



**PUBLIC SUMMARY
SURVEILLANCE 3 AUDIT (2nd CYCLE) ON
BORNION TIMBER FOREST PLANTATION MANAGEMENT UNIT
FOR FOREST MANAGEMENT CERTIFICATION**

**Certificate Number: FMC-FP 00113
Date of First Certification: 13th January 2017
Audit Date: 24th - 25th February 2023
Date of Public Summary: 27th August 2023**

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EXECUTIVE SUMMARY

This Surveillance 3 audit for forest management certification on the Bornion Timber Sdn. Bhd. – FPMU 11 was conducted from 24th – 25th February 2023. The Surveillance 2 Audit was conducted from 8th – 9th April 2022.

The Surveillance 3 audit was conducted on the overall forest management system and practices of the FPMU against the requirements of the Malaysian Criteria and Indicators for Forest Management Certification, MC&I SFM, using the verifiers stipulated for Sabah, Malaysia.

The audit was conducted by a three-member audit team comprising Mohd. Annas Amin Hj. Omar (Lead Auditor), Azrul Ikhsan Mohamed (Auditor), and Puteri Arlydia Abdul (Auditor).

The scope of the audit was limited to the forest management system and practices of the Plantation Forest area within the Bornion Timber Sdn. Bhd. FPMU – 11 with total area of 25,536.71 hectares. The audit involved the verification of documentations, field visits and inspections. There were also consultations held with the local communities inside the FPMU certified area which had been identified in the Social Impact Assessment report.

The audit team had also verified the previous findings and action taken by the FPMU during Surveillance 2 Audit on 8th -9th April 2022 for one (1) Major non-conformity, and three (3) Minor non-conformity. Inspection of the corrective actions on the ground was done during this Surveillance 3 Audit (2023), and Minor NCRs were satisfactorily closed.

In general, the findings of the Surveillance 3 Audit indicated that the Bornion Timber Sdn. Bhd.- FPMU 11 has complied with most of the requirements of the MC&I SFM despite the issuance of four (4) Minor Non-Compliance Report (NCR) on the FPMU against the requirements of the MC&I SFM. The FPMU had submitted corrective action plans and evidence of implementation to address the four (4) Minor NCRs raised during the Surveillance 3 Audit which were accepted by the audit team.

Based on the satisfactory acceptance of the corrective action plans to the minor NCRs, the Audit Team recommends Bornion Timber Sdn Bhd – FPMU 11 continue to be certified against MC&I SFM.

1 INTRODUCTION

1.1 Name of FPMU

Bornion Timber Forest Plantation Management Unit

1.2 Contact Person and Address

Name : Adam Ryan Goh Jun Xin
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89008 Keningau,
Sabah
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1.3 General Background on the Bornion Timber FPMU

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

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

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

The plantation was initiated in 2007 with planting of rubber trees (*Hevea brasiliensis*). To date, the main product extracted from the FPMU is latex. Latex and Latex Cup Lump are presently produced in the FPMU while logging for timber is deferred until stand maturity. The planned Latex and Rubber Cup Lump extraction in the planning period 2012 to 2021 was addressed in the 2nd Forest Management Plan-Plantation Development Plan (PDP) (2012 -2021) for FMU 11 (Revised November 2018). The planned harvesting for rubber timber products, beginning year 2029, was similarly addressed. Currently, the forest operations involved maintenance activities such as slashing, spraying and manuring.

Table 1. Areas covered in the audit

Forest Plantation Management Unit	Audit Scope	Area
Bornion Timber - FMU11	Main Office of Bornion Timber Sdn Bhd	3rd Floor, Lot 16-18, Block K, Jalan Ikan Juara Satu, Sadong Jaya, Karamunsing, 88000 Kota Kinabalu, Sabah, Malaysia
Bornion Timber - FMU11	Ulu Sg. Milian Forest Reserve	Compartment: 2, 4, 5A, 10A, 11A, 8, 9, 12, 13, 14, 50, 49, 51, *52, 53, 54, 56, *57, *58, 59, 60, 61, 62, 85, 86, 87, 88, 89, 44, 45, 64, 65, 66, 77, 78, 79, 80, 81, 82, 123, 125, 127, 128, 142, 143, 144, 145, 146, 147, 148, 149, 152, 153, 154, 155, and 162. *Acacia (800.20ha)
	Pingas Camp	Compartment 144
	Base Camp	Compartment 58, Mile 46, Jalan off-road Sook – Tulid, 89008 Keningau Sabah
	Sapulut Forest Reserve	Compartment: 177, 181, 182 and 189
	Settlement within FPMU	Kg. Wawasan – in Compartment 59
	Village adjacent/near to the FPMU	Kg. Batu Lunguyan, Kg. Kilo, Kg. Pinipi, Kg. Kuit, Kg. Lanas Station, Kg. Alab Lanas, Kg. Matiku, Kg. Kagasa, Kg. Paginatan, and new Kg Alab Duluk (since 2021)

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

1.4 Date First Certified

13th January 2017

1.5 Location of the FPMU

The Bornion Timber – FPMU 11 is located approximately between longitudes 116° 15' E to 116° 50' E and latitudes 4° 40' N to 5° 30' N.

1.6 Forest Management System

The Bornion Timber – FPMU 11 had followed the principles of sustainable forest plantation management and the requirements of the Licence Agreement of the State government. The new FMP, 3rd Forest Management Plan-Plantation Development Plan (PDP) (2022 -2031) for FMU11). A public summary of the forest plantation management plan was available at the website www.bornion.com

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

Since the first timber harvest won't be due till 2029 (FPMP – Plantation Development Plan), the annual harvesting schedule, including volume extracted will be determined later.

1.8 Environmental and Socioeconomic Context

The Special Environmental Impact Assessment (SEIA) SFMLA3/97, FMU 11 assessment covered potential impacts on ERT species such as Sambar Deer, civet cats, mouse deer and primates. The FPMU practiced sustainable management on the plantation environment through compliance with the MC&I standards.

Recommended mitigation measures for flora and fauna protection was suggested in the SEIA report such as in Chapter 5.3 [Environmental Management Standards].

The FPMU also does not use any community land belonged to indigenous communities outside the FPMU. The management of such indigenous land outside the FPMU is by the communities. Since the FPMU does not use this type of land, the issues of delegation of control with free prior informed consent (FPIC) from indigenous communities did not arise.

The MSCFC (Milian-Sapulut Community Forestry Committee) meetings were an appropriate mechanism for conflict resolution between local communities and FPMU management.

Bornion FPMU does not use the traditional forest-related knowledge and practices of indigenous people in the use of forest species or management systems in forest plantation operations.

The FPMU also generated job opportunity with qualified local community given preference as plantation workers and for contract works. The area is recently planted and commercial harvesting is scheduled for 2029. The plantation will mainly produce rubber logs which feed into the local woodbased industry. Latex is produced as interim product for the rubber industry.

2 AUDIT PROCESS

2.1 Audit Dates

24th - 25th February 2023 (6 man-days)

2.2 Audit Team

Mohd. Annas Amin HJ. Omar	(Lead Auditor)
Puteri Arlydia Abdul	(Forester)
Azrul Ikhsan Mohamed	(Forester)

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

2.3 Standard Used

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

2.4 Stakeholder Consultations

A stakeholder notification was issued in January 2023 for a period of one month inviting relevant stakeholders to give comments on the FPMU. There was NO comment received from the stakeholders on Bornion Timber – FPMU 11 during the period, as in **Attachment 3**.

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

2.5 Audit Process

The audit was conducted primarily to evaluate the level of continued compliance of the Bornion Timber FPMU current documentation and field practices in forest management with the standard of performances (SOPs) listed in the MC&I SFM, 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 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 SFM;
- (ii) a minor NCR is a deviation or a lapse in complying with the requirements of the MC&I SFM; 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 SFM but without sufficient objective evidence to support a non-conformance.

Consultations were held with local communities living adjacent to Bornion Timber FPMU namely Kg. Alab Dalok, Kg. Alab, Kg. Lanas Station, Kg. Kuit, Kg. Pinipi. The audit team had also held meeting with the workers.

The coverage of this surveillance 3 audit is as shown in the surveillance Audit Plan in **Attachment 4**.

Bornion Timber Sdn. Bhd FPMU had sent a corrective action plan to the audit team to address the minor NCRs which the audit team had reviewed and accepted. The audit team had prepared an interim surveillance 3 audit report and sent it to Bornion Timber for comments. A second draft of the audit report which had incorporated the comments received from the Bornion Timber was then prepared.

3 SUMMARY OF AUDIT FINDINGS

Based on the findings of this surveillance 3 audit, it was found that the Bornion Timber had continued to manage Bornion Timber FPMU in compliance with most of the requirements of the MC&I SFM. This surveillance audit had resulted in the issuance of 4 Minor NCRs. The audit team had reviewed, verified, and accepted the corrective action plans by the Bornion Timber to address the Minor NCRs raised during this surveillance 3 audit. However, corrective actions plan for Minor NCR shall be verified by the audit team during the next audit.

The audit team had also verified the corrective actions taken by the Bornion Timber to address the 3 Minor NCR which were raised during the previous audit.

On indigenous peoples' rights, mechanisms had been put in place by the FMU to resolve conflicts and grievances between the FPMU and local communities. Issues on indigenous people's lands and tenure rights are discussed in the MSCFC meetings and unofficial village consultation. Local communities confirmed that their land use in the certified area has not threatened or diminished their resources or tenure rights by FPMU activities within the certified area, as based on documentation review and stakeholder consultation with local communities Kg. Kagasa, Kg. Panginatan, Kg. Alab Dulu, Kg. Batu Lunguyan, Kg. Kg Kilo and Kg. Kuit and Forest Department Sook during current audit.

With regards 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 forest plantation in the

Bornion Timber Sdn. Bhd FPMU has therefore remained the same at 25,537 ha since the previous audit.

As there was no major NCR raised during this surveillance 3 audit and minor NCR will be verified in the next audit, the audit team had therefore recommended that the Certificate for Forest Management for Bornion Timber FMU be maintained.

The summary of the findings of the surveillance 3 audit on the Bornion Timber FPMU against the requirements of the MC&I SFM are as follows:

Principle	Strengths	Weaknesses
Principle 1 Compliance With Laws and Principles	<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>Current list of all legally prescribed fees, royalties, taxes, and other charges was available and presented to the auditors at the BTSB camp office. Records of payment were made available during the audit and was verified.</p> <p>All binding international agreements documents were available in the meeting room of BTSB base camp. The forest managers were aware of the international agreements such as the ILO Conventions and all other forestry-related binding agreements.</p> <p>Documentation of any conflicts between laws and regulation and MC&I SFM standard dated March 2022 was presented during the audit.</p> <p>Bornion Timber FPMU has maintain the activities to protect certified area from encroachment, illegal harvesting, hunting, and settlement, and other unauthorised activities. The boundaries were clearly marked with orange paint color at pole / living tree with awareness signboard.</p> <p>The statement of commitment of BTSB to forest management certification was available publicly through the website http://www.bornion.com.</p> <p>The FMU has briefed all staff, licensee and contractors on latest statement of commitment of MC&I SFM standard on 15 January 2023.</p>	<p>There was no negative finding</p>

Principle	Strengths	Weaknesses
Principle 2 Tenure and Use Rights and Responsibilities	<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> <p>Forest managers has support legally recognised mechanisms for resolving land claims through establishment of SOP BTSB-SOP-CF-02 revision September 2021 “Management of Community Claim and Compensation”.</p> <p>There was no legal case on land claim from the villagers against BTSB FPMU. This has been confirmed by documentation review and stakeholder consultation with local communities Kg. Kagasa, Kg. Panginatan, Kg Alab Dulu, Kg. Batu Lunguyan, Kg. Kg Kilo and Kg Kuit and Forest Department Sook during this audit.</p> <p>The community representatives attending the MSCFC were aware of the Forestry Department instructions. Those with ancestral land and graveyards within the certified area were allowed to visit or collect their orchard produce from their old farm.</p> <p>The appropriate mechanisms to resolve disputes over tenure claims and use rights are guided by a document entitled ‘Community Conflict Resolution (BTSB-SOP-CP-01).</p>	<p>There was no negative finding</p>
Principle 3 Indigenous People’s Rights	<p>The FPMU did not make use of indigenous land and hence delegation of control with free, prior and the issue of obtaining informed consent by the local communities does not arise.</p> <p>Appropriate mechanisms to resolve any conflicts and grievances between local communities and BTSB were available.</p> <p>Local communities confirmed that their land use in the certified area has not threatened or diminished their resources or tenure rights by FPMU activities within the certified area.</p> <p>SOP entitled “<i>Survey and Identification of HCVF and Other Protected Areas</i>” (revised 2018) contained the appropriate procedures used within current administrative processes for identifying and protecting indigenous sites</p>	<p>There was no negative finding.</p>

Principle	Strengths	Weaknesses
	<p>of special cultural, ecological, economic or religious significance.</p> <p>The traditional forest-related knowledge and practices of indigenous communities were not used in the FPMU in forest operations. However, the FPMU has established Standard Operating Procedure entitled “Management of Community Traditional and Practices Uses in FPMU 11” (Document No: BTSB-SOP-CF-04).</p>	
Principle 4 Community Relations and Worker’s Rights	<p>Management has conducted various training related to forest management and logging operation for their staff and workers. Annual training program for 2022/2023 for Bornion Timber FPMU staffs were made available and verified during the audit.</p> <p>Based on documentation review, it was confirmed that Bornion Timber FPMU has not employ or be involved in the employment of illegal migrant workers, child labour and forced labour.</p> <p>During the site visit it was confirmed that safety and operational equipment’s appropriate and in good working condition in the workplace.</p> <p>Safety and Health Committees had been established by Bornion Timber FPMU. Forest managers has maintained up-to-date safety records in compliance with all applicable laws and/or regulations covering health and safety of forest workers.</p> <p>There were provisions for FPMU staff and workers to freely organise into union of their own choice and undertake collective bargaining. The FPMU has a written policy on freedom of association titled 'Policy Statement on Labor Rights' dated 9th January 2015.</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 (BTSBSOP-CF-02)’.</p>	<p>Bornion Timber FPMU has submitted requisition for deduction of salary for accommodation through ‘Permohonan Permit Potongan Daripada Gaji di Bawah Seksyen 113(4) Ordinan Buruh (Sabah Bab 67)’ on 22nd June 2022. To date of audit, no approval has been received from Labour Department of Sabah (Keningau), hence the deduction has already been made for Workers Id 100110029, 100100161 and 100190018 as per sampled through payslip for January 2023, December 2022 and November 2022. Therefore, a Minor NCR LYD01/2023 for indicator 4.3.3. was raised.</p> <ol style="list-style-type: none"> 1. Social Impact Evaluation December 2022 has been completed. However, the following elements were not clearly addressed: <ol style="list-style-type: none"> a. The significant impact to local communities with regards to burial sites and religious site b. The planning for mitigation of social impact due to operation activities for plantation forest such as road preparation, harvesting, log transportation and other. 2. The affected local communities have yet to have access to social impact evaluation December 2022 as the MSCFC (Milian-Sapulut Community Forestry

Principle	Strengths	Weaknesses
		<p>Committee) were not yet conducted after the SIA December 2022 been established.</p> <p>Therefore, a Minor NCR LYD02/2023 for Indicator 4.4.1 was raised.</p>
Principle 5 Benefits From the Forest	<p>The annual operating and development budget was presented in the Annual Working Plan 2022; the 10-year operating, and development budget was presented in the 3rd Forest Management Plan- Plantation Development Plan (PDP) (2022-2031) for FPMU11.</p> <p>Approval for planting Rubber trees in the FPMU was given by the Sabah Forestry Department. Records of planting were available in "Plantation Development" records and verified during the audit.</p> <p>The main product extracted from the FPMU at present is latex. SOP for "Latex Harvesting and Collection (BTSB-SOP-PD-17)" and "Latex Cup Lump Collection and Storage (BTSB-SOP-PD-18)" were available and verified. Timbers from salvage logging are only extracted from non-certifiable areas in the FPMU.</p> <p>Establishment of the plantation area has considered the natural landscape, wildlife corridors, riparian reserves as verified by auditor through the management plan – para 8.6 Management of Production Area and map of protection areas was made available in the office.</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>Audit found that the plantations of <i>Acacia crassicaarpa</i> within FPMU 11 in Compartments 52 and 57 have surpass 1 year. The <i>Acacia crassicaarpa</i> were now 18 years old and the mortality rate was raised to 50 %. Delayed harvesting will have economic implications as well affects sustainability. Therefore, a Minor NCR ANS01/2023 for Indicator 5.6.1 was raised.</p>
Principle 6 Environmental Impact	<p>BTSB had conducted a Special Environmental Impact Assessment (SEIA) SFMLA3/97, FMU 11 covering potential impacts on ERT species such as Sambar</p>	<p>There was no negative finding</p>

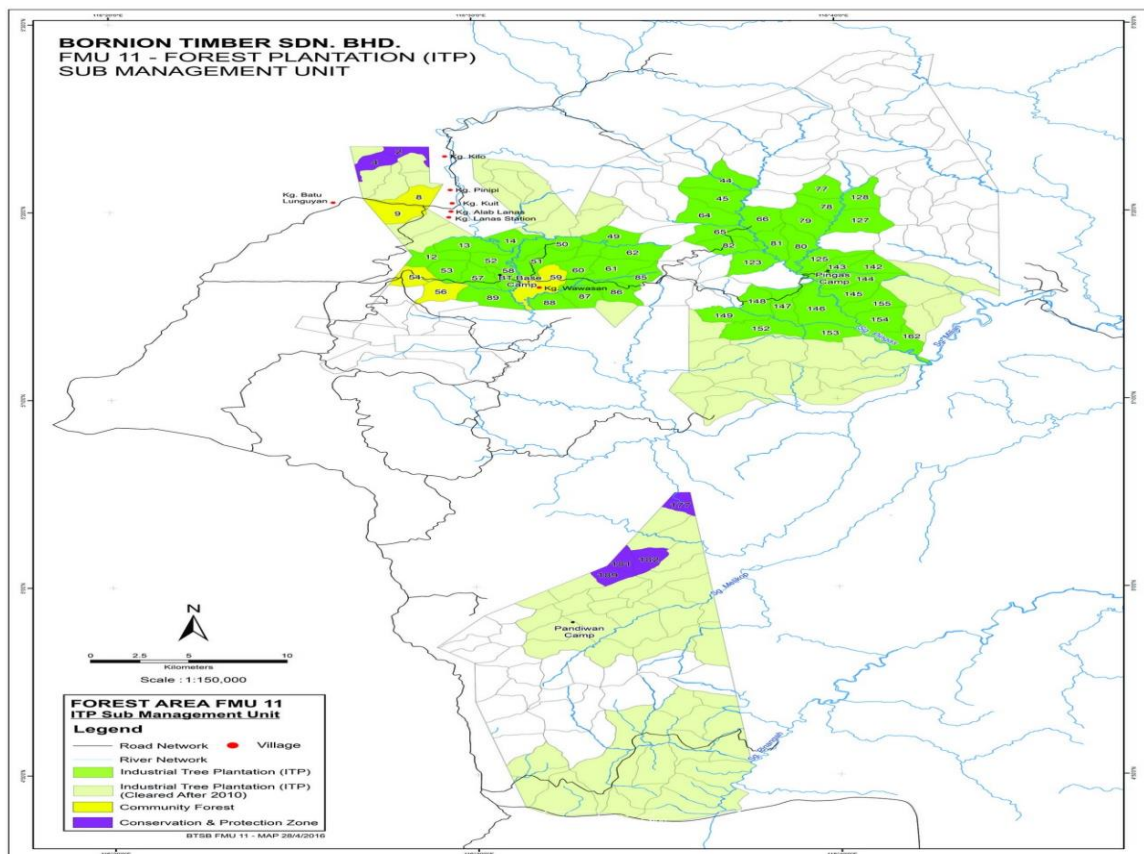
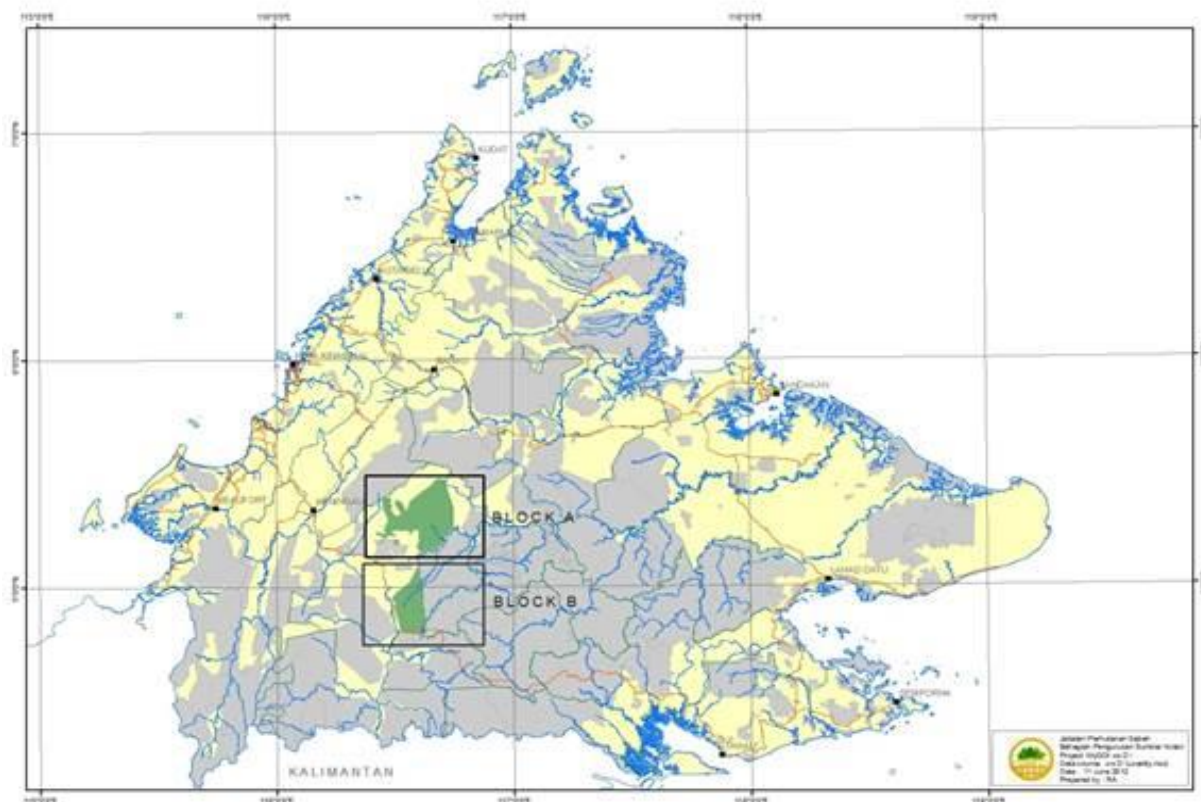
Principle	Strengths	Weaknesses
	<p>Deer, civet cats, mouse deer and primates.</p> <p>SOP for identifying and protecting of endangered, rare, and threatened species of flora and fauna, including features of special biological features such as seed trees, nesting and feeding areas, in the FPMU is described in 'BTSB-SOP-CP-03 SOP Identification and Protection of RTE Species and Their Habitats'.</p> <p>Hunting, fishing and collecting activities were controlled by: (1) displaying poster of protected and totally protected species at relevant places such as quarters and office, (2) access to plantation area were monitored by patrol and enforcement team, (3) briefing on RTE to staff, contractors and local communities and (4) inappropriate activities strictly prohibited in the FPMU.</p> <p>The FMU has cooperated with conservation organizations and regulatory authorities in implementing conservation and management activities.</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>There was no environmentally sensitive area adjacent to forest plantation as verified by auditor during site visit.</p> <p>Forest Fire Management Plan titled '2nd Forest Fire Management Plan 2022-2031' was sent to Chief Conservator of Forest Sabah Forestry Department for approval as verified through a letter Ref. No. BTSB(SDK)/FD-SDK/22/01-01 dated 24th Feb. 2022, as to replace the previous plan. At the time of audit, the plan not yet been approved. The site inspection to the fire equipment store, showed the equipment were properly recorded and inspected.</p> <p>Use of chemicals in the forest plantation areas was controlled by a procedure titled 'SOP Chemicals handling'. BTSB had confirmed that they will not use any pesticides of Class 1A and 1B such as paraquat, and was confirmed during consultation with nursery workers and chemical store inspection.</p>	

Principle	Strengths	Weaknesses
	<p>During this surveillance audit, the FMU has registered most of scheduled waste (notification and disposed SW) in the online system called eswis (https://eswis.doe.gov.my).</p> <p>The scheduled waste at camp has been disposed by registered contractor Legenda Bumimas Sdn Bhd.</p> <p>There are no biological control agents used in the FPMU.</p>	
Principle 7 Management Plan	<p>The new FMP, 3rd Forest Management Plan-Plantation Development Plan (PDP) (2022 - 2031) for FMU11 was made available during the audit, and was approved by Forest Department Sabah, on 21st March 2022 had incorporated the items listed from a) to j) in Criterion 7.1.</p> <p>Periodic review as prescribed in the Forest Plantation Management Plan will be conducted every five years.</p> <p>Forest managers has clearly defined and assigned specific roles and responsibilities of the forest worker to ensure effective implementation of the forest management plan. This evidence was based on the Letter of Appointment for the staff and workers as verified during the audit.</p> <p>BTSB has provided training facilities for identified personnel to undergo skill training. List of training programmes conducted for 2021, 2022, and 2023 was made available. Priority of training areas are 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 under Indicator 7.1.1 together with Maps describing the forest resource base including protected areas, planned management activities, land ownership as well supporting documents are available in the 3rd Forest Management Plan-Plantation Development Plan (PDP) (2022 -2031) for FMU11 was available at the website www.bornion.com</p>	There was no negative finding

Principle	Strengths	Weaknesses
Principle 8 Monitoring and Assessment	<p>BTSB management has established a network of 27 PSPs in the Rubber plantation 20 PSPs of acacia crassiparva under the Continuous Growth Monitoring System with the intention of establishing more PSPs in the future.</p> <p>Relevant information necessary to monitor on the various items in Criterion 8.2 has been gathered by FPMU: They are (a) yield of forest products (no logging), (b) growth rates and regeneration, (c) composition and observed changes in flora and fauna, (d) Environmental and social impacts, and (e) management costs, productivity, and efficiency.</p> <p>There was no timber harvesting of the planted rubber trees conducted as of this surveillance 3 audit. However, an SOP for Chain of Custody (COC) [BTSB-SOP-LP-03](Revision 2) updated on 5th April 2021 was made available and verified. The SOP outlined the flow of the CoC process so that the origin of the logs could easily be determined.</p> <p>Forest Plantation Managers has incorporated the results and findings of the monitoring activities into the implementation and revision of the forest plantation management plan from time to time.</p> <p>A summary of the results of monitoring indicators, including those listed in Criterion 8.2, was made publicly available through BTSB website (www.bornion.com)</p>	<p>Procedure to monitor social impacts titled "Social Impact Assessment & Monitoring" document number BTSB- SOP-CF-03 dated September 2021 did not mention on the frequency of the monitoring. Therefore, a Minor NCR AZR01/2023 for Indicator 8.1.2 was raised.</p>
Principle 9 Maintenance of High Conservation Value (HCV)	<p>The FPMU has undertaken an assessment of High Conservation Values present in the Licenced Area, based on the WWF-Toolkit for Malaysia.</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 made available during the audit.</p> <p>List of relevant stakeholders consulted regarding HCV area was made available to auditors. The list include NGO, Government Agencies, Universities, and local communities</p> <p>Measures to demarcate, maintain and/or enhance the HCVF attributes are documented in the 3rd Forest Plantation</p>	<p>There was no negative finding</p>

Principle	Strengths	Weaknesses
	<p>Management Plan Plantation (2022 -2031) for FPMU11 and “High Conservation Value Forest (HCVF) of FPMU11” Forest Plantation (Revised July 2022).</p> <p>Annual monitoring of HCVFs is implemented at FPMU in accordance with SOP (BTSSB-SOP-CP-02-03: Management, Effectiveness Monitoring and Enhancement of HCVF). Monitoring records of HCVF were shown and evidenced by the HCV Monitoring Progress (ITP) which covered the monitoring of all the HCV, and was verified during this audit. Based on the report there was no sign of encroachment found at the HCV areas.</p> <p>Relevant results and findings of HCV monitoring activities were incorporated into the new FMP 3rd Forest Management Plan-Plantation Development Plan (PDP) (2022 - 2031) Sub-Chapter 6.7 – Result from Monitoring Activities in Areas with High Conservation Value for FPMU11.</p>	

Map of Bornion Timber FPMU



Experiences and Qualifications of Audit Team Members

Names of Audit Team	Role	Qualification and Experience
Mohd Annas Amin Bin Haji Omar	Lead auditor/ forester	<p>Academic Qualification: <i>Diploma In Forestry, UPM</i> <i>B. Sc. 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.</p> <p>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:</p> <ul style="list-style-type: none"> • Auditor Training Course On MC&I Sustainable Forest Management 18/08/2020 - 18/08/2020 • Smeta- Sedex Members Ethical Trade Audit (Awareness & Auditor Course) 20/10/2021 - 21/10/2021 • MTCS Auditor Training Course 09/07/2018 - 12/07/2018 • Lead Auditor Integrated Management Systems (Ims) ISO 9001, ISO 14001 & Ohsas 18001/ISO 45001 13/08/2018 • Coc Auditor Training 19/12/2018 - 20/12/2018 • RSPO P&C 5-Day Lead Auditor Course 09/03/2020 • Training On Indigenous People 04/10/2021 - 04/10/2021 • FMC Workshop 23/11/2021 - 24/11/2021 • Audit Report Writing & NCR 25/06/2018 - 25/06/2018 • MTCS Auditor Training Course 09/07/2018 - 12/07/2018 • Lead Auditor Integrated Management Systems (Ims) ISO 9001, ISO 14001 & Ohsas 18001/ISO 45001 13/08/2018 • Coc Auditor Training 19/12/2018 - 20/12/2018 • Culture Transformation Program 04/04/2019 • Workshop For MSPO SC 22/08/2019 - 22/08/2019 • Calibration Workshop For RSPO Workshop P&C (Session 2) 28/01/2020 - 28/01/2020 • SIA Workshop 30/01/2020 - 30/01/2020 • Training EMS For FMC Auditor 12/02/2020 - 12/02/2020 • Training OHSAS For FMC Auditor 11/02/2020 - 11/02/2020 • RSPO P&C 5-Day Lead Auditor Course 09/03/2020 - 13/03/2020 • ISO /Iec 17021 12/06/2020 - 12/06/2020 • Principles Of Conformity Assessment 12/06/2020 - 12/06/2020 • RSPO PC Workshop 22/12/2020 - 23/12/2020 • Training On Indigenous People 04/10/2021 - 04/10/2021

		<ul style="list-style-type: none"> • FMC Workshop 23/11/2021 - 24/11/2021 • Program Siri Bicara Integriti Bagi Anggota Kerja Kumpulan Sirim Dan Anak-Anak Syarikatnya 20.9 20/09/2021 - 20/09/2021 • MSPO Workshop 2022 06/07/2022 - 07/07/2022 • General Workshop For Mscd 29/08/2022 - 29/08/2022 • Legal Awareness Osha Act 2020 30/08/2022 - 30/08/2022 • RSPO P&C Calibration Workshop [Session - 2] 22/09/2022 - 22/09/2022 • RSPO P&C Calibration Workshop (Session - 2) 22/09/2022 - 22/09/2022 • RSPO P&C 5-Day Lead Auditor Course 09/03/2020 - 09/03/2020 • Training On Indigenous People 04/10/2021 - 04/10/2021 • FMC Workshop 23/11/2021 - 23/11/2021
Puteri Arlydia Binti Abdul	Auditor/forester	<p>Academic Qualification: B.Sc of Forestry (Forest Production), University Putra Malaysia.</p> <p>Work Experience: 1 year with Forestry Department Peninsular Malaysia (JPSM) 2007-2008, 3 years with Forest Plantation Development Sdn Bhd (Wholly owned by MTIB) 2008 – 2011, 1 year with Transparency International Malaysia 2011-2012, 3 years with Intertek Certification International Sdn Bhd 2012-2015 and with Sirim QAS International from 2015 onwards. Her working experience cover forest elements among others, Geographic Information System, Remote Sensing, Forest Governance Integrity and Local Communities programs and auditing in ISO 9001 (Quality), ISO 14001 (Environment), PEFC Chain of Custody and PEFC MC&I (both Natural and Plantation Forest).</p> <p>Training / Research Areas: Was attending and pass in the following training programmes:</p> <ul style="list-style-type: none"> • ISO 9001: 2008 Lead Auditor Course dated 19-23/03/2012 • MC&I (Natural and Plantation) Lead Auditor Course 9-10/07/2015 • Training on ISO 9001:2015 (final version) dated 21/09/2015 • ISO 14001: 2004 Lead Auditor Course dated 18-22/05/2015 • Aspect and Impact Mitigation and Environmental Laws dated 27/05/2016 • Schedule Waste Handling dated 1/06/2016 • ISO 14001:2015 dated 18/09/2017 • PEFC CoC by MTCC dated 6 & 14/12/2017
Azrul Ikhsan Mohamed	Auditor	<p>Academic Qualification: Diploma in Agriculture, Universiti Putra Malaysia Kampus Bintulu Bachelor of Science with Honours (Plant Resource Science and Management), Universiti Malaysia Sarawak.</p> <p>Work Experience: Five years of Experience in the field of Forestry, 2 Years of Forest Plantation as Assistant Plantation Manager in Forestry Assets SDN BHD in the year from 2015 to 2017, and 4 Years in Natural Forest as Forest Manager in RELIWOOD SDN BHD in the year 2018 – 2021. Main responsibility is Assisting and Manage in the administrative</p>

		<p>work, forest development, and forest operations based on the MC&I SFM standard. Work closely with relevant stakeholders on the development of the Forest such as Enrichment planting, HCV collaboration, Improvement of the Reduced impact logging, and developing procedures.</p> <p>Training / Research Areas:</p> <ul style="list-style-type: none"> • Auditor Training Course on Forest Management Certification Under the Malaysian Timber Certification Scheme (MTCS) – (13th – 15th October 2021) • SIRIM LEAD AUDITOR COURSE INTEGRATED MANAGEMENT SYSTEMS (IMS) ISO 9001, ISO 14001 & ISO 45001 (LIMS02) – (25th – 29th October 2021)
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Comments Received from Stakeholders and Responses by Audit Team Leader

No.	Comments/Issues Raised	Response by Audit Team
1	none	none
2		

Surveillance 3 Audit Plan

DAY	TIME	PROGRAM		
		Auditor 1 (Annas)	Auditor 2 (Azrul)	Auditor 3 (Lydia)
Day 1 24 February 2023 (Friday)	9.00 – 10.30 am	<ul style="list-style-type: none"> • Opening Meeting with representatives of FPMU • Briefing session by Forest Manager of the FPMU • Evaluation of changes to the management of the FPMU • Check on progress of planned activities aimed at enhancing the operation system to achieve improvement in overall performance • Check on complaints and follow-up actions • Evaluate on internal audit and management review • Verification of NCRs raised during the previous audit. 		
	10.30 am – 5.00 pm	<ul style="list-style-type: none"> • Documentation review <ul style="list-style-type: none"> ○ Principle 1 – Compliance with Laws and Principles ○ Principle 5 – Benefits from the forest ○ Principle 6 – Environmental Impact • Maintenance activities <ul style="list-style-type: none"> - Slashing Cpt 147 HsSg Millian • Permanent sample plot: cpt 147 Hevea • Riparian BufferCpt • Forest tower Cpt118 	<ul style="list-style-type: none"> • Documentation review <ul style="list-style-type: none"> ○ Principle 7 – Management Plan ○ Principle 8 – Monitoring and Assessment ○ Principle 9 – Maintenance of High Conservation on Value Forests • PSP Acacia- Cpt52 Plot 17 • HCVF- Salt Lick149 • Forest tower Cpt58 • Forest fire equipment 	<ul style="list-style-type: none"> • Documentation review <ul style="list-style-type: none"> ○ Principle 2 – Tenure and Use Rights and Responsibilities ○ Principle 3 – Indigenous Peoples' Right ○ Principle 4 – Community Relations and Workers' Right • Consultation withlocal communities: <ul style="list-style-type: none"> Kg Alab Dalok Kg Alab Kg Lanas Station Kg Kuit Kg Pinipi • Inspection Boundary Cpt 9 Dumping site
	5.00 – 5.30 pm	• Review of Day 1 Findings by Audit Team Leader		
Day 2 25 February 2023 (Saturday)	8.00 am – 5.00 pm	Site visits: • Documentation review	Site visits: • Documentation review	Site visits: • Consultation workers
	2.00 – 5.00 pm	<ul style="list-style-type: none"> • Closing meeting\ • Travel back to Kota kinabalu • Stay at Grandis Hotel 		
Day 0 26 February 2023 (Sunday)		Travel from Kota Kinabalu to Kuala Lumpur (MH2621; 1155-1435)		