



**PUBLIC SUMMARY  
SURVEILLANCE 1 AUDIT (2<sup>nd</sup> CYCLE) ON  
BORNION TIMBER FOREST MANAGEMENT UNIT (FMU 11)  
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-NF 00009  
Date of First Certification: 21 October 2016  
Audit Date: 21-23 July 2020  
Date of Public Summary: 18 September 2020**

**Certification Body:**

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## 1. EXECUTIVE SUMMARY

This surveillance 1 audit on the Bornion Timber Forest Management Unit (hereafter referred as the Bornion Timber FMU) was conducted on 21-23 July 2020 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 surveillance 1 audit was limited to the forest management system and practices on the Permanent Reserved Forest (PRF) within the Bornion Timber FMU.

This surveillance 1 audit was conducted by a 3-member team comprising Mohd Razman Salim (Lead Auditor), Ismail Adnan Abdul Malek (Auditor), and Dr Lim Hin Fui (Sociologist).

Based on the findings of this surveillance 1 audit, it was found that Bornion Timber FMU had continued to comply with the requirements of the MC&I (Natural Forest). This surveillance 1 audit had resulted in the issuance of four (4) Opportunities for Improvement (OFIs) respectively. No Non-Conformity Reports (NCRs) was found during this audit.

This public summary contains the general information on the Bornion Timber FMU, the findings of the surveillance 1 audit, OFIs raised as well as the decision on the continued certification of the FMU.

## 2 INTRODUCTION

2.1 Name of FMU  
Bornion Timber Forest Management Unit

2.2 Contact Person and Address

Adam Goh  
Assistant Manager (Forest Management)  
3<sup>rd</sup> Floor, Lot 16-18,  
Block K, Jalan Ikan Juara Satu,  
Sadong Jaya, Karamunsing,  
88000 Kota Kinabalu,  
Sabah, Malaysia  
Phone # : 088-240111  
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2.3 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.

The FMU consists of 40,924.72 ha of Ulu Sg. Milian Forest Reserve and part of Sapulut Forest Reserve. The FMU is located within 116° 15' E to 116° 50' E longitude and 4° 40' N to 5° 30' N in the Sook District, Keningau, Sabah. The production area is 31,245.78 ha and 9,678.94 ha as the conservation area.

The natural forest is managed under a 30-year rotation period. A Forest Management Plan (FMP) covering the period from 2012 to 2021 presented during the audit. For the period 2012-2021, the AAC has been revised to 25,808 m<sup>3</sup> per annum or 34.41 m<sup>3</sup>/ha.

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 - FMU11	Village within and adjacent to the FMU

2.4 Date First Certified  
21 October 2016

2.5 Location of the FMU

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

2.6 Forest Management System

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

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

The annual allowable cut (AAC) for the FMU had been set at 25,808 m<sup>3</sup> per annum or 34.41 m<sup>3</sup>/ ha. During this surveillance 1 audit, the size of the FMU is 40,924.72 ha.

2.8 Environmental and Socioeconomic Context

*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 1<sup>st</sup> Revision 2018 in section 5.3, and Environmental Management Standards as identified in the SEIA – 1.4.2 Recommended Mitigation Measures. The prescribed mitigation measures shall be implemented once harvesting conducted.

A social impact assessment titled 'Interim Report - Social Impact Assessment, January 2016' of the FMU's operations on the local communities are situated within and/or close to the FMU was included in Environmental Impact Assessment (EIA) undertaken by the FMU. The *2<sup>nd</sup> Forest Management Plan Natural Forest Management 2012-2021* for FMU 11 had also incorporated land use issues in Section 3.7 Social-economic environment.

Record showed that qualified villagers in the vicinity of FMU area were employed. As of July 2020, a total of 95 workers were employed, comprising 87 local employees (91%). Out of these local employees, 58 (67%) were from the local communities in the vicinity of the certified area.

### 3. AUDIT PROCESS

#### 3.1 Audit Dates

21-23 July 2020 (9 man-days)

#### 3.2 Audit Team

Mohd Razman Salim(Lead Auditor)  
Ismail Adnan Abdul Malek (Forester)  
Dr Lim Hin Fui (Sociologist)

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 (Natural Forest) [MC&I (Natural Forest)] using the verifiers stipulated for Sabah.

#### 3.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning June 2020 to solicit feedback from stakeholders on the compliance of the Bornion Timber FMU against the requirements of the MC&I (Natural Forest). There was no comment received by stakeholders on the FMU.

#### 3.5 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 local communities in Kg. Mantanid, Kg. Simbuan, Kg. Tampusison and Kg. Pandiwan A as well as contractors and workers operating in the FMU. The audit team had also held meetings with the staff and workers representative.

The coverage of this surveillance 1 audit is as shown in the surveillance 1 Audit Plan in **Attachment 3**.

The audit team had prepared an interim surveillance 1 audit report and sent it to the FMU for comment.

#### **4 SUMMARY OF AUDIT FINDINGS**

Based on the findings of this surveillance 1 audit, it was found that the FMU had continued to manage the Bornion Timber FMU in compliance with all of the requirements of the MC&I (Natural Forest). This surveillance 1 audit had resulted in the issuance of four (4) OFIs. The details on the OFIs raised are shown in **Attachment 4**.

The audit team had verified on the corrective actions taken by the FMU to address the two (2) Minor NCRs and three (3) 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 5**.

On local community rights, there were mechanisms in place to resolve disputes over tenure and use rights through Milian-Sapulut Community Forestry Committee (MSCFC). It was observed that there was no recorded civil court case pertaining to legal or customary tenure or use rights filed against the FMU.

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

As there was no NCR raised during this surveillance 1 audit, the audit team had therefore recommended that the Certificate for Forest Management be awarded to the Bornion Timber Sdn Bhd be maintained/extended for another 4 years from 4 October 2019 to 20 October 2024 (5 years).

The summary on the findings of the Surveillance 1 audit on the Bornion Timber FMU against the requirements of the MC&I (Natural Forest) are as follows:

Principle	Strengths	Weaknesses
<p><b>Principle 1 Compliance With Laws and Principles</b></p>	<p>Current list of all legally prescribed fees, royalties, taxes, and other charges was available at the Camp Office. Licence fees 10/200 (JPHTN/PP:100-4/1/13) and a rate was verified. The Sabah Timber Royalty Effective 1st July 2016 (FD:18/2016) were made available. No logging is implemented during the audit.</p> <p>Documentation showed that BTSB has obtained written permission from the Labour Department on the accumulation of off days and salary deduction for various household items like sundry goods, motorcycle and welfare fund beside the statutory deductions (EPF, SOCSO, etc). The permit titled 'Permit Mengumpul Cuti Rehat' (No. Siri: 600-1/2/14/17(09/KGU/2020-0049)) valid 7/2/2020 – 6/2/2022 and 'Permit Potongan Daripada Gaji Pekerja' (No. Siri: 600-1/2/14/17(09/KGU/2020-0050)) valid 7/2/2020 – 6/2/2022. Therefore, previous Minor NCR AS1/2019 under Indicator 1.1.1 was satisfactorily closed.</p> <p>The legal provisions for the establishment and protection of the forest reserve in the forest management unit (FMU) were specified in the "Sustainable Forest Management License Agreement" ref: SFMLA: 03/97, dated 10<sup>th</sup> September 1997. The agreement was between Bornion Timber Sdn Bhd and the State Government of Sabah.</p> <p>Briefing on company policies to staff had been conducted on 15<sup>th</sup> March 2020 and attended by 12 workers of the FMU. The commitment was also presented in the public summary available in <a href="http://www.bornion.com">www.bornion.com</a>.</p>	<p>There was no negative finding.</p>
<p><b>Principle 2 Tenure and Use Rights and Responsibilities</b></p>	<p>Bornion Timber Sdn. Bhd. was given the approval to manage the Ulu Sungai Milian Forest Reserve (Block A) and part of Sapulut Forest Reserve (Block B) for a hundred years (1997-2097) as evidenced in the Sustainable Forest Management License Agreement 03/97 (SFMLA 03/97) dated 10<sup>th</sup> September 1997.</p> <p>There is no village located within the certified area. There are 13 villages (mainly indigenous Dusun and Murut as well as a minority of Dusun-Lobou) located outside of the certified area but within 2 KM from the certified area boundary. These 13 villages are Dumbun, Simbuan, Mantanid, Matol, Fontas-Mondolong, Kalindukan, Pandiwan, Kagupil, Langkuku, Tataluan, Tampusison, Solog dan Masaum. All these villages depend on water supply source</p>	<p>There was no negative finding.</p>



Principle	Strengths	Weaknesses
	<p>from the certified area. Besides, some villages (Simbuan, Mantanid, Dumbun, Masaum) have old farming (rubber) within the certified area.</p> <p>Forest managers has been continuously supported legally recognized mechanisms for resolving land claims through the Milian-Sapulut Community Forestry Committee (MSCFC). Records and maps of the “Summary of Forest Encroachment By Local Community July-December 2019 and January-June 2020” showed four cases of encroachment detected since the previous audit.</p> <p>Forest manager is aware of the July 2020 alienation of 2,300 grant of land by the Chief Minister of Sabah to villagers in Sook (Keningau district). However, records kept by the FMU showed that the land alienated is state land located outside the certified area. Selected residents in two villages (Dumbun and Simbuan) located in the vicinity of the certified area were beneficiaries.</p> <p>Assessment consultation on 21 July 2020 with 8 villagers (3 males and 5 females) in Kg. Mantanid, 5 male villagers from Kg Simbuan and on 22 July with villagers of 13 villagers (8 males and 5 females) of Kg Tampusison and 10 villagers (7 males and 3 females) of Kg Pandiwan A confirmed that the related matter on land claim and land use was discussed in the MSCFC meetings. Meeting minute records showed that the MSCFC meetings was held on 26 November 2019 in Nabawan area and 27 November 2020 in Sook area. The latter meeting discussed the possibility to fell timber from the certified area for church construction in Kg Simbuan. The DFO at Sook advised the villagers to apply for processed timber from the company.</p> <p>The appropriate mechanisms to resolve disputes over tenure and use rights were outlined in The Standard Operating Procedure titled “<i>Management of Community Disputes in FMU11 Doc. No BTSB-SOP-CF-01 (2017)</i>”. In addition, a Record Form: “<i>Community Grievances and Action Taken</i>” is used as a mechanism to report the grievances by the community and action taken by Bornion Timber Sdn. Bhd.</p>	
<p><b>Principle 3 Indigenous People’s Rights</b></p>	<p>Records and maps on indigenous use of land (such as water catchment, burial ground and traditional farming areas) within the FMU were available.</p> <p>(a) Water catchment areas for 12 (except Kg Masaum) of the 13 villages in the vicinity of</p>	<p>Villagers in Kg Mantanid, Kg Simbuan, Kg Tampusison and Kg Pandiwan A were aware they have rights of access to their significant sites. Even though the FMU has applied the conditions of access,</p>

Principle	Strengths	Weaknesses
	<p>the certified area.</p> <p>(b) Burial sites: Compartment 32 &amp; 33 for Kg Kipaliu.</p> <p>(c) Traditional farming area: Kg Simbuan. There is plan to further conduct community farm mapping in the certified area.</p> <p>Assessment consultation with villagers in Kg Mantanid and Kg Simbuan on 21 July 2020 as well as Kg Tampusison and Kg Pandiwan A on 22 July 2020 confirmed that their land use in the certified area has not threatened or diminished their resources or tenure rights by FMU activities within the certified area.</p> <p>Actions taken to prevent or mitigate adverse impacts are evidenced in handling of water catchment area, burial ground and farming areas as explained in Criterion 3.1. Assessment visit together with 5 villagers to water catchment area for Kg Simbuan on 21 July 2020 confirmed the area was protected to prevent adverse impacts. A water catchment sign board was placed next to the site.</p> <p>The appropriate mechanism for conflict resolution is the MSCFC. The FMU has taken action to formally inform the local communities through letters dated 15 July 2019 and 29 January 2020. Assessment consultation with villagers in Kg Mantanid and Kg Simbuan on 21 July as well as Kg Tampusison and Kg Pandiwan A on 22 July 2020 confirmed that the feedback was received and disseminated to the local communities. Hence, the previous Minor NCR AS1/2019 raised under indicator 3.3.2 is now closed.</p> <p>The traditional forest-related knowledge and practices of indigenous communities were not used in the FMU in forest operations. This was confirmed during assessment consultation with villagers in Kg Mantanid, Kg Simbuan, Kg Tampusison and Kg Pandiwan A. Hence, there is also no documentation on such use.</p> <p>The mechanism and fair and equitable compensation for the commercial utilisation of traditional forest-related knowledge and practices of indigenous peoples was available as evidenced in the FMU's Standard Operating Procedure entitled "Management of Community Traditional and Practices Uses in FMU 11" (Document No: BTSB-SOP-CF-04). The SOP stated that the company representative and the traditional knowledge holder will undergo the negotiation process and come up with an agreement. This procedure is yet to be applied as there is no case.</p>	<p>however some villagers were not sure of the conditions of access implemented. <b>Thus, an OFI for Indicator 3.3.1 was raised.</b></p>

Principle	Strengths	Weaknesses
<p><b>Principle 4 Community Relations and Workers' Rights</b></p>	<p>Awareness Programme on forest certification, wildlife management and SFM was conducted for Estate Tangkong Trading on 16 February 2020, for Kg Tampuison (Nabawan) and Kg Pandiwan on 8 July 2020, Kg Kalindukan &amp; Kg Fontas on 14 July 2020.</p> <p>Records showed that briefing on SIA was provided to community representatives during the MSCFC meeting in Nabawan area on 20 June 2019 and in Sook area on 21 June 2019.</p> <p>BTSB has contributed to</p> <ul style="list-style-type: none"> <li>(a) financial support for church program for Kg Dumbun</li> <li>(b) financial support for football competition for Kg Sinaron</li> <li>(c) financial support for football completion for SK Kabatang, Sook</li> <li>(d) financial support for funeral ceremony in Kg Pandiwan A</li> <li>(e) providing equipment for building mini hall store in Kg Nandagan, Sook.</li> </ul> <p>Record showed that qualified villagers in the vicinity of FMU area were employed. As of July 2020, a total of 95 workers were employed, comprising 87 local employees (91%). Out of these local employees, 58 (67%) were from the local communities in the vicinity of the certified area.</p> <p>The FMU supplied appropriate safety and operational equipment (safety boots, helmets and goggles) in good working condition to its employees while the contractors had provided the same for their workers.</p> <p>During site visit at Pandiwan workshop, the ladder that connecting between diesel tank and diesel pump station has been guarded with hand railing at both side of the ladder. Therefore, previous OFI for Indicator 4.2.3 was satisfactorily closed.</p> <p>Safety and Health Committee Meeting had been conducted quarterly. The safety and health committee meeting minutes were up-to-date for year 2019, and issues raised were discussed and followed up.</p> <p>Consultation with 7 workers (3 males and 4 females) on 23 July 2020 showed that there was no union at the FMU. Workers revealed that they were able to freely voice their concerns to the officer in charge of human resources, who would bring the related matter to the management. The workers welfare was protected under the Employment Act, 1955 and Labour Ordinance Cap.67. They were happy with the current situation.</p>	<ul style="list-style-type: none"> <li>1) The safety committee meeting was conducted once for year 2020 which was on 14 July 2020. The FMU could enhance the frequency of safety meeting by conducting on quarterly basis.</li> <li>2) There was no accident cases as for year 2019. The FMU has submitted annual accident report (JKKP 8) for year 2019 to DOSH. However, the submission record (JKKP 8) to DOSH was on 4 February 2020. The submission shall be before 31 January of each year.</li> <li>3) Safety data sheet SDS for Rock phosphate, Evermax (CRF NPK 20-9-12+3Mgo) and Nitrophoska were made available at the base camp. The SDS shall be accessible to all employees at the place of work who might be exposed to the hazardous to health.</li> </ul> <p><b>Thus, an OFI for Indicator 4.2.4 was raised.</b></p>

Principle	Strengths	Weaknesses
	<p>All local and migrant workers have been insured under SOCSO, Employment insurance system, and LONPAC Insurance Certificate for hospitalisation.</p> <p>Grievances raised by workers would be resolved based on the updated SOP on <i>Employee Grievances (BTSB-SOP-HR-01</i> dated 13 July 2019) and format “<i>Borang Aduan Pekerja</i>”. Record showed that there were 21 cases of workers’ complaint during the period July 2019-June 2020. All cases were about quarters’ damage. Prompt action was taken to repair the damage.</p> <p>The previous Major NCR MRS 01 2019 regarding a SOP of BTSB SOP-HR- 01 (dated 27 June 2018) statement that is contradicting to ILO Convention 87 &amp; 98. The FMU took action to delete the said statement “To refrain from taking unilateral action with regard to any industrial dispute” and come up with the revised <i>BTSB-SOP-HR-01</i> dated 13 July 2019. Hence, the Major NCR MRS 01 2019 is now closed.</p> <p>A social impact assessment titled 'Interim Report - Social Impact Assessment, January 2016' of the FMU’s operations on the local communities are situated within and/or close to the FMU was included in Environmental Impact Assessment (EIA) undertaken by the FMU. The <i>2<sup>nd</sup> Forest Management Plan Natural Forest Management 2012-2021</i> for FMU 11 had also incorporated land use issues in Section 3.7 Social-economic environment. In addition to this, Community and Forestry Officer carried out ad-hoc, informal interviews with local communities and recorded their findings in their diaries.</p> <p>The revised SOP 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>	
<p><b>Principle 5 Benefits From the Forest</b></p>	<p>Annual Work Plan for 2020 including estimated budget also were verified. The operating expenditure that includes management, growth monitoring, conservation and protection management, resource assessment, survey and mapping, consulting/support services,</p>	<p>The FMU has allocated some budget on Reduced Impact Logging (RIL) Course for year 2020 as stated in the Annual Working Plan 2020. However, the FMU has yet to assign any staff or workers to attend any RIL course</p>

Principle	Strengths	Weaknesses
	<p>community development, vehicle operating costs, forest certification, forest protection, wildlife monitoring, and capital expenditure.</p> <p>The FMP also covered the FRA on the methods and results of the assessment based on the report dated on March 2017 by the IFMC consultant [Analysis of Forest Resource Assessment Data and Determination of Permanent Sample Plots].</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>Consultation with local communities surrounding the FMU indicated that non-timber forest products were collected for their personal use.</p> <p>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 (8.6.2.4, pg. 160). 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 harvestable AAC volume of 34.42 m3/ha and annual net production area of 750 ha (21,493 ha for 30 years).</p> <p>There is no timber and important non-timber forest products harvested since previous audit.</p>	<p>because no training on RIL has been offered by Sabah FD for year 2020, a result of the implementation of the Movement Control Order. <b>Thus, an OFI for Indicator 5.3.3 was raised.</b></p>
<p><b>Principle 6 Environmental Impact</b></p>	<p><i>Special Environmental Impact Assessment (SEIA) SFMLA 3/97 FMU 11 Bornion Timber Sdn Bhd</i> was produced in February 2003. The FMP had incorporated mitigation measures identified in the EIA. The prescribed mitigation measures shall be implemented once harvesting conducted.</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. Among the conservation area are (i) Bornion</p>	<p>The FMU has registered most of scheduled waste (notification and disposed SW) in the online system called <a href="https://eswis.doe.gov.my">eswis (https://eswis.doe.gov.my)</a>. However, information of certain scheduled waste has yet to be updated in the system for year 2019 and 2020:</p> <ol style="list-style-type: none"> <li>1. The SW305-Spent lubricating oil and SW410-Used oil filter have been registered in the eswis system on 12 September 2019 except for SW102-Used battery and SW409-Dispose container.</li> </ol>

Principle	Strengths	Weaknesses
	<p>Educational Trail (Bornion Rainforest Research Area, (ii) Belian Plot (<i>Eusideroxylon zwageri</i>) and (iii) the Rafflesia Plot.</p> <p>There are 46 staffs that have been awarded as Honorary Wildlife Warden by Sabah Wildlife Department. The Certificate for the warden has been renewed for another 3 years, starting 4<sup>th</sup> December 2017 to 3<sup>rd</sup> December 2020.</p> <p>Disposal of non-organic solid wastes and Scheduled Wastes (Lubricant &amp; 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. The special storage for schedule waste were available for all types of schedule waste in the workshop.</p>	<p>2. The FMU has yet to update latest disposal of scheduled waste (Consignment Note) for SW305-Used lubricating oil and SW410-Oil filter in the eswis system although the scheduled waste had been disposed twice on 16 July 2019 and 1 April 2020.</p> <p><b>Thus, an OFI for Indicator 6.7.1 was raised.</b></p>
<p><b>Principle 7 Management Plan</b></p>	<p>The updated version of the “2<sup>nd</sup> Forest Management Plan: Natural Forest Management (2012-2021) for FMU 11 (1<sup>st</sup> Revision 2018) (signed by the COO on 30<sup>th</sup> April 2019) was available. The FMU commitment towards Forest Certification had been specified in Para 1.2 as well as the forest management system applied by the FMU elaborated in the FMP. The Forest Reserve within the Natural Forest Management (NFM) in the FMU has been classified into production and conservation/protection forest functions. The Protection forests are identified through their High Conservation Value (HCV) attributes.</p> <p>The FMP had specified the Production Forest was in accordance to the calculated AAC based on computer-based simulation to identify harvesting scenarios which are sustainable on the log run, thus an estimate of the annual harvesting volume per hectare, hence, AAC. For this 2<sup>nd</sup> revision of the FMP, the AAC for the FMU has been maintained at 25,808 m<sup>3</sup> per annum or 34.41 m<sup>3</sup>/ha for cutting cycles of 30 years. The production forests would continue to be managed based on Comprehensive Harvesting Plan (CHP) and 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 where harvesting is not permitted. Nevertheless, up to this Surveillance 1 Audit, no harvesting had been carried out in the certified Natural Forest Compartments in the FMU.</p> <p>The updated “2<sup>nd</sup> Forest Management Plan: Natural Forest Management (2012-2021) for</p>	<p>There was no negative finding.</p>

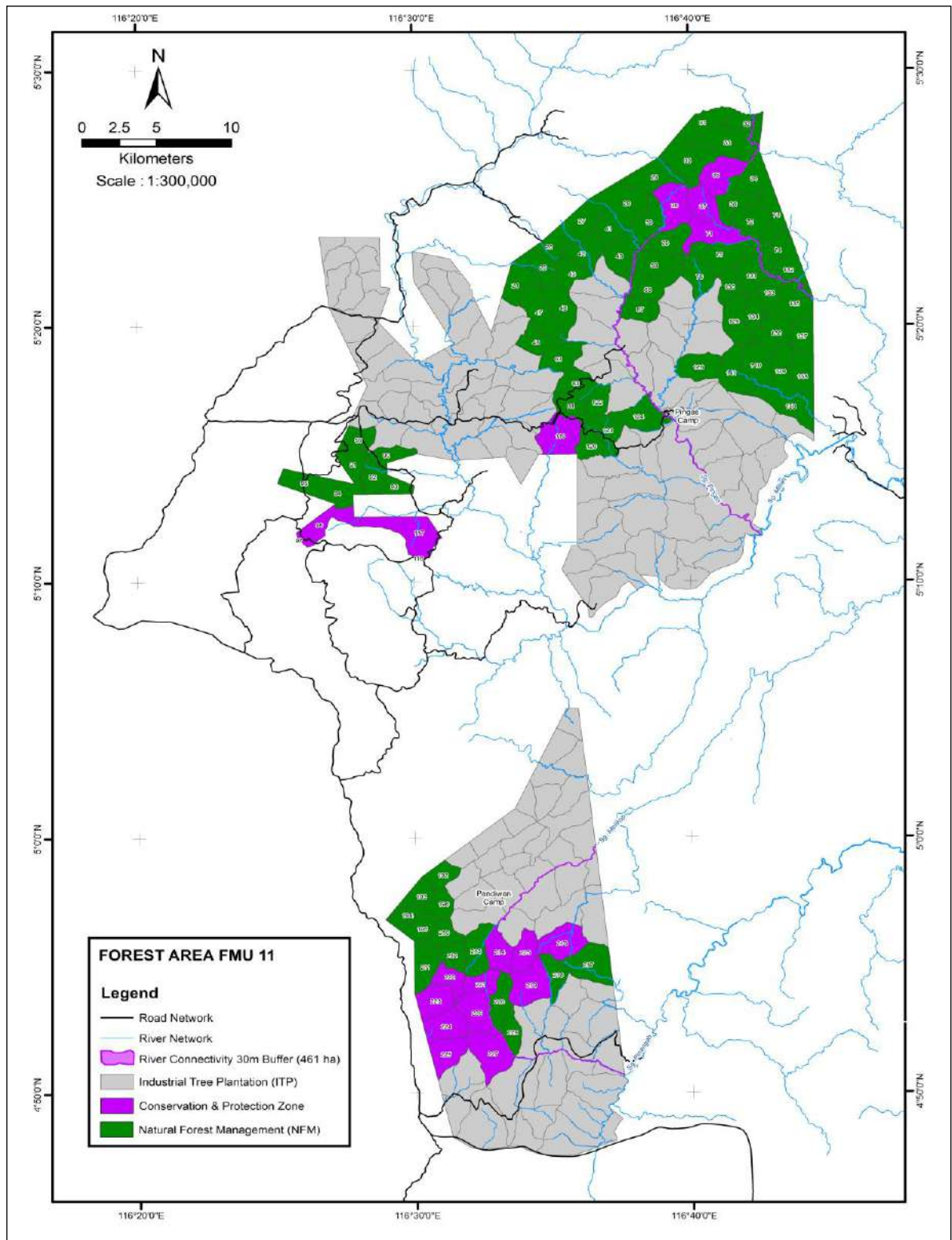
Principle	Strengths	Weaknesses
	<p>FMU 11 1<sup>st</sup> Revision” has been sent to FD Sabah for approval as evidenced by letters BTSB/JPHTN-SDK/19/05-04-55 dated 29 April 2019 and BTSB/JPHTN-SDK/19/05-05-56 dated 7 May 2019. Acknowledgement of the submission of the FMP by FD Sabah was dated 19 September 2019 (JPHTN/SFM 800 - 1/1/3(JILID.7)/4) which included request for improvements in the FMP regarding FMU’s extent and ensuing new FMP submission.</p> <p>Forest manager was aware of new scientific and technical information pertinent to the management of the area to be certified which were enforced through the attendance of courses such as the “Advance Spatial Monitoring and Reporting Tool (SMART)” Training conducted on 21 – 24 May 2019 by WWF Sabah; “Tree identification Training” on 9 – 11 April 2019 (conducted by Sabah Forestry department) and “Field Data Entry and Recording Training” conducted by IFMC Consultant on 21 May 2019. Awareness of new information and status of forest stand was evidenced through the consultancy report “Analysis of PSP Data in Natural Forests of FMU 11 (Growth Period 2017-2019) prepared by IFMC Sdn. Bhd dated March 2020.</p> <p>The FMU also has set up camera traps in 10 Compartments for monitoring of existing and new wildlife species in the FMU. Based on the monitoring database for 2019/2020, the FMU has wildlife species such as Pig-tailed macaque, great argus, bearded pig, borneon red muntjac porcupine, sun bear, banded civet and short tailed mongoose, gibbon was newly added to the list.</p> <p>Summary of Forest Management Plan has been prepared, implemented and made available to the public through website link as follows: <a href="http://www.bornion.com">www.bornion.com</a></p>	
<p><b>Principle 8 Monitoring and Assessment</b></p>	<p>Implementations of monitoring activities were verified during the audit with the records of monitoring in 2019 which included activities (boundary patrol, re-brushing the boundary line, erecting of FMU signage and recording occurrence (if any) encroachment.</p> <p>Auditor’s site visit of the external boundary of the FMU (Part B) found the boundary to be in order with the clear signage and boundary lines is properly painted in red.</p> <p>During inspection in the PSP area, #SU100 (Compt. 124) &amp; #SU119 (Compt. 196), the data that included species, DBH, Tree Height, form and quality of boles-damage were</p>	<p>There was no negative finding.</p>

Principle	Strengths	Weaknesses
	<p>correctly written. The codes of inventoried tree (SU#, Sub-plot # and Tree #) were punched on metal plate (tree tag) and clearly visible, hence, the OFI for Indicator 8.1.2 raised in the previous audit is therefore, closed.</p> <p>SOP's for social impact assessment &amp; monitoring (BTSB-SOP-CF-03) dated 20 June 2020 was available. However, there is yet to be any harvesting activity for natural forest. Hence, the procedure and form has yet to be implemented.</p> <p>For fauna composition and observation, the FMU has planned and monitored as reported in the Compliance Report 2019 and Quarterly Progress Report (2<sup>nd</sup> Quarter) that were available in the FMU office with latest report April – June 2020. All recorded species is available in the revised FMP 2012-2021 pg. 106-107-</p> <p>Environmental Compliance Report was prepared quarterly by the FMU with the latest report was seen during the audit covered for the period of November 2019 - February 2020, inspected on 10-20 February 2020.</p> <p>For social impact monitoring, the FMU has continuously engaged with the communities through meeting and awareness programme although no harvesting operation activity in the certified area since last audit.</p> <p>Despite no logging operation during this audit (expected to start in 2021), the SOP for Chain of Custody (COC) [BTSB-SOP-LP-0] was available and sighted. The SOP outlined the flow of the COC process so that the origin of the logs could easily be determined.</p> <p>Summary of results of monitoring indicators was made available to the public via website <a href="http://www.bornion.com/monitoring.html">www.bornion.com/monitoring.html</a>.</p>	
<p><b>Principle 9 Maintenance of High Conservation Values</b></p>	<p>The FMU has satisfactorily done all the assessment to identify the HCVF areas based on the WWF-Malaysian Toolkit for Malaysia. The FMP 1st Revision 2018 has included six HCV categories that were found in the FMU.</p> <p>The FMU has identified all stakeholders for the HCV's. Communication with stakeholders also was found adequately done through emails, mail and meetings. The FMU's representatives has attended Virtual Workshop for HCV Training Material &amp; Forests Forward Intro on 22 June 2020.</p> <p>Briefing and meetings were regularly done with the local communities such as circulate poster</p>	<p>There was no negative finding.</p>



Principle	Strengths	Weaknesses
	<p>on RTE conservation at Kg. Tampusison, Kg. Pandiawan A and Kg. Pandiawan B on 8 July 2020. And for Kg. Wawasan on 18 July 2020.</p> <p>Annual monitoring activities were effectively implemented based on the documents of “Work Plan for Annual Monitoring of HCV’s NFM 2020” and “HCVF Monitoring Activity Report’. The results and findings of the past year HCVFs monitoring activities were then included in the revised FMP.</p> <p>The FMP summary entitled “Public Summary of HCVF Management by Bornion Timber Sdn. Bhd. FMU 11-Natural Forest” was accessible to the public through <a href="http://www.bornion.com/HCVFNFM.html">www.bornion.com/HCVFNFM.html</a>.</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 &amp; 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&amp;I (Natural Forest)] &amp; [MC&amp;I (Plantations)], MYNI of RSPO P&amp;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:  Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (Natural Forest)] &amp; [MC&amp;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>
Ismail Adnan bin Abdul Malek	Assessment Team Member/ Forester	<p>Academic Qualification: Master of Forestry (Forest Harvesting), University of British Columbia, Canada.</p> <p>Work Experience: One year experience as Sub Assistant Conservator of Forest from 1974 to 1975. In charge of Kuantan Forest District (Administration). Seven years (1979 – 1986) experience as Forester/Logging Superintendent) at Syarikat Jengka Sdn. Bhd, Jengka, Pahang. Specific duties were Mapping and supervising Forest Management and Logging Operations. Twenty five (25) years experienced as Senior Lecturer at the Faculty of Forestry, Universiti Putra Malaysia, Serdang, Selangor. Responsible for Forestry Teaching, Research</p>

		<p>and Extension. Had taught subjects in Forest Management, Forest Harvesting and Geo-spatial technology (Remote sensing &amp; GIS) and had supervised student research at both undergraduate and graduate (Master/PhD) levels. Had received grants and carried out research in Forest Management, Forest Harvesting and Forest Management System (SMS). Participated as Resource Person/Organizing Committee member for Training and Seminar/Conferences held at both Local and International levels organized by the Faculty. Published and presented research findings in Forestry Journals/Publications and proceedings of local and International seminars/ conferences attended. Currently as Auditor at the Food, Agriculture and Forestry Section (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&amp;I (Natural Forest) &amp; MC&amp;I (Plantations).</p> <p>Training / Research Areas:</p> <p>Attended and pass the following training programmes:</p> <p>Auditor Training Course on MC&amp; I (Natural Forest) and MC&amp;I (Forest Plantation V2) (SIRIM QAS Sdn. Bhd), 9<sup>th</sup>-10<sup>th</sup> July 2015.  EMS 14001: 2004 Lead Auditor Course organized by SIRIM Training Services Sdn Bhd, 23<sup>rd</sup>-27<sup>th</sup> Nov 2015.  Training on Auditing Techniques (SIRIM QAS Int. Sdn. Bhd), 26<sup>th</sup> January 2016.  RSPO Lead Auditor Training organized by Wild Asia Sdn Bhd, 10<sup>th</sup> – 14<sup>th</sup> October 2016</p>
Dr. Lim Hin Fui	Auditor / workers' & community issues and related legal issues	<p>Academic Qualification:</p> <p>Dr. Lim Hin Fui is a Senior Research Officer (Sociologist) at Forest Research Institute of Malaysia, (FRIM). He graduated in 1983 with a B.A. Honours in Anthropology and Sociology from the UKM, Master Degree in Social Science from University Sains Malaysia and PhD from University Malaya. He was the Research fellow at Institute of Advance Studies, University Malaya from 1983 to 1987.</p> <p>Training / Research Areas:</p> <p>Evaluation of Perak State FMU against the Malaysian Criteria, Indicators, Activities and Standards of Performance (MC&amp;I) for Forest Management Certification (Forest Management Unit Level), Peninsular Malaysia (Malaysia-The Netherlands Ad-Hoc Working Group) - [conducted by SGS (Malaysia) Sdn Berhad 2001]</p> <p>Member of the audit team to field test the Malaysian Criteria and Indicators for Forest Management Certification [MC&amp;I (2002)] in the Perak State FMU, 1-6 March 2004.</p> <p>Member of the audit team in the assessment of Pahang Forest Management Unit (FMU) against the MC&amp;I (2002) conducted by SGS (Malaysia) Sdn Bhd, 17-21 April and 24-25 April 2006.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the MC&amp;I (2002) conducted by SIRIM QAS International 12-16 November 2007.</p>

		<p>Member of the audit team in the assessment of the Selangor FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 7-11 January 2008.</p> <p>Member of the audit team in the assessment of the Terengganu State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 23-27 March 2008.</p> <p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 2-5 September 2008.</p> <p>Member of the audit team in the assessment of Carotino Sdn Berhad, Pahang against RSPO Requirement, conducted by SGS (Malaysia) Sdn Bhd, 11-15 May 2009.</p> <p>Member of the audit team in the assessment of the Johor State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SGS (Malaysia) Sdn Bhd., 22-26 June 2009.</p> <p>Member of the audit team in the assessment of the Negeri Sembilan State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SIRIM QAS International, 27-31 July 2009.</p> <p>Member of the audit team in the assessment of the Perak State FMU for forest management certification against the Malaysian Criteria &amp; Indicators for Forest Management Certification [MC&amp;I (2002)], conducted by SIRIM QAS International, 26 October-2 November 2009.</p>
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## Surveillance 1 Audit Plan

DAY	TIME	PROGRAM		
		Auditor 1 (Razman)	Auditor 2 (Ismail Adnan)	Auditor 3 (Dr Lim)
Day 0 20 July 2020 (Mon)		<ul style="list-style-type: none"> <li>Travel from KLIA to Kota Kinabalu (MH2614; 13:00 – 15:35)</li> <li>Travel from Kota Kinabalu to FMU base camp</li> <li>Briefing by Audit Team Leader on the audit plan</li> </ul>		
Day 1 21 July 2020 (Tue)	9.00 – 10.30 am	<ul style="list-style-type: none"> <li>Opening Meeting with representatives of FMU</li> <li>Briefing session by Forest Manager of the FMU</li> <li>Evaluation of changes to the management of the FMU</li> <li>Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance</li> <li>Check on complaints and follow-up actions</li> <li>Evaluate on internal audit and management review</li> <li>Verification of NCRs raised during the previous audit.</li> </ul>		
	10.30 am – 5.00 pm	<ul style="list-style-type: none"> <li>Documentation review               <ul style="list-style-type: none"> <li>○ Principle 1 – Compliance with Laws and Principles</li> <li>○ Principle 5 – Benefits from the forest</li> <li>○ Principle 6 – Environmental Impact</li> <li>○ Principle 9 – Maintenance of High Conservation on Value Forests</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Documentation review               <ul style="list-style-type: none"> <li>○ Principle 7 – Management Plan</li> <li>○ Principle 8 – Monitoring and Assessment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Documentation review               <ul style="list-style-type: none"> <li>○ Principle 2 – Tenure and Use Rights and Responsibilities</li> <li>○ Principle 3 – Indigenous Peoples' Right</li> <li>○ Principle 4 – Community Relations and Workers' Right</li> </ul> </li> <li>Consultation with local communities:               <ul style="list-style-type: none"> <li>-Kg. Mantanid</li> <li>-Kg. Simbuan</li> </ul> </li> <li>Visit water catchment – Compt. 94 of Kg. Simbuan</li> </ul>
	5.00 – 5.30 pm	<ul style="list-style-type: none"> <li>Review of Day 1 Findings by Audit Team Leader</li> </ul>		
Day 2 22 July 2020 (Wed)	8.00 am – 5.00 pm	Site visits: <ul style="list-style-type: none"> <li>Permanent sample plot: No.100 Compt. 124 (Block A)</li> <li>HCVF – Belian tree</li> <li>Riparian Sg. Melikop</li> <li>Workshop at Pandiwan Camp (Block B)</li> </ul>	Site visits: <ul style="list-style-type: none"> <li>License boundary – Block B</li> <li>Permanent sample plot : No.119 Compt. 196 (Block B)</li> </ul>	Site visits: <ul style="list-style-type: none"> <li>Consultation with local communities:               <ul style="list-style-type: none"> <li>-Kg. Tampuison</li> <li>-Kg. Pandiwan A</li> </ul> </li> </ul>
	5.00 – 5.30 pm	<ul style="list-style-type: none"> <li>Review of Day 2 Findings by Audit Team Leader</li> </ul>		
Day 3 23 July 2020 (Thu)	8.00 am – 2.00 pm	<ul style="list-style-type: none"> <li>Continue any unfinished documentation review</li> </ul>	<ul style="list-style-type: none"> <li>Continue any unfinished documentation review</li> </ul>	<ul style="list-style-type: none"> <li>Consultation with staff and workers</li> <li>Continue any unfinished documentation review</li> </ul>
	2.00 – 5.00 pm	<ul style="list-style-type: none"> <li>Closing meeting</li> <li>Travel to Kota Kinabalu</li> <li>Overnight at Klagan Hotel</li> </ul>		
	*24 July 2020 (Friday) - Travel from Kota Kinabalu to Kuala Lumpur (MH2607; 16:35 – 19:05)			

## Details on NCRs and OFIs Raised During this Surveillance 1 Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
3.3.1	OFI #1	<p><u>Availability of appropriate procedures within current administrative processes for identifying and protecting such sites and provisions for rights of access to these sites by indigenous peoples within relevant federal, state and local laws or by mutual agreement.</u></p> <p>Villagers in Kg Mantanid, Kg Simbuan, Kg Tampusison and Kg Pandiwan A were aware they have rights of access to their significant sites. Even though the FMU has applied the conditions of access, however some villagers were not sure of the conditions of access implemented.</p>	Not required	Status: Verified during next audit
4.2.4	OFI #2	<p><u>Forest managers shall maintain up-to-date safety records in compliance with all applicable laws and/or regulations covering health and safety of forest workers.</u></p> <p>4) The safety committee meeting was conducted once for year 2020 which was on 14 July 2020. The FMU could enhance the frequency of safety meeting by conducting on quarterly basis.</p> <p>5) There was no accident cases as for year 2019. The FMU has submitted annual accident report (JKKP 8) for year 2019 to DOSH. However, the submission record (JKKP 8) to DOSH was on 4 February 2020. The submission shall be before 31 January of each year.</p> <p>6) Safety data sheet SDS for Rock phosphate, Evermax (CRF NPK 20-9-12+3Mgo) and Nitrophoska were made available at the base camp. The SDS shall be accessible to all employees at the place of work who might be exposed to the hazardous to health.</p>	Not required	Status: Verified during next audit
5.3.3	OFI #3	<p><u>Regular training shall be conducted for the staff on techniques of reduced-impact logging.</u></p> <p>The FMU has allocated some budget on Reduced Impact Logging (RIL) Course for year 2020 as stated in the Annual Working Plan 2020. However, the FMU has yet to assign any staff or workers to attend any</p>	Not required	Status: Verified during next audit

		RIL course because no training on RIL has been offered by Sabah FD for year 2020, a result of the implementation of the Movement Control Order.		
6.7.1	OFI #4	<p><u>Oil, fuel, tyres, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</u></p> <p>The FMU has registered most of scheduled waste (notification and disposed SW) in the online system called eswis (<a href="https://eswis.doe.gov.my">https://eswis.doe.gov.my</a>). However, information of certain scheduled waste has yet to be updated in the system for year 2019 and 2020:</p> <ol style="list-style-type: none"> <li>3. The SW305-Spent lubricating oil and SW410-Used oil filter have been registered in the eswis system on 12 September 2019 except for SW102-Used battery and SW409-Dispose container.</li> <li>4. The FMU has yet to update latest disposal of scheduled waste (Consignment Note) for SW305-Used lubricating oil and SW410-Oil filter in the eswis system although the scheduled waste had been disposed twice on 16 July 2019 and 1 April 2020.</li> </ol>	Not required	<b>Status:</b> <b>Verified</b> <b>during</b> <b>next</b> <b>audit</b>



## 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
<p>1.1.1</p> <p>AS1/2019</p>	<p>Minor</p>	<p><b>Requirement:</b> 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><b>Finding:</b> There was no notification or permission from Labour Department to deduct workers salary for other purposes (motorcycle, canteen etc) beside statutory deductions.</p> <p><b>Objective evidence:</b> 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>The permit titled 'Permit Mengumpul Cuti Rehat' (No. Siri: 600-1/2/14/17(09/KGU/2020-0049)) valid 7/2/2020 – 6/2/2022 and 'Permit Potongan Darpada Gaji Pekerja' (No. Siri: 600-1/2/14/17(09/KGU/2020-0050)) valid 7/2/2020 – 6/2/2022.</p> <p><b>Status: Closed</b></p>
<p>3.3.2</p> <p>AS2/2019</p>	<p>Minor</p>	<p><b>Requirement:</b> Indicator 3.3.2 Availability of appropriate mechanisms for Conflict Resolution.</p> <p><b>Finding:</b> Written response of grievances raised by community representatives during the MSCFC meetings were not available.</p> <p><b>Objective evidence:</b> Consultations with the 5 villages (Kg. Poring Baru, Simbuan, Kg. Matanid, Kg. Pandiwan B, Kg.</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>The FMU has taken action to formally inform the local communities through letters dated 15 July 2019 and 29 January 2020. Assessment consultation with villagers in Kg Mantanid and Kg Simbuan on 21 July as well as Kg Tampusison and Kg Pandiwan A on 22 July 2020 confirmed that the feedback was received and disseminated to the</p>

		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.		local communities. <b>Status: Closed</b>
4.3.4 MRS 01 2019	Major (Upgraded previous Minor NCR LHF 03/2018)	<p><b>Requirement</b> : Indicator 4.3.4 Availability of appropriate procedures to address grievances raised by workers and/or their organisations and for conflict resolution.</p> <p><b>Finding</b> : Corrective action plan for previous Minor NCR LHF 03/2018 was not effectively implemented.</p> <p><b>Objective evidence</b> : 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 &amp; 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>	Revised and corrected SOP HR-01 is enclosed with this report to close this Major NCR. August 2019	The FMU took action to delete the said statement "To refrain from taking unilateral action with regard to any industrial dispute" and come up with the revised <i>BTSB-SOP-HR-01</i> dated 13 July 2019.  <b>Status: Closed.</b>
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	Stakeholders awareness training on Forest Certification (MC&I) for ordinary members of local communities was conducted for 8 July 2020 to villagers in Kg Tampusison on (8 attendees), Kg Pandiwan B (4 attendees) and Kg Pandiwan A (6 attendees).  <b>Status: Closed</b>
4.2.3	OFI #2	During site visit at Pandiwan workshop, the ladder that connecting	Not required	During site visit at Pandiwan workshop, the ladder that

		between diesel tank and diesel pump station only guarded with hand railing at the right side of the ladder.		connecting between diesel tank and diesel pump station has been guarded with hand railing at the both side of the ladder.  <b>Status: Closed</b>
<b>8.1.2</b>	<b>OFI #3</b>	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	During inspection in the PSP area, #SU100 (Compt. 124) & #SU119 (Compt. 196), the codes of inventoried tree (SU#, Sub-plot # and Tree #) were punched on metal plate (tree tag) and clearly visible.  <b>Status: Closed</b>

- End of Report -