



Media Release

For immediate release

Samling Group refutes online news reports

7 July 2020, Miri, Sarawak - We refer to recent statements and postings by Sarawak Report, Save Rivers and Borneo Project on the Samling Group's operations in Sarawak, which contain serious inaccuracies, falsehoods and misinformation, intended to cause harm to the Group and the thousands of people we support, especially the indigenous and native communities in the area.

The Group operates in a lawful manner and is dismayed by the allegations made. We observe strict guidelines for all our activities, including the certification process, which is naturally part and parcel of our operational plan towards ensuring responsible management of forest resources. At the outset of our operations, we had engaged the registered local community leaders who have been and remain supportive of our plans and operations.

The false allegations made against the Samling Group

The three online postings referred to above are designed to cast aspersions on the lawful operations of the Group and appear to have been instigated by the same sources.

The first false allegation is the categorisation of the Certificate for Forest Management (Natural Forest) awarded by SIRIM QAS International Sdn. Bhd. as hastily issued during the Covid-19 lockdown. The established process of obtaining such certificates is a lengthy and detailed process that often takes about 2 to 3 years or more. Samling started the process with SIRIM in 2018. The statements and inferences made by the above-mentioned entities are false.

Secondly, the statement that the certification was awarded in violation of the Malaysian Timber Certification Scheme (MTCS), is wrong. Samling is, and has been, in full compliance with all laws, regulations and guidelines we are governed by, including MTCS. Accordingly, the Certificate for Forest Management (Natural Forest) was awarded to us by SIRIM QAS International Sdn. Bhd. on 12th April 2020.

Thirdly, the allegation that the certification was awarded without the knowledge of local communities in the area is misleading. The Group had followed all due processes to obtain certification, which is naturally part and parcel of our operational plans towards ensuring the responsible management of forest resources. At the outset of operations, Samling had engaged with the local community leaders, who had been duly appointed by the Sarawak state government and registered with the District Office.

These local community leaders were and remain fully supportive of Samling's plans and operations. These local community leaders had full authority to represent and act for the communities.

As a matter of policy and record, the Group engages with local communities through the Group's community liaison officers, to ensure that they fully understand and agree with any proposed activity within a concession area that may be proximate to or overlapping their community lands. This policy is embedded within Samling's own internal standard operating procedures (SOPs), which requires comprehensive engagement processes to be undertaken with local community leaders, before the start of any commercial operations.



Rural communities are also very supportive of the Samling Group's concerted efforts to employ locals where possible. This is evidenced by the fact that in our main upstream operational area, 84% of our employees are from local communities. This means, they are either from within the actual forest timber licence areas (FTLs) or are close neighbours to them. Approximately 51% of our employees are from within the FTLs alone, with a female workforce of 7.8%. Whereas the Gerenai Forest Management Unit (FMU)'s 38% workforce are from the communities within the FTLs. If we take into account the communities immediately adjoining the FMU, the local workforce amounts to approximately 80%.

Fourthly, the quote attributed to a Samling employee, Sim Kit Chui, is false. Mr. Sim never made the statement and has never spoken with Save Rivers.

The fifth false allegation is that, only the timber industry was given special dispensation by the Sarawak state government during the Movement Control Order (MCO), in order to facilitate the hasty issuance of the certification to Samling. As has been well documented and is in the public domain, the Malaysian Government had implemented the MCO to protect the Malaysian people against the Covid-19 virus. As a result, except for businesses operating 'essential services' prescribed by the Malaysian Government, all businesses including the timber industry were affected by the MCO. It was only on 19th March 2020 that the Sarawak State Government granted certain limited exemptions to the timber industry to operate in the State, but still under very strict health and safety guidelines and protocols set by the State, which was closely monitored.

The sixth allegation that the NGO Save Rivers had met with and protested to employees of Samling in Miri, is also false. In our engagement process with the community, none of the community members had identified themselves as representatives of the NGO Save Rivers. There are no records of any such engagement between the Samling Group's employees and any representative from the NGO Save Rivers. On the other hand, Samling employees have indeed engaged with registered community leaders appointed by the Sarawak state government. These engagements have been welcomed by the local people as they fully appreciate the great benefits they stand to receive with the onset of productive and sustainable economic activities in or near their areas.

Finally, the NGO Save Rivers has called on Samling to abide by the law and "release the Environmental and Social Impact Assessments for the Gerenai Concession to affected communities, as a matter of urgency". Samling is pleased to report that we have always adhered to all disclosure requirements in relation to Social Impact Assessments and Environmental Impact Assessments, as directed by the authorities. Save Rivers should address its own lack of awareness before casting aspersions on an organisation's long-established and well-accepted practices.

The Samling Group is a law abiding corporate citizen and we urge the NGO Save Rivers, Sarawak Report and the Borneo Project to also abide by the laws of the state of Sarawak. As a State within the sovereign nation of Malaysia, Sarawak has its own development plans to improve the livelihood and secure the wellbeing of all its people. Sarawak's rural population is large, much of which still lives in poverty and inhospitable conditions. The Samling Group, working within the developmental masterplan of the State, is one of several commercial entities which brings connectivity to rural populations who have never had access to basic social amenities like healthcare and education.



For instance, the Samling Group has built and maintains more than 10,000 km of roads and 81 bridges, most of which are in the deep interior of Sarawak, offering rural folk much needed connectivity. The Samling Group has also, among others, provided transportation of heavy materials (including but not limited to cement, gravel, bricks, plywood), materials for roofs (such as zinc and spandex sheets), and water pipes (used to bring clean water) to the rural communities. In all, we have brought access to 172 villages in 3 regions. The communities in these areas have expressed their gratitude in various ways over the years as opportunities open up, beyond life in the forests. Further, the Samling Group has also through numerous medical outreach programmes brought doctors, specialists and volunteers to the rural communities. Any enquiry on our CSR may be made to enquiry@samling.com.

Thus, contrary to the misrepresentations in the online posts and statements, it is evident that the Samling Group has enhanced the livelihood of our local communities considerably and brought them far greater access to modern social services, which many of us take for granted.

The Samling Group's commitments

For further information, also note that the Samling Group has completed a review of its existing policies and standards and has engaged subject matter experts and consultants to commence a comprehensive exercise to revise our policies and standards to meet with new and higher expectations of the industry. (See Appendix 1 for Samling Group's list of policies and certifications.)

The Group has also committed to producing a Sustainability Report based on the Global Reporting Initiative (GRI) guidelines. This exercise will include consultations with key stakeholders and is targeted to be completed in the second half of 2020, barring any further interruptions to the Group's operations from the Covid-19 pandemic. The Report will provide all our stakeholders with the key insights needed to address the spurious allegations and statements that are made by Sarawak Report on a fairly regular basis.

We will always keep the door open to transparent discussions and would be pleased to address any concerns or queries from our stakeholders.

(End)



Appendix 1

A. Policies

- Environment Policy (1st May 2017)
- Sustainable Forest Management Policy (revised and adopted on 1st Jan 2018)
- Waste Management Policy (1st Jan 2018)
- Certification Policy (1st June 2018)
- Health, Safety and Environment Policy (1st January 2020)
- Anti-Bribery and Anti-Corruption Policy (27th February 2020)
- Whistle Blower Policy (27th February 2020)
- Gender Policy (17th February 2020)
- Sexual Harassment Policy (17th February 2020)
- Human Rights and Ethics Policy (17th February 2020)
- Wildlife Conservation Policy (17th February 2020)
- Pesticide Use in Forest Plantation Management Policy (17th February 2020)
- Pesticide Use in Natural Forest Management Policy (17th February 2020)

B. Certifications

- Timber Upstream
 - Programme for the Endorsement of Forest Certification (PEFC)
 - Malaysian Timber Certification Scheme (MTCS)
 - Sarawak Timber Legality Verification System (STLVS)
 - International Organisation for Standardisation 9001:2015
- Timber Downstream
 - California Air Resources Board (CARB)
 - Japan Industrial Standards
 - Japanese Agriculture Standards
 - StandardsMark
 - International Organisation for Standardisation 9001:2015
 - International Organisation for Standardisation 14001:2015
 - PEFC Chain of Custody
 - FSC Chain of Custody
 - CE Marking