# Supply Base Report:

## TreeOne MegaPellet Sdn. Bhd.
## Fourth Surveillance Audit

**Sustainable Biomass Program**
sbp-cert.org



## Completed in accordance with the Supply Base Report Template Version 2.2 and SBP Bridging Requirements for Meeting the Directive EU/2023/2413 (REDIII)

For further information on the SBP Framework and to view the full set of documentation see **www.sbp-cert.org**

### Document history

| | |
|---|---|
| **Version 1.0** | **Published 26 March 2015** |
| **Version 2.0** | Published 10 August 2023 |
| **Version 2.1** | Published 15 April 2024 |
| **Version 2.2** | Published 21 May 2025 |
| **Version 2.3** | Published 14 August 2025 |

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# 1 Overview

| | |
|---|---|
| **Producer name:** | TreeOne MegaPellet Sdn. Bhd. |
| **Producer address:** | Lot 814, Jepak Industrial Estate, 97013 Bintulu, Sarawak, Malaysia |
| **SBP Certificate Code:** | SBP-06-84 |
| **Geographic position:** | 3.154295, 113.067459 |
| **Primary contact:** | Yew Ee Hui,<br>+60 198 340 946,<br>yeweh@samling.com.my |
| **Company website:** | www.samling.com |
| **Date report finalised:** | 14 Aug 2026 |
| **SBR reporting period from:** | 01 Jun 2025 |
| **SBR reporting period to:** | 31 May 2026 |
| **Name of the Certification Body:** | Control Union Certifications BV |
| **Certification Body Approval date:** | 22 Sep 2026 |
| **SBP Standard(s) used:** | SBP Standard 1: Feedstock Compliance v2.0, SBP Standard 2: Feedstock Verification v2.0, SBP Standard 4: Chain of Custody v2.0, SBP Standard 5: Collection and Communication of Data v2.0, Instruction Document 5E: Collection and Communication of Energy and Carbon data. v2.1, Instruction Document EU RED: Bridging Requirements for Meeting the Directive EU/2023/2413 |
| **Feedstock origin (countries)** | Malaysia (sarawak) |
| **Weblink to Standard(s) used:** | https://sbp-cert.org/documents/standards-documents/standards |

# 2 Description of the Biomass Producer and the Supply Base

## 2.1 Description of the company

TreeOne Mega Pellets Sdn. Bhd., a member of the Samling Group of Companies, is situated at Jepak Industrial Estate, approximately 20 kilometers from Bintulu Town in Sarawak, Malaysia. The company specializes in the manufacturing of wood pellets. Construction of the facility was completed at the end of 2020, followed by a trial run and commissioning. The plant officially commenced full-scale operations by the end of 2020, running two (2) production lines with a combined capacity to produce 120,000 metric tons of wood pellets annually.

**Products included in the scope of SBP Certification:** *WB 1.1 Wood pellets*

**Number of employees:** *125*

**Annual maximum production capacity (metric tonnes):** *120000*

**Number of direct feedstock suppliers:** *4*

**Approximate number of feedstock sub-suppliers:** *0*

**Description of the chain-of-custody and upstream supply chain**:

TOMP exclusively produces wood pellets, utilizing plantation logs as the primary input materials. These logs are sourced from the Licenced Planted Forest (LPFs) owned by affiliated sister companies. The feedstock supply is diligently managed and restricted to specific supply bases, as outlined below:
1) TOMP is actively procuring feedstock that is compliant with the Sustainable Biomass Program (SBP) standards, sourced from SBP-compliant material.
2) In addition, TOMP is sourcing feedstock classified as SBP-controlled, sources with a Due Diligence System (DDS).

| Name of Forest Plantation | Hectarage (ha) | Tree Species | Category |
|---|---|---|---|
| Segan Licensed Planted Forest (LPF0014) | 3,801.4 | Acacia mangium<br>Eucalyptus pelita<br>Acacia crassicarpa<br>Falcataria falcata<br>Gmelina arborea<br>Melaleuca cajuputi<br>Melaleuca leucadendra<br>Melaleuca quinquenervia<br>Neolamarckia cadamba | SBP Compliant material |
| Lana Licensed Planted Forest (LPF0006) | 1,695.6 | | |
| Kuala Baram Licensed Planted Forest (LPF0004) | 74.8 | | |
| Paong Licensed Planted Forest | 4,142.8 | | |

(LPF0021)

| Name of Forest Plantation | Hectarage (ha) | Tree Species | Category |
|---|---|---|---|
| Segan Licensed Planted Forest (LPF0014) | 282.69 | Acacia mangium<br>Eucalyptus pelita<br>Acacia crassicarpa<br>Falcataria falcata<br>Gmelina arborea<br>Melaleuca cajuputi<br>Melaleuca leucadendra<br>Melaleuca quinquenervia<br>Neolamarckia cadamba | SBP Controlled material |
| Lana Licensed Planted Forest (LPF0006) | 82.75 | | |
| Paong Licensed Planted Forest (LPF0021) | 2,138.25 | | |

In the forest plantations, the segregation of low-grade rough woods occurs, and the feedstock required for biomass pellet production is transported to TOMP after weighing, accompanied by relevant commercial documentation such as delivery orders and weighbridge tickets.
The process flow for wood pellet production is as follows:
Receiving of logs (SBP Compliant and SBP Controlled logs) --> segregated at log yard--> daily determination of SBP compliant and controlled logs --> Fed into debarker--> Chipping--> Hammer Mill--> Drying--> Pelleting--> Storage (silo)--> Transfer and shipping. The finished wood pellets, produced at a total capacity of 120,000 metric tons per year from two production lines, are sold to buyers.

## 2.2 Detailed description of the Supply Base

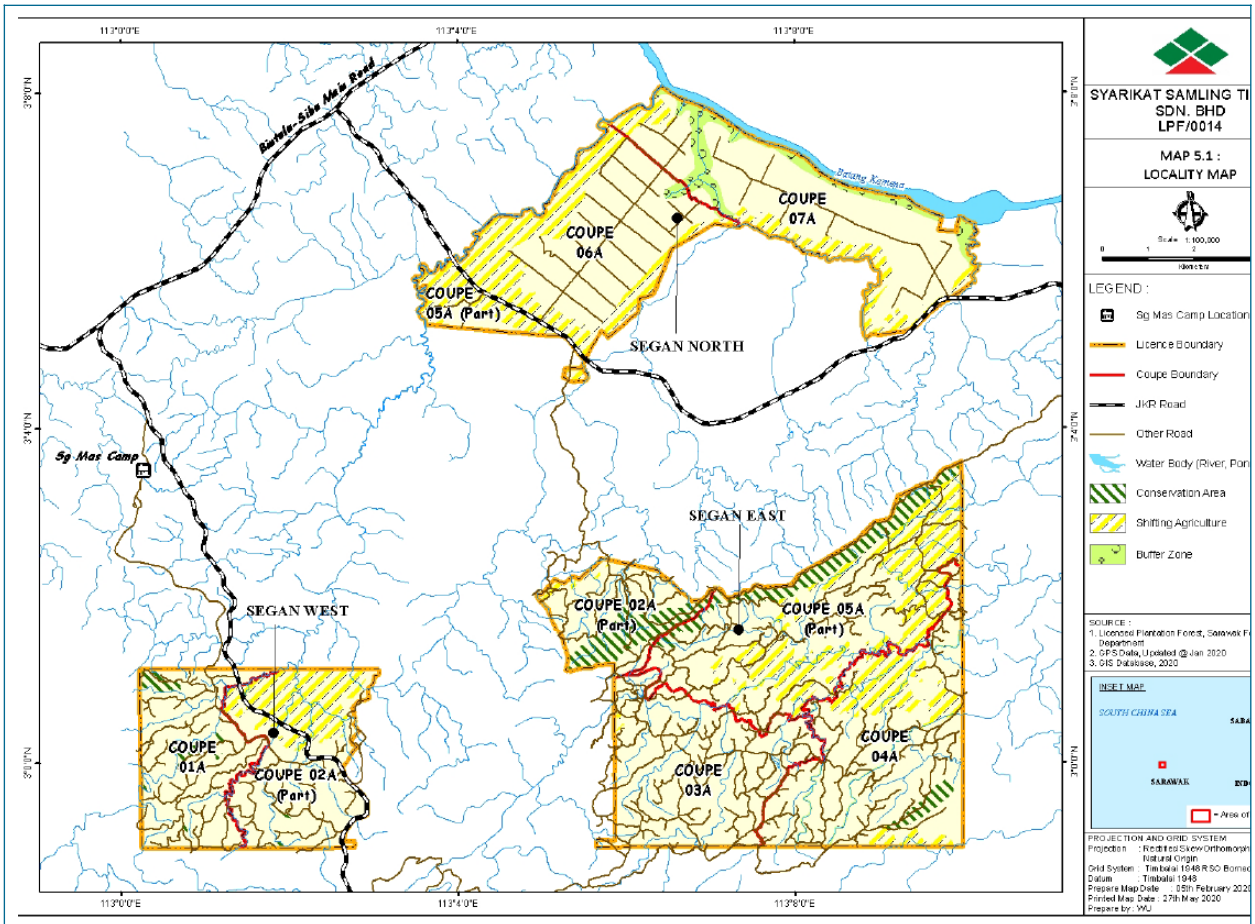
*Guidance: Tables below have been generated automatically for each sourcing country based on the selection of 'Feedstock origin (countries)' in section 1 above.*

*Annex 1 is generated by the system if the SBP SBE is used without Regional Risk Assessment(s) (RRAs). In case RRA(s) is used, further details shall be given only in section 3 below.*

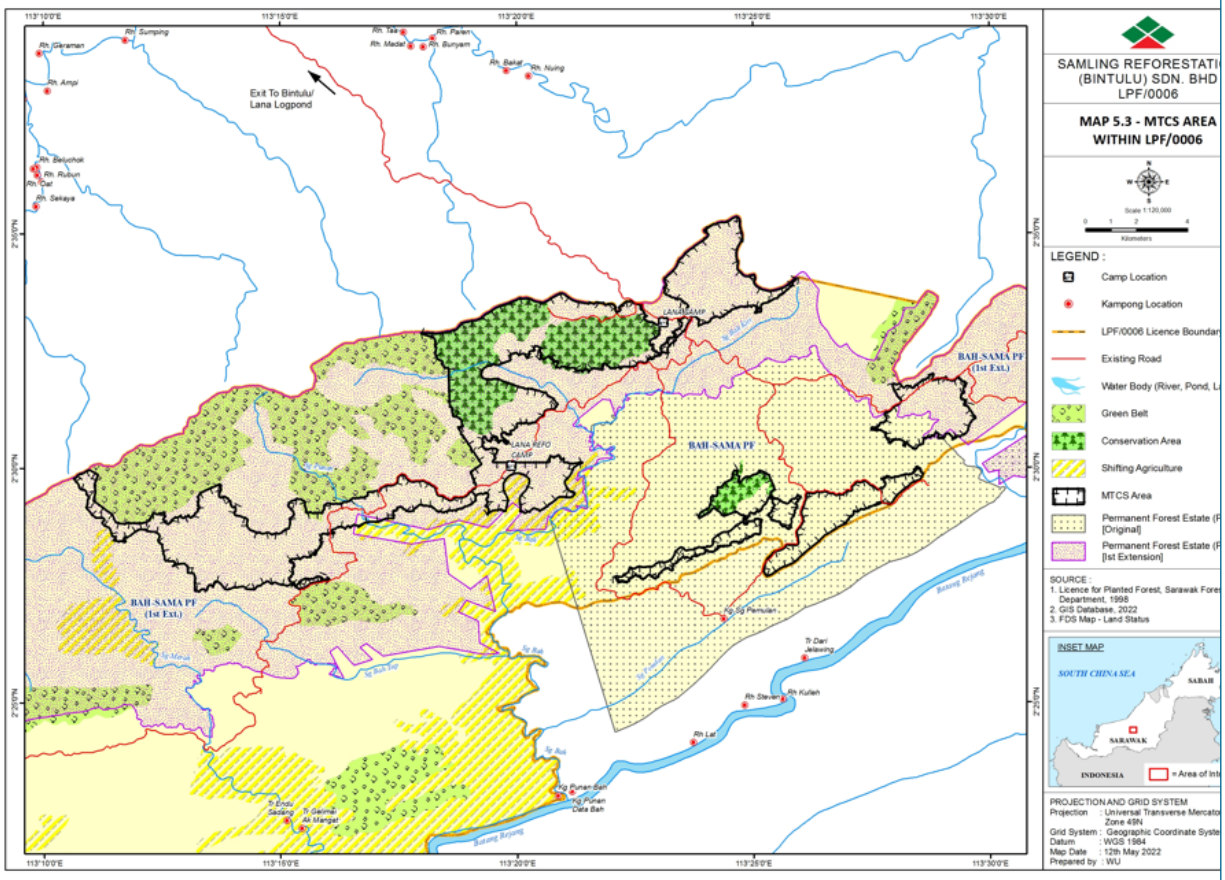
*Annex 2 is generated if EU RED SBE is in the scope for each country separately.*

| | |
|---|---|
| **Country** | Malaysia |
| **Area/Region** | Sarawak |
| **Exclusions** | |
| **Feedstock types** | Primary feedstock |
| **Feedstock Product Groups** | Forest feedstock (1A) |
| **Feedstock inputs** | SBP Compliant feedstock , SBP Controlled feedstock |
| **Is the forest managed to supply energy and non-energy** | Yes - Minority |

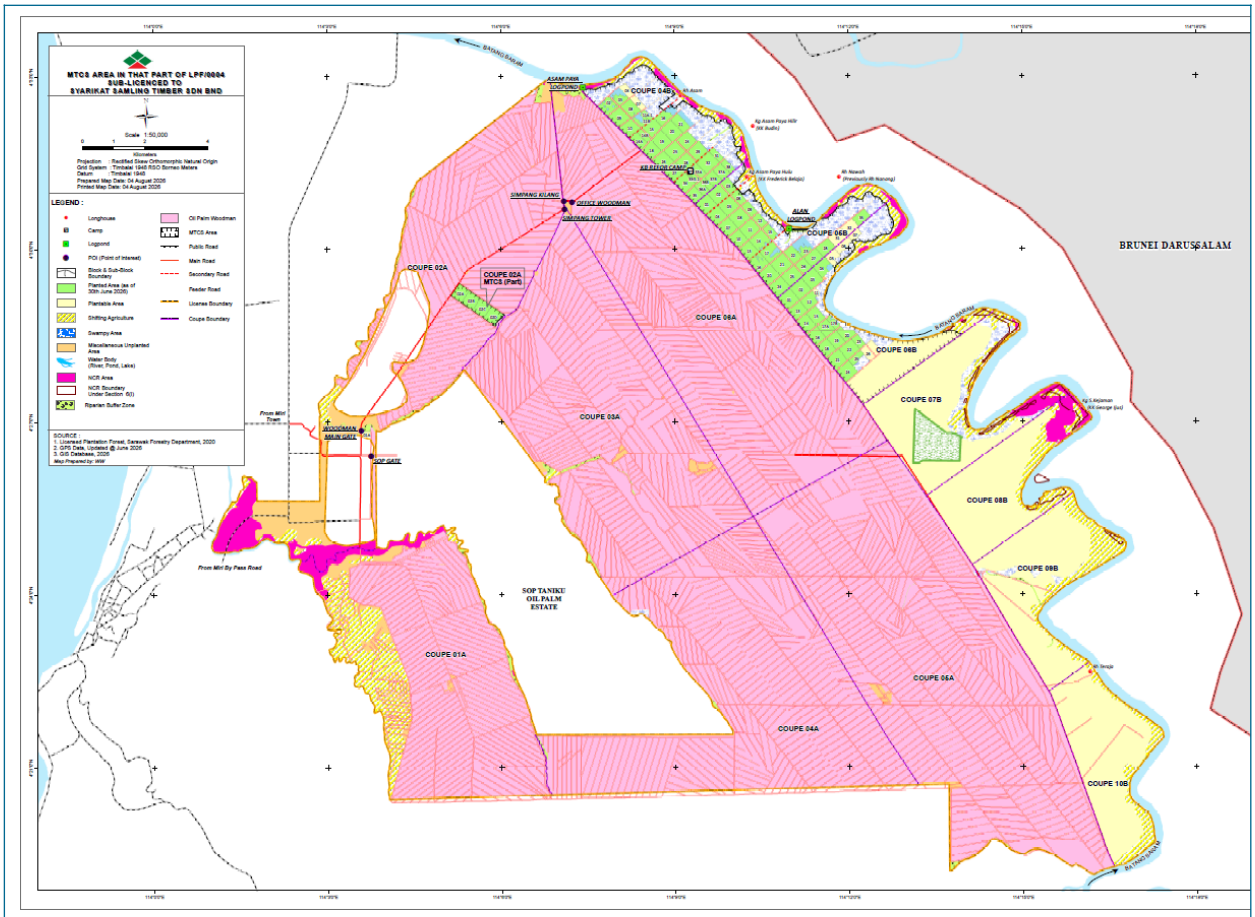
| | |
|---|---|
| **markets?** | |
| **For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?** | Yes - Majority |
| **Risk assessment(s)** | Yes – Biomass Producer's own risk assessment used (SBE) |
| **Provide a concise summary of why a SBE was determined to be required or not required here:** | |
| To comply with SBP Version 2. | |
| **Feedstock types included in SBE:** | Primary feedstock |
| **Includes EU RED SBE:** | Yes |
| **Includes EU RED II SBE grandfathering** | No |
| **Includes EU RED TOF:** | No |
| **Includes EU RED II TOF grandfathering** | No |
| **Size of Supply Base area (million ha):** | 0.1000 |
| **Map(s) of the Supply Base area:** | |
| Segan LPF0014 | |



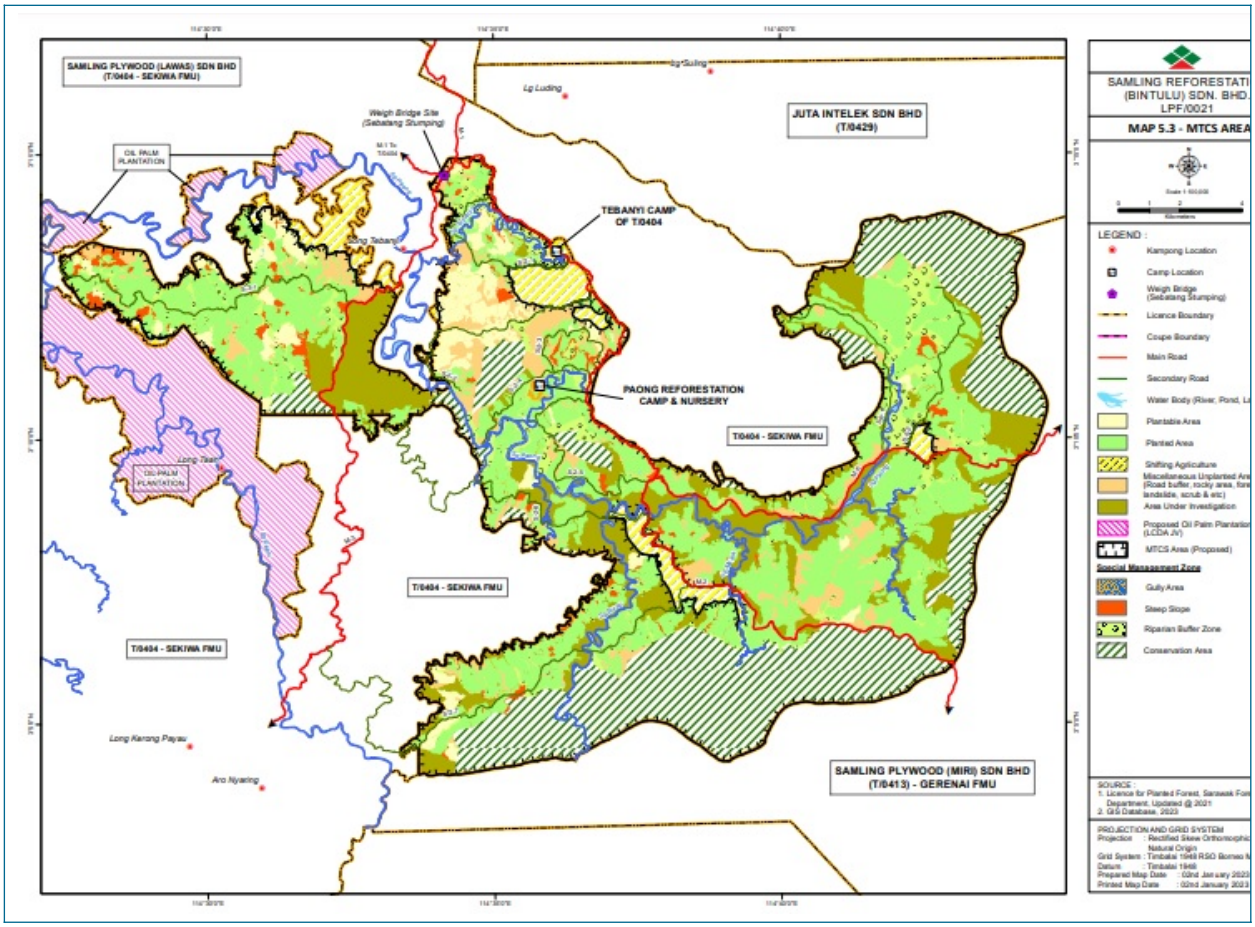

Lana LPF0006




Kuala Baram LPF0004




Paong LPF0021


SAMLING PLYWOOD (LAWAS) SDN BHD
(T/0404 - SEKIWA FMU)
JUTA INTELEK SDN BHD
(T/0429)
Weigh Bridge Site
(Sebatang Stumping)
OIL PALM
PLANTATION
TEBANYI CAMP
OF T/0404
PAONG REFORESTATION
CAMP & NURSERY
T/0404 - SEKIWA FMU
T/0404 - SEKIWA FMU
T/0404 - SEKIWA FMU
SAMLING PLYWOOD (MIRI) SDN BHD
(T/0413) - GERENAI FMU
Long Kerong Payau
Aro Nyaring
SAMLING REFORESTATI
(BINTULU) SDN. BHD.
LPF/0021
MAP 5.3 - MTCS AREA
LEGEND :
Kampong Location
Camp Location
Weigh Bridge
(Sebatang Stumping)
Licence Boundary
Coupe Boundary
Main Road
Secondary Road
Plantable Area
Planted Area
Shifting Agriculture
Area Under Investigation
Proposed Oil Palm Plantation
(LCDA JV)
MTCS Area (Proposed)
Special Management Zone
Gully Area
Steep Slope
Riparian Buffer Zone
Conservation Area

## 2.3 Feedstock information

a. **Total volume of Feedstock:** 1-200,000 tonnes

b. **Volume of primary feedstock:** 1-200,000 tonnes

c. **List of all the species in primary feedstock, including scientific name:**

| | |
|---|---|
| Acacia mangium | wattles or acacias |
| Eucalyptus pellita | pokok kayu putih |
| Acacia crassicarpa | nothern wattles |
| Falcataria falcata | batai |
| Gmelina arborea | white teak |
| Melaleuca cajuputi | gelam |
| Melaleuca leucadendra | kulit kertas putih |
| Melaleuca quinquenervia | paper bark tea tree |
| Neolamarckia cadamba | kelampayan |

d. **Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** No

**Explanation:**

e. **Hardwood (i.e. broadleaf trees): specify proportion of feedstock from (%)**: 100.00

f. **Softwood (i.e. coniferous trees): specify proportion of feedstock from (%):** 0.00

g. **Proportion of feedstock composed of or derived from saw logs by weight (%):** 0.00

h. **Indicate how you determine the proportion of saw log:** Specification issued by a body exercising functions of a public nature and issued for use by sawmills in the area in which the wood was grown.

i. **Roundwood from fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** 0.00

j. **Select forest type(s) where the primary feedstock was sourced from:** Planted Forest

k. **Select the main harvesting system(s) used for the sourced primary feedstock:** Clearcutting

l. **Volume of primary feedstock from primary forest:** 0

m. **Volume of processing residues feedstock:** 0
**Physical form of the feedstock:** N/A

n. **Share of SBP-recognised system claim for processing residues:**

o. **Volume of post-consumer feedstock:** 0
**Physical form of the feedstock:** N/A

p. **Estimated amount of EU RED-compliant sustainable feedstock that could be collected annually by the BP:** 240000 tonnes

q. **What is the estimated amount of EU RED-compliant sustainable feedstock that could be harvested annually in a Supply Base (estimated):** 365000.00 tonnes

**Explanation**: TreeOne MegaPellet annual rated capacity is 120000 MT. Only the balance of round logs after selection for peeler and sawmill grade used for pellet production. Estimated total planted forest production to be 399,050 MT / year.

# 3 Supply Base Risk Assessments and Risk Management Measures

*Guidance: Biomass Producers shall demonstrate that any specified risks of sourcing feedstock not in compliance with SBP Standard 1 have been adequately reduced to low risk, following Standard 2 requirements. Following section applies to Biomass Producer's implementing SBP Supply Base Evaluation (SBP RRA or company own risk assessment). EU RED Supply Base Evaluation details are reported in Annex 2.*

☐ **Not Applicable – Supply Base Evaluation not implemented**

## 3.1 Summary of the Supply Base Evaluation

Summary as follows:

| No Supplier | Raw Material Supply (based on Contractual Agreement) | Supply Origin - Likelihood of Origin | Certification/Verification Legality - Likelihood on Supply Chain | Risk Determination |
|---|---|---|---|---|
| 1. Segan Licensed Planted Forest (LPF/0014) | Plantation Logs - Acacia mangium, Acacia crassicarpa, Eucalyptus pellita, Falcataria falcata, Gmelina arborea, Melaluca cajupati, Melaleuca leucandendra, Melaleuca quinquenervia, Neolamarckia cadamba | Malaysia<br>(i) CPI 2024 score: 50<br>(ii) WJP Rule of Law Index 2024 score: 0.57 (↓.50)<br>Low | (i) FPMU certified under MTCS endorsed by PEFC (Cert. no. FMC-FP 00002; Expiry date 17 July 2030)<br>(ii) The licence (LPF/0014) was issued by Forest Department Sarawak on 27 January 1999 and valid until 26 January 2059<br>(iii) Log Delivery Order, Royalty & Removal Transit Pass | Negligible risk |
| 2. Lana Licensed Planted Forest (LPF/0006) | Plantation Logs - Acacia mangium, Acacia crassicarpa, Eucalyptus pellita, Falcataria falcata, Gmelina arborea, Melaluca cajupati, Melaleuca leucandendra, Melaleuca quinquenervia, Neolamarckia cadamba | Malaysia<br>(i) CPI 2024 score: 50<br>(ii) WJP Rule of Law Index 2024 score: 0.57 (↓.50)<br>Low | (i) FPMU certified under MTCS endorsed by PEFC (Cert. no. FMC-FP 00116; Expiry date 11 May 2030)<br>(ii) The licence (LPF/0006) was issued by Forest Department Sarawak on 8 December 1998 and valid until 7 December 2058<br>(iii) Log Delivery Order, Royalty & Removal Transit Pass | Negligible Risk |
| 3. Kuala Baram Licensed Planted Forest (LPF/0004) | Plantation Logs - Acacia mangium, Acacia crassicarpa, Eucalyptus pellita, Falcataria falcata, Gmelina arborea, Melaluca | Malaysia<br>(i) CPI 2024 score: 50<br>(ii) WJP Rule | Low<br>(i) FPMU certified under MTCS endorsed by PEFC (Cert. no. FMC-FP 00119; Expiry date 26 December 2027) | Negligible Risk |

| | | | | |
|---|---|---|---|---|
| | cajupati, Melaleuca leucandendra, Melaleuca quinquenervia, Neolamarckia cadamba | of Law Index 2024 score: 0.57 (↓.50)<br><br>Low | (ii) The licence (LPF/0004) was issued by Forest Department Sarawak on 8 December 1998 and valid until 7 December 2058<br><br>(iii) Log Delivery Order, Royalty & Removal Transit Pass<br><br>Low | |
| 4. Paong Licensed Planted Forest (LPF/0021) | Plantation Logs - Acacia mangium, Acacia crassicarpa, Eucalyptus pellita, Falcataria falcata, Gmelina arborea, Melaluca cajupati, Melaleuca leucandendra, Melaleuca quinquenervia, Neolamarckia cadamba | Malaysia<br>(i) CPI 2024 score: 50<br><br>(ii) WJP Rule of Law Index 2024 score: 0.57 (↓.50)<br><br>Low | (i) FPMU certified under MTCS endorsed by PEFC (Cert. no. FMC-FP 00120; Expiry date 7 March 2029)<br><br>(ii) The licence (LPF/0021) was issued by Forest Department Sarawak on 16 August 2000 and valid until 15 August 2060<br><br>(iii) Log Delivery Order, Royalty & Removal Transit Pass<br><br>Low | Negligible Risk |

### 3.2 Conflicts with applicable national and sub-national legislation

There are no areas of conflict encountered with applicable national and sub-national legislation.

### 3.3 Risk Management Measures

*Guidance: Please provide more details about specified risk indicators in each supply country and describe mitigation measures taken to address all specified risks associated with indicators.*

| | |
|---|---|
| **Country:** Malaysia | |
| **Area/sub-scope:** | |
| **Risk Assessment used:** | |
| | ☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim<br>☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim<br>☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim<br>☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed<br>☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim<br>☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed<br>☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed<br>☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed<br>☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim |

| | |
|---|---|
| | ☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim<br>☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim<br>☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim<br>☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim<br>☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim<br>☒ Biomass Producer's own risk assessment |
| **Indicator with specified risk:** | |
| 4.2.5 Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices. | |
| **Description of the specific risk:** | |
| Feedback Importance:<br>There is a possibility of overlooking grievances and disputes due to incompetent personnel failing to record them properly and provide timely responses to the complainants. | |
| **Mitigation measure:** | |
| **Defined Response Timeframes**: Clear deadlines for acknowledging and resolving complaints to ensure accountability and shall abide to the procedure<br>**Independent Audits & Reviews**: Conduct periodic internal audits to assess grievance-handling effectiveness and identify areas for improvement.<br>**Community Engagement Sessions**: Regular meetings with complainants to provide updates, with support from the LPF management.<br>**Guide/mentoring**: LPF management regularly guides the personnel (Community Liaison Officer) on<br>**1)** maintaining a **Grievance Register** with records of all submissions, actions taken, and outcomes; and<br>**2)** Implement a **feedback mechanism** to inform complainants of progress and resolution status. | |
| **Monitoring and outcomes:** | |
| a. Monitoring Activities<br>• Regular review and/or when needed of the Grievance Register and resolution timelines.<br>• Audit trail verification during MC&I SFM surveillance audits.<br>• Tracking of outreach activities, including attendance and feedback from community engagement sessions.<br>b. Expected Outcomes<br>• Increased community confidence in the LPF's land management and dispute resolution practices.<br>• Timely and transparent resolution of any future grievances or land claims.<br>• Reduction in specified risk rating through demonstrated effectiveness of grievance mechanisms. | |

| |
|---|
| **Country:** Malaysia |
| **Area/sub-scope:** |

| Risk Assessment used: | |
|---|---|
| | ☐SBP-RRA-AS-VN-FOR_v1.0 RRA for Vietnam FOR_Interim<br>☐SBP-RRA-US-NF-FOR_v1.0 RRA for US National FOR_Interim<br>☐SBP-RRA-US-PF-FOR_v1.0 RRA for US Private FOR_Interim<br>☐SBP-RRA-EU-DK-FOR_v2.0 RRA for Denmark FOR_Endorsed<br>☐SBP-RRA-EU-DK-TOF_v1.0 RRA for Denmark TOF_Interim<br>☐SBP-RRA-EU-EE-FOR_v2.0 RRA for Estonia FOR_Endorsed<br>☐SBP-RRA-EU-LV-FOR_v2.0 RRA for Latvia FOR_Endorsed<br>☐SBP-RRA-EU-LT-FOR_v2.0 RRA for Lithuania FOR_Endorsed<br>☐SBP-RRA-CA-QC-FOR_v2.0 RRA for Quebec FOR_Interim<br>☐SBP-RRA-CA-AB-FOR_v1.0 RRA for Alberta FOR_Interim<br>☐SBP-RRA-CA-BC-FOR_v2.0 RRA for British Columbia FOR_Interim<br>☐SBP-RRA-CA-NB-FOR_v1.0 RRA for New Brunswick FOR_Interim<br>☐SBP-RRA-CA-NS-FOR_v1.0 RRA for Nova Scotia FOR_Interim<br>☐SBP-RRA-EU-NO-FOR_v1.0 RRA for Norway FOR_Interim<br>☒ Biomass Producer's own risk assessment |
| **Indicator with specified risk:** | |
| 2.2.1 Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands. | |
| **Description of the specific risk:** | |
| There is a specified risk that feedstock may originate from land that was natural forest, wetland, peatland, or highly biodiverse grassland as of January 2008, and has since been converted to plantation forest, particularly in blocks established after the MTCS cut-off date of 31 December 2010. This poses a risk of non-compliance with SBP Indicator 2.2.1 and MTCS Criterion 6.10, especially where land conversion may have impacted high conservation value (HCV) areas or ecologically sensitive zones. | |
| **Mitigation measure:** | |
| To reduce the specified risk to a low/negligible level, implement the following control and verification measures:<br>**a. Land Conversion Verification**<br>• Require documented land history (e.g., satellite imagery, land use records, gazette notifications) to confirm land status as of January 2008.<br>• Use GIS mapping overlays to verify that feedstock is not sourced from areas converted after 2008 or from HCV/ecologically sensitive areas.<br>**b. Segregation and Traceability**<br>• Maintain strict segregation of feedstock at the weighbridge and processing facilities based on Block Master classification (PEFC Certified vs Controlled Source).<br>• Apply clear labeling and stamping on delivery documents to ensure traceability.<br>**c. Enhanced Due Diligence for Controlled Source**<br>• For PEFC Controlled Source feedstock, conduct additional field verification and stakeholder consultation to confirm no adverse environmental or social impacts.<br>• Require Environmental Impact Assessments (EIA) and community consultation records for all post- | |

2010 blocks.

**Monitoring and outcomes:**

a. Monitoring Activities

- Field inspections of high-risk blocks, especially those established post-2010.
- Review of third-party audit reports (MC&I SFM, ECA) for non-compliance findings.
- Community engagement monitoring, including review of grievance records and social impact reports.

b. Expected Outcomes

- Verified low risk of non-compliant land conversion for all certified feedstocks.
- Transparent documentation trail from source to weighbridge to biomass production.
- Corrective actions implemented promptly for any identified non-conformities, with follow-up verification.

# 4 Stakeholder engagement

## 4.1 General description

**Biomass Producer's stakeholder engagement start date:** 01 Jan 2025

**Biomass Producer's stakeholder engagement end date:** 31 Dec 2025

**Total number of stakeholders contacted:** 55

**Give a general description of the process of Stakeholders Engagement, including stakeholders contacted, method of communication and a summary of the comments received:**

Stakeholder engagement or consultation, should assist in the development of constructive and productive relationships over the long term. It should also result in a relationship with mutual benefits. It helps to identify trends and emerging challenges which are currently, or which will in the future, impact the management of the TreeOne MegaPellet Sdn. Bhd. (TOMP) in some way.

The stakeholder engagement usually happens with the;
(a) Government departments and agencies

- Engagement and consultations with Sarawak Timber Industry Development Corporation (STIDC), Harwood Timber Sdn. Bhd. and other government departments and agencies take place on an ad hoc basis – as a when required by either party.

(b) Neighboring Communities

- Refer to adjacent factories and are engaged from time to time as they or TOMP might require, e.g. Magna Foremost Sdn. Bhd., Grand Paragon Sdn. Bhd.

(c) Supplier/Contractor/Service provider

- TOMP engagement with logs supplier, the LPFs which are Samling Reforestation (Bintulu) Sdn. Bhd. and Syarikat Samling Timber Sdn. Bhd. take place on monthly basis within a period specify in the contractual agreement with both parties.
- Other contractors or service providers are also engaged from time to time or TOMP might require, e.g. Control Union Malaysia (Certification Body) is engaged for auditing work on an annual basis.

To fulfill this section, TOMP will refer to the scope of indirect engagement, in which our listed supply bases (LPFs) have conducted stakeholder engagement activities on an annual basis. The term "stakeholders" here refers to associated local communities/villages that are either within or adjacent to the LPFs. Consultation, or engagement, is usually in the form of meetings to ensure the LPF's compliance with the various requirements of the MC&I SFM ST1002:2021; e.g. awareness of the LPF's operations that might affect the community and dissemination of the relevant results of social and wildlife monitoring, or awareness of the objectives of the MTCS.

Community engagement also takes place when:
1. A grievance arises and a Complaint Form (Borang Aduan) is completed and submitted to the LPF manager for further action – which might include community consultation and discussion as an aid to resolution; or

2. A community wants to request some form of assistance that might trigger a CSR response. For this a Borang Memohon Bantuan should be completed and submitted to the LPF manager.

The conflict resolution mechanism is available on Samling's website with QR code for ease of the public access to the complaint/request from using mobile phone.
There are two types of activity conducted during the engagement or consultation with the local communities/villages as follows:
(a) Community Awareness and Engagement Programme (CAEP)

- Brief objectives have been mentioned as above

(b) Social Impact Monitoring (SIM)

- To update the village profile of the local communities as listed in the one-off Social Impact Assessment Report by Universiti Putra Malaysia, Kampus Bintulu
- To monitor and assess the impact of reforestation activity towards the local communities

The local communities/villages associated with each LPF, along with a summary of engagement records, are as follows:

| No. | Supply Bases (LPF) | No. of associated villages | Summary of comments received in 2024 from the villages by referring to the CAEP & SIM reports |
|---|---|---|---|
| 1. | Segan (LPF/0014) | 23 | <u>Infrastructure and Environmental Concerns</u><br>• Drainage Issues: Drainage cleaning request and blockage removal near the operational coupe.<br>• Road Maintenance and Machinery Assistance: Requests for improvements, including road access and request machinery to support road repair.<br><u>Community and Welfare Requests</u><br>• Canopy and Funeral Assistance: Request for support.<br>• Gawai Allowance: Proposed increase in allowance.<br>• Water Supply: Proposed provision of water tanks for villagers relying on rainwater.<br>• Education Assistance: Suggested support for children's education.<br>• School Holiday Transportation: Request to provide transport for school children during term holidays.<br><u>Communication and Conflict Resolution</u><br>• Complaint system: Preference for direct communication or a formal complaint from.<br>• Designated Contact: Request for a specific contact person for complaints.<br>• Conflict Resolution: Preference for resolving conflicts through discussion rather than CRC.<br>• Feedback Importance: Communities seek timely responses to assistance requests, whether approved or declined<br><br><u>Land and Legal Matters</u><br>• Village assurance to prevent future disputes. |
| 2. | Lana (LPF/0006) | 4 | |
| 3. | Kuala Baram (LPF/0004) | 6 | |
| 4. | Paong (LPF/0021) | 2 | |

- Boundary demarcation concerns near their area (orange coloured markings)
- Inquiry into the legal status of their land within the LPF, specifically in their current residential area

General Observations and Acknowledgements

- Positive acknowledgement of Samling Reforestation's efforts to inform communities about LPF activities.
- Communities are hopeful that their requests will be considered.

### 4.2 Response to stakeholder comments

**Stakeholder description:** Local Communities/Villages associated to the LPFs

**Stakeholder comment:** Infrastructure and Environmental Concerns

**Response to the stakeholder:** • Conduct regular drainage maintenance and cleaning to prevent future blockages .• Allocate resources for road maintenance, prioritizing access routes that are frequently used by the community. • Provide machinery assistance to support road repair and improvement efforts.

**Stakeholder description:** Local Communities/Villages associated to the LPFs

**Stakeholder comment:** Community and Welfare Requests

**Response to the stakeholder:** • Provide financial aid or in-kind contributions to help families during bereavement. • Engage with community representatives to understand their needs, justify the proposed adjustment and assess feasibility of an increase. • Provide water tanks or alternative water storage solutions for residents OR • Explore partnerships with relevant agencies to improve sustainable water supply. •Implement scholarships or financial aid programs for students in need or those interested in pursuing careers in forestry, also depending on the management discretion. • Arrange transportation support for schoolchildren during term holidays, provided the request is made well in advance.

**Stakeholder description:** Local Communities/Villages associated to the LPFs

**Stakeholder comment:** Communication and Conflict Resolution

**Response to the stakeholder:** •Complaint Box with Borang Aduan are available at the LPF's office. • Provide clear guidance on how to submit complaints. •Community Liaison Officer (CLO) is assigned and stationed at LPF to manage complaints and ensure timely responses.• Regular dialogue sessions or periodic meetings conducted by the CLO with the villages to proactively address community concerns. • The CLO ensures transparency by providing timely updates on assistance requests, with support from the LPF management.

**Stakeholder description:** Local Communities/Villages associated to the LPFs

**Stakeholder comment:** Land and Legal Matters

**Response to the stakeholder:** • Inform the communities about the company's existing grievance mechanism and ensure they are well-versed in using the Borang Aduan to resolve disputes effectively, AND/OR • Conduct regular engagement sessions with community representatives to address concerns proactively. • Inform the villagers that that the boundary marking is solely for licensing purposes between different licensees or with the local community's residential area, as required by the LPF Terms and Conditions issued by the Forestry Department and it is not an act of land grabbing. •Organize a site inspection with community representatives to verify boundary markings. • Villagers are advised

to consult the Land & Survey Department for clarification and to ensure compliance. If requested, the company can facilitate the process for the communities.

**Stakeholder description:** Local Communities/Villages associated to the LPFs

**Stakeholder comment:** General Observations and Acknowledgements

**Response to the stakeholder:** •Transparency and engagement remain a priority, and we will continue to communicate updates and collaborate with stakeholders to ensure mutual understanding and effective participation. •We are reviewing the feasibility of these concerns and will provide updates on actions that can be taken.Where applicable, we will work closely with community representatives to develop practical solutions that benefit all parties involved.

# 5 Report updates and approval

**This document is:** Updated SBR (surveillance audits/scope-change audits)

To comply with the reporting requirements of Supply Base Report 2.0, TOMP is obliged to provide information relevant to the Supply Base Evaluation of its feedstock supply bases for the upcoming surveillance audit—an obligation that was previously not applicable under version 1.0.

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| **Name** | Brendon Chiew |
| **Title** | Management representative |
| **Date of report approval** | 14 Aug 2026 |

## Annex 1: Detailed findings for Supply Base Evaluation indicators

| Malaysia Sarawak | Indicator |
|---|---|
| 1.1.1 | Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations. |
| Supply Base Verifiers | Register of the copies of all relevant laws, policies / guidelines<br>• Federal Laws e.g. Minimum Wages Order; OHSA 1994; Immigration Act 1959/63)<br>• State Laws e.g. Forest Ordinance, 2015 (Cap. 71); Land Code [Cap.81 (1958 Ed.)]; Wild Life Protection Ordinance, 1998 (Cap. 26)<br>• Policies/Guidelines e.g. Sarawak Forestry Policies |
| Risk Rating justification | The supply base demonstrates compliance with all applicable **federal laws** (e.g., *Minimum Wages Order*, *Occupational Safety and Health Act 1994*, *Immigration Act 1959/63*), **state laws** (e.g., *Forest Ordinance, 2015 [Cap. 71]*, *Land Code [Cap. 81 (1958 Ed.)]*, *Wild Life Protection Ordinance, 1998 [Cap. 26]*), and relevant **policies and guidelines** (e.g., *Sarawak Forestry Policies*). Verification against these legal and policy frameworks confirms adherence. Accordingly, the risk of non-compliance is assessed as **low**. |
| Risk Rating | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| 1.1.2 | Legal ownership of land and resource use rights shall be respected. |
| Supply Base Verifiers | • License for Planted Forests (LPF) issued by Forest Department Sarawak<br>• Land Code [Cap. 81 (1958 Ed.)]<br>• Native Customs (Declaration) Ordinance, 1996 (Cap. 26)<br>• Notification in Sarawak Government Gazette<br>• Contractual agreement entered into with FPIC, with local communities with legal or customary tenure or use rights for use of land |
| Risk Rating justification | The supply base operates strictly within areas designated under the **License for Planted Forests (LPF)** issued by the Forest Department Sarawak, as formally recognized through **notifications in the Sarawak Government Gazette**. Compliance with the **Land Code [Cap. 81 (1958 Ed.)]** and the **Native Customs (Declaration) Ordinance, 1996 (Cap. 26)** is observed, ensuring legal recognition of land tenure and customary rights. In cases |

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| | where local communities hold legal or customary tenure or use rights, **contractual agreements are established through the Free, Prior, and Informed Consent (FPIC) process**, providing documented assurance of stakeholder engagement. Verification against these legal instruments and agreements confirms adherence. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **1.1.3** | Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements. |
| **Supply Base Verifiers** | • License for Planted Forests (LPF) issued by Forest Department Sarawak (FDS)<br>• Approved Annual Harvesting Plan by FDS<br>• Approved Permit to Harvest Coupe by FDS<br>• Removal Pass - Royalty & Transit<br>• Trading License |
| **Risk Rating justification** | Based on the approved annual harvesting plan, LPF submits the required information to the FDS for the designated coupes or blocks to be harvested. FDS then visits the LPF to verify the boundaries of the coupes or blocks and inspect the access roads before issuing a Permit to Harvest (PHC), which is valid for nine months. Once the FDS issues an approval letter for harvesting, the PHC can be released, after which harvesting activities may commence. Plantation logs (feedstock) supplied from LPF are attached with FDS documentation i.e. removal pass (transit & royalty) indicate also the coupes and blocks of the LPF. The feedstock then supplied in accordance with the Trading Licence issued. Thus, the risk is low. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **1.1.4** | Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date. |
| **Supply Base Verifiers** | 1) Logs Delivery Order<br>2) Weighbridge Advice Ticket<br>3) Removal and Royalty Transit Pass<br>4) Receipt of royalty payment |
| **Risk Rating justification** | Transport documentation for plantation logs harvested within the Licensed Planted Forests (LPF) is issued internally includes the **Logs Delivery Order**, **Weighbridge Advice Ticket**, and externally by the **Forest Department of** |

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| | **Sarawak (FDS)** are the **Removal and Royalty Transit Pass** which collectively confirm the source, volume, and movement of raw materials. Verification by FDS occurs prior to the **receipt of royalty payment**, ensuring that all royalties are duly settled before the issuance of removal passes. The removal and royalty transit pass further specifies the coupes and blocks of the LPF from which the logs were harvested, providing traceability of origin. Compliance with these verifiers demonstrates adherence to legal transport and royalty requirements, with no reported non-compliance. Accordingly, the likelihood of non-conforming origin is assessed as **low risk**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **1.1.5** | There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment. |
| **Supply Base Verifiers** | • Forest Ordinance, 2015 (Cap. 71) & The Forests (Planted Forests) Rules, 1997<br>• Natural Resources and Environment (Prescribed Activities) Order, 1994<br>• Wildlife Protection Ordinance, 1998 (Cap. 26)<br>• Signages, boundaries demarcation & map<br>• Records of monthly patrolling and/or records of actions taken and copies of reports to relevant authorities, specifically FDS |
| **Risk Rating justification** | The supply base operates in full compliance with the **Forest Ordinance, 2015 (Cap. 71)** and the **Forests (Planted Forests) Rules, 1997**, ensuring that plantation activities are legally sanctioned and regulated. Environmental safeguards are observed in accordance with the **Natural Resources and Environment (Prescribed Activities) Order, 1994**, while biodiversity protection is upheld under the **Wildlife Protection Ordinance, 1998 (Cap. 26)**. On-ground measures such as **signages, boundary demarcation, and maps** provide clear delineation of operational areas, preventing encroachment and unauthorized use. Furthermore, **records of monthly patrolling, actions taken, and reports submitted to the Forest Department Sarawak (FDS)** demonstrate active monitoring and enforcement of compliance. Verification against these legal instruments, operational controls, and monitoring records confirms adherence, with no reported non-compliance. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
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| **2.1.1** | Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified. |
| **Supply Base Verifiers** | • Report on assessment (HCV Report) including maps showing HCV areas guidelines, such as the Malaysian National Interpretation for the Identification of HCVs<br>• Forest Plantation Management Plan |
| **Risk Rating justification** | The LPF has conducted a **High Conservation Value (HCV) assessment**, documented in the **HCV Report** with maps prepared in accordance with the *Malaysian National Interpretation for the Identification of HCVs*. The findings and recommended measures to demarcate, maintain, and enhance HCV attributes are formally incorporated into the **Forest Plantation Management Plan (FPMP)**. This integration ensures that ground-level actions are guided by verified conservation priorities and implemented systematically. Verification against these instruments confirms adherence, with no reported non-compliance. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.1.2** | Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated. |
| **Supply Base Verifiers** | • Forest Plantation Management Plan |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) has identified and evaluated **High Conservation Value (HCV) attributes**, which are formally incorporated into the **Forest Plantation Management Plan (FPMP)**. This integration ensures that necessary ground-level actions—such as the protection, maintenance, and enhancement of HCV areas—are systematically planned and implemented. Verification against the FPMP confirms adherence, with no reported non-compliance. The risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.1.3** | Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced. |
| **Supply Base Verifiers** | • Report on assessment (HCV Report) including maps showing HCV areas |

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| | • Forest Plantation Management Plan<br>• Demarcation of HCV areas on the ground with blue paint<br>• Monthly Patrolling Record |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) has conducted a formal **High Conservation Value (HCV) assessment**, documented in the **HCV Report** with maps identifying conservation attributes. These attributes, together with measures for their protection, are incorporated into the **Forest Plantation Management Plan**, ensuring that management actions are formally planned and implemented. On the ground, **HCV areas are physically demarcated with blue paint**, providing clear boundary recognition and preventing encroachment. Ongoing monitoring is evidenced through the **Monthly Patrolling Records**, which confirm that the designated areas are regularly inspected and safeguarded. Verification against these instruments demonstrates that HCV attributes are identified, maintained, and enhanced as required. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
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| **2.2.1** | Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests b. Wetlands c. Peatlands d. Highly biodiverse grasslands. |
| **Supply Base Verifiers** | • Valid MTCS Certificates of each LPF<br>• Block Master showing Coupe, Block, planting Date, age, rotation etc<br>• Logs Delivery Order, Weighbridge Ticket, Removal Pass (Transit + Royalty)<br>• Licensed Planted Forest issued by FDS<br>• Satellite imagery<br>• Community Awareness Engagement Programe & Social Impact Monitoring reports<br>• Including grievances forms received from the local community relating to the environmental violation, if any<br>• Approved Environmental Impact Assessment reports by Natural Resources and Environmental Board, Sarawak<br>• LPF's Forest Plantation Management Plan<br>• MC&I SFM audit reports and ECA audit reports<br>• Completed and accepted non-compliance forms<br>• GIS maps (LPFs' base maps) showing plantation boundaries including proximity to protected areas |
| **Risk Rating justification** | Referring to Criterion 6.10 of the MTCS ST 1002:2021 MC&I SFM, Conversion of natural forest to plantation forest shall not occur, except in circumstances where conversion:<br>a) does not occur on high conservation value areas; |

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| | b) does not occur on or negatively impact ecological corridors and environmentally sensitive areas identified by the relevant authorities; and<br>c) will enable clear, substantial, additional, secure, long-term conservation, economic and social benefits across the FPMU.<br><br>Plantation established in areas converted from natural forests after 31 December 2010 is not eligible for certification. Therefore, certain coupes within the LPF are only partially certified because some blocks were established after the cut-off date. Feedstock originating from these blocks is classified as PEFC Controlled Source. In contrast, feedstock from coupes and blocks established before the cut-off date is PEFC Certified.<br><br>At the weighbridge, the status of the logs (feedstock) is verified by referring to the Block Master to determine whether they are classified as PEFC Certified and/or PEFC Controlled Source. The relevant documents are then stamped accordingly—"100% PEFC Certified" for certified feedstock and "Non-MTCS Certified Logs" for PEFC Controlled Source.<br><br>Under SBP rules, the PEFC-certified logs sourced from the LPFs are classified as having a 'Specified Risk'. Wood pellets or biomass produced from these logs continue to meet SBP standards. Although strong control measures, transparent practices, and active stakeholder engagement are in place, but due to the specified risk in obtaining PEFC-certified logs from the LPFs, it can be concluded that there is specified risk for this indicator.<br><br>LPFs kept supporting documentation, including:<br>1) Land History Proof - Show that the land was not converted from natural forest or protected areas after January 2008.<br>2) Community Feedback - Meeting with local people to confirm there were no problems or conflicts when the plantation was developed.<br>3) Environment Reports - Record of environmental studies done before the plantation started, confirm that no conversion of protected or ecologically sensitive areas were harmed.<br>4) Forest Management Plan - Provide the plan uses to manage the plantation which follow the Forest Department Sarawak (FDS) requirements, follow MC&I SFM rules and protect nature.<br>5) Audit Reports - Reports from third-party audits (like MC&I SFM audits and Environmental Compliance Audits, ECA) that confirm everything was done properly.<br>6) Fixing Problems - If any issues were found, the LPF will identify the root causes and do the corrective and preventive actions to fix them and making sure, they don't happen again.<br>7) Maps and Boundaries - Use clear map to show where the LPF is, when it was developed (locality), and that it's not near protected areas. |
| **Risk Rating** | Specified Risk |

| **Malaysia** | **Indicator** |
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| Sarawak | |
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| 2.2.2 | Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced. |
| Supply Base Verifiers | • Details of permanent sample plots<br>• Records of annual measurements<br>• Result of analysis of the annual measurements |
| Risk Rating justification | The Licensed Planted Forest (LPF) demonstrates compliance by establishing a network of **permanent sample plots**, appropriate to the scale and intensity of plantation management operations. These plots are systematically monitored through **records of annual measurements**, ensuring consistent data collection on forest growth and condition. The **results of analysis of the annual measurements** provide evidence-based insights that guide management decisions and confirm adherence to sustainable practices. Verification against these instruments shows that monitoring is robust, transparent, and aligned with certification requirements. Accordingly, the risk of non-compliance is assessed as **low**. |
| Risk Rating | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| 2.2.3 | Soil quality in the Supply Base shall be maintained or enhanced |
| Supply Base Verifiers | • Guidelines for site preparation and planting techniques<br>• SOP for harvesting operations |
| Risk Rating justification | Soil quality within the Licensed Planted Forests (LPFs) is safeguarded through adherence to established **guidelines for site preparation and planting techniques**, which minimize erosion and enhance soil stability during plantation establishment. During harvesting operations, compliance with the **Standard Operating Procedures (SOPs)** ensures that soil is protected from compaction caused by machinery and from erosion associated with harvesting activities. Verification against these operational guidelines and SOPs demonstrates that soil protection measures are consistently applied and effective. Accordingly, the risk of non-compliance is assessed as **low**. |
| Risk Rating | Low Risk |

| Malaysia Sarawak | Indicator |
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| **2.2.4** | Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem. |
| **Supply Base Verifiers** | • Chainsaw Operator Training by STA<br>• SOP for harvesting operations<br>• QC report |
| **Risk Rating justification** | Workers engaged in harvesting operations, particularly **chainsaw operators**, undergo formal **training provided by the Sarawak Timber Association (STA)** to ensure competency in Reduced Impact Logging (RIL) techniques. These practices minimize damage to surrounding forest resources and reduce wastage by promoting proper cutting methods, including the avoidance of high stumps. Compliance with the internal **Standard Operating Procedures (SOPs) for harvesting operations** further ensures that soil, forest resources, and plantation integrity are protected during harvesting activities. In addition, **Quality Control (QC) reports** provide documented evidence of monitoring and assessment, verifying that harvesting standards are consistently met and corrective actions are taken where necessary. Verification against these training, SOPs, and QC mechanisms demonstrates that operational controls are effective. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
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| **2.2.5** | Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced. |
| **Supply Base Verifiers** | • EIA report<br>• EMR quarterly reports<br>• Annual Internal ECA audit report that incorporated water quality monitoring result and finding |
| **Risk Rating justification** | The supply base maintains water quality through structured monitoring and compliance mechanisms. Verification is demonstrated by the **Environmental Impact Assessment (EIA) report**, which establishes baseline requirements, and the **quarterly Environmental Monitoring Reports (EMRs)** that track ongoing performance. Beginning in July 2024, monitoring transitioned into the **annual Internal Environmental Compliance Audit (ECA)**, which incorporates water quality results and findings under Chapter 5. These documented assessments enable the Licensed Planted Forest (LPF) to identify issues and implement appropriate mitigation measures. The consistent application of these verifiers confirms adherence to environmental safeguards, and therefore the risk of non-compliance is assessed as **low**. |

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| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **2.2.6** | Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice. |
| **Supply Base Verifiers** | • Valid License for Planted Forest<br>• Natural Resources and Environment (Prescribed Activities) Order, 1994 |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) operates under a **valid License for Planted Forest** issued by the Forest Department Sarawak, which legally authorizes planting, management, and harvesting activities. Environmental safeguards are reinforced through compliance with the **Natural Resources and Environment (Prescribed Activities) Order, 1994**, which prohibits open burning during land preparation and ensures that plantation operations do not contribute to air pollution. Verification against these legal instruments confirms that activities are properly regulated and environmentally responsible. Accordingly, the likelihood of emissions or air quality impacts within LPF areas is minimal, and the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
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| **2.2.7** | Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used. |
| **Supply Base Verifiers** | • List of Chemicals Registry<br>• Safety Data Sheet (SDS) for each chemical listed<br>• Samling Policy on Pesticide Use in Plantation Forest Management |
| **Risk Rating justification** | Chemical management within the Licensed Planted Forests (LPFs) is governed by strict controls to ensure safe and compliant use. All chemicals stored and applied are documented in the **List of Chemicals Registry**, with each entry supported by a corresponding **Safety Data Sheet (SDS)** that details classification, active ingredients, and handling requirements. In addition, the **Samling Policy on Pesticide Use in Plantation Forest Management** prohibits the use of pesticides banned under international agreements and provides operational guidance for responsible application. |

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| | Verification against these instruments confirms that chemical storage and use are properly regulated, transparent, and aligned with best practices. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
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| **2.2.8** | Waste shall be disposed of in an environmentally appropriate manner. |
| **Supply Base Verifiers** | • Scheduled of Wastes Inventory (Fifth Schedule)<br>• Consignment Note (Seventh Schedule)<br>• Inspection of SW Store & labeling of scheduled wastes with appropriate waste code and hazard symbol<br>• Inspection of LPF's dumping site |
| **Risk Rating justification** | The Licensed Planted Forests (LPFs) maintain strict compliance with regulatory requirements for the storage, handling, and disposal of scheduled and domestic wastes. All hazardous materials are documented in the **Scheduled Wastes Inventory (Fifth Schedule)**, and their movement is tracked through the **Consignment Note (Seventh Schedule)** to ensure proper disposal record by approved vendors. Regular **inspection of the Scheduled Waste (SW) Store**, including verification of labeling with the appropriate waste code and hazard symbol, confirms that hazardous materials are safely managed. In addition, **inspection of the LPF's designated dumping site** ensures that domestic wastes are disposed of in a controlled and compliant manner. Verification against these instruments demonstrates that waste management practices are properly regulated and effective. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.2.9** | Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base. |
| **Supply Base Verifiers** | • Forest Plantation Management Plan<br>• Data of Permanent Sample Plots |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) maintains a structured **Forest Plantation Management Plan (FPMP)**, which incorporates data from the established **Permanent Sample Plots (PSPs)**. The FPMP includes a dynamic harvest plan, maintained in both soft copy and hard copy format, allowing continual revision as new PSP data is generated. This plan registers coupes/blocks |

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| | scheduled for harvest across the next five to ten budget years, with updates reflecting reduction factors that account for variances between estimated and actual yields. Sustainable annual cuts are determined by considering both mineral and peat soil areas, ensuring balanced resource use. The age-class structure has progressively aligned with a normal forest distribution, enabling most blocks to be harvested at their target rotation age. Verification against the FPMP and PSP data confirms systematic planning and monitoring, thereby supporting the conclusion that the risk of non-compliance is **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.2.10** | Harvested areas shall be regenerated |
| **Supply Base Verifiers** | • Permit to Harvest Coupe<br>• Monthly planting/maintenance regime |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) operates under a valid **Permit to Harvest Coupe**, ensuring that harvesting activities are legally sanctioned and properly regulated. Following the completion of harvesting within each operational coupe block—conducted using a clear-cutting approach—systematic silviculture operations are implemented in line with the **monthly planting and maintenance regime**. These operations include replanting with selected species, applying appropriate spacing, and carrying out routine maintenance to promote optimal growth and forest regeneration. Verification against the harvest permit and documented planting/maintenance regime demonstrates that both legal compliance and sustainable forest management practices are consistently applied. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.2.11** | The impacts of natural processes such as fires, pests and diseases shall be managed. |
| **Supply Base Verifiers** | • Forest Fire Management Plan<br>• R&D - Reports and analysis on nursery and field trails, including provenance trials, of the selected species used in forest plantation establishment<br>• Results of analysis of permanent sample plots |

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| **Risk Rating justification** | The Licensed Planted Forest (LPF) demonstrates compliance by preparing and implementing a comprehensive **Forest Fire Management Plan**, ensuring that fire prevention and control measures are in place for fire-prone areas. In addition, continuous improvement is supported through **R&D reports and analyses** on nursery and field trials, including provenance trials of the selected species used in plantation establishment. Monitoring of forest health and growth is further evidenced by the **results of analysis of permanent sample plots**, which provide data to detect unusual mortality, disease, insect outbreaks, or invasive species introduction. Verification against these instruments confirms that preventive, adaptive, and monitoring measures are systematically applied. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **2.2.12** | Genetically modified trees shall not be used. |
| **Supply Base Verifiers** | • Nursery records<br>• Seedlot and permit<br>• Phytosanitary certificate |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) ensures that only approved and non-GMO seeds are used in plantation establishment. This is verified through **nursery records**, which document the origin and handling of seedlings, and through **seed lot batch records and permits**, which confirm the legality and traceability of seed sources. For seeds procured externally, compliance is further supported by the **phytosanitary certificates** issued by Sarawak Department of Agriculture, which certify that the seeds meet health and safety standards and are free from pests or diseases. Verification against these records and certificates demonstrates that seed sourcing and nursery practices are properly controlled and compliant. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **3.1.1** | LULUCF emissions shall be accounted for through one of the following routes: Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or Route B Feedstock may be sourced from a country of origin which is party to the Paris |

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| | Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term. |
| **Supply Base Verifiers** | • Malaysia submited its revised NDC in July 2021 - https://climatepromise.undp.org/what-we-do/where-we-work/malaysia<br>• Malaysia's Fourth Biennial Update Report submitted to the United Nations Framework Convention on Climate Change in December 2022 |
| **Risk Rating justification** | Malaysia is a party to the Paris Agreement and has formally committed to reducing greenhouse gas emissions through its **revised Nationally Determined Contribution (NDC) submitted in July 2021** and the **Fourth Biennial Update Report submitted to the UNFCCC in December 2022**. Both documents explicitly include the Land Use, Land-Use Change, and Forestry (LULUCF) sector within the national greenhouse gas accounting framework. Malaysia applies a **net-net accounting approach** for LULUCF, meaning that changes in carbon stock from biomass harvest are transparently counted toward its national emissions reduction targets. This satisfies the requirements of Route A. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **3.2.1** | All feedstock sourcing shall be consistent with either of these two options: Option A. Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or Option B. Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration. |
| **Supply Base Verifiers** | An Outlook of Timber-Based Industry and Forest Resource Management in Sarawak - https://www.forestry.gov.my/images/pengumuman/2022/MFC/MFC2022/paperwork/KK19.pdf<br><br>Up to 2025, the Lpf(s) carbon inventory estimation based on hectares are as follows:<br>**LPF0021**, hectares and carbon figure for Reforestation Carbon Sink were 405 and 5,549; hectares and carbon figure for Revegetation (SMZ) Carbon were 8,000 and 37,243; and the total hectares and carbon for Total Carbon Sink and Stock were 8,405 and 42,792. |

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| | **LPF0006,** hectares and carbon figure for Reforestation Carbon Sink were 753 and 10,309; hectares and carbon figure for Revegetation (SMZ) Carbon were 2,370 and 11,033; and the total hectares and carbon for Total Carbon Sink and Stock were 3,123 and 21,342.<br>**LPF0014**, hectares and carbon figure for Reforestation Carbon Sink were 1008 and 13,810; hectares and carbon figure for Revegetation (SMZ) Carbon were 1,654 and 7,696; and the total hectares and carbon for Total Carbon Sink and Stock was 2,662 and 21,506.<br>**LPF0004**, hectares and carbon figure for Reforestation Carbon Sink were 372 and 5,091; hectares and carbon figure for Revegetation (SMZ) Carbon were 775 and 3,606; and the total hectares and carbon for Total Carbon Sink and Stock was 1,147 and 8,297. |
| **Risk Rating justification** | Sarawak has implemented structured forest management policies and certification programs aimed at ensuring sustainable forest carbon stocks:<br>• The Forest Department Sarawak and Sarawak Timber Industry Development Corporation (STIDC) have prioritized restoration of degraded areas and improved forest plantation performance.<br>• Forest certification efforts under the Policy Direction on Forest Management Certification (FMC) aim to certify long-term forest timber licenses and plantation areas, supporting stable or increasing carbon stocks.<br>• The Sarawak Forest Policy emphasizes sustainable forest management, conservation, and continuous monitoring of forest health.<br>These initiatives align with Option A, which requires evidence that forest carbon stocks are stable or increasing. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **3.2.2** | Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate. |
| **Supply Base Verifiers** | • License of Planted Forest<br>• Map<br>• Removal Pass (Transit & Royalty) - to verify compliance, the species of harvested logs must be checked to ensure they origin |
| **Risk Rating justification** | The **License of Planted Forest (LPF)** issued by the Forest Department Sarawak (FDS) legally authorizes the establishment and management of Industrial Tree Plantations (ITP). Operational boundaries and designated areas are clearly defined through official **maps**, ensuring that plantation |

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| | activities are confined to approved zones. For each harvest, compliance is verified through the issuance of a **Removal Pass (Transit & Royalty)**, which specifies the species of harvested logs and confirms their origin from the LPF. This documentation provides traceability of feedstock and assurance that plantation-grown logs are not classified as primary feedstock. Verification against these instruments demonstrates adherence to legal and regulatory requirements, with no reported non-compliance. Accordingly, the risk of non-conforming origin is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **3.2.3** | feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV). |
| **Supply Base Verifiers** | • Environmental Impact Assessment report<br>• Forest Plantation Management Plan<br>• HCV report |
| **Risk Rating justification** | Prior to the establishment of the Industrial Tree Plantation (ITP) within the Licensed Planted Forest (LPF), a comprehensive **Environmental Impact Assessment (EIA) report** was prepared to identify potential ecological and community impacts. Areas of high conservation value were further documented in the **HCV report**, ensuring that sensitive zones were excluded from planting and designated for conservation. These findings and protective measures are formally incorporated into the **Forest Plantation Management Plan (FPMP)**, which guides operational practices and ground-level actions. Verification against these instruments confirms that ecological safeguards are in place and consistently implemented. Accordingly, the risk of adverse environmental or social impact is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **3.3.1** | Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base. |
| **Supply Base Verifiers** | • Logs at the forest plantation (LPF) are physically segregated at the stumping site and/or log pond. Peeler and saw log grades are classified as high-quality logs, whereas wood chip material is considered low-grade |

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| | • Weighbridge ticket |
| **Risk Rating justification** | Within the Licensed Planted Forests (LPFs), plantation trees are harvested using a clear-cutting approach in each approved coupe block. At the stumping site and/or log pond, logs are **physically segregated** to ensure proper classification: peeler and saw log grades are identified as high-quality logs, while wood chip material is categorized as low-grade. This segregation process provides clear traceability of log quality and destination. Compliance is further verified through the issuance of a **weighbridge ticket**, which records the logss grade, the volume and origin of logs prior to transport. Low-grade rough wood is directed to TreeOne MegaPellet for pellet production, while high-quality plantation round logs are supplied to sawmills. Verification against these instruments demonstrates that both segregation and transport documentation are systematically applied. Accordingly, the risk of non-conforming origin or misclassification is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.1** | Freedom of association and the right to collective bargaining shall be respected in the workplace. |
| **Supply Base Verifiers** | • Memo on Trade Unions in the Samling Group dated 1 March 2022<br>• Human Rights and Ethics Policy of Samling Group |
| **Risk Rating justification** | Workers within the Licensed Planted Forests (LPFs) are assured of their rights to freely organize and engage in collective bargaining without restriction. This is formally supported by the **Memo on Trade Unions in the Samling Group dated 1 March 2022**, which explicitly recognizes workers' freedom of association. In addition, the **Human Rights and Ethics Policy of Samling Group** reinforces non-discrimination in the workplace and upholds international labor standards, including the principles of freedom of association and collective bargaining. Verification against these instruments confirms that workers' rights are respected and safeguarded. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.2** | Forced or compulsory labour shall not be used. |
| **Supply Base Verifiers** | • Workers Contract Agreement/Letter of Employment |

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| | • Human Rights and Ethics Policy of Samling Group |
| **Risk Rating justification** | The Licensed Planted Forests (LPFs) do not employ or engage in forced labour. This is confirmed through the **Workers' Contract Agreements/Letters of Employment**, which clearly outline the terms and conditions of employment and demonstrate that workers are engaged voluntarily under lawful contracts. In addition, the **Human Rights and Ethics Policy of Samling Group** reinforces the company's commitment to fair labour practices, explicitly prohibiting forced labour and ensuring respect for workers' rights. Verification against these instruments confirms that employment practices are transparent, ethical, and compliant with international labour standards. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.3** | Child labour shall not be used. |
| **Supply Base Verifiers** | • Listing of workers<br>• Human Rights and Ethics Policy of Samling Group |
| **Risk Rating justification** | The Licensed Planted Forests (LPFs) do not employ or engage in child labour. This is confirmed through the **listing of workers**, which provides documented evidence of the workforce and verifies that all employees meet the legal age requirements for employment. In addition, the **Human Rights and Ethics Policy of Samling Group** reinforces the company's commitment to ethical labour practices, explicitly prohibiting child labour and ensuring compliance with international standards. Verification against these instruments demonstrates that employment practices are transparent, lawful, and protective of workers' rights. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.4** | Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement. |
| **Supply Base Verifiers** | • Listing of workers<br>• Training records<br>• Human Rights and Ethics Policy of Samling Group |

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| **Risk Rating justification** | Employment practices within the Licensed Planted Forests (LPFs) are documented through a **listing of workers**, which provides transparent evidence of workforce composition and confirms that opportunities are extended without discrimination. **Training records** demonstrate that workers are given access to skill development and capacity-building programs, ensuring fair treatment and equal opportunity for advancement. In addition, the **Human Rights and Ethics Policy of Samling Group** establishes a formal commitment to uphold ethical labor practices, safeguard workers' rights, and prevent discriminatory behavior. Verification against these records and policy frameworks confirms that employment and training opportunities are provided equitably to communities within or adjacent to the LPF. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.5** | Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded |
| **Supply Base Verifiers** | • Minimum Wages Order 2024 dated 4 December 2024<br>• Workers' Payslips<br>• Workers Contract Agreement/Letter of Employment |
| **Risk Rating justification** | Compliance with Malaysia's **Minimum Wages Order 2024 (P.U. (A) 376)**, gazetted on 4 December 2024, is verified through workers' **payslips** and **contract agreements/letters of employment**. The Order sets the new national minimum wage at **RM1,700 per month**, effective in phases beginning 1 February 2025 and fully applicable nationwide from 1 August 2025. Document reviews and worker interviews confirm that wages paid at the Licensed Planted Forest (LPF) meet or exceed this legal requirement. Verification against these legal instruments and employment records demonstrates adherence to wage regulations. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.1.6** | Working hours shall comply with legal requirements. |
| **Supply Base Verifiers** | • Workers Contract Agreement/Letter of Employment<br>• Working hours displayed at site office of LPFs<br>• Sarawak Labour Ordinance [Cap.76 (1958 Ed.)] |

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| **Risk Rating justification** | Working hours at the Licensed Planted Forest (LPF) are clearly **displayed at the site office**, ensuring transparency and accessibility for all workers. Compliance with the **Sarawak Labour Ordinance [Cap. 76 (1958 Ed.)]** is verified through workers' **contract agreements/letters of employment**, which stipulate the terms and conditions of working hours. Interviews with workers confirm that the maximum working hours do not exceed **8 hours per day**, in line with legal requirements. Verification against these legal instruments, posted schedules, and employment records demonstrates adherence to labour standards. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.1.7** | Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation |
| **Supply Base Verifiers** | • Workers' Payslips<br>• Records of monthly SOCSO payment<br>• Records of monthly EPF payment |
| **Risk Rating justification** | Employment benefits and social protection for workers at the Licensed Planted Forest (LPF) are verified through multiple sources of evidence. **Workers' payslips** confirm that statutory deductions are made, while **records of monthly SOCSO payments** demonstrate compliance with social security requirements, ensuring coverage in the event of workplace injuries, occupational illnesses, or death. In addition, **records of monthly EPF contributions** provide assurance that workers' retirement savings are consistently maintained in accordance with legal obligations. Verification against these documents and worker interviews confirms that employment benefits and social protection measures are properly implemented. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.1.8** | Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities. |
| **Supply Base Verifiers** | • Training records |
| **Risk Rating justification** | Relevant trainings are periodically conducted within the Licensed Planted Forests (LPFs) to ensure proper implementation of the management plan. |

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| | Evidence of these activities is documented in **training records**, which confirm that workers receive the necessary instruction to carry out their responsibilities effectively and in compliance with operational requirements. Verification through worker interviews and review of these records demonstrates that training is consistently implemented and monitored. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.1.9** | Mechanisms shall be in place for resolving grievances and disputes in the workplace. |
| **Supply Base Verifiers** | • Procedure for Employees' Grievance Resolution<br>• Grievance Form and Box available at site office and designated locations |
| **Risk Rating justification** | The Licensed Planted Forests (LPFs) have established a formal **Procedure for Employees' Grievance Resolution**, ensuring that workers have a clear and accessible mechanism to raise concerns. To support this, **grievance forms and boxes are made available at the site office and designated locations**, providing workers with a confidential and practical means to lodge complaints. Interviews with sampled workers confirm awareness of the procedure and its accessibility. To date, no grievances or disputes have been recorded, indicating effective implementation of the mechanism. Verification against these procedures and facilities demonstrates compliance with workplace grievance standards. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.1.10** | Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures. |
| **Supply Base Verifiers** | • Policy on Health, Safety and Environment dated 1 September 2024<br>• HIRARC document |
| **Risk Rating justification** | Occupational safety and health measures at the Licensed Planted Forest (LPF) are formally established and actively implemented. The **Policy on Health, Safety and Environment dated 1 September 2024** is prominently displayed at strategic locations, ensuring workers are consistently aware of safety commitments. In addition, the **HIRARC (Hazard Identification, Risk** |

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| | **Assessment, and Risk Control) document** is available and applied in daily operations, with workers directly involved in the process to strengthen a culture of shared responsibility for workplace safety. Furthermore, the **appropriate use of personal protective equipment (PPE)** is enforced and observed across work sites, providing tangible assurance that safety protocols are followed. Verification against these instruments confirms that occupational safety and health requirements are effectively communicated and implemented. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.2.1** | Negative social and community impacts shall be identified and avoided. |
| **Supply Base Verifiers** | • Social Impact Assessment Report<br>• Social Impact Monitoring Report<br>• Community Awareness Engagement Report |
| **Risk Rating justification** | Community impacts arising from forest operations within the Licensed Planted Forest (LPF) are systematically assessed and monitored. A **Social Impact Assessment Report** provides the baseline evaluation of potential effects on local communities, while the **Social Impact Monitoring Report** documents ongoing outcomes and ensures that mitigation measures remain effective. In addition, the **Community Awareness Engagement Report** demonstrates that consultations and awareness programs have been conducted to inform communities about plantation activities, wildlife monitoring, and operational impacts. Engagement mechanisms include grievance resolution through the submission of *Borang Keluhan*, requests for assistance via *Borang Memohon Bantuan*, and access to conflict resolution procedures through Samling's website and QR code system. Verification against these instruments confirms that community concerns are addressed transparently and consistently. Accordingly, the risk of adverse social impact is assessed as **low**. |
| **Risk Rating** | Low Risk |

| Malaysia Sarawak | Indicator |
|---|---|
| **4.2.2** | Feedstock sourcing shall positively contribute to the local economy, including employment. |
| **Supply Base Verifiers** | • List of workers |

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| | • Workers Contract Agreement/Letter of Employment |
| **Risk Rating justification** | With the implementation of Indicator 4.1.2 under MTCS ST 1002:2021 MC&I SFM, LPF prioritizes offering employment and contract opportunities to communities residing within or adjacent to the FMU.<br>Job vacancies are communicated to these communities through direct engagement whenever relevant openings arise. Community members may then submit their applications, after which LPF assesses and places suitable candidates into roles that align with their experience and qualifications. Thus, the risk is low.<br>Employment opportunities within the Licensed Planted Forest (LPF) are prioritized for communities residing within or adjacent to the LPF. Job vacancies are communicated directly to these communities, ensuring transparency and accessibility. Applications are reviewed and successful candidates are formally engaged through **workers' contract agreements or letters of employment**, which outline their roles, responsibilities, and entitlements. This process confirms that employment practices are fair, inclusive, and properly documented. The **list of workers** maintained by the LPF was checked to indentify workers employed were from within or adjacent to the LPF. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
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| **4.2.3** | Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced |
| **Supply Base Verifiers** | • Report on assessment (HCV Report) including maps showing HCV areas<br>• Forest Plantation Management Plan<br>• Demarcation of HCV areas on the ground with blue paint<br>• Monthly Patrolling Record<br>• Social Impact Assessment Report<br>• Social Impact Monitoring Report |
| **Risk Rating justification** | The Licensed Planted Forest (LPF) has conducted a **High Conservation Value (HCV) assessment**, documented in the **HCV Report** with maps identifying conservation attributes. These attributes, together with measures for their protection, are incorporated into the **Forest Plantation Management Plan**, ensuring that management actions are formally planned and implemented. On the ground, **HCV areas are physically demarcated with blue paint**, providing clear boundary recognition and preventing encroachment. Ongoing monitoring is evidenced through the **Monthly Patrolling Records**, which confirm that the designated areas are regularly |

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| | inspected and safeguarded.<br><br>In addition, a **Social Impact Assessment Report** has been carried out, followed by the **Social Impact Monitoring Report**, which evaluates the condition of sites of significant importance to local communities and ensures that appropriate measures are taken to preserve and maintain these areas. Verification against these instruments demonstrates that both ecological and social values are identified, maintained, and enhanced as required. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.2.4** | Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected. |
| **Supply Base Verifiers** | • Community Awareness Engagement Programme<br>• Notification in Sarawak Government Gazette |
| **Risk Rating justification** | Engagement with local communities is undertaken through the **Community Awareness Engagement Programme**, which ensures that old or new *temuda* areas are properly identified through joint surveys and negotiations before any clearing is carried out for plantation establishment. This process forms part of the Free, Prior, and Informed Consent (FPIC) framework, designed to identify and address any overlapping land claims by local communities. Customary rights are respected, and measures are taken to prevent encroachment by the company. In addition, the **Notification in the Sarawak Government Gazette** provides formal recognition of land use rights, reinforcing the legal basis for operations. Together, these verifiers demonstrate that both community engagement and legal safeguards are in place. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.2.5** | Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices. |
| **Supply Base Verifiers** | • Procedure for Land Claim<br>• Procedure for Conflict Resolution |

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| **Risk Rating justification** | The Licensed Planted Forests (LPF) have established a formal **Procedure for Land Claim** to address any potential disputes over land rights, ensuring that communities have a clear mechanism to raise claims. In addition, a documented **Procedure for Conflict Resolution** provides a structured approach for resolving grievances between parties. These mechanisms demonstrate that systems are in place to manage land-related issues transparently and fairly. As of now, no relevant land claims or grievances have been reported. However, given the sensitivity of land rights and community relations, this indicator is assessed as **specified risk.** |
| **Risk Rating** | Specified Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.2.6** | Where Indigenous Peoples' rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place. |
| **Supply Base Verifiers** | • Record of consultations with representatives of indigenous peoples<br>• Contractual agreement entered into with free, prior and informed consent, with indigenous peoples with legal or customary tenure or use rights for use of land |
| **Risk Rating justification** | Engagement with indigenous peoples is carried out through documented **consultations with their representatives**, ensuring that their perspectives and concerns are formally recorded. This process is embedded within the **Free, Prior, and Informed Consent (FPIC) framework**, which requires that indigenous communities provide voluntary and informed agreement before any planned activities proceed. Where consensus is reached, a **contractual agreement** is established with the communities holding legal or customary tenure or use rights over the land. If consent is not granted, LPF respects the decision and refrains from undertaking activities in those areas. These measures demonstrate that indigenous rights are safeguarded, agreements are transparent, and community control is respected. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

| **Malaysia Sarawak** | **Indicator** |
|---|---|
| **4.2.7** | Designated cultural heritage sites shall be preserved. |
| **Supply Base Verifiers** | • Records of dialogue and consultation with the communities<br>• Social Impact Assessment Report |

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| | • HCV Report & map |
| **Risk Rating justification** | The LPF is obligated to identify and safeguard sites of significant importance to local communities, including those with cultural, ecological, economic, or religious value. This is achieved through **records of dialogue and consultation with the communities**, ensuring that their perspectives are formally considered in management decisions. In addition, a **Social Impact Assessment Report** provides structured evaluation of community concerns, while the **HCV Report and map** document areas of high conservation value that overlap with sites of community significance. Together, these verifiers confirm that forest operations are planned and implemented in a way that avoids encroachment upon such sites. At present, there is no evidence of any designated cultural heritage sites within the LPF area. Accordingly, the risk of non-compliance is assessed as **low**. |
| **Risk Rating** | Low Risk |

## Annex 2: EU RED Supply Base Evaluation

| Countries where EU RED Supply Base Evaluation is used | |
|---|---|
| **Country** | Malaysia |
| **Area** | Sarawak |
| **Sustainable harvesting criteria 29(6)** | |
| **(i) The legality of harvesting operations** | |
| **Type of Risk Assessment used** | ☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | TOMP is actively procuring feedstock that is compliant with the Sustainable Biomass Program (SBP) standards, sourced from SBP Compliant materials. The supply originates from the following listed supply<br>bases:<br>•Segan Licensed Planted Forest LPF0014<br>•Lana Licensed Planted Forest LPF0006<br>•Kuala Baram Licensed Planted Forest LPF0004<br>•Paong Licensed Planted Forest LPF0021<br><br>In addition,TOMP is sourcing feedstock classified as SBP-controlled with a Due Diligence System (DDS). The feed stock is obtained from the following listed supply bases:<br>•Lana Licensed Planted Forest LPF 0006<br>•Kuala Baram Licensed Planted Forest LPF0004<br><br>The purpose of the risk assessment is to ensure that the provided feedstock is not derived from controversial or disputed areas. Based on the harvesting plan, Samling LPFs submit the required information to the Forest Department Sarawak (FDS) for the designated coupes or blocks to be harvested. FDS then visits the LPFs to verify the boundaries of the coupes or blocks and inspect the access roads before issuing a Permit to Harvest, which is valid for nine (9) months. Once the FDS issues an approval letter for harvesting, the Permit to Harvest can be released, after which harvesting activities may commence.<br><br>During the assessment, it was evident that TOMP conducted site visit to Kuala Baram LPF0004 to verify compliance to the procedure and management plan.<br><br>TOMP conducted due diligence before sourcing from certain LPFs and reviewed the due diligence. As a Biomass Producer, TOMP maintained |

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| | the necessary supporting document for every incoming of feedstock to the factory. Document such as Removal Pass, Transit Pass, and Delivery Order. TOMP shall provide relevant information to buyers regarding the status of the feedstock in SBP compliant biomass production.<br><br>Feedstock species used by TOMP;<br>a) Acacia mangium (wattles or acacias)<br>b) Eucalyptus pelita (pokok kayu putih)<br>c) Acacia crassicarpa (northern wattles)<br>d) Falcataria falcata (batai)<br>e) Gmelina arborea (white teak)<br>f) Melaleuca cajupati (gelam)<br>g) Melaleuca leucadendra (kulit kertas putih)<br>h) Melaleuca quinquenervia (paper bark tea tree)<br>i) Neolamarckia cadamba (kelampayan)<br><br>Supporting documents of each feedstock delivery such as Removal Pass, Transit Pass, and Delivery Pass hold the information on the species of the feedstock delivered from LPF. TOMP keeps the document for minimum of 5 years and readily be made available for suppliers, buyers, stakeholders and auditors upon request.<br><br>1) Country of harvest, and where applicable:<br>All TOMP supply bases (LPF0014, LPF0006, LPF0008, LPF0004, and LPF0021) located in Sarawak, Malaysia.<br><br>2) Quantity (expressed in volume, weight, or number of units):<br>Every feedstock delivered to TOMP supply bases accompanied by Removal Pass, Transit Pass, and Delivery Order. These documents contain information related to the delivery such as Supplier name, feedstock species, certification status, and quantity or weight delivered. TOMP maintains the documents for minimum of 5 years and readily be made available for suppliers, buyers, stakeholders, and auditors upon request.<br><br>3) Name and address of the supplier to the operator:<br>TOMP identify the supplier first, then conduct due diligence on the supply base, and have a contractual agreement signed between TOMP and the supplier before start sourcing for feedstock. Supporting document; Removal Pass, Transit Pass, and Delivery Order attached with the incoming feedstock hold the information of the supplier and supply base.<br><br>TOMP shall maintain the document for minimum of 5 years and readily be made available for suppliers, buyers, stakeholders, and auditors upon request. |

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| | Currently TOMP source SBP compliant feedstock and SBP controlled feedstock only from the plantations managed by Syarikat Samling Timber Sdn. Bhd. (SST) and Samling Reforestation (Bintulu) Sdn. Bhd. (SRB).<br><br>4) Name and address of the trader to whom the timber and timber products have been supplied:<br>TOMP obtains relevant information on the buyers before sign a sales contract with the buyers before any sales of SBP compliant biomass. TOMP maintains information of SBP compliant biomass buyers for minimum of 5 years and readily be made available for suppliers, buyers, stakeholders, and auditors upon request.<br><br>5) Documents or other information indicating compliance of those timber and timber products with the applicable legislation:<br>Samling LPFs operate under management plan outline by Malaysia Timber Certification Scheme (MTCS). Each LPFs holds their own operation policy to operate following their management plan. TOMP perform visit to their supply bases (listed LPFs) to verify their compliance to the management plan. Feedstock delivered to TOMP accompanied by supporting documents; Removal Pass, Transit Pass, and Delivery Order. These documents contain information related to the delivery such as Supplier name, feedstock species, certification status, and quantity or weight delivered. TOMP maintain the documents for minimum 5 years and readily be made available for suppliers, buyers, stakeholders, and auditor upon request.<br><br>6) Assurance of compliance with applicable legislation, which may include certification or other third-party verified schemes which cover compliance with applicable legislation:<br>SST and SRB require that the management of each Samling LPFs operates the whole of their LPF area over which management has jurisdiction in precisely same manner as is prescribed for Samling LPFs areas already certified under the Malaysian Timber Certification Scheme (MTCS). Each LPFs only begin their harvesting activities after ground verification and obtaining Permit To Harvest from FDS. Availability of Removal Pass, Transit Pass, and Delivery Order accompany the feedstock in every delivery supports the legality of the incoming feedstock.<br><br>7) Prevalence of illegal harvesting of specific tree species:<br>Based on the harvesting plan, Samling LPFs submit the required information to the Forest Department Sarawak (FDS) for the designated coupes or blocks to be harvested. FDS then visits the LPFs to verify the boundaries of the coupes or blocks and inspect the access roads before issuing a Permit to Harvest, which is valid for nine (9) months. Once the FDS issues an approval letter for harvesting, the Permit to Harvest can be released, after which harvesting activities may commence. |

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| | 8) Prevalence of illegal harvesting or practices in the country of harvest and/or sub-national region where the timber was harvested, including consideration of the prevalence of armed conflict:<br>All TOMP supply bases are located in Sarawak, Malaysia. No armed conflict in the country. Based on the harvesting plan, Samling LPFs submit the required information to the Forest Department Sarawak (FDS) for the designated coupes or blocks to be harvested. FDS then visits the LPFs to verify the boundaries of the coupes or blocks and inspect the access roads before issuing a Permit to Harvest, which is valid for nine (9) months. Once the FDS issues an approval letter for harvesting, the Permit to Harvest can be released, after which harvesting activities may commence.<br><br>Every feedstock delivery from each LPFs supported by proper documentation; Removal Pass, Transit Pass, and Delivery Order. TOMP maintain record of the documents for minimum of 5 years and readily be made available for suppliers, buyers, stakeholders, and auditors upon request.<br><br>9) Sanctions imposed by the UN Security Council or the Council of the European Union on timber imports or exports:<br>All TOMP supply bases (LPF0014, LPF0006, LPF0004, LPF0021) located in Sarawak, Malaysia.<br><br>10) Complexity of the supply chain of timber and timber products:<br>Every feedstock delivery to TOMP from all the LPFs are accompanied by<br>1. Removal Pass,<br>2. Transit Pass,<br>3. Delivery Order.<br><br>These documents contain information related to the delivery such as Supplier name, feedstock species, certification status, and quantity or weight delivered except where the risk identified in course of the risk assessment procedures referred to in point (b) is negligible, risk mitigation procedures which consist of a set of measures and procedures that are adequate and proportionate to minimize effectively that risk and which may include requiring additional information or documents and/or requiring third party verification.<br><br>Based on the findings, indicator falls to low risk. |
| **(ii) Forest regeneration of harvested areas** | |
| **Type of Risk Assessment used** | ☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |

<table>
<tr><td>Level B management system at the level of the forest sourcing area</td><td>As this is an industrial forest plantation area, there is no natural forest regeneration as the planted trees will be clear felled and immediately after replanted with similar or improved planting stock.The average harvesting cycle is 5 years for acacia and 7-9 years for eucalyptus.<br>There is forest regeneration in the conservation and buffer zone areas in the SMZ.<br>Monthly data on planted areas by species and the corresponding financial year can be obtained from the Block Master. Additionally, areas designated for harvesting and replanting cycles are categorized under the “Plantable” section of the LPF.<br>When evaluating production sustainability, it is important to consider that TOMP operation is also supported by log production from the Industrial Tree Plantations (ITPs). Therefore, to maintain a relatively steady supply of logs to TOMP, the sustainability focus should be on LPFs total log flow, preferably with shorter harvesting cycle.<br>For example, in the case of the Segan LPF, the following outlines the progress of areas that have been replanted after harvesting.<br><table><tr><th>Coupe No</th><th>Year PEC issued</th><th>Actual planting year</th><th>Type of plantation</th><th>MTCS Area</th><th>Area Planted</th></tr><tr><td>1A</td><td>2000</td><td>2000</td><td>Tree</td><td>868.0</td><td>625.0</td></tr><tr><td>2A</td><td>2001</td><td>2000</td><td>Tree</td><td>1,579.0</td><td>900.4</td></tr><tr><td>3A</td><td>2003</td><td>2001</td><td>Tree</td><td>1,233.0</td><td>1,142.2</td></tr><tr><td>4A</td><td>2003/04</td><td>2003</td><td>Tree</td><td>1,609.0</td><td>753.2</td></tr><tr><td>5A</td><td>2004/05</td><td>2004</td><td>Tree</td><td>2,091.0</td><td>335.1</td></tr><tr><td>6A</td><td>2004/05</td><td>2005</td><td>Tree</td><td>1,435.0</td><td>775.6</td></tr><tr><td>7A</td><td>2005</td><td>2008</td><td>Tree</td><td>1,517.0</td><td>676.1</td></tr><tr><td colspan="4">Area under tree plantation</td><td>10,332.0</td><td>5,207.6</td></tr><tr><td colspan="4">Total area</td><td>10,332.0</td><td>5,207.6</td></tr></table>Note: Progress of planting in ha as at December 2024<br><br>Based on the above, it is concluded that natural forest regeneration does not occur in harvested areas, as these areas are immediately replanted following harvesting activities.<br><br>Based on the findings, indicator falls to low risk.</td></tr>
<tr><td colspan="2">(iii) That areas designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands, grasslands, heathland and peatlands, are protected with the aim of preserving biodiversity and preventing habitat destruction, unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes</td></tr>
<tr><td>Type of Risk Assessment used</td><td>☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level</td></tr>
<tr><td>Level A risk assessment description</td><td>N/A</td></tr>
<tr><td>Level B management system at the level of the forest sourcing area</td><td>Special Management Zones (SMZ) have been, and continue to be identified. The SMZs invariably contain residual forest which, as it is protected within the SMZ, has a protective function and contributes to</td></tr>
</table>

conservation values including the enhancement of biodiversity.
Segan LPF0014

SMZ area covers 1,461 ha, which is 14% from the total area. ITP production area covers 52% of the total area.

**Table 4.1: Special Management Zones (SMZs) occurring within SEGAN**

| Zone Types |
|---|
| River buffer (RBZ) - mandatory; to EIA prescribed widths determined by the water course w |
| Swampy (mineral soil) |
| Rocky (skeletal soils) |
| Steep areas >35° – mandatory as TCIV; upper slopes (i.e. outside river buffers) |
| Gulley - steep riverside areas outside the mandatory buffer zone |
| Conservation – including areas which might be voluntarily designated as such and which otherwise might have been planted |

*Source: Segan LPF - public summary dated 2 January 2025*

Lana LPF0006
SMZ area covers 4,080 ha, which is 43% from the total area. ITP production area covers 49% of the total area.

Kuala Baram LPF0004
SMZ area covers 11 ha, which is 0.6% from the total area. ITP production area covers 61% of the total area.

**Table 4.1: Special Management Zones (SMZs) occurring within KUALA BARAM MTCS Area**

| Zone Types |
|---|
| HCV Areas |
| Seasonally Flooded Areas |
| Continuously Swampy or Marshland |

*Source: Kuala Baram LPF - Public Summary dated 25 October 2024*

SMZ area covers 8,946 ha, which is 36% from the total area. ITP production area covers 55% of the total area.

Based on the findings, indicator falls to low risk.

**(iv) that harvesting is carried out considering the maintenance of soil quality and biodiversity in accordance with sustainable forest management principles, with the aim of preventing any adverse impact, in a way that avoids harvesting of stumps and roots, degradation of primary forests, and of old growth forests as defined in the country where the forest is located, or their conversion into plantation forests, and harvesting on vulnerable soils, that harvesting is carried out in compliance with maximum thresholds for large clear-cuts as defined in the country where the forest is located, and with locally and ecologically appropriate retention thresholds for deadwood extraction and that harvesting is carried out in compliance with requirements to use logging systems that minimise any adverse impact on soil quality, including soil compaction, and on biodiversity features and habitats**

| | |
|---|---|
| **Type of Risk Assessment used** | ☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing** | Mechanized operations in areas of steep slopes and high rainfall inevitably give rise to increased soil erosion. This is kept to a minimum |

| | |
|---|---|
| **area** | firstly by using the most appropriate harvesting systems.<br><br>Secondly, where new roads to be constructed, by ensuring a reasonable road alignment and by construction that conforms to the FDS standards - which is necessary in order to obtain a PHC (Permit to Harvest Coupe).<br><br>Thirdly, by ensuring that any extensions of spur roads and clearing of new landings to facilitate extraction and loading are kept to the minimum necessary for efficient operation. Conservation of the biodiversity as presented by the gene pools of flora and fauna and of the ecosystems in which they are found is very much dependent on the residual natural forest in the river buffer zones and the conservation areas which are protected under the SMZ.<br><br>Shovel Yarding is the primary harvesting system to be used at the LPFs. As well as being economically more efficient, in areas of steep and broken terrain it helps to protect the fragile soils and in particular reduce erosion and compaction.<br><br>Benefits of a yarding system include:<br><br>• reduced disturbance to soils on steep erodible sites;<br>• reduced compaction when compared to a ground-based system;<br>• it can be used from high vantage points minimizing construction of new road infrastructure (this helps maintains water quality and minimizes site disturbance); and<br>• it allows access to otherwise economically inaccessible areas.<br><br>Based on the findings, indicator falls to low risk. |
| **(v) That harvesting maintains or improves the long-term production capacity of the forest.** | |
| **Type of Risk Assessment used** | ☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | There is a requirement in the LPF license conditions to replant harvested areas and that improved planting stock will be used. This is because maintaining a sustainable flow of logs suitable for Samling's solid wood downstream requirements is a key management objective of SST and SRB.<br><br>The annual cut is based on:<br><br>• Ensuring that the areas of plantation trees in the certified area do not become over aged: and a little way in the future,<br>• The need to consider the normalization process for the whole LPF for sufficient and continuous log flow<br><br>Based on the findings, indicator falls to low risk. |

| | |
|---|---|
| **(vi)[1] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.**<br>*Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*<br>*(a) **primary forest** and other wooded land and **old growth forest,** namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed; and old growth forests as defined in the country where the forest is located. If there is no definition of **old growth forest** at the national level, then the following definition shall apply: A forest stand or area consisting of native tree species that have developed, predominantly through natural processes, structures and dynamics normally associated with late-seral developmental phases in primary or undisturbed forests of the same type. Signs of former human activities may be visible, but they are gradually disappearing or too limited to significantly disturb natural processes.* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | Only raw materials sourced from PEFC-certified areas within Samling LPFs, clearly stamped as "SBP Compliant" on the delivery documents form the LPFs, are used in the production of biomass - specifically wood pellet. The raw materials are NOT OBTAINED from the land areas that: - have high biodiversity value, in accordance with Article 29(3); - contain high carbon stock, as stated in Article 29(4); or - was peatland in January 2008, under Article 29(5). Furthermore, annual surveillance audits conducted by third-party certification bodies under the Malaysian Timber Certification Scheme (MTCS)—based on the MC&I SFM standard and endorsed by PEFC—have verified compliance with the above requirements and confirmed that no violations have occurred. Based on the findings, indicator falls to low risk. |
| **(vi)[2] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.**<br>*Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*<br>*(b) **highly biodiverse forest** and other wooded land which is species-rich and not degraded, and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the production of that raw material did not interfere with those nature protection purposes.* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | Samling LPFs (logs suppliers) do not engage in any planting, clearing, or harvesting activities on any areas matching the definition of highly biodiverse forest during January 2008. Because no forestry operations or biomass extraction take place on these specific land parcels, there is zero risk of interfering with nature protection purposes or encroaching on restricted zones. EIA report HCV assessment report PEC (salvage logging) issued out by Forest Department for coupe and block Block Masters indicating year of 1st rotation planting + site type for coupe and block Logs Delivery Order and FD removal pass (transit) |
| **(vi)[3] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under** | |

| | |
|---|---|
| **the same conditions of determination of the status of land specified in those paragraphs.**<br>*Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*<br>*(d) **highly biodiverse grassland** spanning more than one hectare that is: (i) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes; or (ii) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority, unless evidence is provided that the harvesting of the raw material is necessary to preserve its status as highly biodiverse grassland.* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | There are no grasslands (either natural or non-natural) present within any of the Samling Licensed Planted Forest (LPF) areas. EIA report HCV assessment report |
| **(vi)[4] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.**<br><br>*Article 29 (3): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with a high biodiversity value, namely land that had one of the following statuses in or after January 2008, whether or not the land continues to have that status:*<br>*(e) **heathland** - Biomass Producer shall use the official definition for Heathland used in the applicable feedstock origin country. In the absence of such a definition, then the following definition shall be applied: Vegetation with low and closed cover, dominated by bushes, shrubs, dwarf shrubs (heather, briars, broom, gorse, laburnum etc.) and herbaceous plants, forming a climax stage of development (Source: EU Copernicus).* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | Samling LPFs (log suppliers) do not engage in any planting, clearing, land preparation, or harvesting activities on any areas matching the definition of heathland/kerangas. Because no forestry operations take place on these specific soil and vegetation types, there is zero risk of biomass sourcing interfering with these habitats. EIA report HCV assessment report |
| **(vi)[5] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.**<br>*Article 29 (4): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land with high-carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:*<br>*(a) **wetlands,** namely land that is covered with or saturated by water permanently or for a significant part of the year (NOTE: Evidence of verification of wetlands should reflect seasonal changes within a year).* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |

| | |
|---|---|
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | For SBP products if they are buyer order especially to EU countries (*within the period of reporting there is no SBP Sales*), Samling LPFs (log suppliers) ensure that forest biomass harvested and supplied does not stem from raw materials obtained from land that held wetlands status in or after January 2008. EIA report PEC (salvage logging) issued out by Forest Department for coupe and block Block Masters indicating year of 1st rotation planting + site type for coupe and block Logs Delivery Order and FD removal pass (transit) |
| **(vi)[6] That forests in which the forest biomass is harvested do not stem from the lands that have the statuses referred to in Article 29(3) points (a), (b), (d) and (e); Article 29(4), point (a), and Article 29(5), respectively under the same conditions of determination of the status of land specified in those paragraphs.**<br>*Article 29 (5): biomass fuel produced from agricultural biomass shall not be made from raw material obtained from land that was **peatland** in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil. For a peatland that was partially drained in January 2008, a subsequent deeper drainage, affecting soil that was not fully drained, would constitute a breach of the criterion.* | |
| **Type of Risk Assessment used** | ☐Level A – proof at national or sub-national level<br>☒Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | For SBP products if there is buyer order expecially to EU countries (*within the period of reporting there is no SBP Sales*), Samling LPFs (log suppliers) ensure that forest biomass harvested and supplied does not stem from raw materials obtained from land that held peatland status in or after January 2008. EIA report PEC (salvage logging) issued out by Forest Department for coupe and block Block Masters indicating year of 1st rotation planting + site type for coupe and block Logs Delivery Order and FD removal pass (transit) |
| **(vii) that installations producing biomass fuels from forest biomass, issue a statement of assurance, underpinned by company-level internal processes, for the purpose of the audits conducted pursuant to Article 30(3), that the forest biomass is not sourced from the lands referred to in point (vi).** | |
| **Type of Risk Assessment used** | ☒Level A – proof at national or sub-national level<br>☐Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | *Not applicable, requirement only applies to Level A* |

| **LULUCF criteria 29(7)** | |
|---|---|
| **Type of Risk Assessment used** | ☐ Level A – proof at national or sub-national level<br>☒ Level B – management system at forest sourcing area level |
| **Level A risk assessment description** | N/A |
| **Level B management system at the level of the forest sourcing area** | All the LPFs identified, demarcated, and mapped their high conservation value and high carbon stock areas within the LPF boundaries, as per HCV reports for each LPFs. |

The long-term average carbon stock of Acacia is calculated using the methodology described in "AFOLU Guidance: Example for Calculating the Long-Term Average Carbon Stock for ARR Projects with Harvesting". The calculation is shown in the table below.

| Year | AGB | Unit |
|---|---|---|
| 1 | 11.7 | t.dm/ha |
| 2 | 23.3 | |
| 3 | 35.0 | |
| 4 | 46.7 | |
| 5 | 58.3 | |
| Average | 29.2 | |
| | 13.7 | t.C/ha |
| | 50.3 | $t.CO_2/ha$ |

The tree rotation for Samling's Industrial Tree Plantation (ITP) for acacia is 5 years. All the LPFs are under the ITP under five to nine years planting regime for 60 years license.

LPFs Carbon Stock Inventory as follows;

Segan

| Year | Reforestation Carbon Sink | | Revegetation (SMZ) Carbon St | | Total Carbon Sink & Stock | |
|---|---|---|---|---|---|---|
| | Area (ha) | Carbon | Area (ha) | Carbon | Area (ha) | Carbon |
| 2026 | 1,033 | 14,152 | 1,654 | 7,696 | 2,687 | 21,848 |
| 2027 | 1,008 | 13,810 | 1,654 | 7,691 | 2,662 | 21,501 |
| 2028 | 1,008 | 13,810 | 1,654 | 7,697 | 2,662 | 21,507 |
| 2029 | 1,008 | 13,810 | 1,654 | 7,693 | 2,662 | 21,503 |
| 2030 | 1,008 | 13,810 | 1,654 | 7,699 | 2,662 | 21,509 |
| 2031 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2032 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2033 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2034 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2035 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2036 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2037 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2038 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2039 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2040 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2041 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2042 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2043 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2044 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2045 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2046 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2047 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2048 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2049 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2050 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2051 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2052 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2053 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2054 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |
| 2055 | 1,008 | 13,810 | 1,654 | 7,696 | 2,662 | 21,506 |

Lana lpf0006

| Year | Reforestation Carbon Sink | | Revegetation (SMZ) Carbon S | | Total Carbon Sink & Stock | |
|---|---|---|---|---|---|---|
| | Area (ha) | Carbon | Area (ha) | Carbon | Area (ha) | Carbon |
| 2026 | 1,233 | 16,885 | 2,370 | 11,033 | 3,603 | 27,918 |
| 2027 | 1,298 | 17,776 | 2,370 | 11,033 | 3,668 | 28,809 |
| 2028 | 1,053 | 14,419 | 2,370 | 11,033 | 3,423 | 25,452 |
| 2029 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2030 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2031 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2032 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2033 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2034 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2035 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2036 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2037 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2038 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2039 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2040 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2041 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2042 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2043 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2044 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2045 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2046 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2047 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2048 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2049 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2050 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2051 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2052 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2053 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2054 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |
| 2055 | 753 | 10,309 | 2,370 | 11,033 | 3,123 | 21,342 |

Marudi 0008

| Year | Reforestation Carbon Sink | | Revegetation (SMZ) Carbon S | | Total Carbon Sink & Stock | |
|---|---|---|---|---|---|---|
| | Area (ha) | Carbon | Area (ha) | Carbon | Area (ha) | Carbon |
| 2026 | 588 | 8,056 | 6170 | 28,709 | 6,758 | 36,76 |
| 2027 | 706 | 9,672 | 6170 | 28,691 | 6,876 | 38,36 |
| 2028 | 823 | 11,275 | 6170 | 28,713 | 6,993 | 39,98 |
| 2029 | 941 | 12,892 | 6,170 | 28,699 | 7,111 | 41,59 |
| 2030 | 1,058 | 14,495 | 6,170 | 28,721 | 7,228 | 43,21 |
| 2031 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2032 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2033 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2034 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2035 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2036 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2037 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2038 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2039 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2040 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2041 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2042 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2043 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2044 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2045 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2046 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2047 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2048 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2049 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2050 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2051 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2052 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2053 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2054 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |
| 2055 | 1,176 | 16,111 | 6,170 | 28,709 | 7,346 | 44,82 |

Paong Ipf0021

| Year | Reforestation Carbon Sink | | Revegetation (SMZ) Carbon S | | Total Carbon Sink & Stock | |
|---|---|---|---|---|---|---|
| | Area (ha) | Carbon | Area (ha) | Carbon | Area (ha) | Carbon |
| 2026 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2027 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2028 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2029 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2030 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2031 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2032 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2033 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2034 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2035 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2036 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2037 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2038 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2039 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2040 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2041 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2042 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2043 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2044 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2045 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2046 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2047 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2048 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2049 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2050 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2051 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2052 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2053 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2054 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |
| 2055 | 405 | 5,549 | 8,000 | 37,243 | 8,405 | 42,79 |

# Annex 2a: EU RED II Supply Base Evaluation

## Annex 3: SBP Processing residues and/or Post-consumer feedstock requirements

☒ Not Applicable (Processing Residues and/or post-consumer feedstock not used)

### Verification and monitoring of suppliers

N/A

### Feedstock inspection and classification upon receipt

N/A

### Supplier audit for processing residues and post-consumer feedstock

N/A

## Annex 4: EU RED detailed findings for Trees Outside Forest (TOF) feedstock

*NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no EU RED sustainability requirements apply, only the GHG savings criteria apply (SBP EU RED Bridging ID v2.0 Section 1.1). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).*

Not Applicable (RED II TOF not included)

## Annex 4a: RED II detailed findings for Trees Outside Forest (TOF) feedstock

*NOTE: For "Trees outside forests (TOF) – Urban and landscape feedstock" no REDII sustainability requirements apply, only the GHG savings criteria apply (SBP REDII Bridging ID Section 4.2). The land use category in this case is neither forest land nor agricultural land. For "Trees outside forests (TOF) – Agricultural land feedstock" the applicable criteria are Article 29 paragraphs (2)-(5).*