

Media Release For Immediate Release

Samling Group's Response to Sarawak Report's article dated 14th October 2020

21 October 2020, Miri, Sarawak - The Samling Group (the Group) refers to the latest piece written by Sarawak Report dated 14th October 2020, which is again a collection of falsehoods and deliberately misleading statements. The author and publisher of the article have done little to verify their claims, if any at all, despite acknowledging that the Group has issued a rebuttal earlier, which is publicly available, and paid no regard whatsoever to the established processes that responsible organisations like Samling abide by.

Sarawak Report, in quoting non-governmental organisation (NGO) Save Rivers, has again, attempted to discredit the robust and accredited certification processes that Samling and other responsible players in the industry follow. This certification process is undertaken by independent Certifying bodies (CB), in this case, SIRIM QAS International Sdn Bhd (SIRIM), under the Malaysian Timber Certification Scheme (MTCS), which is endorsed by the Genevabased Programme for the Endorsement of Forest Certification (PEFC). The process is detailed, documented and requires annual surveillance audits for continuing certification.

This certification process typically takes 2 – 3 years and in the case referred to by Save Rivers, the process commenced in 2018 and was concluded in April 2020 with the issue of SIRIM's certificate. The Group was certainly <u>not</u> "slipped a 'Forest Management Permit' to log" as claimed by Sarawak Report. As the process commenced in 2018, it was also <u>not</u> undertaken "during the cover of the Covid crisis". Thus, the very suggestion that Samling, when undertaking the certification process, and SIRIM had taken advantage of the current Covid-19 related situation to certify the Group's Forest Management Unit (FMU), is patently false. All facts presented by the Group are documented and verifiable.

The Group, through these measures and working with the Sarawak state government, has worked to support the responsible and sustainable management of the state's forest resources. The development of the state's resources is part of a larger economic blueprint, designed to lift people out of poverty and to benefit thousands. The state government has mandated that all FMUs be certified by June 2022. Thus, Samling is one of several companies working to execute this mandate.

For more information on the certification process, please refer to (<u>MTCS's statement</u>). Samling has also issued detailed statements dated <u> 11^{th} May 2020</u> and <u> 7^{th} July 2020</u> to explain the processes it has undertaken.

Sarawak Report had also disparaged the Group's efforts to organise a seminar entitled "Communities and the Malaysian Timber Certification Scheme" which was requested by a representative of some local communities, to help local communities understand the certification process better. In keeping with this request from the communities, the Group invited independent experts in the field to participate in the Seminar and arranged for an open platform to facilitate knowledge sharing with these guest speakers, on the certification process and its benefits for the communities. These experts were from the Forest Department Sarawak, the Malaysian Timber Certification Council (MTCC) SIRIM, the World-Wide Fund for



Nature (WWF) Malaysia and Universiti Putra Malaysia, Bintulu Sarawak Campus. The seminar was attended by 36 representatives from local communities and NGOs.

The Group has undertaken engagements with local communities as required by the certification process and will continue to do so. Samling engages with local community leaders who are duly appointed by the Sarawak state government and are registered with the District Office. These leaders have full authority to represent and act for the communities.

These engagements have been welcomed by the local people many of whom have suffered in a state of penury for generations and live until today without even the most basic of amenities. These rural communities fully appreciate the great benefits of productive and sustainable economic activities in their areas, allowing them and future generations access to a better standard of living and connectivity to urban centres. The Group will continue to engage with local communities and work with them to help bring development and opportunities where there are none.

Aware of the plight of these rural communities, the Group has made a concerted effort to employ locals where possible, as evidenced by the fact that in its main upstream operational area, 84% of employees are from local communities, either from within the actual forest timber licence areas (FTLs) or neighbouring the FTLs.

The Samling Group has contributed extensively over the years to the development of rural areas and intends to continue doing so. The vast majority of the communities within and adjacent to our areas of operation support our efforts and are distressed by the efforts of organisations such as Save Rivers to derail genuine plans to bring economic development to rural communities.

The Group will always keep its doors open to transparent and honest discussions. It is our sincere hope that we will be able to continue to work constructively with all stakeholders for the ultimate benefit of the state and the people of Sarawak.

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