



**PUBLIC SUMMARY
RECERTIFICATION AUDIT (1st CYCLE) ON
BORNION TIMBER SDN. BHD. (FPMU 11)
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FPMC 00113
Date of First Certification: 13 January 2017
Audit Date: 26 - 29 August 2019
Date of Public Summary: 18 January 2020**

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EXECUTIVE SUMMARY

This recertification audit on the Bornion Timber Sdn. Bhd. Forest Plantation Management Unit (hereafter referred as the Bornion Timber FPMU) was conducted on 26th-29th August 2019 to assess the continued compliance of the overall forest management system of the Bornion Timber FPMU against the requirements of the *Malaysian Criteria and Indicators for Forest Plantation Management Certification* [MC&I (Forest Plantation.v2)] using the verifiers stipulated for Sabah. The scope of this recertification audit was limited to the forest plantation management system and practices on the Bornion Timber FPMU.

This recertification audit was conducted by a 3-member team comprising Hj. Roslee Jamaludin (Lead Auditor), Mohd. Annas Amin Hj. Omar (Auditor) and Ismail Adnan Abdul Malek (Auditor).

Based on the findings of this recertification audit, it was found that Bornion Timber FPMU had continued to comply with the requirements of the MC&I (Forest Plantation.v2). This recertification audit had resulted in the issuance of 4 minor Non-Conformity Reports (NCRs).

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

1 INTRODUCTIONS

1.1 Name of FPMU
Bornion Timber Sdn Bhd Forest Plantation Management Unit

1.2 Contact Person and Address

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1.3 General Background on the Bornion Timber FPMU

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

A map of the FPMU showing the significant features of the forest is attached in **Attachment 1**.

1.4 Date First Certified
13 January 2017

1.5 Location of the FPMU

The BTSB FPMU is located between 116° 15' E to 116° 50' E and latitudes 4° 40' N to 5° 30' N.

1.6 Forest Management System

The BTSB FPMU had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. The 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised November 2018) was presented at audit.

1.7 Annual Harvest under the Forest Management Plan

The plantation was started in 2007 with *Hevea brasiliensis*. A main product extracted from the FPMU at present is latex. It was addressed in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised November 2018). The harvesting of rubber timber products will only begin in year 2029. During this recertification audit, the size of the FPMU is 58,512.77 ha.

1.8 Environmental and Socioeconomic Context

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

2 AUDIT PROCESS

2.1 Audit Dates

26 August to 29 August 2019 (12 auditor days)

2.2 Audit Team

- | | |
|------------------------------|-------------------|
| 1) Hj. Roslee Jamaludin | Audit team leader |
| 2) Mohd. Annas Amin Hj. Omar | Auditor |
| 3) Ismail Adnan Abdul Malek | Auditor |

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 Plantation Management Certification [MC&I (Forest Planation.v2)] using the verifiers stipulated for Sabah.

2.4 Stakeholder Consultations

A one-month stakeholder consultation was conducted beginning August 2019 to solicit feedback from stakeholders on the compliance of the BTSB's FPMU against the requirements of the MC&I Forest Plantation.v2. But no comment received.

2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the BTSB FPMU's current documentation and field practices in forest plantation management with the detailed of the standard of performances (SOPs) listed in the MC&I Forest Plantation.v2, using the verifiers stipulated for Sabah.

For each Indicator, the auditors had conducted either a documentation review, consultation with the relevant personnel of the FPMU, 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 FPMU'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 Forest Plantation.v2;
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I Forest Plantation.v2; 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 Forest Plantation.v2 but without sufficient objective evidence to support a non-conformance.

Consultations were held with the communities in Kg Wawasan, Kg Alab Lanas, Kg Lanas Station Kg Batu Lunguyan and Kg Kilo, which located within and adjacent to the BTSB's FPMU. The audit team had also consulted the contractors and workers operating in the FPMU as well as the officers and field staff of the BTSB FPMU.

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

The BTSB FPMU 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 BTSB FPMU for comment. A second draft recertification audit report which had incorporated the comments received from the BTSB FPMU 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 SUMMARY OF AUDIT FINDINGS

Based on the findings of this recertification audit, it was found that the BTSB FPMU had continued to manage the BTSB FPMU in compliance with most of the requirements of the MC&I Forest Plantation.v2. This recertification had resulted in the issuance of 4 minor NCRs. The details on the NCRs raised are shown in **Attachment 4**.

The audit team had reviewed and accepted the BTSB FPMU's proposed corrective actions to address the 4 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 BTSB FPMU to address the 1 Major and 2 Minor NCRs which raised during the previous audit. The responses made by the audit team on the corrective actions and final status of the NCRs are shown in **Attachment 5**.

As there was no major NCR raised during this recertification audit, the audit team had therefore recommended the *Certificate for Forest Plantation Management* awarded to the Bornion Timber Sdn. Bhd. FPMU be extended for another 3 years.

The summary of the findings of the recertification audit on the BTSB FPMU against the requirements of the MC&I Forest Plantation.v2 are as follows:

Principle	Strengths	Weaknesses
<p>Principle 1 Compliance with Laws and Principles</p>	<p>Lists of up-to-date relevant federal and state laws, regulations and policies, in particular those related to forest plantation management were available at the BTSB main and camp office.</p> <p>The Forest Operation Manager and responsible clerical staff had demonstrated awareness on the updated federal and state laws and regulatory framework in relation to management of the forest plantations.</p> <p>The Forest Operation Manager was also found aware of the international agreements such as the ILO Conventions and all other forestry-related binding agreements.</p> <p>Current list of all legally prescribed fees, royalties, taxes and other charges were presented at the audit. Records of payment were made available.</p> <p>Encroachment, illegal harvesting, hunting, fishing and illegal settlement, and other unauthorized activities were monitored and controlled by guarded entry posts and night patrolling particularly around the identified hot spot areas (i.e. nearby kampong and state land area including fire potential risk area). Area and boundary inspection activities were also conducted.</p> <p>The statement of commitment to forest management certification titled 'Commitment to Sustainable Forestry and the Malaysian Criteria and Indicators for Forest Plantation Management Certification (MC&I) dated 29th August 2015 by COO was available. It was displayed on the base camp office notice board. The statement was also available in Para D, Page 16 in the FPMP (2nd Forest Management Plan-Plantation Development Plan [2012 -2021] for FMU 11 (revised November 2018).</p> <p>The statement was communicated within the organization through briefing and training. It is also available publicly on the company's website (http://www.bornion.com).</p>	<p>Site visit to Compartment 85 and 86 found that no buffer belt was demarcated between ITP and natural forest.</p> <p>Minor NCR ANS 01/2019 for Indicator 1.5.2 was raised.</p>
<p>Principle 2 Tenure and Use Rights and Responsibilities</p>	<p>The legal status and established forest use rights for BTSB of the land or forest resources within the relevant federal and state legal frameworks are confirmed by the license agreement (SFMLA: 03/97) between Bornion Timber Sdn. Bhd. (BTSB) and the Sabah Government to manage the Forest Management Unit (FMU) from 1997 to 2097.</p>	

Principle	Strengths	Weaknesses
	<p>There was no legal case on land claim from the villagers against BTSB FPMU. But the communities need for agriculture lands was acknowledged by BTSB. SOP "Management of Community Disputes Procedure (BTSB-SOP-CF-01)" and "Community Claim and Compensation (BTSB-SOP-CF-02)" provide a mechanism for resolving land claims.</p> <p>The communities need for water was also recognized by the company. A total of 7 community watershed areas (Category HCV 4.1) had been identified and protected for the local communities' water resources.</p> <p>A Milian-Sapulut Community Forestry Committee (MSCFC) was formed to resolve any issues raised by the communities such as land claims (if any).</p> <p>Local use rights of forest resources (i.e. in the form of water catchment area and grave yard) within the certified area is recognized, identified and reported by the company.</p>	
<p>Principle 3 Indigenous People's Rights</p>	<p>Appropriate mechanisms to resolve any conflicts and grievances between local communities and BTSB were available in a form of procedures. These include SOP on 'Management of Community Disputes in FMU 11 (BTSB-SOP-CP-01)', and 'Community Claim and Compensation (BTSB-SOP-CF-02)'; Where compensation payments are prescribed by Native court or other State or National laws.</p> <p>SOP on 'Survey and Identification of HCVF and Other Protected Areas (BTSB-SOP-CP-01), 2015' describes procedures for identifying and protecting special sites at BTSB FPMU.</p> <p>Whilst, SOP on 'Management of Community Traditional Knowledge and Practices Uses in FMU 11' dated 2017 provides a guiding framework for compensation payments for uses of local traditional knowledge and other practices as prescribed according to the UN Declaration on the Rights of Indigenous Peoples (2007) and/other relevant convention and national law.</p>	
<p>Principle 4 Community Relations and Worker's Rights</p>	<p>BTSB had provided certification related training, retraining, local infrastructure, facilities and social program for all levels of its employees. Out of the total employees 727 (2019), 70% of the workers are local community.</p> <p>Up-to-date information on all laws/regulations covering occupational safety and health of forest plantation has been disseminated accordingly to all</p>	

Principle	Strengths	Weaknesses
	<p>workers.</p> <p>A Safety policy titled 'Policy Statement on Safety and Health at Work' (23.2.2015) was displayed at the strategic locations within the BTSB FPMU management.</p> <p>Field workers were supplied with appropriate PPE for their respective tasks. They had confirmed that briefing on Occupational Safety and Health was received on the first day of work and safety training was given from time to time.</p> <p>Hazardous areas were properly demarcated and the hazardous materials were properly stored. The signboards were installed at the appropriate areas. The Schedule waste was marked and none of the schedule waste was kept more than the specified time frame in accordance with the SOP for "Storage, Handling and Disposal of Hazardous Good" (Document: BTSB-SOP-EM-06-02, updated 20/4/2018).</p> <p>The policy of statement on 'Plantation workers to freely organise into union of their own choice in accordance with ILO Convention No. 87 and the right to organize and undertake collective bargaining leading to agreements in accordance with ILO Convention No. 98" is available. It was posted on the notice board at the BTSB Base Camp.</p> <p>The staff was found aware of their rights to freely organise a union of their own choice and undertake collective bargaining leading to agreements in accordance with the ILO Convention No. 87 and No. 98, respectively. Any grievances raised by the workers and conflict resolution will be addressed according to BTSB SOP on 'Employee Grievances BTSB-SOP-HR-01' 2015.</p> <p>A Social Impact Assessment (SIA) entitled "Penilaian Impak Sosial" was carried out in 2018. The SIA was carried out with related communities living within and in vicinity of the FMU 11. Results of the SIA was incorporated in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FPMU11 (Revised November 2018).</p> <p>Mechanisms to resolve grievances involving loss or damage affecting the local people's legal or customary rights, property, resources, or their livelihoods, caused by forest plantation management operations is described in the SOP for 'Community Claim and Compensation (BTSB-SOP-CF-02)'.</p>	<p>Site inspections found that some required medicine such as Eye Mo, Antiseptic cream, plaster and iodine were not available in the first aid box inspected.</p> <p>Minor NCR RBJ 01/2019 was raised.</p>

Principle	Strengths	Weaknesses
<p>Principle 5 Benefits from the Forest</p>	<p>Annual operating and development budget were presented in the Annual Working Plan 2019. It was incorporated in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012-2021) for FPMU11 (revised November 2018).</p> <p>These investments and reinvestments include administration and operating costs, socio economic support, survey and boundary demarcation. Nursery, planting, block maintenance, research and development (R&D), harvesting, conservation, social community were budgeted as part of the BTSB FPMU development costs. Revenue generated during the planning period is from salvage logging and latex (cup lump) production.</p> <p>At present latex and latex cup lump are the main product extracted from the FPMU in accordance with the SOP for “Latex Harvesting and Collection (BTSB-SOP-PD-17)” and “Latex Cup Lump Collection and Storage (BTSB-SOP-PD-18)”.</p> <p>The FPMU is operating for the production and harvesting of rubber logs with tapping and collection of latex and rubber cup clumps as an interim activity from 2012 to 2021. <i>Acacia crassiparpa</i> tree was planted in 2004 covering an area of 800.20ha within the FPMU and plan to be harvested in year 2020. These information were incorporated in the company’s 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11, (Revised November 2018).</p> <p>Guidelines for identifying and establishing representative conservation and protection areas (BTSB-SOP-CP-04); Identify and Demarcate Sensitive Areas for the Protection of Soil and Water (Riparian Marking- BTSB-SOP-PD-02-01) and Marking of Steep Area (BTSB-SOP-PD-03-01); Identification of HCVF and other protected areas (BTSB-SOP-CP-01); And identification and protection of RTE species and their habitats (BTSB-SOP-CP-03) are available in the form of SOPs.</p>	
<p>Principle 6 Environmental Impact</p>	<p>BTSB had conducted a Special Environmental Impact Assessment (SEIA) SFMLA3/97, FMU 11 covering potential impacts on ERT species such as Sambar Deer, civet cats, mouse deer and primates during 20-22 February 2019. Results of the SEIA was reported in the ‘Special Environmental Impact Assessment for Areas Under SFMLA 03/97 of FMU 11’ for Y1/2019 November 2018– February 2019 report.</p>	

Principle	Strengths	Weaknesses
	<p>SOP for identifying and protecting of endangered, rare and threatened species of flora and fauna, including features of special biological features such as seed trees, nesting and feeding areas, in the FPMU is described in 'BTSB-SOP-CP-03 SOP Identification and Protection of RTE Species and Their Habitats'.</p> <p>Whilst BTSB-SOP-CP-04 is for identification of representative conservation and protection sites such as steep area (>25 degrees). BTSB-SOP-PD-02-01 is SOP for river buffer zone and riparian marking.</p> <p>Hunting, fishing and collecting activities were controlled by displayed poster of protected and totally protected species at relevant places such as quarters and office. Access to plantation area was monitored by patrol and enforcement team. Briefing on RTE to staff, contractors and local communities was conducted accordingly.</p> <p>Guidelines to demarcate and protect conservation area, measures to enhance natural regeneration were described in 'BTSB-SOP-CP-04 SOP for Identification of Representative Conservation and Protection Sites'.</p> <p>Guidelines for the conservation of genetic, species and ecosystem diversity for the FPMU was described in the 'Guidelines for Conservation of Genetic, Species and Ecosystem Diversity'.</p> <p>Procedures to protect and conserved biological corridors and buffer zones for wildlife were described in the SOP for Riparian Marking, Steep Area Marking and Land Clearing.</p> <p>Procedure on GIS and Mapping Layout Standard, BTSB-DOC-PD-21 was revised with standard map sample. The HCVF Map-Forest Plantation was printed with date and name code of responsible person in charge.</p> <p>SOP to avoid loss of top soil nutrient, soil erosion and compaction from inappropriate use of mechanical and chemical techniques was described in the procedures for land clearing, land preparation and plantation road specifications.</p> <p>In order to protect the soil from compaction by harvesting machinery and erosion during harvesting operations, SOP for salvage logging operations for rubber establishment and harvesting of rubber plantation stands was established as stated in the Harvesting Method – Plantation Development Plan.</p>	<p>No record on disposal of the used containers in an environmentally</p>

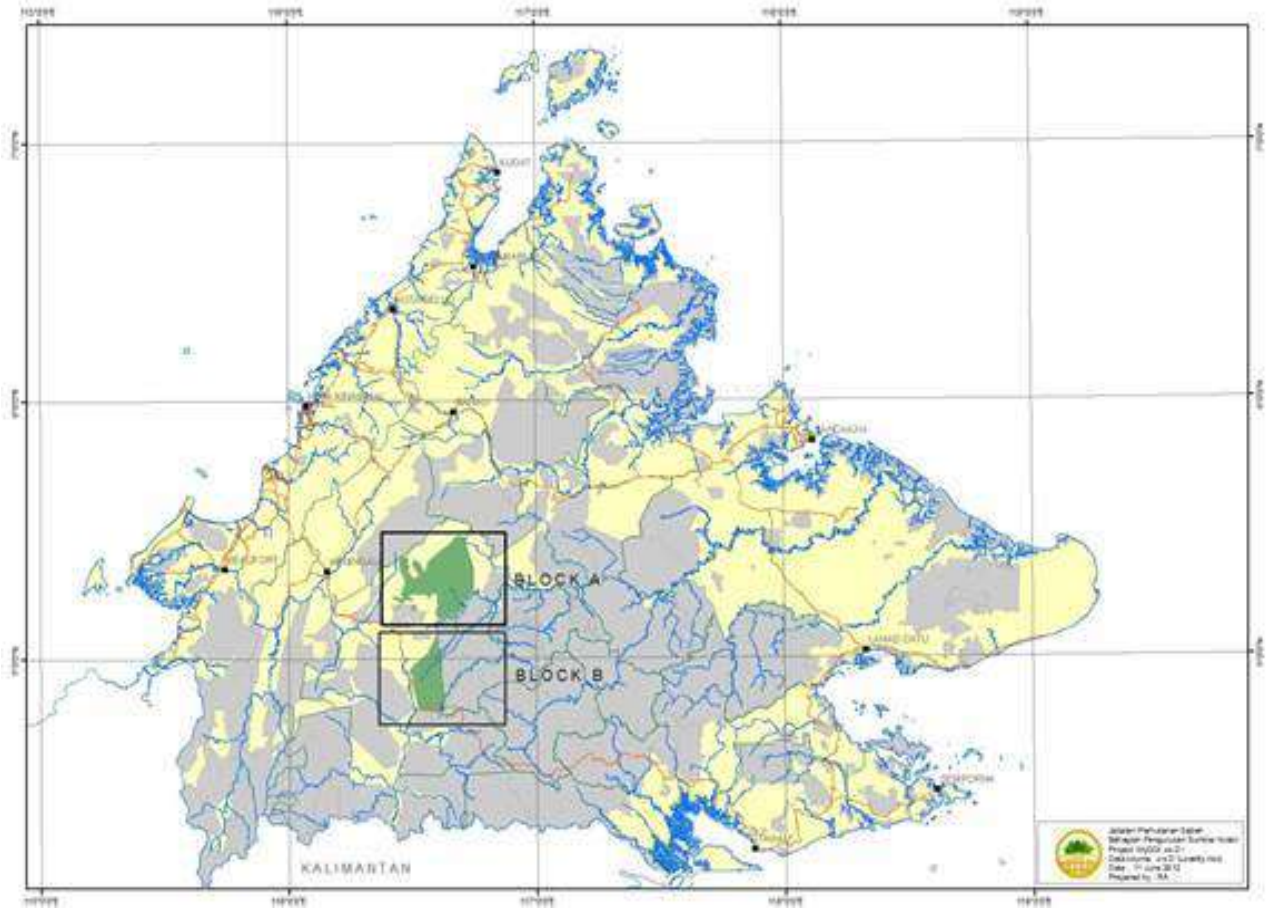
Principle	Strengths	Weaknesses
	<p>SOP for “Riparian Marking for conservation of buffer strips along stream and rivers” was also established.</p> <p>Use of chemicals in the forest plantation areas was controlled by a procedure titled ‘SOP Chemicals handling’. Procedure for waste disposal of solid non-organic wastes is described in the ‘SOP Removal and Disposal of Solid Waste (BTSB-SOP-EM-05-02)’ and ‘SOP Storage, Handling and Disposal of Hazardous Goods (BTSB-SOP-EM-06-02)’.</p> <p>Currently, only two exotic species, <i>Hevea brasiliensis</i> and <i>Acacia crassicaarpa</i> were planted. The BTSB FPMU covers an area of 25,536.71 ha, which is part of the 58,512.77 ha of FMU 11.</p>	<p>appropriate and legally manner available.</p> <p>Minor NCR RBJ 02/2019 for Indicator 6.7.1 was raised.</p>
<p>Principle 7 Management Plan</p>	<p>The BTSB FPMU management is guided by the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised November 2018).</p> <p>Periodic review of the Forest Plantation Management Plan will be conducted every five years. Review of the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 - 2021) for FMU11 was completed in November 2018. Information on the new scientific and technical results from monitoring activities were incorporated in the review.</p> <p>BTSB has provided training facilities for identified personnel to undergo skill training. Priority training areas include training related to MC&I, Certification, ICT and Standard Operating Procedures (SOPs) and implementation of PDP.</p> <p>A public summary of the primary elements on the forest plantation management plan implemented together with Maps describing the forest resource base including protected areas, planned management activities, land ownership as well supporting documents are incorporated in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) (Revised November 2018) for FMU11. It is also available on the website at www.bornion.com.</p>	
<p>Principle 8 Monitoring and Assessment</p>	<p>BTSB management has established a number of 27 PSPs in the Rubber plantation and 20 PSPs of <i>Acacia crassicaarpa</i> under a Continuous Growth Monitoring System. Data from the PSPs enable regular estimation and updating of BTSB's timber</p>	

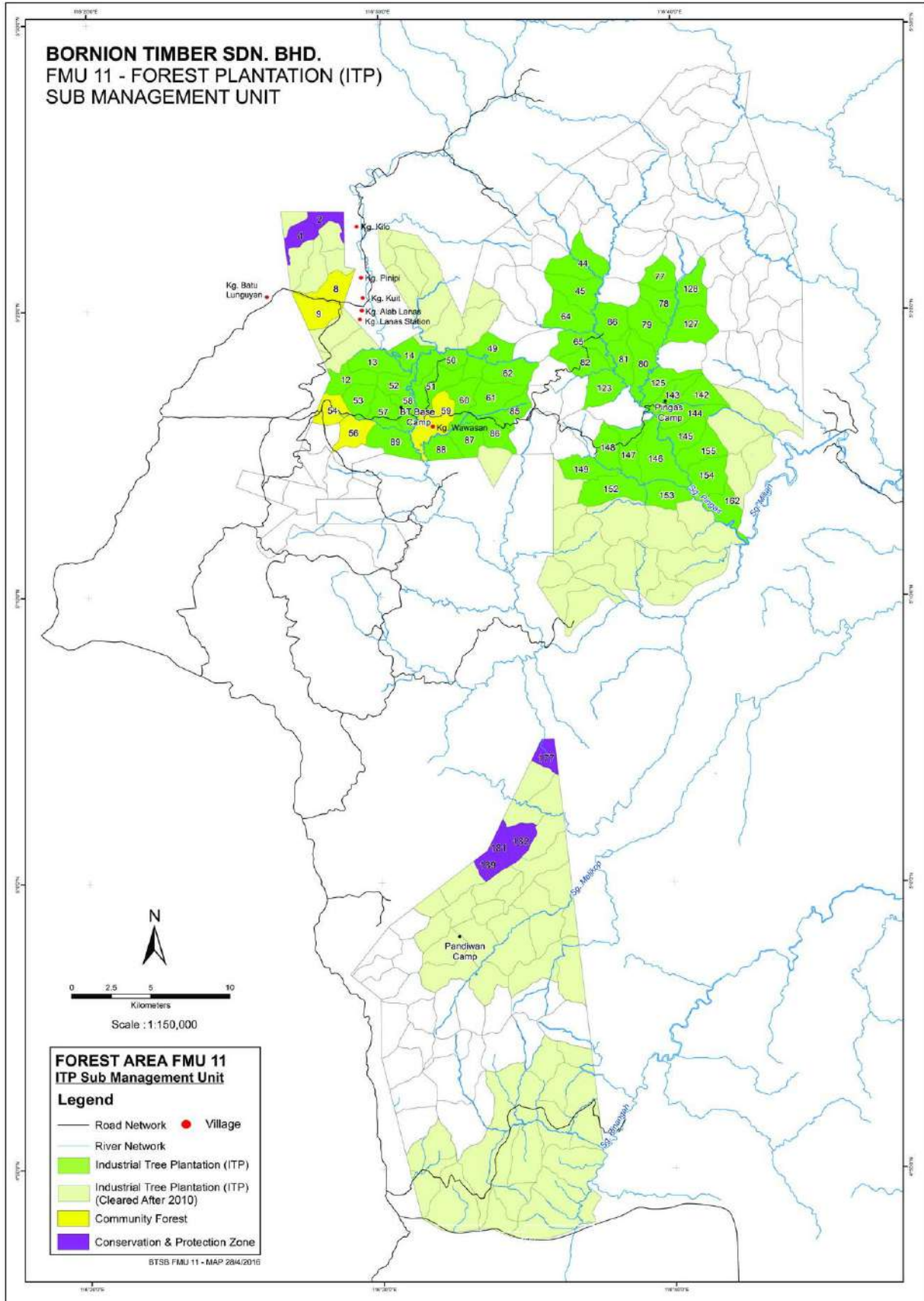
Principle	Strengths	Weaknesses
	<p>stocks and size classes through development of a Growth and Yield Table for <i>Hevea brasiliensis</i> and <i>Acacia crassicarpa</i>.</p> <p>Yield of latex collected; R&D report on Growth rates, regeneration and condition of the forest; R&D report on composition and observed changes in the flora and fauna were presented in the Environmental Compliance reports where period of inspection from 20th to 22nd February 2019. Summary of monitoring results is publicly available on BTSB website (www.bornion.com).</p>	
<p>Principle 9 Maintenance of High Conservation Value (HCV)</p>	<p>The assessment of High Conservation Values present in the plantation in year 2011 was based on WWF Toolkit for Malaysia: “<i>A National Guide for Identifying, Managing and Monitoring High Conservation Forests</i> (WWF-Malaysia, 2009)”.</p> <p>In 2015, the HCVF concept was further reviewed and refined by Consultants from Universiti Malaysia Sabah (UMS). “The High Conservation Value Forest (HCVF) of FMU 11 Forest Plantation (revised July 2019)” maps showing HCV sites was available.</p> <p>The SOP on “Survey and Identification of HCVF and Other Protected Areas” Doc. No: BTSB-SOP-CP-01 last updated on 9/11/2018 was available. HCV forest issues were addressed in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised November 2018). It was also addressed in the document: “High Conservation Value Forest (HCVF) of FMU11” Forest Plantation. (Revised July 2019).</p> <p>Measures to demarcate, maintain and/or enhance the HCVF attributes are documented in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU11 (Revised November 2018) and “High Conservation Value Forest (HCVF) of FMU11” Forest Plantation (Revised July 2019).</p> <p>Procedures for the implementation and monitoring were described in the SOPs: BTSB-SOP-CP-01-03: Survey and Identification of HCVF and Other Protected Areas (Updated 9/11/2018); BTSB-SOP-CP-02-03: Management, Effectiveness Monitoring and Enhancement of HCVF (Updated 27/4/2018); BTSB-SOP-CP-03-01: Identification and Protection of RTE Species and their Habitats (Updated 14/2/2016); And BTSB-SOP-CP-04: Identification of Representative Conservation and Protection Sites.</p>	

Principle	Strengths	Weaknesses
	<p>Annual monitoring of HCVFs was implemented in the FPMU in accordance with the SOP (BTSB-SOP-CP-02-03: Management, Effectiveness Monitoring and Enhancement of HCVF). In addition, several training on HCVF was conducted internally.</p>	
<p>Principle 10 Forest Plantation Development and Management</p>	<p>The 2nd Forest Management Plan - Plantation Development Plan (PDP) (2012-2021) for FMU11 (revised November 2018) had clearly described the forest management objectives, including natural forest conservation and restoration objectives as mentioned in the management plan – Clause 1.4 – Management Objectives, Natural Forest Conservation and Restoration.</p> <p>The protection or monitoring of the riparian reserved was conducted based on the “Summary of Patrol and Enforcement daily patrolling” for the Year 2019.</p> <p>Information on rubber tree was recorded in the ‘Assessment of <i>Hevea brasiliensis</i> as Timber Plantation Species in Forest Management Unit No. 11, Sook District, Sabah’ report. The <i>Acacia crassicarpa</i> was stated in Table 4.4: Development areas (years 2004-2011).</p> <p>Soil sampling and site survey were conducted in August 2019. Report on growth characteristic, performance and management was presented in the ‘Preliminary Yield Tables for Rubber Plantations of Bornion Timber Sdn. Bhd.’ report.</p> <p>In addition, BTSB had referred to “Rubber Plantation Soil management & Nutritional Requirement”, “Manual for Diagnosing Nutritional Requirements for Hevea” and “Leaf and Seed Characteristics of Recommended Hevea Clones” to ensure suitability of soil for Rubber trees.</p> <p>Analysis results and benefits of using exotic species, rubber tree, were documented in the report on ‘Assessment of <i>Hevea brasiliensis</i> as Timber Plantation Species in Forest Management Unit No. 11, Sook District, Sabah’. The comparative results and justification of using exotic species than native species was reported in Chapter 15 - Comparison of <i>Hevea brasiliensis</i> (rubber) with native timber species (Laran).</p> <p>Documentation and maps depicting areas managed as natural forest such as riparian reserves, steep area (>25 degrees) and water catchment area in the forest plantation areas are available.</p> <p>Procedure for ‘Assessment of ecological functions in rubber cultivation areas’ in order to assess quality of ecological functions and impacts of exotic plants is available. BTSB had conducted an EIA which is reported in the Environmental</p>	<p>Analysis report (<i>Acacia crassicarpa</i> 2018) for data collected from PSP 1-SU 40 Compartment 58 and PSP 121 Compartment 57 found that mortality rate was not calculated and the cause of mortality was not identified.</p> <p>Minor NCR ANS02/2019 for Indicator 10.4.3 was raised.</p>

Principle	Strengths	Weaknesses
	<p>Compliance Report titled 'Special Environmental Impact Assessment for Areas Under SFMLA 03/97 of FMU 11' for Y1/2018 November 2017 – February 2018. Social impact assessment was reported in the 'reviewed - Social Impact Assessment' dated 24 November 2018 report.</p> <p>Field trial on budding - rubber seedlings for RRIM3001 and RRIM 2025 was conducted in 2008.</p>	

Map of FPMU 11





Experiences and Qualifications of Audit Team Members

Assessment Team	Role/Area of MC&I Requirement	Qualification and Experience
Hj. Roslee Jamaludin	Audit Team Leader / Forester	<p>Academic Qualification: B.Sc. of Forestry (Forest Management), University Putra Malaysia. Diploma of Forestry, Mara Institute of Technology, Malaysia.</p> <p>Work Experience: A retiree of Forest Conservator from Forestry Department of Peninsular Malaysia, with 36 years of experience in forest management, operation and administration. Has been working in various position since appointment in 1977, which includes Assistant Forest Management officer in Kuantan, Forestry Department of Pahang, Assistant District Forest Officer in Kuala Lipis Pahang and Segamat, Johor. Forest Plantation Officer in Johor and Terengganu, Forestry Officer for the State of Malacca. Assistant Director for Forest Harvesting and Industries in Selangor, District Forest Officer in Dungun Terengganu, Assistant Director for Forest Management in Negeri Sembilan and the State Director of Forestry Penang before retirement in April 2015. Has involved in several Working Committee form by the Forestry Department of Peninsular Malaysia to further improve the existing procedures, such as, Forestry Manual, Forest Road Guidelines, Forestry Rules, other guidelines regarding the MC&I for forest certification. A member of MAJURUS, was appointed as an Internal Auditor for the MC&I. Has attended several forestry Conference overseas and local. A member of IRIM (Institut Rimbawan Malaysia). Appointed as a facilitator and trainer for Forest Road Guidelines by Forestry Department Peninsular Malaysia.</p> <p>Attended training programmes:</p> <ul style="list-style-type: none"> • Auditor Training Course on Malaysian Criteria and Indicators for Forest Management Certification [MC&I (Natural Forest)] & [MC&I (Plantations)] organised by MTCC, 9 – 10 July 2015 • EMS 14001: 2004 Lead Assessor Training Course organised by SIRIM Training Services Sdn Bhd, 23 Nov. – 27 Nov. 2015. • Briefing on RSPO Principle & Criteria (HCV) organised by SIRIM QAS (Food, Agri & Forestry Section) 21 August 2015. • Workshop on Auditing Technique for FMC (2) organised by SIRIM QAS (Food, Agri & Forestry Section) 26 Jan 2016. • Forest Management Certification (FMC) Workshop' organised by SIRIM (Food, Agr. & Forestry Section)06 & 07 December 2016 • Forest Management Certification (FMC) Workshop 2017 organised by SIRIM (Food, Agr. & Forestry Section)08 – 09 May 2017 • 'Forest Management Certification (FMC) Workshop' for 2017 organised by SIRIM (Food, Agr. & Forestry Section)28 & 29 November 2017. • FMC Workshop for 2018 organised by SIRIM (Food, Agr. & Forestry) 22 November 2018 • COC Workshop 2018 organised by SIRIM 26 November 2018 • Auditor Training Course on PEFC Chain of Custody Certification

		<p>organized by MTCC on 19th -20th December 2018.</p> <ul style="list-style-type: none"> • MSPO Training Course 16-17 Feb 2019 organised by SIRIM • COC Workshop 27/6/2019 FAF SIRIM QAS • FMC 25-26/6/2019 organised by FAF SIRIM QAS
Mohd. Annas Amin Hj. Omar	Auditor/ Forester	<p>Academic Qualification: <i>B.Sc. In Forestry, UPM</i> <i>Diploma in Forestry, UPM</i></p> <p>Work Experience: Six years as Assistant Forest Officer at Perak State Forestry Department from 2013-2018. Main responsibility is Assisting District Forest Officers in administrative work, forest development and forest operations. Conduct forest Enforcement Team Activities such as The Prevention of illegal logging. Appointed as Raid Officer in Raid Eradicating Illegal Refinery in Kinta Manjung Forest District. Also appointed as Investigation Officer in a case involved Ayer Chepam Forest Reserve and cased Prosecuted in Court.</p> <p>Training / Research Areas: Attended and pass the following training programmes: 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 Ogos 2018)</p>
Ismail Adnan Malek	Auditor/ Forester	<p>Academic Qualification: Master of Forestry, University of British Columbia, Canada</p> <p>Work Experience: One year (1974-1975) experience as Sub Assistant Conservator of Forest at the Pahang Forest Department, involved with Forest Administration/Management and Enforcement. Next, seven years (1979-1986) experience as Forest Officer/Logging Superintendent at Syarikat Jengka Sdn. Bhd (SJSB), an integrated timber complex in Pahang. Responsible for Forest Licensing/ Administration, Forest Mapping, Road Construction and Logging Operations. Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia (UPM) from 1986 to 2014. Responsible for teaching and research in Forest Mensuration, Forest Survey, Forest Road, GIS/Remote Sensing and Forest Mapping. Responsible for academic supervision of more than 100 Bachelor/Master/Phd students in their research and thesis writing. Own research at UPM include various areas such as forest mapping using geo spatial tools, forest inventories, forest harvesting and forest management system (SMS). Also involved with consultancy works which include RPH development and Forest Mapping. Participate in organizing local/international seminars on Forestry areas. Published and presented research findings at seminars/conferences and journals. Currently as Auditor at the Food, Agriculture and Forestry /ion (FAF), SIRIM QAS International Sdn Bhd, since 2016. Involved in conducting assessments on forest management certification MC&I (Natural Forest) & MC&I (Forest Plantations).</p>

		<p><u>Training / Research Areas:</u></p> <ul style="list-style-type: none">• Auditor Training Course on MC& I (Natural Forest) and MC&I (Forest Plantation V2), 9th-10th July 2015, SIRIM QAS International Sdn Bhd• ISO 14001:2004 Lead Assessor Training, 23rd-27th Nov 2015, SIRIM Training Services Sdn. Bhd• Training on Auditing Techniques, 26th January 2016, SIRIM QAS International Sdn Bhd
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Recertification Audit Plan

DAY	TIME	PROGRAM		
		Hj. Roslee Jamaludin (Auditor 1)	Mohd. Annas (Auditor 2)	Ismail Adnan (Auditor 3)
Day 0 25.8.19 (Sunday)	07:00am-7:30pm	All Auditors travelling from KLIA to Kota Kinabalu on 25 th August 2019 Flight MH 2610, ETD-9.15am, ETA-11:55 am Travel to Bornion Camp site. Overnight in Keningau Briefing by Audit Team Leader on the audit plan		
Day 1 26.8.19 (Monday)	7.30am – 10.00am	Consultation with District Forest Officer of Sook Opening Meeting with representatives of FPMU Briefing session by Forest Manager of the FPMU Q&A Session Follow up on findings from Surveillance 2 Audit Check on complaints, stakeholder comments and follow-up actions (if any) <ul style="list-style-type: none"> • Local Communities • Government agencies • NGOs • Evaluate on internal audit and management review 		
	10.00am – 5.30pm	<u>Documentation Review</u> Principle 1 – Compliance with Laws and Principles Principle 7 – Management Plan Principle 8 – Monitoring and Assessment Principle 9 – Maintenance of High Conservation Value (HCV)	<u>Documentation Review</u> Principle 5 – Benefits from the forest Principle 6 – Environmental Impact Principle 10 – Forest Plantation Development and Management	<u>Documentation Review</u> Principle 2 – Tenure and Use Rights and Responsibilities Principle 3 – Indigenous Peoples' Right Principle 4 - Community Relations and Worker's Right

		Review of Day 1 Findings by Audit Team Leader		
Day 2 27.8.19 (Tuesday)	7.30 am – 1.00pm	<u>Site visit</u> <ul style="list-style-type: none"> Fauna monitoring sites/HCV sites (1.4) Cpt 144 & 148. Fresh water pond & Salt Lick.HCV 4-Sg.Pingas Cpt 124/125. Conservation and Protection area – Riparian Reserve, Water catchment, steep areas. Cpt119 Boundary of FPMU at Cpt 118. 	<u>Site visit</u> <ul style="list-style-type: none"> Tree planting/maintenance activities- Cpt.86/60 PSP Plot- Rubber-PSP 1/012 &PSP 1/013 in Cpt. 86/60 Compartment Boundary- Cpt 88/59 	<u>Site visit</u> <ul style="list-style-type: none"> Consultation with Local communities/stakeholders <ul style="list-style-type: none"> - Kg.Kuit - Kg.Lanas - Kg.Bt.Lunguyan Interview with workers Representative– Union, insurance, payslip, medical &accident, training etc. Boundary of FPMU- Cpt 11 HCV 5-water catchment Cpt.11
		Review of Day 2 Findings by Audit Team Leader		
Day 3 28.8.2019 (Wednesday)	7.30 am- 5.30pm	<u>Site Visit</u> <ul style="list-style-type: none"> Workshop Inspection of R&D plot / Experimental Planting Area HCV site (HCV6)-old Burial Ground Compartment Boundary- Cpt 53/54 Nursery 	<u>Site Visit</u> <ul style="list-style-type: none"> HCV sites (HCV 4)- Steep area- Cpt 119/85 HCV site (HCV 5)- Water catchment Cpt.2 Boundary of FPMU- Cpt.54 PSP plots- Acacia (PSP 121 & PSP 81) Fire Equipment 	<u>Site Visit</u> <ul style="list-style-type: none"> Consultation with Aborigines Settlement / Local communities: <ul style="list-style-type: none"> - Kg.kilo - Kg Alab Lanas - Kg.Wawasan
		Review of Day 3 Findings by Audit Team Leader		
Day 4 29.8.2019 (Thursday)	8.00am- 12.00pm	Documentation Review		
	2.00pm -3.30pm	Issuance of NCRs (if any). Preparation for closing meeting		
	4.00pm-5.00pm	Closing Meeting Travel to Kota Kinabalu Overnight in Kota Kinabalu- Klagan Hotel		

30.8.2019 (Friday)	All Auditors travel back to Kuala Lumpur, Flight MH2641, ETD-14.55, ETA-17.25
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Details on NCRs Raised During this Recertification Audit and Corrective Actions Taken

Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
ANS01/2019	Minor NCR	<p>Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p>Finding: The boundary between Industrial Tree Plantation (ITP) forest and Natural Forest was not demarcated.</p> <p>Objective evidence: Site visit to Compartment 85 and 86 found that no buffer belt was demarcated between ITP and natural forest which did not comply with SOP on Compartment boundary marking. (BTSB-SOP-PD-01-02).</p>	<ul style="list-style-type: none"> • Buffer belt to be marked between Cpt. 85 and Cpt. 86 • Compartment ID to be erected. • Internal refreshment training for ranger. <p>(expected date: December 2019)</p>	<p>The Audit team accepted the Corrective Action Plan.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>
RJ01/2019	Minor NCR	<p>Indicator 4.2.3 - Appropriate safety and operational equipment in good working condition, including operational procedures, shall be made available to forest plantation workers in the work place.</p> <p>Finding: First aid boxes were not fully equipped as a requirement by Factories and Machinery (Safety, Health and Welfare) Regulation, 1970 under Fourth Schedule.</p> <p>Objective evidence: Inspection at the following sites, showed that the following content in the first aid box were not provided:</p> <p>1. At campsite for rubber tapper- Gauge sponged 2"x2":</p> <ul style="list-style-type: none"> - Young dressing - Eye pads - Scissors - Record book was not updated <p>2. At the main Office</p> <ul style="list-style-type: none"> - Eye Mo - Antiseptic cream - Plaster - Iodine 	<ul style="list-style-type: none"> • All first aid boxes to be checked and refilled based on the required contents (expected date: October 2019) • Monitoring schedule to be implemented. (Expected date: November 2019) 	<p>The Audit team accepted the Corrective Action Plan.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>

		<p>3.At workers quarter Block 2</p> <ul style="list-style-type: none"> - Eye Mo - Elastic bandage - Scissors - Iodine <p>4.At Security Gate no.2</p> <ul style="list-style-type: none"> - Iodine - Yellow lotion 		
RJ02/2019	Minor NCR	<p>Indicator 6.7.1 – Oil, fuel, containers, liquid and solid non-organic wastes shall be disposed of in an environmentally appropriate and legal manner.</p> <p>Finding: Record of disposal of used containers for chemical, pesticide and herbicide in the nursery was not evidence.</p> <p>Objective evidence: Site inspection at the Labau Hall nursery office and store, showed that there were record of chemicals used for the nursery operation. However, there was no record showing the disposal of the use containers in an environmentally appropriate and legally manner.</p>	Disposal of used chemical containers in the nursery to be recorded properly by monthly basis, documented and filed. (expected date: October 2019)	<p>The Audit team accepted the Corrective Action Plan.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>
ANS02/2019	Minor NCR	<p>Indicator 10.4.3 - Assessment of forest plantations established with exotic species through monitoring of permanent sample plots to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.</p> <p>Finding: Mortality rate and cause of mortality not identified in the report.</p> <p>Objective evidence: Review of the analysis report (<i>Acacia cassicarpa</i> 2018) for data collected from PSP 1- SU 40 Compartment 58 and PSP 121 Compartment 57.</p> <ol style="list-style-type: none"> 1. The mortality rate not calculated. 2. Cause of mortality not identified. 	Mortality rate (more than 20% of the total tree) in all acacia and rubber PSP to be identified and analysed in the report. (expected date: December 2019)	<p>The Audit team accepted the Corrective Action Plan.</p> <p>Status: The implementation and effectiveness of corrective action plan will be verified during next audit.</p>

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

Indicator	Specification Major/Minor/OFI	Details of Non-conformances	Corrective Action Taken	Verification by Assessor
1.5.2 KN01/2018	Minor NCR	<p>Requirement: Indicator 1.5.2 - Control of encroachment, illegal harvesting, hunting, fishing and settlement, and other unauthorized activities.</p> <p>Finding: The control of encroachment, settlement, and other unauthorized activities in the FPMU were not sufficient.</p> <p>Objective evidence: Site inspection found compartment boundary marks between Cpt 88 and Cpt 59 (community Forest Zone) were not available.</p>	Boundary marks between Compt.86 and Compt. 59 will be painted with yellow paint. Expected date of completion on 4 th March 2019.	<p>Site visit during this recertification audit, found that the boundary has been marked with red paint.</p> <p>Status: Closed</p>
4.4.1 LHF01/2018	Minor NCR	<p>Requirement: Indicator 4.4.1 – Forest plantation managers shall evaluate, through consultations, social impact of forest plantation management operations directly affecting communities, and the people and groups directly affected by the forest plantation management operations shall have access to information on the results of the social impact evaluation.</p> <p>Finding: Villagers of the affected communities have yet to receive information on the social impact assessment.</p> <p>Objective evidence: The FPMU has disseminated copies of SIA 2018 report to leaders</p>	An updated SIA results report to be briefed to the villagers in the affecting community during the meeting in the villages between January-March 2019. Expected date 5 th March 2019.	<p>Record showed that the FPMU has briefed the findings and results of the SIA 2018 to leaders of the affected local communities during the MSCFC meeting on 20 - 21 June 2019</p> <p>Status: Closed</p>

		of the affected local communities in November and early December 2018. In general, the villagers in the affecting communities have yet to be briefed on the results of the social impact evaluations.		
4.2.1 RJ01/2018	Major NCR	<p>Requirement: Indicator 4.2.1 - Up-to-date information on all applicable laws and/or regulations covering occupational safety and health of forest plantation workers shall be disseminated to them.</p> <p>Finding: Employee's insurance record was not available</p> <p>Objective evidence: During site inspection at Compartment 148, it was found, record of insurance for seven (7) slashing workers as listed in the table below were not available at the time of audit:</p> <p>Contractor/workers ID</p> <ol style="list-style-type: none"> 1. 200160025 2. 200160021 3. TJ0027 4. 200010088 5. 200190075 6. 200260005 7. TS 0039 	<ol style="list-style-type: none"> 1. Enquiries to be made for the seven (7) slashing contract workers to SOCSO or any insurance company on any eligible accident coverage. Expected date 4th Feb.2019. 2. To ensure these contract workers' security to be covered by SOCSO/ insurance company if eligible. If not, the company will take responsibilities on their social security. Expected date 4th March. 2019. 	<p>The Audit team has verified the Corrective Action plan and the evidence of implementation provided by the FPMU. The FPMU has provided the document showing a Letter from PERKESO (SOCSO) Ref. no. PKS.KNG.F9400000068 M stating that those workers were not qualified to contribute to SOCSO as the workers were not comply to Section 2 (5), Employees' Social Security Act,1969. However, FPMU has included an additional clause (1.1.6) in the Contract Agreement for Rubber Tappers for those workers. Clause 1.1.6 stated that the Company will take responsibilities to cover the cost of medicine for any accident occurred while the workers are working in the block. The slashing workers mention in the NCR were the same workers working as rubber tappers. The copies of the letter from PERKESO and Contract Agreement were verified. Only six (6) contracts has been presented as one of the worker has resigned, the letter of resignation was presented.</p> <p>Status: Closed.</p>