



## Report on formal comments on the National Forest Stewardship Standards (NFSS) for Malaysia Draft 2-0

### Summary of issues raised

The public consultation period for the Malaysian NFSS Draft 2-0 commenced on 2 January and ended on 5 March 2018. During the minimum 60-day public consultation period, a National Consultation Session was organized on 29 January 2018 at the Hilton Petaling Jaya. In total, 58 stakeholders from forestry departments, companies, timber industry associations, social and environment NGOs, Indigenous Peoples' organizations, workers' unions, certification bodies, universities and consultants attended the National Consultation Session. Comments made by participants during the physical sessions were recorded as formal comments and included in this report along with all formal comments provided by stakeholders via email and post during the public consultation period.

A total of 74 individual comments were recorded (see Annex for details) where the majority 58 comments (or 79%) were specific to the Principles and Criteria. One comment (1%) was received on the annexes and 15 (19%) were general comments.

In general, stakeholders provided suggestions including both specific changes to the standards and general improvements, sought clarification on general and standards-specific issues as well as provided their opinions. The following is a summary of issues (listed by principle or section of the standards) raised by stakeholders:

#### General

- The Malaysian Wood Industries Association (MWIA) and the Sarawak Timber Association (STA) feel that compliance to the requirements of the NFSS is currently too ambitious and economic chamber views are not taken into consideration in standards development
- Indigenous Peoples groups feel that it is difficult to work with the timber industry despite their willingness to do so
- Endorsement of the SDG's proposed way forward in terms of tackling scale, intensity and risk as well as having a full set of verifiers for all indicators
- Clarification on the national standards development process and next steps for the NFSS

#### Principle 1 (Compliance with laws)

- Adequacy of Criterion 1.7 (anti-corruption)
- Endorsed with no major objections pending SDG action on Criterion 1.7

#### Principle 2 (Workers' rights and employment conditions)

- Issues with regards to the integration of criteria and indicators from the 'FSC ILO Working Group Report on Generic Criteria and Indicators' by the SDG i.e. changes at criterion level, redundancies in criteria 2.1-2.3,
- Specification of figures for minimum wage, maternity and paternity leave in the indicators by the SDG



- Potential conflicts with national law with regards to rights to freedom of association
- Clarification on 'worst forms of child labour,' 'discrimination' and 'heavy/hazardous work'
- Endorsed with no major objections pending SDG action on issues raised by stakeholders

Principle 3 (Indigenous Peoples' rights) and Principle 4 (Community relations)

- Clarification on 'oral records'
- Endorsed with no major objections

Principle 5 (Benefits from the forest)

- Endorsed with no major objections

Principle 6 (Environmental values and impacts)

- Support for FSC Malaysia's efforts to engage with FSC International's working group tasked with implementing the approved Motion 7 at the recent FSC General Assembly 2017 in Vancouver, Canada
- Clarification on hunting and how social values are incorporated
- Endorsed with no major objections

Principle 7 (Management planning)

- Incorporation of Annex E 'Management Plan Guidelines' in the indicator text
- Endorsed with no major objections

Principle 8 (Monitoring)

- Clarification on participatory monitoring (social views) and timber legality verification tools
- Endorsed with no major objections

Principle 9 (High Conservation Values)

- Clarification on baselines for forest conversion as well as IFLs and HCV concepts in general
- Endorsed with no major objections

Principle 10 (Implementation of management activities)

- Clarification on the use of alien species
- Endorsed with no major objections

Glossary

- Additional definitions

Annexes

- Suggestion to integrate annexes into the NFSS document proper

It is noted that Suet Kum Pang (MWIA), Annie Ting and Jamie Chin (STA) left the room during the National Consultation Session. Andrew Tham (Malaysian Timber Association – MTA and Timber Association of Sabah – TAS) also left the room but indicated that MWIA and STA did not consult him prior to deciding to leave the session. He also added that he would like to see more dialogue between national timber associations and FSC Malaysia. S K Pang stated that MWIA's views were not considered



during the standards development process and did not wish to be seen as endorsing the NFSS in its current form. Annie Ting felt that STA's views and comments presented were not taken into consideration and that the NFSS has not been adequately presented for stakeholders' input. However, it is also noted that the 3 individuals representing the 2 timber industry associations did not represent the entire economic chamber (as claimed). Other Forest Management Unit operators, FSC economic chamber members and other players remained in the room throughout the consultation session and continued to participate actively in discussions.

### **Analysis of the range of stakeholder groups who have submitted comments**

Twenty-five individuals or groups were attributed to the 74 comments received. These individuals or groups consisted of those representing environment, social and economic interests as well as governmental bodies.

Representing environmental interests were WWF Malaysia, Global Environment Center (GEC), SAVE Rivers, Centre for Environment, Technology and Development, Malaysia (CETDEM), HUTAN-Kinabatangan Orangutan Conservation Project (KOCP), Ecologically-sound Development for Association of World Citizens and Sabah Wetlands Conservation Society (SWCS). Representing social interests were Building and Wood Workers' International (BWI), *Jaringan Orang Asal Se-Malaysia* or Malaysian Indigenous Peoples' Network (JOAS), *Persatuan Dayak Sarawak* or Dayak Association of Sarawak (PEDAS), Alliance of the Indigenous Peoples of the Highlands of Borneo (Sabah), and Sarawak Dayak Iban Association (SADIA). Representing economic interests were MIENS, Global Way Services, Global Forestry Services (GFS), Malaysian Wood Industries Association (MWIA), Sarawak Timber Association (STA), Timber Association Sabah (TAS), Malaysian Timber Association (MTA) as well as certification bodies Control Union, MUTU Certification (Soil Association), and SCS Global Services. Government interests were represented by the Sabah Forestry Department. Comments were also received from universities and research organizations Forest Research Institute of Malaysia (FRIM) and Sarawak Tropical Peat Research Institute (TROPI).

Individuals and/or groups representing economic interests can be attributed for 44% of comments received while environment groups contributed 24% and social groups, 31%.

### **General response to the comments and indication of how the comments have been taken into account in the subsequent public draft standard**

All comments received during public consultation were considered by the Standards Development Group (SDG). Responses typically ranged from acceptance with changes to the draft NFSS based on comments made to noted but with no changes to the standards. See Annex (notes column) for the SDG's detailed responses to the comments received and the resulting changes to the draft NFSS. In the subsequent revision of the draft NFSS in response to comments received, changes have been made at indicator and verifier level as well as the glossary and annexes.



**ANNEX: Copy of all formal comments received during the public consultation period**

No	Comment	Person(s)	Reference	SDG response
1	Suggest integrating annexes into the NFSS text to reduce requirements for cross-checking annexes.	Son Kheong Yap (SCS)	Annexes	Noted but no changes. The text of the NFSS document would be too lengthy if annexes were incorporated.
2	Suggest additional verifier to 1.6.3: 'Interviews: Affected stakeholders and CSOs for evidence of fair negotiation and/or mediation for mutually agreed settlement.'	Thomas Jalong (JOAS)	Indicator 1.6.2, verifiers	New verifier added based on comment.
3	Suggest reinstating dropped indicator 1.7.4 as corruption is a pervasive issue in the timber industry and dropping this indicator gives a negative connotation.	Gurmit Singh (CETDEM), Omar Kadir (SWCS), Victor Soosai (Control Union), Tony Arifiarachman (MUTU Certification), Apolinar Tolentino (BWI)	Indicator 1.7.4	The requirements of IGI 1.7.4 has been reinstated based on comments received from stakeholders. In addition, all indicators under criterion 1.7 have been adapted and merged for simplification.
4	Bribery is widespread in the timber industry. Caution against overlapping MACC's authority.	Andrew Tham (TAS/MTA)	Criterion 1.7	See SDG response to comment 3 above.
5	Endorse dropping of 1.7.4 but suggest improving procedures (ensuring processes are internalized within the company, at all levels) and relooking at the sequence of indicators under the criterion.	Supun Nigamuni (Control Union)	Criterion 1.7	See SDG response to comment 3 above.
6	Ensure UNDRIP requirements are captured in the NFSS.	Omar Kadir (SWCS)	Principle 1 (and 3)	Noted, UNDRIP requirements are included in the NFSS.
7	Endorsed with no major objections pending SDG actions on issues raised with regards to Criterion 1.7	All stakeholders	Principle 1	Amendments to criterion 1.7 as described in the SDG response to comment 3 above.
8	Suggest removing specifications on minimum wage figures and days allocated for paternity and maternity leave in the indicator text as this is already specified by national laws. Industry should not be forced to provide paternity leave as currently, this only applies to government employees.	S K Pang (MWIA)	Principle 2	Noted but no changes as no specifications (in the NFSS) exist for minimum wage figures. Paternity leave days are no longer specified but maternity leave days are still specified (60 days) in



				accordance with current labour laws.
9	Provision of paternity leave should be required by law and implemented by companies.	Harjinder Kler (HUTAN)	Indicator 2.2.7	Noted. The comment relates to national law.
10	Freedom of Association and Protection of the Right to Organize Convention 1948 (No 87) is not ratified by Malaysia.	Gurmit Singh (CETDEM)	Criterion 2.4	Noted. The comment is regarding ratification of conventions by Malaysia.
11	ILO working group report has not been formally adopted whereas the IGIs are already a normative policy so in developing indicators, the IGIs are more authoritative. On 'going beyond the law,' the ILO report clearly indicates that organizations shall comply with requirements beyond the law.	Apolinar Tolentino (BWI)	Principle 2	IGI Criterion 2.1 reinstated and new ILO criteria and indicators have been incorporated under 2.1.
12	<p>Suggest reinserting IGI criterion 2.1 'The Organization shall uphold the principles and rights at work as defined in the ILO Declaration on Fundamental Principles and Rights at Work (1998) based on the eight ILO Core Labour Conventions.'</p> <p>Justification: The approved Principles and Criteria (P&amp;C) cannot be changed or eliminated. Such modification can only be made by the FSC General Assembly. As such, to define the national standards, only the indicators (IGI) can be modified (adapt, adopt or drop) and in accordance with the prescribed rules. This is the reason why almost all Principles and Criteria (P&amp;C) were maintained in the NFSS draft 2.0 except for Criterion 2.1.</p> <p>At the same time, dropping Criteria 2.1 on justification due to the FSC ILO Working Group Report on Generic Criteria and Indicators is unnecessary, baseless and unwarranted. To begin with, the ILO Working Group Report GCIs were also developed in reference to the ILO Declaration on Fundamental Principles and Rights at Work and the 8 ILO Core Conventions (see page 10 ILO Working Group Report). Keeping or reinserting IGI Criterion 2.1 will make the FSC NFSS Draft</p>	Apolinar Tolentino (BWI)	Criterion 2.1	See SDG response to comment 11 above.



	2.0 Criteria 2.1 to 2.4, including the set of indicators within it, more consistent and coherent.			
13	Suggest revising 2.1 back to IGI 2.1. The proposed new ILO criteria should be included as indicators, NOT criteria. Refer to comments form for detailed suggestions on integrating new ILO criteria and indicators.	Kevin Grace (Global Forestry Services)	Criterion 2.1	See SDG response to comment 11 above.
14	There is no conflict between 2.1.1 and the ILO report.	Apolinar Tolentino (BWI)	Indicator 2.1.1	No response required as the comment is a statement.
15	NFSS requirements need to follow national labour laws.	S K Pang (MWIA)	Principle 2	No response required as FSC requirements go beyond what is required by national laws.
16	Clarification on definition of 'heavy / hazardous work.' Suggest that term is properly defined in the NFSS Glossary in the context of forestry and timber-based industry.	Borhan Mohd (Global Way Services)	Indicator 2.1.2	Noted but no changes as terms are already defined in the NFSS glossary in the context of child labour.
17	With regards to 'No person under the age of 18 is employed in hazardous or heavy work except for the purpose...', suggest that this statement should apply to workers of ALL AGES, and not just those under the age of 18. No individual under the age of 18 can be employed and such 'hazardous / heavy work,' if any, should be supervised through appropriate SOPs.	Borhan Mohd (Global Way Services)	Indicator 2.1.2	Noted but no changes as 'hazardous/heavy' work often needs to be carried out and there is currently sufficient guidance on relevant SOPs and requirements for supervision.
18	Suggest removing 'shall prohibit worst forms of child labour' indicator as it is not needed.	Supun Nigamuni (Control Union)	Indicator 2.1.3	Noted and indicator dropped based on comment.
19	Suggest that the phrase 'Worst forms of child labour' be removed since child labour is already clearly prohibited under Criterion 2.1 (The Organization shall not use child labour).	Borhan Mohd (Global Way Services)	Indicator 2.1.3	See SDG response to comment 18 above.
20	Suggest removing redundancies and merging indicators for simplification.	Kevin Grace (GFS), Lulie Melling (Tropical Peat Research Institute), Supun	Criteria 2.1-2.3	Noted and changes made.



		Nigamuni (Control Union)		
21	<p>Suggest deleting ‘and Malaysian laws/regulations’ (added by the SDG) in the indicator text. Suggest that 2.1.7 reads as ‘Workers are able to establish or join worker organizations of their own choosing subject to the rules of the worker organization.’</p> <p>Justification:</p> <ol style="list-style-type: none"> <li>Principle 1 already protects that there can be no violation of Malaysian laws/regulations,</li> <li>Making this indicator subject to Malaysian laws/regulations goes against the idea that FSC can go beyond what the law/regulations require. This is affirmed by FSC Board (BM75) indicating that ‘Being FSC Certified means accepting higher standards, which can mean relinquishing certain rights available under national law,’</li> <li>Malaysian laws/regulations can be used in a way that effectively obstructs the right of workers to establish a union, and</li> <li>Malaysian laws and regulations may change in a way that they go against principles FSC promises to uphold and this may create a problematic situation in the future.</li> </ol> <p>Reference/supporting information:</p> <ul style="list-style-type: none"> <li><a href="https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/archived-cases/bilt-graphic-paper-products-limited-bilt">https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/archived-cases/bilt-graphic-paper-products-limited-bilt</a></li> <li><a href="https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/archived-cases/fiji-pine-tropik-wood-industries-and-tropik-wood-products">https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/archived-cases/fiji-pine-tropik-wood-industries-and-tropik-wood-products</a></li> </ul>	Apolinar Tolentino (BWI)	Indicator 2.1.7	<p>Additional text ‘and Malaysian laws/regulations’ previously added by the SDG has been removed from the indicator based on comment.</p> <p>Additional text has also been added to the definition of ‘workers’ organization’ in the glossary.</p>



	NOTE: The company originally named in justification c) by the commenter has been removed.			
22	Suggest deleting 2.2.3 as this is included in 2.2.1	Kevin Grace (GFS)	Indicator 2.2.3	Indicator dropped based on comment.  Verifiers from 2.2.3 incorporated into verifiers under 2.2.1.
23	Suggest revising 2.2.5 as FSC has no right to stipulate how to pay workers but can require it be mutually agreed. Proposed indicator text: Women are paid according to a mutually agreed method.	Kevin Grace (GFS)	Indicator 2.2.5	Indicator 2.2.4 (previously 2.2.5) has been revised based on the comment. Examples of mutually agreed payment methods have been moved from the indicator to the text of the verifier.
24	Suggest revising to reflect Malaysian regulations. Proposed indicator text: Maternity leave shall be granted in accordance to current Malaysian labour regulations.	Kevin Grace (GFS)	Indicator 2.2.6	Noted but no changes as 60-days maternity leave is specified by current labour legislation.
25	Suggest deleting 2.2.7 as this is not a government regulation; FSC cannot require a company to make paternity leave mandatory.	Kevin Grace (GFS)	Indicator 2.2.7	Noted and but indicator remains. However, indicator text has reverted to IGI text (no longer specifying the number of paternity leave days) based on comment.
26	Suggest simplifying. Proposed indicator text: Meetings, between management and staff are organized to include women and men, and to facilitate the active participation of both.	Kevin Grace (GFS)	Indicator 2.2.8	Noted but no changes as the previous indicator text provides the clarity required.
27	Clarify the element of discrimination in the context of this criterion.	Robert Ong (SFD)	Criterion 2.3	Noted without change to indicator. A new definition of 'discrimination' (from the ILO IGIs) has been added to the glossary.
28	There is no mention of discrimination based on religion and faith, race or region / state of Malaysia (and the world) from where the workers originate anywhere in the NFSS.	Borhan Mohd (Global Way Services)	Criterion 2.3	See SDG response to comment 27 above.
29	Suggest revising and combining 2.3.3 and 2.3.5. One should not wait for an accident to happen before starting a review. Proposed	Kevin Grace (GFS)	Indicators 2.3.3, 2.3.5	Indicators 2.3.3 and 2.3.5 merged based on comment. The phrase 'after major





	indicator text: Records are kept on health and safety practices are maintained and reviewed annually for revision.			incidents or accidents' has been removed.  Existing verifiers from 2.3.5 have been incorporated into verifiers under 2.3.3.
30	Suggest replacing 2.3.4 as Malaysian regulations on accidents as per DOSH and SOCSO need to be reflected. Proposed indicator text: The organization shall report all accidents to DOSH and SOCSO as required by regulations.	Kevin Grace (GFS)	Indicator 2.3.4	Noted but no change as the proposed indicator text does not fulfill the requirements of or spirit behind IGI 2.3.4.
31	Suggest revising 2.4.1 to meet Malaysian regulations. Proposed indicator text: Wages paid by The Organization in all circumstances meet or exceed legal minimum wage rates in Malaysia.	Kevin Grace (GFS)	Indicator 2.4.1	Indicator text changed based on comment.
32	Endorsed with no major objections pending SDG actions on issues raised above.	All stakeholders	Principle 2	No response required.
33	Suggest adding '...and CSOs' (after IPs) to interview verifier for 3.1.2.	Thomas Jalong (JOAS)	Verifiers for indicators 3.1.2, 3.3.1	Verifiers changed based on comment.
34	Suggest defining 'oral records' in the Glossary section.	Sabah Forestry Department	Definitions in the glossary for indicators 3.3.3, 4.1.2	New definition added to glossary based on comment.
35	Endorse with no major objections even though Malaysia has not ratified ILO Convention 169 on Indigenous and Tribal Peoples.	All stakeholders	Principle 3	No response required.
36	Endorse with no major objections.	All stakeholders	Principle 4	No response required.
37	Citing the example of logging in the Ulu Padas (Sabah) area, Indigenous Peoples see no benefit from logging activities. The logging company does not aid local communities and there is little awareness that the forest is the Indigenous Peoples' source of livelihood. Currently, a new government ruling states that empty lands belong to the government, including Indigenous Peoples' ancestral lands.	Ricky Ganang (Alliance of the Indigenous Peoples of the Highlands of Borneo – Sabah)	Principle 5	Comment responded to during the National Consultation Session: The spirit of Principle 5 extends forest benefits to the people, and not just to the economic chamber.



38	Clarification on whether evaluations of EIA assessment reports are carried out. Are situations during and after timber operations being reviewed?	Nicholas Bawin (PEDAS)	Principle 5	No response recorded during the National Consultation Session.
39	Endorsed with no major objections.	All stakeholders	Principle 5	No response required.
40	Clarification on reasons for dropping 6.6.2.	Abraham Ngu (SAVE Rivers)	Indicator 6.6.2	Comment responded to during the National Consultation Session: Since the indicator is about correcting actions by past management and operations, historical knowledge is required and hence, indicator is challenging to define and comply with. In addition, restoring habitat is unrealistic in tropical rainforests and hence, not applicable.
41	Clarification on whether hunting is allowed.	Ricky Ganang (Alliance of the Indigenous Peoples of the Highlands of Borneo – Sabah)	Indicator 6.6.4	Comment responded to during the National Consultation Session: Hunting is allowed but needs to be controlled.
42	Suggest that social elements have not been taken into consideration in Criterion 6.3 and should be included as part of HCV requirements as well.	Nicholas Mujah (SADIA)	Criterion 6.3	Comment responded to during the National Consultation Session: Social elements are currently covered by other sections of the NFSS including HCV requirements under Principle 9.
43	Criterion 6.10 is a major stumbling block for FSC certification in Sabah. Most forest areas in Sabah are degraded by fire and while these areas were earmarked for industrial tree plantations before 1994, development only took place after 1994 due to the lack of capacity i.e. manpower, skills, finances, etc. If FSC's 1994 rule is not amended, many of Sabah's forest areas will never be certified.	Musa Salleh (SFD)	Criteria 6.9, 6.10	Noted but no response required as the comment is a statement.



44	Suggest referring to FRIM's 70:30 forestry model where 70% of an area is allocated to providing other services while 30% is planted with local timber species under intensive management.	Samsudin Musa (FRIM)	Criteria 6.9, 6.10	Noted but no response required as the comment is a suggestion.
45	Endorsed with no major objections.	All stakeholders	Principle 6	No response required.
46	Suggest that the removal of references to Annex E in the indicator text does not make a difference in terms of auditing requirements.	Supun Nigamuni (Control Union)	Indicator 7.2.1	Reference to Annex E in the verifier text is now in the form of a note. For consistency, this has also been done for indicators 7.4.1, 8.2.1 and 8.2.2.
47	Endorsed with no major objections.	All stakeholders	Principle 7	No response required.
48	Clarification on how social views are incorporated into monitoring. Suggest that all monitoring requirements be participatory in nature.	Nicholas Mujah (SADIA)	Principle 8	Comment responded to during the National Consultation Session: Monitoring (in the NFSS) requires the participation of all stakeholders, including social stakeholders.
49	Clarification on the consideration of the use of MY TLAS/FLEGT as a tool for verifying timber legality.	Supun Nigamuni (Control Union)	Principle 8	Comment responded to during the National Consultation Session: The legal traceability system of FSC has not changed whereby auditors still have to go through the motions to verify legal compliance. In addition, the Sabah Forestry Department uses the verification system endorsed by the government.
50	Endorsed with no major objections.	All stakeholders	Principle 8	No response required.
51	Clarification on baselines for conversion of conservation forests to production forests. Currently, conservation forests are easily converted to forest plantations and conversions should not be just for economic purposes.	Jenn Chong (Ecologically-sound Development for Association of World Citizens)	Principle 9	Noted but no response required as the comment is regarding the country's policy on forest conversion. No response was also recorded during the National Consultation Session.



52	Clarification that HCV areas can be logged, as long as forest values are protected. HCV management is commonly misunderstood i.e. protecting area vs protecting values. Suggest to not make guidance compulsory.	Son Kheong Yap (SCS), Kevin Grace (GFS)	Principle 9	Noted but no changes as HCV guidance is not compulsory in the NFSS.
53	Clarification on 'comprehensively assess.'	Son Kheong Yap (SCS)	Indicator 9.1.1	Comment responded to during National Consultation Session: Term was added during regional consultations in 2017.
54	Clarification on whether IFLs have been considered during standards development as there are 6 IFLs in Malaysia.	Supun Nigamuni (Control Union)	Principle 9	Comment responded to during National Consultation Session: IFLs have not been considered by the SDG yet.
55	Protection of HCVs are important for Indigenous Peoples e.g. spiritual connections, etc.	Nicholas Bawin (PEDAS), Nicholas Mujah (SADIA)	Principle 9	No response required as the comment is a statement.
56	<p>Suggest adding 'HCV Monitoring records corresponding to the HCV Management &amp; Monitoring Plan. Other relevant reports are Environmental Monitoring Report (EMR) or Environmental Compliance Audit (ECA) (for Sarawak)'</p> <p>EMR alone might not be sufficient or had not been structurally designed to demonstrate HCV Strategies implementation. For example, EMR are based on default regulated format – it might show water quality results as is common for EIA monitoring, but nothing on the implementation of poaching prevention or monitoring of indicator species.</p> <p>As the HCV Management and Monitoring Plan is already a verifier itself in 9.2.2, it is only sensible to ensure that section 9.3.1 explicitly correspond with that.</p>	Adrian Choo (WWF)	Verifier 1b for indicator 9.3.1	Verifier for indicator 9.3.1 changed based on comment and changes also applied to verifiers under indicators 9.2.2, 9.3.2, 9.4.1, 9.4.2 and 9.4.3 for consistency.
57	Endorsed with no major objections.	All stakeholders	Principle 9	No response required.
58	Clarification on previous concerns raised with regards to the use of alien species.	Julia Lo (GEC)	Principle 10	Comment responded to during National Consultation Session: Alien species are only used for plantations



				and chosen species are subjected to trials to study invasiveness as well as adaptability to the site.
59	Endorsed with no major objections.	All stakeholders	Principle 10	No response required.
60	Caution on being too ambitious with regards to compliance with indicators. If Malaysia has not ratified certain conventions, the timber industry cannot be forced to comply.	Annie Ting (STA)	General	Noted but no changes based on comment as FSC requires compliance regardless of a country's ratification status.
61	Certification is voluntary, and compliance is required if industry wishes to sell their products in certain international markets.	Omar Kadir (SWCS)	General	No response required as the comment is a statement.
62	Sarawak sells timber to China and Japan, where certification is not required. In addition, 80% of rubberwood in the country is exported with no certification requirements. Industry would like to comply with international requirements, but this will come at a reasonable cost to the industry. Currently, there are also local issues that need to be tackled by the industry, namely the government's proposal to increase minimum wages.	Andrew Tham (TAS/MTA)	General	No response required as the comment is a statement.
63	Sabah state government is constantly pushing certification and it is sad to hear that the timber industry feels it is a burden. Minimum wages should be increased in the country.	Harjinder Kler (HUTAN)	General	No response required as the comment is a statement.
64	Indigenous peoples in logging concessions are often viewed as obstacles by logging companies and oftentimes, recognition of IP rights is a challenge. However, indigenous peoples wish to work together with industry.	Nicholas Bawin (PEDAS)	General	No response required as the comment is a statement.
65	The interests of economic players are not taken into consideration so the timber associations will leave the room. Timber associations do not want to be seen as endorsing the NFSS.	S K Pang (MWIA)	General	The departure and statement by 2 timber associations has been formally recorded in this report. FSC Malaysia remains open to further discussions with all timber associations.
66	MTA/TAS was not consulted by MWIA and STA prior to leaving the room. Suggest for	Andrew Tham (MTA/TAS)	General	See SDG response to comment 65 above.



	FSC Malaysia and timber associations to work together at a later stage to develop indicators that are workable for all parties. Currently, FSC is secondary to more pressing local issues like minimum wages.			
67	Leaving a consultation process is not the way to work together to find solutions.	Nicholas Mujah (SADIA)	General	No response required as the comment is a statement.
68	Big logging companies should be part of this discussion. Indigenous Peoples' rights are being destroyed by some of these companies, yet these companies are running away from their responsibilities.	Nicholas Bawin (PEDAS)	General	No response required as the comment is a statement.
69	Clarification on field testing of draft NFSS.	Erasmus Koay (MIENS)	General	Comment responded to during National Consultation Session: Draft NFSS has been tested in Terengganu (natural forest) and Sabah (plantation) by Soil Association. The forest test report is also available upon request.
70	Clarification on aligning legality issues with the inclusion of customary rights within the FSC system.	Nicholas Mujah (SADIA)	General	No response recorded.
71	Clarification on next steps for the NFSS.	Apolinar Tolentino (BWI)	General	Comment responded to during National Consultation Session: This consultation ends on 5 March 2018. The SDG will then meet to finalize the NFSS based on comments received during the consultation period. There will also be a report on formal comments, which will be publicly available. The finalized NFSS will then be submitted to FSC International for approval. This is the last physical consultation. During the approval process, the NFSS may go back to the SDG for clarification or additional consultation but the responsibility of the final



				steps for the NFSS is with the SDG.
72	Clarification on whether FSC Malaysia will meet the parties that left the National Consultation Session.	Erasmus Koay (MIENS)	General	Comment responded to during National Consultation Session: Yes.
73	SDG's proposal on SIR in the NFSS endorsed with no major objections.	All stakeholders	Scale, intensity and risk	No response required.
74	SDG's proposal to have verifiers for all indicators endorsed with no major objections.	All stakeholders	Verifiers	No response required.