



## GLOBAL FORESTRY SERVICES

Registered Office: 2446 N. San Gabriel Blvd., Suite #C, Rosemead, CA 91770, USA.  
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## LEGAL VERIFICATION SERVICES

### Sarawak Audit Checklist / Report STLVS Principles 1 - 4

<b>Licensee</b>	Samling Plywood (Lawas) Sdn. Bhd. (153126-X)	<b>Reference #</b>	GFSS 018-019
<b>Contact Person</b>	Mr. James Ho Yam Kuan (Chief Operating Officer) Mr. Tsen Teck Fen (Head of Planning & Development Department) Mr. Zion Kong Yik Seng (Senior Manager)	<b>Report Date</b>	29/11/2021
<b>Office Address</b>	Wisma Samling, Lot 296, Jalan Temenggong Datuk Oyong Lawai Jau, 98007 Miri, Sarawak, Malaysia.	<b>Date of close out</b>	-
<b>Site Address</b>	T/0405 Telang Usan, Ulu Baram	<b>Telephone</b>	+6085 413 099
<b>Email</b>	hoyk@samling.com.my tsentf@samling.com.my kongys@samling.com.my	<b>Fax</b>	-
		<b>Telephone</b>	+6085 412 751
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		<b>Approved By</b>	Dr Kevin T. Grace

Statements			
GFS Statement of Compliance #	GFS 086 LVS		
Issuance Date	01 December 2021	Expiration Date	30 November 2022

Assessment Details	
Assessment dates	15 – 19 November 2021
Scope of Assessment	Forest Timber License No. T/0405
Species	<i>Shorea</i> spp. (Meranti), <i>Shorea</i> spp. (Selangan batu), <i>Sapotaceae</i> spp. (Nyatoh), <i>Mangifera</i> spp. (Asam), <i>Dipterocarp</i> spp. (Keruing), <i>Dryobalanops</i> spp. (Kapur), <i>Shorea</i> spp. / <i>Lithocarpus</i> spp. (Empenit), <i>Eugenia</i> spp. (Ubah), <i>Dialium indum</i> (KerANJI), <i>Gluta</i> spp. (Rengas hutan), <i>Durio</i> spp. (Durian), <i>Octomeles sumatrana</i> (Binuang), <i>Myristica</i> spp. (Kumpang), <i>Mezzettia</i> spp. (Kepayang Babi), <i>Cephalomappa</i> spp. (Arau), <i>Vatica</i> spp. / <i>Cotylelobium</i> spp. (Resak), <i>Sindora</i> spp. (Tampar hantu), <i>Heritiera</i> spp. (Mengkulang), <i>Parastemon</i> spp. (Ngilas), <i>Cratoxylum</i> spp. (Geronggang), <i>Beilschmiedia</i> spp. / <i>Litsea</i> spp. / <i>Dehaasia</i> spp. / <i>Phoebe</i> spp. / <i>Magnolia</i> spp. / <i>Nothaphoebe</i> spp. / <i>Ternstroemia</i> spp. / <i>Actinodaphne</i> spp. / <i>Cinnamomum</i> spp. (Medang)
GFS Lead Assessor	Franklin Emang
GFS Assessor(s)	-
Others	Mr. Zion Kong Yik Seng, Mdm. Wong Kiu Ching, Mr. Jack Kong Wei Chek, Mr. Hardy Rose, Mr. Stewart Paran, Mr. Raphael Ong, Mr. Benjamin Kang, Mr. Ho Kheng Ee, Mr. Besar Laya, Mr. Timothy, Ms. Marlene, Mr. Yahudar, Ms. Nurul, Mr. Nicholas Kong

Document Control			
GFS-FORM-006-STLVS-3.1	Title: STLVS P1-4 Checklist & Report	Issue: v04	Date: 01 Mar 2020



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### OBJECTIVES:

- The objective of this checklist is to verify compliance to the Criteria listed in the Sarawak Timber Legality Verification System as defined by **STLVS Principles 1-4 (v02)** dated **29 January 2019**.
- 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 company in accordance with the standard.

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Samling Plywood (Lawas) Sdn. Bhd. / FTL No. **T/0405**



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## LEGAL VERIFICATION SERVICES

### Summary Information

#### Overview of Licensee

##### Organization Information:

The Samling Group of Companies has many associated companies that include Samling Plywood (Lawas) Sdn. Bhd. [Samling Plywood (Lawas)]. Samling Group of Companies has multiple Forest Timber Licenses (FTL) and License for Planted Forests (LPF) within Sarawak, Malaysia.

##### Key regulations:

The legal framework is provided in the following laws (ordinances), rules and regulations:

- Statement of Forest Policy (1954)
- Forest Ordinance (2015)
- Forest Rules (1954)
- National Parks Ordinance (1956)
- National Parks and Nature Reserves Ordinance (1998)
- Wildlife Protection Ordinance (1958)
- Sarawak Timber Industry Development Corporation Ordinance (1973)
- Sarawak Timber Industry (Registration) Regulations (2008)
- Sarawak Forestry Cooperation Ordinance (1995)
- State of Sarawak Forest Timber License (FTL)
- Inter-agency Standard Operating Procedures (SOPs) for Performance of Forestry Functions in Sarawak (Ministry of Resource Planning and Environment, 2012)
- Minimum Wages (Amendment) (No.3) Order 2013
- Sarawak Labour Ordinance (Cap.76)
- Employment Act 1955

##### Description & License:

Samling Plywood (Lawas) holds the Forest Timber License No. T/0405 (Apoth Palutan Magoh Forest) granted by the Forest Department Sarawak (FDS) for timber harvesting operations.

The revised General Harvesting Plan (GP) was approved by the FDS on 23<sup>rd</sup> November 2020 (Ref. #: (21)JHS/600-3/7/110/Jld.4) that covers 142,790 ha of the licensed concession.

##### Management / Land Tenure:

The license tenure based on the Forest Timber Licence T/0405 was issued and approved to Samling Plywood (Lawas) on 15<sup>th</sup> May 1993 for 20 years, which expired on the 14<sup>th</sup> of May 2013.

FTL No. T/0405 was renewed on 9<sup>th</sup> January 2013 for 20 years to 14<sup>th</sup> May 2033 (Ref.#: WPO.627.536.2(VI) – 96).

##### Management Planning (FMP / GP):

Forest Timber License No. T/0405 is under the Management Plan area and the license issued by the Director of the Forest Department Sarawak. The Management Plan period and expiry date are identical with the Forest Timber License No. T/0405, from 15<sup>th</sup> May 1993 and extended to 14<sup>th</sup> May 2033 (Ref. #: WPO.627.536.2(VI) – 96 dated 09/01/2013). The revised General Harvesting Plan (GP) was approved by

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the FDS on 23<sup>rd</sup> November 2020 (Ref. #: (21)JHS/600-3/7/110/Jld.4) consists of 30 annual working Coupes which covers 142,790 ha of the licensed concession with a net operable area of 108,999 ha. Coupe numbers were revised in the new GP.

### Operational activities:

Syarikat Samling Timber Sdn. Bhd. (Syarikat Samling Timber) is the registered logging contractor for FTL No. T/0405. The licensee engaged Syarikat Samling Timber as the contractor to fell, extract, harvest, and sell merchantable timber from the T/0405 licensed area. The current harvest operation is based in Coupe 14A (old GP), however, during the recent assessment, no harvesting operations were conducted as the extension of harvesting period for the remaining blocks in Coupe 14A was recently approved by FDS (Ref. #: MFO/T/0405 Jld.4 – 62 dated 10/11/2021).

The next planned operations are in Coupe 01A (under new approved GP), that are still in progress in carrying out activities 1-4 under the Permit to Enter Coupe (PEC). No logging operations have started in Coupe 01A based on the assessment conducted in November 2021 which can only be conducted following approval of PEC activity 5.

### Land use classification:

Land classification	General Harvesting Plan (GP) (23/11/2020) (ha)
Total Licensed Area	142,790
Total Coupe Area	135,151
<ul style="list-style-type: none"> <li>Operable (Production Area)</li> </ul>	108,999
<ul style="list-style-type: none"> <li>Non-Operable (SA, IV, K, MD1 &amp; MDR, Cropland, Water Catchment, Communal Forest, buffer zone and major river)</li> </ul>	26,152
Tenyok Nature Wildlife Reserve	3,048
Penan Forest Reserve	3,036
Buffer Zone for Gunung Mulu National Park (1 km)	1,273
Major River	282

### Environmental context:

The current vegetation is predominantly Mixed Dipterocarp Forest (MDF), followed by some Kerangas Forest and secondary forest occurrences in the ex-shifting agriculture sites. The existing MDF had been logged at least once. Most of the forests have lost their original form and structure with sparse, scattered big trees attaining 35m heights and 60cm diameter.

Samling Plywood (Lawas) conducts a 10% enumeration sampling of harvestable commercial timber at the block level (ranging from 50-100 ha in size) based on regulatory requirements. No overall forest management inventory has been carried out. Minimum cutting limits are 60 cm dbh for Dipterocarp species and 45 cm for non-Dipterocarp species.

Members of the dipterocarp dominated as the most important timber stocks, occupying the top canopy at estimated heights of 30 m to 40 m. The main groups are Meranti (*Shorea spp.*), in particular Red Meranti, Meranti Serang Punai, Meranti Melantai, Meranti Laggai, Engkabang Pinang Licin, and Meranti Tembaga. Selangan batu was another Shorea group, with species like Selangan Batu Biawak, Selangan

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Batu Bukit, and Kumus. Other commercial species include *Sapotaceae spp.* (Nyatoh), *Mangifera spp.* (Assam), *Tristanopsis spp.* (Selunsor), *Dyera spp.* (Jelutong), *Agathis spp.* (Bindang), *Neolamarckia cadamba* (Kelampayan), *Dacryodes* and *Santiria spp.* (Seladah), *Lithocarpus spp.* (Empenit), *Dipterocarpus spp.* (Keruing), *Dryobalanops spp.* (Kapur), Kumpang (Myristicaceae), Lauraceae (Medang), *Eugenia spp.* (Ubah), and *Cratoxylum arborescens* (Geronggang).

Mammals reported from the licensed area include squirrels (*Callosciurus notatus*), tree shrews (*Tupaia glis* and *T. tana*), bearded pigs (*Sus barbatus*), barking deer (*Muntiacus spp.*), sambar deer (*Cervus unicolor*), common civet cat (*Paradoxurus hermaphroditus*), Malay civet (*Viverra zangalunga*), mousedeer (*Tragulus javanicus* and *T. napu*), giant squirrels (*Ratufa affinis*) and leaf monkeys.

Common birds found in the licensed area are eagles, owls, babblers, barbets, drongos, flycatchers, broadbills, falconets, pigeons, doves, cuckoos, common coucals, ioras, kingfishers, bee-eaters, swiftlets, pied fantails, bulbuls, leafbirds, magpie robins, white-rump shamas, common mynas, sunbirds, spiderhunters, and flowerpeckers.

Some of the reptiles reported in the licensed area are hill terrapins, soft-shelled turtles, hard-shelled tortoises, geckos, skinks, and snakes such as vipers, elapids, pythons, racers, and the paradise tree snake.

### Environmental Impact Assessment:

EIA report was conducted by Ecosol Consultancy Sdn. Bhd. as the registered EIA consultant. The EIA report was approved by The Natural Resources and Environment Board (NREB) for Forest Timber License No. T/0405:

#	Project name	NREB reference #	Date of Approval
1	Re-entry Hill Logging Under Timber Licence No. T/0405 at Batang Baram – Sungai Tutoh Area, Miri Division, Sarawak.	(11) NREB/6-3/2H/20	3 <sup>rd</sup> May 2010

### Social context

#### Social Assessment:

As the license provisions do not require such assessment, Samling Plywood (Lawas) has not conducted a Social Impact Assessment. However, the company maintains a detailed database of longhouses and settlements within and adjacent to the licensed area. The company has also successfully negotiated agreements with many of the communities associated by its operations.

### Records of FTL No. T/0405 Longhouse Communities and Agreements (2021).

File #	Race	Village Name	GPS Coordinate (Timbalai)	Coupe (GP 2016)	Area Claimed (Ha)	Agreements	Harvest Schedule	Visited by GFS
1	Kayan	Lg. Anyat	N 3° 34' 47.40" E 114° 45' 17.13"	04A(II)	2898 Ha	GW: 30 July 2007		2018
2	Penan	Lg. Lilim	N 3° 34' 54.40" E 114° 48' 57.05"	04A(I), 04A(II), <b>04A(III) Excluded</b>	<b>9841 Ha</b>	GW: 8 Aug 2007 Supp: 26 Sept 2017		2018
3	Penan	Lg. Lutin (Luteng)	N 3° 32' 14.91" E 114° 44' 47.65"	04A – 12A <b>04A(III) Excluded</b>	44,597	GW: 4 Jul 2007 Log: 23 Mar 2015	Coupe 12A :2018	2019

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4	Penan	Lg. Daloh	N 3° 34' 46.78" E 114° 45' 12.84"	05A	2659 Ha	GW/Log: 3 Jul 2007		TBA
5	Penan	Lg. Daloh Bestari	N 3° 34' 29.26" E 114° 45' 12.71"	05A	2659 Ha	GW: 4 Apr 2017		TBA
6	Penan	Lg. Belok	N 3° 42' 42.44" E 114° 41' 34.82"	No Claims inside T/0405	NA	GW: 25 Mar 2008	NA	TBA
7	Penan	Lg. Kawi	N 3° 27' 9.45" E 114° 44' 51.69"	11A	3821 Ha	GW: 20 Nov 2008 Log: 17 Apr 2017	Coupe 11A: 2017	2017
8	Penan	Lg. Sayan	N 3° 39' 38.99" E 114° 42' 51.88"	05A	2659 Ha	GW: 2 Jun 2007		TBA
9	Penan	Lg. Lunyim	N 3° 32' 27.71" E 114° 30' 15.05"	08A & 09A (Part)	08A: 7 Blocks 09A: 1 Block	GW: 6 May 2010 Log: 15 Nov 2015		TBA
10	Penan	Lg. Tepen	N 3° 33' 0.22" E 114° 29' 0.22"	08A; 09A Part 07A & 05A	7042 Ha	GW/Log: 18 Feb 2011		TBA
11	Penan	Lg. Item	N 3° 27' 53.82" E 114° 45' 44.32"	04A(III)	3376 Ha	No Agreement No Operations	NA	TBA
12	Kayan	Lg. Keliman	N 3° 19' 56.75" E 115° 45' 25.80"	12 (Part)	Blocks (5-18; 24; 26-30; 33; 34; 36-39; 41-43)	GW/Log: 1 Jun 2014 Shared with Lg Liam	Coupe 12A: 2018	TBA
13	Penan	Lg. Sengayan	N 3° 20' 45.54" E 114° 35' 56.60"	06A Not clearly defined	3462 Ha	GW: 28 Mar 2013 Log: 3 Apr 2015		TBA
14	Kayan	Lg. Naah	N 3° 34' 46.78" E 114° 36' 18.16"	12A & 13A	C13A = 7,373 ha C12A = 4,108 ha	GW/Log 6 Oct 2012 GW: 4 Nov 2016	Coupe 12A: 2018 Coupe 13A: 2014/2015 Salvage	TBA
15	Kayan	Lg. Liam	N 3° 19' 41.17" E 114° 45' 26.89"	12 (Part)	Blocks (5-18; 24; 26-30; 33; 34; 36-39; 41-43)	GW/Log: 1 Jun 2014 Shared with Lg Keliman	Coupe 12A: 2018	TBA
16	Penan	Lg. Kahoh (Lutin C)	N 3° 31' 07.22" E 114° 43' 59.31"	05A & 07A	05A: 2659 ha 07A: 3708 ha	No Agreement new Lutin longhouse		TBA
17	Kayan	Lg. Bedian	N 3° 47' 36.23" E 114° 43' 57.49"	02A(i)	2744	GW: 1 Dec 1990		TBA
18	Kayan	Lg. Bemang	N 3° 50' 57.78" E 114° 35' 37.04"	01A	11,697	No Agreement	NA	TBA
19	Penan	Lg. Latik	N 3° 47' 43.58" E 114° 48' 44.93"	02A(ii)	7,790	GW: 26 Oct 2015 GW: 10 Jan 2017		2018
20	Penan	Lg. Kerangan	N 3° 46' 29.84" E 114° 50' 15.52"	2A(i)	2744	No Agreement	NA	TBA
21	Penan	Lg. Kevok	N 3° 48' 02.06" E 114° 54' 19.09"	02A(ii) 08A & 09A	7,790	GW/Log: 30 Apr 2007 GW: 28 May 2018		2017
22	Penan	Lg. Nen	N 3° 40' 24.91" E 114° 53' 46.70"	14A		GW: 23 Oct 2012 GW: 23 Apr 2013	Coupe 14A: 2019 - 2021	2019
23	Penan	Lg. Leng	N 3° 44' 16.42" E 114° 53' 05.23"	10A	5,117	GW: Agreement undated	Coupe 10A: 2016	2016
24	Penan	Lg. Puak	N 3° 49' 46.10" E 115° 02' 32.97"	16A Not clearly defined	Patah Area	GW/Log: 19 Dec 2007	Coupe 16A: 2022	Planned 2022

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25	Penan	Lg. Siang	N 3° 47' 45.53" E 115° 01' 21.95"	16A <i>Not clearly defined</i>	Patah Area	GW: 18 Dec 2007	Coupe 16A: 2022	Planned 2022
26	Penan	Lg. Kawa	N 3° 48' 14.56" E 114° 56' 32.38"	Part 15A; 16A; 17A; 19A	Patah Area (map)	GW/Log: 18 Dec 2007	Coupe 15A: 2021 Coupe 16A: 2022 Coupe 17A: 2023 Coupe 19A: 2025	Planned 2022
27	Penan	Lg. Bareth	N 3° 53' 57.98" E 115° 00' 21.53"	17A <i>Not clearly defined</i>	4,348 <i>Missing map</i>	GW/Log: 30 Nov 2008	Coupe 17A: 2023	Planned 2023
28	Penan	Lg. Jenalong	N 3° 47' 48.55" E 114° 48' 01.55"	02A(i)	2744	GW: 31 Oct 2012		TBA
29	Penan	Lg. Urang	N 3° 46' 14.30" E 114° 55' 25.85"	10A	5,117	GW: 9 Nov 2015 GW: 10 Jan 2017	Coupe 10A: 2016	TBA
30	Penan	Lg. Liwok	N 3° 51' 02.08" E 114° 55' 09.62"	17A	4,348	GW: 8 Jan 2015	Coupe 17A: 2023	TBA
31	Penan	Lg. Pakan	N 3° 33' 28.6" E 114° 52' 41.7"	(GP 0202) 01A	3,634	In the process of negotiation for the agreement	Coupe 01A: 2022 Coupe 02A: 2023	2021
				02A	3,564			

### Key findings of social assessment:

The region is mostly settled by Penan communities, followed by a few Kayan communities and Kenyah communities. The Penan are predominantly farming communities; however, hunting and gathering lifestyle is still practiced.

According to the EIA report, certain areas within the licensed area are subject to NCR claims by the local people based on their shifting cultivation areas or native farmlands and resource use such as hunting or fishing. Under the new approved GP in 23/11/2020 with an area of 142,790 ha, no areas within FTL No. T/0405 has been gazetted as Native Customary Right (NCR) under the Land Code. Samling Plywood (Lawas) has set aside about 3,036 ha as Penan Forest Reserve. In addition, the company also excluded the shifting agriculture (9,015 ha), cropland area (about 8,007 ha), a buffer zone for Gunung Mulu National Park – 1km (about 1,273 ha), and Tenyok Nature and Wildlife Reserve (about 3,048 ha) within the licensed area from logging activities and these areas were reflected in the GP. In addition, the Company observes the tribal customs and provides support to foster amicable relationships with local communities.

### Social Monitoring:

Samling Plywood (Lawas) has not conducted a formal Social Monitoring Program under a scheduled communication system with longhouses. However, regular communication and mutual consultation between Samling Plywood (Lawas) and local communities have been demonstrated over the years since the commencement of the logging operations.

The Company has a Social Policy dated 9<sup>th</sup> July 2018 not to harvest any areas used by local communities until a mutual agreement has been signed. Community claims are recorded, monitored and dealt with according to the Company's Standard Operating Procedures in accordance with a signed agreement for goodwill and log commission.

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### Scope of Assessment

- The scope of the evaluation is to verify compliance of FTL No. **T/0405 (Samling Plywood (Lawas) Sdn. Bhd.)** with the Principles 1-4 of the STLVS Standard (v02) 29 January 2019.
- Site evaluation to verify and report the level of compliance by the **Company**; Samling Plywood (Lawas) Sdn. Bhd. and its **Contractor**; Syarikat Samling Timber Sdn. Bhd. 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 only minor gaps or no gaps against any applicable criteria of the standard. Non-compliance to the Sarawak Legality Standard occurs when a Major Gap is issued against an indicator and associated criterion.

### Itinerary of Assessment

Date	Activities	GFS Staff	Mandays
15 November 2021 Monday	Morning: Opening Meeting followed by a document review at Wisma Samling (head office), Miri. Afternoon: Travel to Layun Camp in FTL No. T/0405. Overnight at Layun Camp.	Franklin Emang	1
16 November 2021 Tuesday	Field visit to Coupe 14A, check licensed boundary, check coupe boundary, check blocks boundary, check buffer zones, check Patah PoRM, check access road (M-2) to Coupe 01A and check Luteng campsite (has been dismantled). Document review.	Franklin Emang	1
17 November 2021 Wednesday	Community consultation session with representatives of Long Pakan at Layun camp's office. Campsite inspection. Document review.	Franklin Emang	1
18 November 2021 Thursday	Travel to CDC Long Banyok and document review. Travel to Miri.	Franklin Emang	1
19 November 2021 Friday	Document review and closing meeting at Wisma Samling (head office), Miri.	Franklin Emang	1
22-29 November 2021	Reporting: GFSS 018-019	Dr. Kevin Grace Franklin Emang	2
<b>Total</b>			<b>7</b>

### Highlights of Assessment

**(Major Gap = 0 / Minor Gap = 2 / Observation = 1)**

**Samling Plywood (Lawas) Sdn. Bhd.** has complied with the Sarawak Legality Standard (Principles 1-4) as no non-compliance was identified during the assessment on 15<sup>th</sup> – 19<sup>th</sup> November 2021.

Summary of current status of operations against each principle.

#### Principle 1:

Samling Plywood (Lawas) has redefined coupe areas to 30 coupes and renumbered coupe areas in FTL No. T/0405.

Samling Plywood (Lawas) has demonstrated compliance with the license requirements, EIA requirements and environmental mitigation measures were adequately implemented. The management planning GP, was approved in November 2020 by FDS that include identification of areas for production and protection.

#### Document Control

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Samling Plywood (Lawas) Sdn. Bhd. / FTL No. **T/0405**





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### Highlights of Assessment

Coupes have been renumbered and consist of 30 annual working Coupes, covering 142,790 ha of the licensed concession with a net operable area of 108,999 ha.

Samling Plywood (Lawas) engaged Syarikat Samling Timber as the logging contractor to fell, extract, harvest and sell merchantable timber from the FTL No. T/0405 licensed area.

#### August 2020: Gap 005/2020 (Minor) – Checklist 1.2.4

The sanitation and hygiene observed at the workers' quarters were observed to be fair. Household rubbish (i.e. plastic bottles, cigarette butt) were underneath the quarters and scattered around the collecting bin area. There was also a spot of stagnant water (small pool) observed near to the housing that has potential for mosquito breeding.

#### November 2021: Gap 005/2020 (Minor) - Outstanding

Observed stagnant water (small pool) behind the labours quarters that has potential for mosquito breeding. The septic tank was overflowing. The drainage system was not functioning well and an oil trap was misused for small fish pond.

Samling Plywood (Lawas) has a valid approved PEC 1-4 for Coupe 01A.

PEC Operation #	Block #	Approval date	Doc. Ref. #
1-4	001-045 (45 blocks; 3,438 ha)	27/08/2021	MFO/T/0405 Jld.4 - 46

**Note:** PEC-1 coupe boundary demarcation; PEC-2 prepare topographical work map; PEC-3 survey proposed forest roads; PEC-4 start road construction, survey block boundaries & identify trees for felling. As of the recent assessment, application for PEC heading 5 (fell and extract timber) was not yet submitted.

#### Principle 2:

Samling Plywood (Lawas) has demonstrated compliance with forestry operation standards, demarcation of boundaries and areas for protection, tree enumeration, control of timber production, log transportation, worker safety and health. Logging in 2020-2021 was conducted in Coupe 14A.

#### August 2020: Gap 006/2020 (Minor) – Checklist 2.3.2

- 2 of 4 buffer zones sampled were disturbed based on field observations at Coupe 14A. Samling Plywood (Lawas) did not consistently protect buffer zones from disturbance:
- Measures to control excess soil (due to road construction) from entering the buffer zones were not adequate.

#### November 2021: Gap 006/2020 (Minor) – Closed

Several buffer zones were inspected in Coupe 14A which were all observed not disturbed. No evidence of blockage of waterways by soil or logging debris.

Samling Plywood (Lawas) has a system to protect the area from illegal activities including security gates and forest surveyor teams responsible for patrolling within the licensed area while conducting forest surveys. An aerial survey is conducted annually. Reports were documented and maintained.

The licensee adhered to cutting limits as stipulated in the license conditions and monthly production limit

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## LEGAL VERIFICATION SERVICES

### Highlights of Assessment

as approved by FDS. The allowable cutting limits for FTL No. T/0405 are DBH 45 cm and above for non-Dipterocarp species and DBH 60 cm and above for Dipterocarp species. The current code of practice of harvesting for Coupe 14A is based on conventional harvesting.

The extension of harvesting period for Blocks 001, 004, 005, 007, 008 & 017 of Coupe 14A was approved by FDS. As of the recent assessment, harvesting operation has yet to be carried out.

Field workers sampled had valid documents and were covered by SOCSO and insurance. The company provided training to workers. Training for logging operations was conducted by STA and records were maintained.

#### August 2020: Observation 001-2020 - Checklist 2.5.2

The JTK license renewal was submitted on 21/06/2019, but it is still pending approval from Jabatan Tenaga Kerja Sarawak.

#### November 2021: Observation 001-2020 (Addressed)

Jabatan Tenaga Kerja Sarawak has approved the JTK license (Ref. #: APP/2019/001022 / JTK-MG-BM-02202-4(A)(5) dated 03/10/2019).

#### November 2021: Observation 001-2021 - Checklist 2.5.8

The content of first aid box inspected at workshop's office was inadequate.

#### Principle 3:

Samling Plywood (Lawas) demonstrated compliance with payment of Royalty Fees and other charges as required.

#### Principle 4:

No areas within FTL No. T/0405 have been gazetted as Native Customary Right (NCR) under the Land Code. Samling has made agreements on goodwill and log commission with most of the longhouses associated with FTL/0405. Samling Plywood (Lawas) continued to pay log commission to Long Nen in 2020 / 2021 according to the signed agreement for their claimed areas in Coupe 14A (old GP).

Lg Pakan dispute: As of the recent assessment, 2 Polis reports were submitted by a few members of Long Pakan in respect to planned logging in Coupe 01A by Samling Plywood (Lawas). Lg Pakan community is currently divided in respect to planned harvesting within Coupes 01A & 02A that are claimed by the community. The community is satisfied with Samling as the company's representatives initiated discussions on 01/08/2021 and 15/08/2021 on planned harvesting operations and to negotiate terms and conditions prior to harvesting in claimed areas.

Based on the police report made by the group leader Joshua Geng on 14/09/2021, 47 villagers agreed to allow Samling to operate in their claimed area. Subsequently, based on the Media Release dated 11/10/2021, Samling has thus far obtained the consent of 56 of *ketua bilik* of Long Pakan. In the police report made by the head of the village on 23/08/2021, he stated that the Company had felled 109 trees in Ba Nyepangah area. Samling stated that 109 logs that are for bridge construction on the main forest road, M-2 en route to Coupe 01A originated from Coupe 03A not from Coupe 01A as stated in the police report.

Currently, the community is not united in their agreement with Samling and the issue is still under negotiation. The villagers need to utilize their administrative committee system to establish a consensus

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## LEGAL VERIFICATION SERVICES

### Highlights of Assessment

on an agreement for harvesting. Samling & Lg. Pakan villagers can then develop an agreement for goodwill and log commission accepted and signed by the community. Samling cannot start harvesting operations in Coupe 01A until an agreement has been finalised and signed in accordance with their 2018 Social Policy.

Long Pakan, led by Mr. Joshua Geng, allowed the company to carry out harvesting operations to fell and extract timber from their claimed area of Coupe 01A and future Coupe 02A. However, during the recent assessment, negotiation is still in progress between the Company and Long Pakan. Once the mutual agreement is obtained, the company's Legal Department will proceed to produce the agreement and to be signed by both parties. As a result, no harvesting operation was conducted in Coupe 01A, a claimed area of Long Pakan as of the recent assessment.

#### November 2021: Gap 001/2021 (Minor) – Checklist 4.1.2

List of longhouses aligned to the FTL No. T/0405 and their claimed area in the licensed area were not updated.

### Summary results:

(Major Gap = 0 / Minor Gap = 2 / Observations = 1)

GAPs :				
GAP #	Type	Checklist	Status	Description
005/2020	Minor	1.2.4	Outstanding	<p><b>August 2020:</b> The sanitation and hygiene observed at the workers' quarters were observed to be fair. Household rubbish (i.e. plastic bottles, cigarette butt) were underneath the quarters and scattered around the collecting bin area. There was also a spot of stagnant water (small pool) observed near to the housing that has potential for mosquito breeding.</p> <p><b>November 2021:</b> Observed stagnant water (small pool) behind the labours quarters that has potential for mosquito breeding. The septic tank was overflowing. The drainage system was not functioning well and an oil trap was misused for small fish pond.</p>
006/2020	Minor	2.3.2	Closed	<p><b>August 2020:</b></p> <ul style="list-style-type: none"> <li>2 of 4 buffer zones sampled were disturbed based on field observations at Coupe 14A. Samling Plywood (Lawas) did not consistently protect buffer zones from disturbance:</li> <li>Measures to control excess soil (due to road construction) from entering the buffer zones were not adequate.</li> </ul> <p><b>November 2021:</b> Several buffer zones were inspected in Coupe 14A which were all observed not disturbed. No evidence of blockage of waterways by soil or logging debris.</p>

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001/2021	Minor	4.1.2	New	<b>November 2021:</b> Lack of updating the list of longhouses associated with FTL No. T/0405 along with their claimed areas within the revised coupes in relation to the GP approved in 2020.
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*\*Note: Major Gap = Non-Compliance / Minor Gap still compliant to criterion. Minor Gap may be upgraded to a Major Gap if not adequately addressed by the date of the next surveillance visit.*

### Observations

Obs #	Checklist	Description
001-2020 Addressed	2.5.2	<b>August 2020:</b> The JTK license renewal was submitted on 21/06/2019, but it is still pending for approval from Jabatan Tenaga Kerja Sarawak. <b>November 2021:</b> Jabatan Tenaga Kerja Sarawak has approved the JTK license (Ref. #: APP/2019/001022 / JTK-MG-BM-02202-4(A)(5) dated 03/10/2019).
001-2021	2.5.8	<b>November 2021:</b> The content of first aid box inspected at workshop's office was inadequate.

*\*Note: Observations can be upgraded to a Minor Gap if not adequately addressed by the date of the next surveillance visit.*

### Highlights of Close out visit (if applicable)

Dates

-

Not applicable

### Recommendations

**Samling Plywood (Lawas) Sdn. Bhd.** has demonstrated compliance with the Sarawak Legality Standard (Principles 1-4) for Forest Timber License No. T/0405 and is recommended to receive a GFS Statement of Compliance and STLVS Certificate of Compliance from FDS.

Gaps/Observations should be addressed by the next surveillance. Actions required to address the Gaps/Observations identified include:

**Gap 005/2020 (Minor) Outstanding – Checklist 1.2.4:** The company shall maintain the workers' quarters sanitation and hygiene to prevent potential diseases (e.g., Leptospirosis, Malaria, Dengue, etc.). Desilt the drainage and maintain the septic tanks. The company shall ensure oil trap is used to trap oil residue from flowing into the environment.

**Gap 001/2021 (Minor) – Checklist 4.1.2:** The company needs to revise the list of longhouses, identify their claimed areas and map it based on the new approved GP and revised coupe numbering.

**Observation 001-2021 – Checklist 2.5.8:** The company should replenish the first aid kit contents promptly.

The next annual monitoring visit will be scheduled for **November 2022**.

## End of Summary Report

### Document Control

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