

ESG TRANSPARENCY - TIMBER OPERATIONS based on SPOTT indicators

edition: 4 June 2021

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| Category                             | No. | Indicator  | Verification of Compliance  |
|--------------------------------------|-----|--|---|
| Sustainability policy and leadership | 1   | Sustainable forestry policy or commitment for all its operations   | See website: policies   |
|                                      | 2   | Sustainable forestry policy or commitment applies to all suppliers   |   |
|                                      | 3   | High-level position of responsibility for sustainability   | COO, Chief Forester, Sustainability Officer   |
|                                      | 4   | One or more members within the board of the company have responsibility for sustainability   | Deleted<br>Not publicly listed  |
|                                      | 5   | Percentage or number of women in senior management team  | 2021 Three - Heads of: Sustainability, Treasury & Business Development  |
|                                      | 6   | Percentage or number of women board members  | Deleted<br>Not publicly listed  |
|                                      | 7   | Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with timber and pulp production | PEFC/MTCS<br><br>Sarawak Timber Association<br><br>Initiatives: NREB's requirements for EIAs; STLVS   |
|                                      | 8   | Collaboration with stakeholders to reduce negative environmental or social outcomes associated with timber and pulp production                                   | Supplied two members of the Malaysian Timber Certification Council's (MTCC) Stake holder Review Committee for the review of the PEFC Endorsed MTCS's MC&I.<br>Represented on the Sarawak Timber Association's Certification Committee<br>Participates in the State government's STLVS & in the MTCC's MTCS.<br><br>WWF - collaborator<br><br>Heart of Borneo – participant with a significant area within the HoB |

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|                                  |     |   | ITTO: informal cooperation with Sarawak office (Dr Paul Chai). Samling is a primary stakeholder in the proposed ITTO project – The Upper Baram Forest Area |
|                                  | 9   | Sustainability report published within last two years                         | Timber Sustainability report 2020 (in press)   |
|                                  | 10  | Reports through standardised reporting systems                                |  |
|                                  | 11  | Climate risks assessment available  | See website: under Integrated Timber Operations  |
|                                  | 12  | Natural capital assessment available  | EIAs are mandatory for all resource based projects. HCVAs are mandatory in the certification process   |
| Landbank, mills and traceability | 13  | Lists countries and operations  | Malaysia (upstream & downstream), Guyana (downstream) , China (downstream), Russia (downstream)  |
|                                  | 14  | Lists countries sourcing from   | No logs are imported for processing.   |
|                                  | 15  | Total area of natural forest designated for wood/wood fibre production (ha)   | <b>Gross: 1,145,392 ha; Operable: 726,152 ha</b> (29 May 2020) (from government approved General Harvesting Plans)   |
|                                  | 16  | Total area of forest plantation (ha)  | Planted area: 32,643 ha ( 9 Jan 2020)  |
|                                  | 17  | Area of plantation/natural forest within outgrower schemes (ha)               | <b>Disabled</b><br>No outgrower schemes  |
|                                  | 18  | Unplanted (areas designated for future development as plantation forest) (ha) | Only government sanctioned planting areas of degraded forest: approx. 30,000 ha (June 2021)  |
|                                  | 19  | Conservation set-aside area, including HCV area (ha)                          | Approx. – 258,000 ha (29 May 2020)   |

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|          | 20                               | Area of Intact Forest Landscape (ha)   | Approx. 114,173 ha of primary forest (29 May 2020)  |
|          | 21                               | Number of Forest Management Units (FMUs)   | 10 FMUs; 6 LPFs under ITP (22 March 2021)   |
|          | 22                               | Maps of forest management units (FMUs)   | All FMUs have detailed mapping (General Harvesting Plans) but availability is restricted. However the website has public summaries for all certified areas & these contain maps & some are on GFW.  |
|          | 23                               | Forest management plans available for all FMUs   | All licenced areas must have an FMP.<br>Website – public summaries for all certified areas  |
|          | 24                               | Monitoring of forest management plan implementation available  | Website – public summaries for all certified areas.<br>All certified areas are subject to 3 <sup>rd</sup> party CB annual surveillance audits<br>All FMUs & LPFs are required to have quarterly EMRs or 3 x year ECAs (Environmental Monitoring Reports / Environment Compliance Assessments) |
|          | 25                               | Company has provided valid legal documents to Open Timber Portal on use right (at the time of SPOTT assessments)         | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |
|          | 26                               | Company has provided valid legal documents to Open Timber Portal on forest management (at the time of SPOTT assessments) | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |
|          | 27                               | Company has provided valid legal documents to Open Timber Portal on timber harvesting (at the time of SPOTT assessments) | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |
|          | 28                               | Names and locations of all third-party supplying FMUs  |   |
| 29       | Number of company owned sawmills | Two - only one of which is active (June 2021)  |   |

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|          | 30  | Names and locations of company owned sawmills  | Grand Paragon Sdn Bhd – Bintulu (active); Samling Housing Products Sdn Bhd – Miri (inactive). Both located in Sarawak |
|          | 31  | Number of company-owned pulp and paper mills   | <b>Disabled</b><br>No company-owned pulp and paper mills  |
|          | 32  | Names and locations of company-owned pulp and paper mills  | <b>Disabled</b><br>No company-owned pulp and paper mills  |
|          | 33  | Total volumes (or percentages) sourced by company-owned sawmills that come from company's own FMUs and/or third-party FMUs             | 2020 - 36.9% from own FMUs.   |
|          | 34  | Total volumes (or percentages) sourced by company-owned pulp and paper mills that come from company's own FMUs and/or third-party FMUs | <b>Disabled</b><br>No company-owned pulp and paper mills & not in pulp & paper business                               |
|          | 35  | Number of supplying mills  | <b>Disabled</b><br>Not in pulp and paper business. No supply from third party sawmills.                               |
|          | 36  | Names and coordinates of all third party supplying mills   | <b>Disabled</b><br>Not in pulp and paper business. No supply from third party sawmills                                |
|          | 37  | Total volume (or percentages) sourced from third-party supplying mills that come from their own FMUs and/or third party FMUs           | <b>Disabled</b><br>Not in pulp and paper business. No supply from third party sawmills                                |
|          | 38  | Procedures to trace raw materials to country of harvest  | All raw material for mills is sourced from FMUs that are located within country of processing.                        |
|          | 39  | Percentage of supply traceable to country of harvest   | All supply is within the country of processing.   |

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|                         | 40  | Procedures to trace raw materials to FMU level   | 100% of log production is traceable to FMU level thru Sarawak government procedures which mandate the issue of log Removal Passes   |
|                         | 41  | Percentage of supply traceable to FMU level  | 100% of sawmill supply traceable to FMU via company LDOs & government Removal Passes  |
| Certification standards | 42  | Time-bound plan for achieving 100% third-party legality verification of FMUs or achieved                         | Natural forest by December 2022.<br>ITP constrained by FSC & PEFC cut-off dates but eligible areas by 2025<br>All natural forest operating areas that are not under MTCS are under STLVS  |
|                         | 43  | Percentage area (ha) verified as being in legal compliance by a third party                                      | Natural forest: 56.3% is under either PEFC endorsed MTCS or under STLVS<br>ITP: 50% of the planted area is under PEFC endorsed MTCS   |
|                         | 44  | Time-bound plan to source only wood/wood fibre that is in legal compliance verified by a third party             | Natural forest by December 2022 – government requirement<br>ITP constrained by FSC & PEFC cut-off dates; some currently uncertified areas cannot be FMC certified unless the cut-off dates are revised but these will be PEFC – Controlled Source |
|                         | 45  | Percentage of all wood/wood fibre supply traded/processed verified as being in legal compliance by a third party | 2020 – 66.6%  |
|                         | 46  | Percentage area (ha) FSC FM certified  | 0%  |
|                         | 47  | Time-bound plan for achieving 100% FSC FM certification of FMUs or achieved 100% FSC-certification of FMUs       | Using PEFC endorsed MTCS  |
|                         | 48  | Percentage of wood/wood fibre supply (tonnes) from all suppliers that comes from FSC FM certified areas          | 0%  |
|                         | 49  | Commitment to source only wood/wood fibre that meets   |   |

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|                                       |     | FSC Controlled Wood requirements   |   |
|                                       | 50  | Percentage area (ha) PEFC certified (excluding FSC certified area)                                 | 2020 - 29.5% of the gross forest resource area  |
| <b>Deforestation and biodiversity</b> | 51  | Commitment to zero deforestation or zero conversion of natural ecosystems                          | The government licenced ITP areas are established on degraded forest. There is zero clearing of natural, undisturbed ecosystems.  |
|                                       | 52  | Commitment to zero deforestation or zero conversion of natural ecosystems applies to all suppliers |   |
|                                       | 53  | Criteria & cut-off date for defining deforestation   |   |
|                                       | 54  | Evidence of monitoring deforestation   | There is zero clearing of natural, undisturbed ecosystems hence no monitoring is required.  |
|                                       | 56  | Amount of illegal/non-compliant deforestation recorded   | 2019 - Nil  |
|                                       | 57  | Amount of illegal//non-compliant deforestation recorded in supplier operations                     | Should be 0% in that suppliers are from very small areas of degraded forest licenced by government to be cleared for small scale agricultural local and state agricultural developments or they are in standard forest timber licence (FTL) where FDS controls operate – including aerial surveillance. |
|                                       | 58  | Commitment to restoration of non-compliant deforestation/conversion                                | Working with Sarawak Forestry Dept (FDS) in Forest Landscape Restoration: e.g. Kelesa Camp, Tuyut & Lawas log ponds. Significant assistance to WWF with Riverbank Restoration, Lg Semadoh, Upper Trusan, Lawas, Sarawak.  |
|                                       | 59  | Commitment to restoration of non-compliant   |   |

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|          |     | deforestation/conversion applies to all suppliers  |   |
|          | 60  | Implementing a landscape or jurisdictional level approach  | Significant participant in the WWF – inter-government Heart of Borneo (HOB) project. Samling is a primary stakeholder in ITTO’s Upper Baram Forest Area (UBFA) project (proposed). A large-scale project with FDS and local communities and NGOs.   |
|          | 61  | Commitment to biodiversity conservation  | Demonstrated with 32% of the natural forest FMU area excluded from production areas. Appointment of Honorary Wildlife Wardens. Work with UPM Bintulu Campus on Payeh Maga Conservation Area ; Supporting work in Proposed Mujan Julan NP. Work with Sarawak Forestry Corp. (SFC) on HCV assessments. See Policy with commitment to uphold international treaties & conventions on biodiversity. |
|          | 62  | Commitment to biodiversity conservation applies to all suppliers   |   |
|          | 63  | Identified species of conservation concern, referencing international or national system of species classification | In place. See Public summaries on website. HCVAs use international and national systems of species classification e.g. Red Book & IUCN  |
|          | 64  | Examples of species and/or habitat conservation management   | Various HCV areas (1 to 6) are identified and protected, river buffer zones (mandatory) are established. Regular patrols inside FMUs. Management prohibits hunting by employees & contractors. Specific memo on protection of Pangolin distributed to all upstream operations.  |
|          | 65  | Commitment to no hunting or only sustainable hunting of species  | Management fully committed to no hunting policy of all species by company employees & contractors. The law allows locals to hunt those species not specifically protected by law for own consumption.   |
|          | 66  | Commitment to no hunting or only sustainable hunting of species applies to all suppliers                           |   |
|          | 67  | Commitment to protect forest areas from illegal activities   | Committed to protect forest areas from unauthorised or illegal resource use, settlement and other illegal activities. FMUs patrol regularly. This is monitored by 3 <sup>rd</sup> party CB annual surveillance.   |

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|  | 68  | Commitment to protect forest areas from illegal activities applies to all suppliers      |   |
|  | 69  | Evidence of protecting forest areas from illegal activities                              | This is inspected by 3 <sup>rd</sup> party CB during annual surveillance. Signage and regular patrols. Boundary patrols undertaken by helicopter. Regular inspection of satellite imagery.  |
|  | 70  | Commitment to no use of genetically modified organisms                                   | NB Should only be applicable to ITP. GMO cannot be used if FSC or PEFC certified. See website - policies  |
|  | 71  | Commitment to no use of genetically modified organisms applies to all suppliers          |   |
| <b>HCV, HCS and impact assessments</b> | 72  | Commitment to conduct High Conservation Value (HCV) assessments                          | These are a requirement for FSC & PEFC certification & we are committed to certification of plantations where the cut-off allows and to the natural forest. Four more natural forest FMUs are in the certification pipeline. [See Public Summaries] |
|  | 73  | Commitment to conduct High Conservation Value (HCV) assessments applies to all suppliers |   |
|  | 74  | High Conservation Value (HCV) assessments available                                      | In the FMP Public Summaries see website   |
|  | 75  | High Conservation Value (HCV) management and monitoring plans available                  | In the FMP Public Summaries see website   |
|  |     |  |   |
|  | 76  | Commitment to the High Carbon Stock (HCS) Approach                                       | HCS assessments undertaken as and when applicable   |
|  | 77  | Commitment to the High Carbon Stock (HCS) Approach applies to all suppliers.             |   |



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|                      | 78  | High Carbon Stock (HCS) assessments available   |  |
|                      | 79  | Commitment to conduct social and environmental impact assessments (SEIAs)   | EIAs are mandatory for all FTLs & LPFs before forest operations can start. Similarly with SIAs in our certified areas. |
|                      | 80  | Commitment to conduct social and environmental impact assessments (SEIAs) applies to all suppliers                        |  |
|                      | 81  | Social and environmental impact assessments (SEIAs) available, and associated management and monitoring plans             | Summary SIA information is contained the FPMs – see public summaries   |
|                      | 82  | Company has provided valid legal documents to Open Timber Portal on impact assessments (at the time of SPOTT assessments) | <b>Disabled</b><br>Do not operate in RoC, Cameroon or DRC  |
| Soils, fire and GHGs | 83  | Commitment to no planting on peat of any depth  |  |
|                      | 84  | Commitment to no planting on peat of any depth applies to all suppliers   | No supplier of ITP logs is known to have peat soil.  |
|                      | 85  | Landbank or planted area on peat (ha)   | Planted area: 3,344 ha (June 2020) government approved tree planting plan  |
|                      | 86  | Implementation of commitment to no planting on peat of any depth  |  |
|                      | 87  | Commitment to best management practices for soils and peat  | Full commitment to RIL practises. Use of log fisher in NF and yarders in ITP   |

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|          | 88  | Commitment to best management practices for soils and peat applies to all suppliers | No suppliers operate on peat soils.  |
|          | 89  | Evidence of best management practices for soils and peat                            | Full commitment to RIL practices. Use of log fisher in NF and yarders in ITP. See Public Summaries (Sections on RIL & Harvesting)  |
|          | 90  | Commitment to reduced impact logging  | RIL is a mandatory government requirement to obtain a PEC [permit to enter coupe] for all natural forest FMU operation. Harvesting in ITP is by yarder i.e. rarely by ground based thereby reducing impact of harvesting.                        |
|          | 91  | Commitment to reduced impact logging applies to all suppliers                       |  |
|          | 92  | Evidence of implementing reduced impact logging practices                           | As stated in #90 RIL is mandatory. A Permit to Enter Coupe will not be issued by FDS unless all RIL conditions are complied with e.g. 100% enumeration, with ID tagging, of trees to be harvested.<br><br>Plantation harvesting is yarder based. |
|          | 93  | Commitment to zero burning  |  |
|          | 94  | Commitment to zero burning applies to all suppliers                                 |  |
|          | 95  | Evidence of fire monitoring and management  | In the natural forest & the ITP of the everwet tropics fire is not usually a major issue. Government manages active satellite based hotspot alert system.  |
|          | 96  | Details/number of hotspots/fires in company FMUs                                    | 2020 – exceedingly wet year & no hotspots/fires.   |
|          | 97  | Details/number of hotspots/fires in suppliers operations                            | Major supplier states no hotspots/fires.   |

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|  | 98  | Time-bound commitment to reduce greenhouse gas (GHG) emissions intensity |   |
|  | 99  | GHG emissions intensity  | 2019 Our natural forest harvesting operations had an average GHG intensity 57kg CO2e/m3 to log pond. Our tree plantation (ITP) operations had an average GHG intensity of 29kg CO2e/m3 to log pond. |
|  | 100 | GHG emissions from land use change                                       |   |
|  | 101 | Progress towards commitment to reduce GHG emissions intensity            |   |
|  | 102 | Methodology used to calculate GHG emissions                              | GHG computation: (litres of diesel consumed in year/annual log production delivered to log pond or mill)*2.72 = kg CO2e/m3 log delivered  |
| <b>Water, chemical and pest management</b> | 103 | Time-bound commitment to improve water use intensity                     | <b>Disabled</b><br>No pulp/paper  |
|  | 104 | Water use intensity  | <b>Disabled</b><br>No pulp/paper  |
|  | 105 | Progress towards commitment on water use intensity                       | <b>Disabled</b><br>No pulp/paper  |
|  | 106 | Time-bound commitment to improve water quality (BOD and COD)             | <b>Disabled</b> No pulp/paper   |
|  | 107 | Progress towards commitment on water quality (BOD and COD)               | <b>Disabled</b> No pulp/paper   |
|  | 108 | Treatment of pulp and paper mill effluent                                | <b>Disabled</b> No pulp/paper   |

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|          | 109 | Evidence of sawmill run-off containment and wastewater treatment   |   |
|          | 110 | Proportion of processing facilities with closed-loop water treatment system  | <b>Disabled</b><br>No pulp/paper  |
|          | 111 | Commitment to protect natural waterways through buffer zones   | River Buffer Zones (RBZs) are mandatory & specified in the EIAs for NF & ITP. RBZs area monitored by 3 <sup>rd</sup> party CB surveillance audits, during mandatory EMRs or ECAs . Establishment of RBZs is an integral part of the mandatory RIL process |
|          | 112 | Implementation of commitment to protect natural waterways through buffer zones                                       | 100% as River Buffer Zones are mandatory & specified in the EIAs. Also monitored by 3 <sup>rd</sup> party CB surveillance audits, mandatory EMRs or ECAs . They are an integral art of the mandatory RIL process  |
|          | 113 | Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers                           | See Policy on website   |
|          | 114 | Commitment to minimise the use of chemicals, including pesticides and chemical fertilisers, applies to all suppliers |   |
|          | 115 | Time-bound commitment to eliminate chlorine and chlorine compounds for bleaching                                     | <b>Disabled</b><br>No pulp/paper  |
|          | 116 | Commitment to no use of World Health Organisation (WHO) Class 1A and 1B pesticides                                   | Yes. See Policy on website  |
|          | 117 | Commitment to no use of World Health Organisation  | .   |

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|  |     | (WHO) Class 1A and 1B pesticides applies to all suppliers   |   |
|  | 118 | Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention                          | Yes. See Policy on website  |
|  | 119 | Commitment to no use of chemicals listed under the Stockholm Convention and Rotterdam Convention applies to all suppliers |   |
|  | 120 | Chemical usage per ha or list of chemicals used   | Over the operational area: Herbicides: 5.8 l/ha (glyphosate) & 96.9g/ha metsulfuron. Fertiliser: av 81.8 kg/ha  |
|  | 121 | Implementation of commitment to reduce chemical usage   | R&D has fertiliser trials in place  |
|  | 122 | Integrated Pest Management (IPM) approach   | R&D is developing this  |
|  | 123 | Waste management system in place to avoid negative impacts  | See website - Policies<br>In-house waste management plan in place   |
| <b>Community, land and labour rights</b> | 124 | Commitment to human rights  | See website Policies  |
|  | 125 | Commitment to human rights applies to all suppliers   |   |
|  | 126 | Progress on human rights commitment   | Already 100% committed. Human rights is actually not an issue as reference to Sarawak's Department of Labour will confirm.  |
|  | 127 | Commitment to respect indigenous and local communities' rights  | 100% compliance with the requirements of Principles 2 & 3 of the MC&I of the PEFC endorsed MTCS. Annual 3 <sup>rd</sup> party assessment during STLVS & PEFC/MTCS surveillance & re-certification audits. |

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|          | 128 | Commitment to indigenous and local communities' rights applies to all suppliers                 |   |
|          | 129 | Commitment to respect legal and customary land tenure rights                                    | 100% Complies with the requirements of Principles 2 & 3 of the MC & me of the MTCS. Annual 3 <sup>rd</sup> party assessment during STLVS & PEFC/MTCS surveillance & re-certification audits   |
|          | 130 | Commitment to legal and customary land rights applies to all suppliers                          |   |
|          | 131 | Commitment to free, prior and informed consent (FPIC)   | FPIC is required by the MTCS MC&I by reference to Principle 3 Criterion 3.1. 3 <sup>rd</sup> party Assessment by independent CBs during STLVS & PEFC/MTCS surveillance & re-certification audits confirms compliance.   |
|          | 132 | Commitment to free, prior and informed consent (FPIC) applies to all suppliers                  |   |
|          | 133 | Details of free, prior and informed consent (FPIC) process available                            | Website: see under CSR then under Community see Dialogue and Community engagement   |
|          | 134 | Examples of local stakeholder engagement to prevent conflicts                                   | Formation of Community Relationship Committees (CRCs) in communities in, or neighbouring, the FMUs and ITPs. (However, not all communities wish to form CRCs.) Community engagement in the Forest Management Certification Liaison Committee meetings chaired by Sarawak Forest Department  |
|          | 135 | Details of process for addressing land conflicts available                                      | SOP for conflict resolution available – see website under CSR then Grievances   |
|          | 136 | Supports the inclusion of women across forestry operations, including addressing barriers faced | A very significant percentage of women are employed in the forest nurseries. Women are eligible to participate in the CRCs (but that is a community controlled matter). Over 23.9 % of employees are female. In past we had a trans-gender pruning crew. (After several years they ceased to work on their own accord and returned to Indonesia.) |
|          | 137 | Company has provided valid legal documents to Open Timber Portal on population                  | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |

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|          |     | rights (at the time of SPOTT assessments)   |   |
|          | 138 | Commitment to enable sustainable use of non-timber forest products (NTFPs) by local communities                           | Where applicable local communities and indigenous people have their rights of access to the permanent forest estate (for NTFPs) enshrined within the gazette notification. Community grievances on this – or any other matter – may be put to the CB at the time of audit. The CB will require a satisfactory response from FMU management.   |
|          | 139 | Commitment to provide essential community services and facilities   | Samling is heavily committed to CSR and outreach directly via the group and the YTS Foundation. Google this for verification: Samling outreach programmes.  |
|          | 140 | Progress on commitment to provide essential community services and facilities   | Samling is heavily committed to CSR and outreach directly via the group and the YTS Foundation. Google for verification: Samling outreach programmes.   |
|          | 141 | Commitment to provide business/work opportunities for local communities   | Samling employs significant numbers of locals especially in upstream activities.  |
|          | 142 | Company has provided valid legal documents to Open Timber Portal on labour regulations (at the time of SPOTT assessments) | <b>Disabled.</b><br>Does not operate in RoC, Cameroon or DRC  |
|          | 143 | Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles  | All upstream camp notice boards specifically address the right of "freedom of association" in respect of trade union formation and /or participation [ILO 87 & 98]. This is also a specific requirement of PEFC FM certification. This is reinforced by annual briefings undertaken by the industrial relations officer from HQ HR. ILOs 29, 87, 98, 100, 105 & 111 are referred to in the MC&I of the PEFC endorsed MTCS |
|          | 144 | Commitment to Fundamental ILO Conventions or Free and Fair Labour Principles applies to all suppliers                     |   |
|          | 145 | Progress on commitment to respect all workers' rights   | All camp notice boards specifically address the right of "freedom of association" in respect trade union formation and /or participation [ILO 87 & 98] This is also a specific requirement of FSC & PEFC. This is reinforced by annual briefings undertaken by the industrial relations officer from HQ HR.   |

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|          | 146 | Commitment to eliminate gender related discrimination with regards to employment                          | See website Policies<br>Malaysian employment records clearly demonstrate that there is no gender related discrimination. In past we had trans-gender pruning crew. (After several years they ceased to work on their own accord.) |
|          | 147 | Commitment to eliminate gender related discrimination with regards to employment applies to all suppliers |   |
|          | 148 | Progress on commitment to eliminate gender related discrimination with regards to employment              | Employment records clearly demonstrate that there is no gender related discrimination. In the past we had trans-gender pruning crew. (After several years they ceased to work on their own accord.)                               |
|          | 149 | Percentage or number of temporary employees   | No seasonal or casual employment is offered.  |
|          | 150 | Percentage or number of women employees   | Sarawak -23.9% (2019)   |
|          | 151 | Commitment to pay at least minimum wage   | In all the countries that we operate in it is a legal requirement that all employees receive not less than the minimum wage.  |
|          | 152 | Commitment to pay at least minimum wage applies to all suppliers  | Yes, otherwise we would not be complying with the law. It is a legal requirement that all employees receive not less than the minimum wage.   |
|          | 153 | Progress on commitment to pay at least minimum wage   | 100%<br>It is a legal requirement that all employees receive not less than the minimum wage.  |
|          | 154 | Reporting of salary by gender   | Yes: e.g. Downstream women supervisors receive 93.8% of the male counterparts. For workers the figure is 88.8% (May 2020)   |
|          | 155 | Commitment to address occupational health and safety  | Active in-house HSE division with departmental HSE committees. See website - Policies. Both DoSH & DoE regularly inspect operations.  |
|          | 156 | Commitment to address occupational health and safety applies to all suppliers                             |   |



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| Category                   | No. | Indicator  | Verification of Compliance   |
|----------------------------|-----|--|--|
|                            | 157 | Provision of personal protective equipment and related training  | PPE & training is provided throughout timber operations. In addition to the certification annual surveillance audits there 3 <sup>rd</sup> party chemical risk assessment undertaken every 5 years |
|                            | 158 | Time lost due to work-based injuries   | 2020 Forestry operation 2.17/1,000,000 man hours   |
|                            | 159 | Number of fatalities as a result of work-based accidents   | 2020 Forestry operations: nil fatality   |
|                            |     |  |  |
| Smallholders and suppliers | 160 | Commitment to support smallholders   | <b>Disabled</b><br>No small holders  |
|                            | 161 | Programme to support outgrower scheme and/or independent smallholders  | <b>Disabled</b><br>No outgrower or small holder schemes.   |
|                            | 162 | Percentage of outgrower scheme and/or independent smallholders involved in programme                                     | <b>Disabled</b><br>No outgrower or small holder schemes.   |
|                            | 163 | Process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements |  |
|                            | 164 | Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements  | .  |
|                            | 165 | Suspension or exclusion criteria for suppliers   |  |
|                            | 166 | Timebound action plans (including Key Performance  | .  |

ESG TRANSPARENCY - TIMBER OPERATIONS based on SPOTT indicators

edition: 4 June 2021

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| Category                  | No. | Indicator  | Verification of Compliance  |
|---------------------------|-----|--|---|
|                           |     | Indicators) for suppliers to be in compliance with timber and pulp sourcing commitments  |   |
|                           | 167 | Proportion of direct and indirect supply that comes from FMUs which are compliant with timber and pulp sourcing policies         | Log supplies to all our mills are from legal sources with 64.7% being 3 <sup>rd</sup> party verified as such                  |
| Governance and grievances | 168 | Commitment to ethical conduct and prohibition of corruption  | See website Policies<br>Commitment to both ethical & fair conduct and prohibition of corruption (bribery/fraud).              |
|                           | 169 | Commitment to ethical conduct and prohibition of corruption applies to all suppliers   | See website Policies<br>Commitment to both ethical & fair conduct and prohibition of corruption (bribery/fraud)               |
|                           | 170 | Progress on commitment to ethical conduct and prohibition of corruption  | 2020 No case of such misconduct reported  |
|                           | 171 | Company has provided valid legal documents to Open Timber Portal on legal registration (at the time of SPOTT assessments)        | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |
|                           | 172 | Disclosure of the company's management approach to tax and payments to governments   | Samling engages KPMG Tax and Deloitte Tax to review and check on the Group's tax compliance as well as advise on tax matters. |
|                           | 173 | Company has provided valid legal documents to Open Timber Portal on taxes, fees and royalties (at the time of SPOTT assessments) | <b>Disabled</b><br>Does not operate in RoC, Cameroon or DRC   |
|                           | 174 | Whistleblowing procedure   | See website Policies  |

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| Category | No. | Indicator   | Verification of Compliance                                      |
|----------|-----|---|---|
|          | 175 | Own grievance or complaints system open to all stakeholders | Grievance procedure with flow chart available to all employees. |
|          | 176 | Details of complaints and grievances disclosed              |   |