> <p>Finding: Written response of grievances raised by community representatives during the MSCFC meetings were not available.</p> <p>Objective evidence: Consultations with the 5 villages (Kg. Poring Baru, Simbuan, Kg. Matanid, Kg. Pandiwan B, Kg. Kagupil and Kg. Pandiwan A) indicated that some of the pending issues raised in the MSCFC meeting was not given a written feedback until the next meeting or the following year.</p> | <p>Written response of grievances that had been delivered during the meeting to be sent to the community representatives by formal letter. August – September 2019</p> | <p>Accepted corrective action plan.</p> <p>Status: Implementation and effectiveness of corrective action plan will be verified during next audit.</p> |
| 4.3.4 | Major (Upgraded) | Requirement : Indicator 4.3.4 Availability of appropriate | Revised and corrected SOP HR-01 is enclosed | Verified SOP Employee Grievances with latest |

| | | | | |
|------------------------|--|--|---|---|
| MRS 01 2019 | previous Minor NCR LHF 03/2018) | <p>procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p>Finding : Corrective action plan for previous Minor NCR LHF 03/2018 was not effectively implemented.</p> <p>Objective evidence : The FMU has planned to discuss and revise SOP of BTSB SOP-HR- 01 on any statements that are not clear / contradicting to ILO Convention 87 & 98. Refer to legal advisor / consultant. However, auditor has found the same contradict statements in the SOP at section 7.0 Code of Conduct.</p> | with this report to close this Major NCR. August 2019 | <p>update on 13 July 2019 (Revision 2).</p> <p>Status: Closed.</p> |
| 4.1.1 | OFI #1 | Stakeholders awareness training on Forest Certification (MC&I) was carried out at the village level. However, stakeholders consulted in the 6 villages (, Kg. Matanid, Kg. Poring Baru, Simbuan, Kg. Pandiwan B, Kg. kagupil, Kg. Pandiwan A and Kg. kalindukan) indicated that only some of them were aware of the MC& I forest certification. | Not required | Status: Verified during next audit |
| 4.2.3 | OFI #2 | During site visit at Pandiwan workshop, the ladder that connecting between diesel tank and diesel pump station only guarded with hand railing at the right side of the ladder. | Not required | Status: Verified during next audit |
| 8.1.2 | OFI #3 | During site visit at PSPs found that the code of inventoried tree written on the tree tag with permanent marker pen could not last long especially during raining season. | Not required | Status: Verified during next audit |

Corrective Actions Taken and Final Status on NCRs and OFIs Raised During Previous Audit

| Indicator | Specification Major/Minor/ OFI | Detail Non-conformances | Corrective Action Taken | Verification by Assessor |
|-----------------------------|--------------------------------|--|--|---|
| 2.3.1 LHF 01/2018 | Minor | <p>Requirement: Availability of appropriate mechanisms to resolve disputes over tenure and use rights.</p> <p>Finding: Record of Community Grievance and Action Taken has no description of current grievance/dispute status, i.e. Action taken by FMU, feedback to the complainants and status of resolution resolved are not recorded.</p> <p>Objective evidence: Field visit and Interviews with 14 villagers (3 female, 11 male) from Kg. Masaum and (5 villagers- 1 female and 4 male) from Kg Kipaliu Tongod indicated that there was no official notification or feedback from FMU on the status of the complaints. Communities were expecting FMU or Forestry Department to respond to their grievances in black and white.</p> | <p>1. Develop grievances log record for Bornion Timber Sdn. Bhd.</p> <p>2. Give feedback to complainants (Community Kg. Kipaliu Tongod and Kg. Masaum) by letter and brief the status of complaint.</p> <p>3. Follow-up status of complaint (case) to Sook District Forestry Office and consult community involved.</p> | <p>Assessment consultation with villagers in Kg. Alab Lanas, Kg. Kuit Lanas, Kg. Maatol, Kg. Sasagahan, Kg. Matanid, Kg. Poring Baru, Kg. Fontas-Mendolong, Kg. Langkuku, Kg. Pandiwan A, Kg. Pandiwan B, Kg. Kagupil and Kg. Kalindukan confirmed that the related matter on land claim and land use was discussed in the MSCFC meetings. The recent MSCFC meetings was 20.06.19 at Nabawan area and 21.06.19 at Sook area. Previous record of Community Grievance and Action Taken was shown. Minutes of meeting on MSCFC in June 2019 was made available.</p> <p>Status: Closed</p> |
| 4.1.1 LHF 02/2018 | Minor | <p>Requirement: Forest managers provide appropriate support for training, retraining, local infrastructure, facilities and social programs that commensurate with the scale and intensity of forest management operations.</p> <p>Finding: The FMU has conducted awareness programme for Kg. Sasagahan and Kg. Masaum on the Sustainable Forest Management practices at BTSB this year. However, there was no stakeholder Engagement plan provided.</p> <p>Objective evidence: BTSB has outlined lists of Awareness Programme for all the villages within and at the fringe of the Natural Forest Management Unit in the Annual Working Plan but there was no evidence of Stakeholder engagement plan to be implemented for the year. This stakeholder engagement plan was mentioned in the 2nd</p> | <p>1. Review stakeholder list (identify stakeholder, i.e. Community Group, NGOs, Government, and other private interests).</p> <p>2. Develop stakeholder analysis and stakeholder engagement approach (based on the potential role and interest in FMU 11).</p> <p>3. Develop stakeholder engagement activity for the year of 2018.</p> <p>4. Implementation of Stakeholder Engagement Plan.</p> <p>5. Develop monitoring and reporting.</p> | <p>The FMU outlined lists of Awareness Programme for all the villages at the fringe of the Natural Forest Management Unit in the Annual Working Plan. Awareness programme on Sustainable Forest management including HCV, Handicraft Development, wildlife management and Employment opportunities and Grievance Mechanism, 3R recycle, SIA briefing etc. for community was held for Kg. Poring-Simbuan (13 participants) on 17th May, 2019, and Kg. Batu Languyan (30 participants) on 28th Nov-1st Dec 2018, Kg. Wawasan (18 participants) on the 18th Sept. 2018, Kg. Langkuku (19 participants) on the 12.11.18, Kg. Kalindukan (4 participants) on 23rd May, 2019, Kg. Dumbun, Sook (3 participants) on the 11.06.19, Kg. Matanid, Sook (3 participants) on the 23.06.19, Kg. Solog (4 participants) on</p> |

| | | | | |
|-------------------------|-------|---|--|---|
| | | Forest Management Plan: Natural Forest management (2012-2021) for FMU 11 1st Revision 2018 and Social Impact Assessment BTSB/UMS/15/11-01 2016. | | the 23.06.19, Kg. Poring Baru-Simbuan (4 participants) on 16.06.19 and Kg. Sasagahan (3 participants) on the 23.06.19. Status: Closed |
| 4.2.5 MN001/2018 | Minor | <p>Requirement: Demarcation of hazardous areas and provision of guidelines for storage and handling of hazardous materials.</p> <p>Finding: The FMU did not comply to the Regulation 21 of Occupational Safety and Health Regulations, 2000.</p> <p>Objective Evidence: During site inspection to the workshop, the following non-conformity were observed;</p> <p>1) in the schedule waste storage, a 1.5L mineral water bottle (with its label still attached) was used as oil container and not label.</p> <p>2) a bottle of mineral drinking water was kept together with spare parts in the storage area of the workshop.</p> <p>3) Mineral drinking water bottles (with the labels still attached) were re-used as detergent container found in the workshop's office and not label.</p> | <p>1. Hold a special briefing to all workshop / store staffs on hazardous material awareness, especially on private belongings in the workplace.</p> <p>2. Reckless storage of personal belongings to be added to monitoring schedule.</p> <p>3. As usual, apply monthly monitoring. Results to be discussed during Safety & Health Committee meeting.</p> | <p>During site inspection at the workshop, the auditor has found that, the FMU has complied to the Regulation 21 of Occupational Safety and Health Regulations, 2000;</p> <p>1) No mineral water bottle was used as oil container in the schedule waste storage</p> <p>2) No mineral drinking water was kept together with spare parts in the storage area of the workshop.</p> <p>3) No re-used of mineral drinking water bottle as detergent container in the workshop's office.</p> <p>Status: Closed</p> |
| 4.3.4 LHF 03/2018 | Minor | <p>Requirement: Availability of appropriate procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p>Finding: BTSB SOP-HR- 01 issued on 14/03/2015 contravenes to the ILO convention 87 and 98 although BTSB Employment and labor rights policy dated 17th May 2015 supports all local labour and international laws.</p> <p>Objective Evidence: SOP of Employee Grievances FMU 11 BTSB –SOP-HR-01 pg.2 and 3 refrain employees from taking unilateral action with regard to any industrial dispute and this contradicts to:</p> <p>(a) ILO Conventions No. 87 (Freedom of Association and Protection of the Rights to Organize Convention, 1948)</p> | <p>1. To discuss and revise SOP of BTSB SOP-HR- 01 on any statements that are not clear / contradicting to ILO Convention 87 & 98. Refer to legal advisor / consultant.</p> <p>2. To be final approved by the management.</p> | <p>Corrective action plan for previous Minor NCR LHF 03/2018 was not effectively implemented.</p> <p>The FMU has planned to discuss and revise SOP of BTSB SOP-HR- 01 on any statements that are not clear / contradicting to ILO Convention 87 & 98. Refer to legal advisor / consultant. However, auditor has found the same contradict statements in the SOP at section 7.0 Code of Conduct.</p> <p>Status: Upgraded to Major NCR MRS 01 2019 during this Recertification Audit.</p> |

| | | | | |
|-----------------------------|-------|---|--|--|
| | | and Convention No. 98 (The Rights to Organise Collective Bargaining Convention, 1949). (b) 2nd Forest Management plan: Natural Forest Management (2012-2021) For FMU 11. 1st Revision 2018 at pg 34 on Policy Statement and Commitments has also stated to respect core labour rights as defined by national and international laws, agreements and conventions particularly all provisions made in International Labour Organisation Conventions No 87. and 98. | | |
| 4.4.1 LHF 04/2018 | Minor | <p>Requirement: Forest managers shall evaluate, through consultations, social impact of forest management operations directly affecting communities, and the people and groups directly affected by the forest management operations shall have access to information on the results of the social impact evaluations.</p> <p>Finding: (1) Social impact assessment regarding the progress of Kg. Kipaliu villagers' graveyard (Compartments 32 and 33) was made on 1 February 2017 and 9 January 2018. Assessment on Kg. Pandiwan villagers' water catchment area in Compartment 195 was also carried out on 6 May 2017 and 18 February 2018.</p> <p>(2) Villagers in Kg. Kipaliu and Kg. Pandiwan have yet to have access to information on the results of the social impact evaluation on their significance sites.</p> <p>Objective Evidence: Assessment local consultation with 5 villagers in Kg. Kipaliu Baru on 23 May 2018 showed that villagers were aware of the social assessment on their significant sites, but they did not know the outcome of the findings.</p> | <p>1. Analysis social impact (for graveyard site, water catchments area, and others).</p> <p>2. Brief to community Kg. Pandiwan and Kg. Kipaliu Baru on fining and mitigation measure.</p> <p>3. Give community opportunities for comment.</p> | <p>The findings from the 2018 social impact were distributed to all the community leaders. Series of briefing on the findings were carried out from the 23.05.19 to 23.06.19 involving Kg. Tataluan, Kg. Langkukuk, Kg. Kalindukan, Kg. Sungoi Matoi, Kg. Dumbun, Kg. Poring Baru-Simbuan, Kg. Sasagahan, Kg. Matanid and Kg. Solog. The community leaders were also briefed on the social impact assessment results during the MCFC meeting. During the audit, the CSR team of BTSB is still in progress of briefing the SIA to communities surrounding the FMU.</p> <p>Status: Closed</p> |
| 4.4.2 LHF 05/2018 | Minor | <p>Requirement: Forest planning and management practices shall consider and incorporate the results of such evaluations.</p> <p>Finding: The findings from the 2017-2018 social impact on</p> | <p>1. Analysis of social impact data (July 2017 to May 2018)</p> <p>2. Prepare report.</p> <p>3. Incorporate finding/result into 2018 revised FMP</p> | <p>Assessment consultation with Kg. Alab Lanas, Kg. Kuit Lanas, Kg. Maatol, Kg. Sasagahan, Kg. Matanid, Kg. Poring Baru, Kg. Fontas-Mendolong, Kg. Langkuku, Kg. Pandiwan A, Kg. Pandiwan B, Kg. Kagupil and</p> |

| | | | | |
|-------|-----|---|--------------|---|
| | | <p>assessments of Kg. Kipaliu villagers' graveyard (Compartments 32 and 33) and Kg. Pandiwan villagers' water catchment area in Compartment 195 are being analyzed and have yet to be considered and incorporated into forest planning and management practices.</p> <p>Objective Evidence: The 2018 revised FMP did not incorporate findings from the social impact assessment on Kg. Kipaliu villagers' graveyard Kg. Pandiwan villagers' water catchment area.</p> | | <p>Kg. Kalindukan confirmed that the FMU has circulated and brief the communities on the SIA results although not everyone was available during the briefing. The results of the SIA was also incorporated in the FMP.</p> <p>Status: Closed</p> |
| 8.1.2 | OFI | <p>Requirement: <u>Forest managers shall identify and implement appropriate monitoring procedures, in accordance with the scale and intensity of the forest management operations, for assessing social, ecological, environmental and economic impacts.</u></p> <p>During inspection in the PSP area, Compt. 124 SU100, it was found that information on the data, namely the quality of boles-damage (Tree #1,2 & 3 in SSU 04A) did not match or absent in the data while the rest of the data were correctly entered.</p> | Not required | <p>During inspection in the PSP area, # SU-95 (Compt. 84), # 83 (Compt. 83) and #SU-3 (Compt. 33), the data namely the quality of boles-damage were correctly written.</p> <p>Status: Closed</p> |