

# Sabah TLAS Audit Report

## Sabah Legality Standard Principles 1 – 4

<b>Licensee</b>	Bornion Timber Sdn. Bhd. (26668-K)	<b>Reference #</b>	GFSSBH 003-210
<b>Contact Person</b>	Adam Ryan Goh (Manager)	<b>Date of Report</b>	04/08/2023
<b>Office Address</b>	3 <sup>rd</sup> Floor, Lot 16-18, Block K, Jalan Ikan Juara Satu, Sadong Jaya, Karamunsing, P. O. Box 11609, 88817 Kota Kinabalu, Sabah, Malaysia.	<b>Date of close out</b>	-
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		<b>Approved By</b>	Dr. Kevin Grace

### Statements

Audit Statement	GFS 054 LVS		
Issuance Date	07 August 2023	Expiration Date	06 August 2024

### Assessment Details

Assessment Dates	31 July – 04 August 2023
Scope of Assessment	Sabah TLAS P1-4: SFMLA 03/1997
Species	Mixed species from salvage logging: <i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan Batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White Seraya), <i>Shorea spp.</i> (Red Seraya, Yellow Seraya, Urat Mata, Melapi), <i>Shorea spp.</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia spp.</i> (Pulai), <i>Annonaceae spp.</i> (Karai), <i>Eugenia spp.</i> (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum spp.</i> (Perupok), <i>Terminalia subspathulata</i> (Talisai), Lithocarpus & Quercus spp. (Mempening), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpor), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace spp.</i> (Takalis), <i>Hopea sangal.</i> (Gagil), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Canarium dactyodes</i> & other Burseraceae spp. (Kedondong), <i>Pterocymbium javanicum</i> (Teletto), Prerospermum spp. (Bayor), <i>Dyera spp.</i> (Jelutong), <i>Dialium indum spp.</i> (KerANJI), Annonaceae (Pisang-pisang), <i>Castanopsis motleyana</i> (Berangan), <i>Camposperma auriculatum</i> (Terentang), <i>Anisoptera spp.</i> (Pengiran), <i>Cratoxylum spp.</i> (Geronggang), <i>Endospermum diadenum</i> (Sendok-Sendok), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Potoxylon melagangai</i> (Malagangai) and other timbers (OT)
Lead Assessor	Priera Bagang
Assessor(s)	Glory Linggou
SFD Staff	Magandi (PPW Keningau), Mazlan Azman (PPW Keningau), Jaime Anggilas (PPW Keningau), Victor Gadius (ADFO Sook), Iting Ning (ADFO Sook), Cornelius Mahinggil (PPM Pingas), Julius Goidim (PPM Pingas), Richard Goumin (KPPM Pingas)

### OBJECTIVES:

- The objective of this checklist is to verify compliance to the Criteria listed in the Sabah Legality Standard as defined by Principles 1 - 4 for Sabah dated November 2020 (**SFD-TLAS-002**).
- Compliance is defined when all applicable criteria are observed to be compliant. A Minor Gap to any indicator does not constitute non-compliance to a criterion. A Major Gap to any applicable indicator does reflect non-compliance to a criterion. Compliance for a criterion where multiple minor gaps are identified in indicators under the criterion may reflect non-compliance to the criterion.
- All issues identified under this standard shall be considered appropriate to the scale and degree of forestry operations undertaken by the parties under the agreement.

## Summary Information

### Overview of Licensee:

- Bornion Timber Sdn. Bhd. (Bornion Timber) is a Sabah registered company (26668-K) that holds a Sustainable Forest Management License Agreement (SFMLA) 03/1997 and a tenure of 100 years commencing 10/09/1997 and expiring 09/09/2097 for FMU 11, with a total gross licensed area of 108,993 ha.
- State Government of Sabah excised 10,008 ha from Block A (Ulu Sg. Millian Forest Reserve), within FMU 11 on 12/03/2013 to Lagenda Aktif Sdn. Bhd that resulted in Bormion Timber Concession having a gross licensed area of 98,985 ha.
- Forest Land Use changes from 1<sup>st</sup> FMP, 2<sup>nd</sup> FMP & 3<sup>rd</sup> FMP (Area ha):

Land Use	1 <sup>st</sup> FMP 2002-2011	2 <sup>nd</sup> FMP 2012-2022	2 <sup>nd</sup> FMP 2012-2022 (Revision Nov 2018)	3 <sup>rd</sup> FMP 2022-2031
Total Area	108,993	98,985	98,984.60	98,984.60
Total gross production zones	96,524	80,607	82,829.85	82,829.85
Gross NFM production area	50,932	29,723	29,574.20	29,574.20
Gross ITP production area	45,592	50,884	53,255.65	53,255.65
Conservation (By compartment)	10,337	15,770	14,278.15	14,278.15
Social (By compartment)	2,132	2,608	1,876.00	1,876.00

- FMU 11 consists of 2 separate sub-Management Units managed under 2 regimes, i.e., Natural Forest Management (NFM) and Industrial Tree Plantation (ITP). Due to the layout of FMU boundaries, the licensed area is divided into 2 blocks:
  - Block A is in the northern section, within Ulu Sg. Millian Forest Reserve (66,682.18 ha).
  - Block B is in the southern section, within Sapulut Forest Reserve (32,302.43 ha).
- During their tenure, Bornion Timber has prepared and submitted two (2) management plans for the two (2) management regimes:
  - The 3<sup>rd</sup> Forest Management Plan (FMP) for NFM (2022-2031) was submitted and approved by the Chief Conservator of Forests on 21/03/2022 [Ref. #: JPHTN/SFM800-1/1/3(JILID.9)/13] and will expire on 31/12/2031.
- The 3<sup>rd</sup> Plantation Development Plan (PDP) for the ITP was submitted and approved by the Chief Conservator of Forests on 21/03/2022 [Ref. #: JPHTN/SFM800-1/1/3(JILID.9)/13] and will expire on 31/12/2031.
- Bornion Timber is registered as a non-RIL Logging Contractor with the SFD and has appointed TC Contractor Sdn. Bhd. and Perusahaan Aturjadi Sdn. Bhd. as subcontractors for logging activities.
- The previous assessment was conducted in August 2022 that resulted in 2 gap(s) and 4 observation(s) (Report #: GFSSBH003-142a).

### Current Operations:

- Based on the current PDP records, Bornion Timber has planted a total of 38,417.91 ha in the ITP zoned area, of which 32,485.93 ha is planted with rubber trees.
- Based on the 2023 AWP, Bornion Timber has planned to conduct salvage logging in the ITP zoned areas in C244 - C249, C235, and C239.
- Harvesting of the planted Acacia in 2004 was scheduled for 2022. However, timber harvesting has yet to start.
- Bornion Timber has planned to conduct the NFM-RIL harvesting at C217 and C218 in 2023. However, no CHPs have been developed and harvesting has not started.
- Land use classification:

Land classification	3 <sup>rd</sup> FMP Area (ha)	Current Status as July 2023 (ha)																						
Total concession area	98,984.60	98,984.60																						
Total gross production area	82,829.85	82,829.85																						
Gross Natural Forest Management (NFM)	29,574.20	<p>Net production area: 22,247.20ha</p> <table border="1"> <thead> <tr> <th>Area Description</th> <th>NFM (ha)</th> </tr> </thead> <tbody> <tr> <td>Gross Area zoned</td> <td>41,878.70</td> </tr> <tr> <td>Conservation by compartment</td> <td>12,304.50</td> </tr> <tr> <td>Total gross production area</td> <td>29,574.20</td> </tr> <tr> <td>Community forestry</td> <td>0</td> </tr> <tr> <td>Steep area (&gt;25° and &gt; 2ha)</td> <td>(6,252.70)</td> </tr> <tr> <td>Road</td> <td>(588.50)</td> </tr> <tr> <td>Campsite</td> <td>0</td> </tr> <tr> <td>Logyard</td> <td>0</td> </tr> <tr> <td>River and streams</td> <td>(485.80)</td> </tr> <tr> <td><b>Total net production area</b></td> <td><b>22,247.20</b></td> </tr> </tbody> </table>	Area Description	NFM (ha)	Gross Area zoned	41,878.70	Conservation by compartment	12,304.50	Total gross production area	29,574.20	Community forestry	0	Steep area (>25° and > 2ha)	(6,252.70)	Road	(588.50)	Campsite	0	Logyard	0	River and streams	(485.80)	<b>Total net production area</b>	<b>22,247.20</b>
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Conservation area (by Compartment)	14,278.15	14,278.15																						
Social Community (by Compartment)	1,876.60	1,876.60																						

### Environmental Context:

- Most areas under SFMLA 03/97; the FMU 11 has been extensively logged starting in the 1970s.
- FMU 11 comprises of Ulu Sg. Millian Forest Reserve (Block A – 66,682.18 ha) and part of Sapulut Forest Reserve (Block B – 32,302.43 ha), which are divided into 220 compartments.
- Three dominant forest types are found in the licensed area.
  - Upland Mixed Dipterocarp Forests (UMDP) [approximately 71,886 ha];
  - Upland Mixed Dipterocarp Forest and Kerangas Forest (UMDF & KF) [approximately 23,851 ha]; and

- Lowland Mixed Dipterocarp Forest (LMDF) [approximately 2,904.7 ha].
- The most common tree species in the Lowland Mixed Dipterocarp Forest belong to the Dipterocarp genera of Shorea, Parashorea, Dryobalanops, Dipterocarpus, *Shorea leprosula*, *Anisoptera costata* and *Hopea sangal* are found in the Upland Mixed Dipterocarp Forest. The Kerangas Forest has a low, uniform canopy with thick underbrush and rich growth of moss and epiphytes. The dominant tree species include Kapur Merah (*Dryobalanops beccarii*) with some Kempas (*Koompassia malacensis*).
- 3 expert surveys on wildlife populations in the licensed area were carried out in 1998, 2011 and 2014. In 2015, Bornion Timber established its own Wildlife Unit to monitor wildlife populations in the FMU. According to the survey in 2014, 26 species of mammals were recorded. Of these, 5 species (Banteng, Sun bear, Flat-headed cat, Pangolin and Clouded leopard) are listed as totally protected under the Wildlife Conservation Enactment 1997. The presence of the Tufted ground squirrel (*Rheithrosciurus macrotis*), which is a Bornean endemic, can also be found in the licensed area.
- A total of 104 bird species were recorded, of which 23 species are listed as protected species under the Wildlife Conservation Enactment 1997. There are 5 species of hornbills, which include the helmeted hornbill (*Rhinoplax vigil*), Rhinoceros hornbill (*Buceros rhinoceros*), Wreathed hornbill (*Rhyticeros undulatus*), Bushy-crested hornbill (*Anorrhinus galeritus*) and Black hornbill (*Anthracoceros malayanus*). The Helmeted hornbill, Rhinoceros hornbill and White-fronted Falconet are classified as Near Threatened on the IUCN Red List. Only 4 reptiles and 20 species of frogs were recorded during the survey.
- Bornion Timber engaged Tropbio Forest Sdn. Bhd. to conduct a Special Environment Impact Assessment (SEIA) for areas under SFMLA 03/1997. The report was approved by the Environmental Protection Department (EPD) on 09/06/2003 [Ref. #: JKAS/PP/03/600-1/01/1/129 Jld 3 (61)]. The EIA was developed in relation to the 1<sup>st</sup> FMP, where NFM zoned area was 50,109 ha and ITP zoned for 29,194 ha.
- Envsolve Sdn. Bhd. conducted a Re-assessment Report for the Rubber Plantation Planting Path Method and approved on 04/08/2014 for 54,269.23 ha of ITP zoned areas [Ref. #: JPAS/PP/03/600-1/01/1/129 Jld. 4 (34)] to mitigate soil erosion by terracing on steep slopes site preparation prior to planting.

### Social Context:

- Bornion Timber, with consultation and cooperation from the Sabah Forestry Department (SFD), has carried out a Social Baseline Survey and a social assessment prior to the formulation of the second FMP from March to August 2011.
- Bornion Timber recently conducted a SIA in 2022, which identified 29 villages associated with the licensed area, Kg. Kilo, Kg. Pinipi, Kg. Kuit, Kg. Lanas Stesen, Kg. Alab, Kg. Alab Dalog, Kg. Batu Lunguyan, Kg. Wawasan, Kg. Kipaliu Baru, Kg. Pulutan, Kg. Dumbun, Kg. Poring Baru Simbuan, Kg. Sasagahan, Kg. Maatol, Kg. Mantanid, Kg. Fontas-Mandolong, Kg. Masaum, Kg. Pandiwan A, Kg. Pandiwan B, Kg. Kagopil, Kg. Sungai Matoi, Kg. Kalindukan, Kg. Tataluan, Kg. Langkukuk, Kg. Tampusison, Kg. Solog, Kg. Panganitan, Kg. Kagasa and Kg. Matiku.
- The Dusuns are the main ethnic group residing within and in the vicinity of the Ulu Sg. Millian Forest Reserve, while the Muruts dominate areas adjacent to the Sapulut Forest Reserve. The local communities can be divided into 5 groups based on their location and ethnicity, which are Dusun Lobou, Lundayah, Mixed Dusun-Lundayeh-Murut, Mixed Murut-Sungai and Murut.
- Bornion Timber has carried out an HCV assessment to identify conservation areas and potential social impacts caused by forest operations.
  - Land: Villagers tend to work for companies outside of the village.
  - Water: Bornion Timber has identified and excluded all important watershed areas from its logging and road construction activities.
  - Firewood: Generally, the need for firewood in the licensed area is high.
  - Old Graveyard: A graveyard claimed by the local communities exists along Sg. Labau and Sg. Pingas. An old graveyard was reported in Compartment 162 (located at the river mouth Sg. Pingas to Sg. Millian).

### Scope of Assessment

- The scope of the evaluation is to verify compliance of **Bornion Timber Sdn. Bhd.** with the Sustainable Forest Management License Agreement (SFMLA 03/1997) for FMU 11.
- The assessment is in accordance on the terms of the agreement for the “Sabah Legality Standard Principles 1 - 4 dated November 2020 (**SFD-TLAS-002**).
- Site evaluation to verify and report the level of compliance by **Bornion Timber Sdn. Bhd.** and contractors to the standard in respect to each of the criteria within this report.
- Compliance is defined when the auditee demonstrates that the indicators consist of none or only minor gaps against any applicable criteria of the standard. Non-compliance to the Sabah Legality Standard occurs when the auditee does not demonstrate adequate compliance to a criterion.

**Itinerary & Mandays: FMU 11 / Bornion Timber Sdn. Bhd. / Sook District / 31 July – 04 August 2023 (Total Mandays = 12)**

Date	Activity	GFS Staff	Mandays
31 July 2023 Monday	Travel to SFD Sook office and opening meeting. Overnight in Keningau.	Priera Bagang Glory Linggou	2
01 August 2023 Tuesday	Field assessment to Mile 63 logging area and campsite assessment. Compiling report.	Priera Bagang Glory Linggou	2
02 August 2023 Wednesday	Social evaluation; Kg. Pinipi & Kg. Batu Lunguyan, main basecamp field assessment and Document review & compiling report.	Priera Bagang Glory Linggou	2
03 August 2023 Thursday	Document review and compiling report.	Priera Bagang Glory Linggou	2
04 August 2023 Friday	Closing meeting at SFD Keningau office. Travel to home base.	Priera Bagang Glory Linggou	2
05-06 August 2023	Reporting GFSSBH 003-210	Dr. Kevin Grace Priera Bagang	2
<b>Total</b>			<b>12</b>

### Highlights of Assessment

**(Major Gaps = 0; Minor Gaps = 2; Observations = 1)**

Bornion Timber Sdn. Bhd. has complied with the Sabah Legality Standard (**SFD-TLAS-002**) as no non-compliance was identified during the assessment on 31 July – 04 August 2023.

Summary of status of operations by **Principle**:

**Principle 1.**

Bornion Timber demonstrated compliance with the license requirements and submission of documents and reports to the relevant authorities.

**August 2022: Observation 001-2022 - Checklist 1.1.1**

10 coupes permits zoned under ITP were expired.

**August 2023: Observation 001-2022 (Addressed)**

Coupe permits for ITP compartments were renewed and valid.

**August 2022: Gap 001/2022 (minor) - Checklist 1.2.1**

Lack of updating the EIA with respect to planned activities under the 3<sup>rd</sup> FMP and SFMLA requirements for plantation development, including slope and conversion of natural forest areas.

**August 2023: Gap 001/2022 (minor) - Closed**

The current EIA study was approved and covered the planned ITP land use area.

Bornion Timber has submitted the 3<sup>rd</sup> FMP for Natural Forest Sub-Management Unit (NFM) with a time period from 2022 to 2031. The 3<sup>rd</sup> FMP was approved by the Chief Conservator of Forests on 21/03/2022 [Ref. #: JPHTN/SFM800-1/1/3(JILID.9)/13].

**August 2022: Gap 002/2022 (minor) – Checklist 1.3.2.2**

Lack of defining and mapping the quality of existing natural forest resources based on the SFD standard of forest stratification and topography (slopes <15°; 15-25° & >25°) with respect to the current 10-yr planned activities for ITP development and NFM to comply with SFMLA conditions.

**August 2023: Gap 002/2022 (minor) - Outstanding**

### Highlights of Assessment

The current 3<sup>rd</sup> FMP/PDP did not define forest quality based on the SFD standard of forest stratification to comply with SFMLA conditions for planned activities within ITP zoned areas.

**August 2022: Observation 002-2022 – Checklist 1.3.2.4**

Areas reported in the 3<sup>rd</sup> FMP for NFM, ITP, Conservation and Social total 95,507.86 ha, differs from the total concession area of 98,984.6 ha.

**August 2023: Observation 002-2022 (Addressed)**

The total area defined in the FMP land use table is correct against the total concession area.

Bornion Timber has an approved Plantation Development Plan (PDP) dated 21/03/2022 for a period of 10 years from 01/01/2022 to 31/12/2031.

**August 2022: Observation 003-2022 – Checklist 1.3.2.8**

Records of area planted exceed the total area of compartment and coupe for compartments 49, 50, 60, 61 & 148.

**August 2023: Observation 003-2022 (Addressed)**

Bornion Timber correctly defined the net planted area for Compartments 49, 50, 60, 61 & 148 against the coupe permit area.

Bornion Timber established permanent sample plots to monitor the growth of forest and plantation areas as required, but the growth analysis is not credible.

**August 2022: Observation 004-2022 – Checklist 1.8.2**

The company lacks credible analysis of data for growth monitoring.

**August 2023: Observation 004-2022 (Addressed)**

Bornion Timber correctly analyzed the PSP data.

Licensed boundaries are identified on the ground, marked with signboards and red paint and visible. Based on the operation map, all protected areas, such as HCV, riparian reserves and steep areas, were marked in accordance with the approved coupe permits.

**Principle 2.**

Bornion Timber does not have RIL harvesting activities within the licensed area. Bornion Timber demonstrated compliance with the EIA and Safety and Health requirements.

All 10 logs sampled at stumping were incised with clear serial numbers and stamped with Property Hammer Mark and SFD Inspection Hammer Mark. Bornion Timber adequately implements a forest protection system to detect and prevent illegal activities and encroachment that are documented and reported to relevant authorities.

**August 2023: Gap 001/2023 (minor) – Checklist 2.1.6**

No evidence subcontractors are registered under SFD.

**August 2023: Observation 001-2023 – Checklist 2.3.1, 2.3.5**

The previous logging subcontractor, Perusahaan Aturjadi, did not have a valid JTK, register & contribute workers under SOCSO and work permit.

**Principle 3.**

Records of SFD royalty payment, Removal Pass and Transit Pass fees and other related charges were available and maintained by Bornion Timber.

**Principle 4.**

Recent SIA was conducted by Bornion Timber in 2022. Based on the SIA, 29 villages are associated with the licensed area, Kg. Kilo, Kg. Pinipi, Kg. Kuit, Kg. Lanas Stesen, Kg. Alab, Kg. Alab Dalog, Kg. Batu Lunguyan, Kg. Wawasan, Kg. Kipaliu Baru, Kg. Pulutan, Kg. Dumbun, Kg. Poring Baru Simbuan, Kg. Sasagahan, Kg. Maatol, Kg. Mantanid, Kg. Fontas-Mandolong, Kg. Masaum, Kg. Pandiwan A. Kg. Pandiwan B, Kg. Kagopil, Kg. Sungai Matoi, Kg. Kalindukan, Kg. Tataluan, Kg. Langkukuk, Kg. Tampusison, Kg. Solog, Kg. Panganitan, Kg. Kagasa and Kg. Matiku.

The assessment identified 8 potential impacts affecting the communities' land disputes, water quality, infrastructure development, disruption of local economies, changes in livelihood, food security, local cultural and labour requirements.

### Highlights of Assessment

Bornion Timber has a Standard Operating Procedure (SOP) for managing community disputes in FMU 11. A series of meetings and discussions were conducted with the local communities and SFD. All meetings were documented and available during the assessment.

### Summary Results:

(Major gap = 0, Minor gap = 2, Observation = 1)

Gap raised against indicators & criteria during the August, 2023 assessment.

GAP	Type	Checklist	Status	Description
001/2022	minor	1.2.1	Closed	<p><b>August 2022:</b> Lack of updating the EIA with respect to planned activities under the 3<sup>rd</sup> FMP and SFMLA requirements for plantation development, including slope limits and conversion of natural forest areas.</p> <p><b>August 2023:</b> The current EIA study was approved and covered the planned ITP land use area.</p>
002/2022	minor	1.3.2.2	Outstanding	<p><b>August 2022:</b> Lack of defining and mapping the quality of existing natural forest resources based on the SFD standard of forest stratification and topography (slopes &lt;15°; 15-25° &amp; &gt;25°) with respect to the current 10-yr planned activities for ITP development and NFM to comply with SFMLA conditions.</p> <p><b>August 2023:</b> The current 3<sup>rd</sup> FMP/PDP did not define forest quality based on the SFD standard of forest stratification to comply with SFMLA conditions for planned activities within ITP zoned areas.</p>
001/2023	minor	2.1.6	New	<p><b>August 2023:</b> No evidence subcontractors are registered under SFD.</p>

Observation raised against indicators & criteria during the August, 2023 assessment.

Obs #	Checklist	Description
001-2022 Addressed	1.1.1	<p><b>August 2022:</b> 10 coupes permits zoned under ITP were expired.</p> <p><b>August 2023:</b> Coupe permits for ITP compartments were renewed and valid.</p>
002-2022 Addressed	1.3.2.4	<p><b>August 2022:</b> Areas reported in the 3<sup>rd</sup> FMP for NFM, ITP, Conservation and Social total 95,507.86 ha, differs from the total concession area of 98,984.6 ha.</p> <p><b>August 2023:</b> The total area defined in the FMP land use table is correct against the total concession area.</p>
003-2022 Addressed	1.3.2.8	<p><b>August 2022:</b> Records of area planted exceed the total area of compartment and coupe for compartments 49, 50, 60, 61 &amp; 148.</p> <p><b>August 2023:</b> Bornion Timber correctly defined the net planted area for Compartments 49, 50, 60, 61 &amp; 148 against the coupe permit area.</p>

Obs #	Checklist	Description
004-2022 Addressed	1.8.2	<b>August 2022:</b> The company lacks credible analysis of data for growth monitoring. <b>August 2023:</b> Bornion Timber correctly analyzed the PSP data.
001-2023	2.3.1 2.3.5	<b>August 2023:</b> The previous logging subcontractor, Perusahaan Aturjadi, did not have a valid JTK, register & contribute workers under SOCSO and work permit.

Highlights of Close Out Visit (if applicable)	Dates	-
Not applicable		

Recommendations
<p><b>Bornion Timber Sdn. Bhd.</b> demonstrated compliance with the Sabah Legality Standard (<b>SFD-TLAS-002</b>) for its designated area and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:</p> <p><b>Gap 002/2022 (minor) Outstanding - Checklist 1.3.2.2:</b> Bornion Timber shall revise the current FMP to include the forest quality assessment based on the SFD standards for forest stratification.</p> <p><b>Gap 001/2023 (minor) - Checklist 2.1.6:</b> Logging Contractor shall register with SFD to work in Forest Reserves.</p> <p><b>Observation 001-2023 – Checklist 2.3.1, 2.3.5:</b> Bornion Timber shall ensure all appointed contractors comply with government regulations.</p> <p>The next annual surveillance audit will be scheduled for August 2024.</p>

**End of Summary Report**