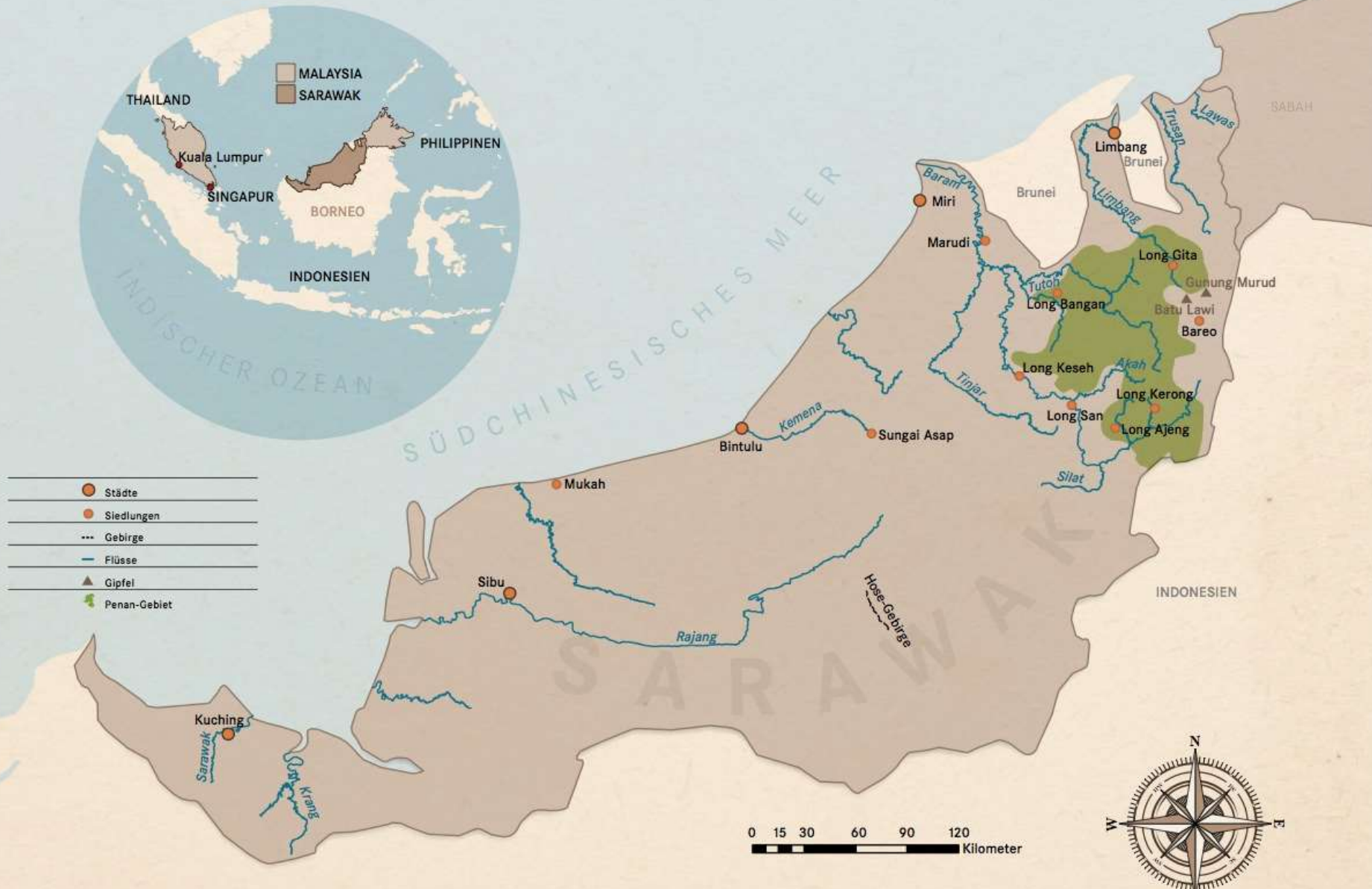


Samling and MTCS in Sarawak: Hidden Risks in the Timber Supply Chain



Japanese timber supply chains, Seminar, March 2024
Annina Aeberli, PhD, Bruno Manser Fonds

Sarawak, Malaysia's largest state



The Bruno Manser Fonds

Association, 11 staff, Basel

Founded by Bruno Manser

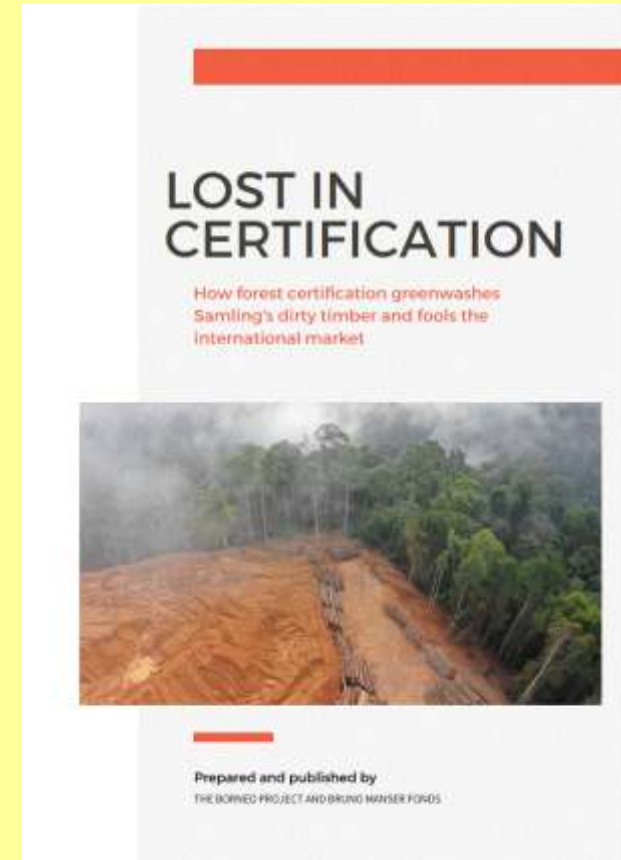
Our objectives:

- Respect for human/Indigenous rights
- Conservation of forests (Sarawak)
- Support for the Penan by providing them with assistance in the fields of health, education and infrastructure, alternative income
- Combatting corruption and commitment for transparent governance
- Documenting Indigenous cultures of Sarawak

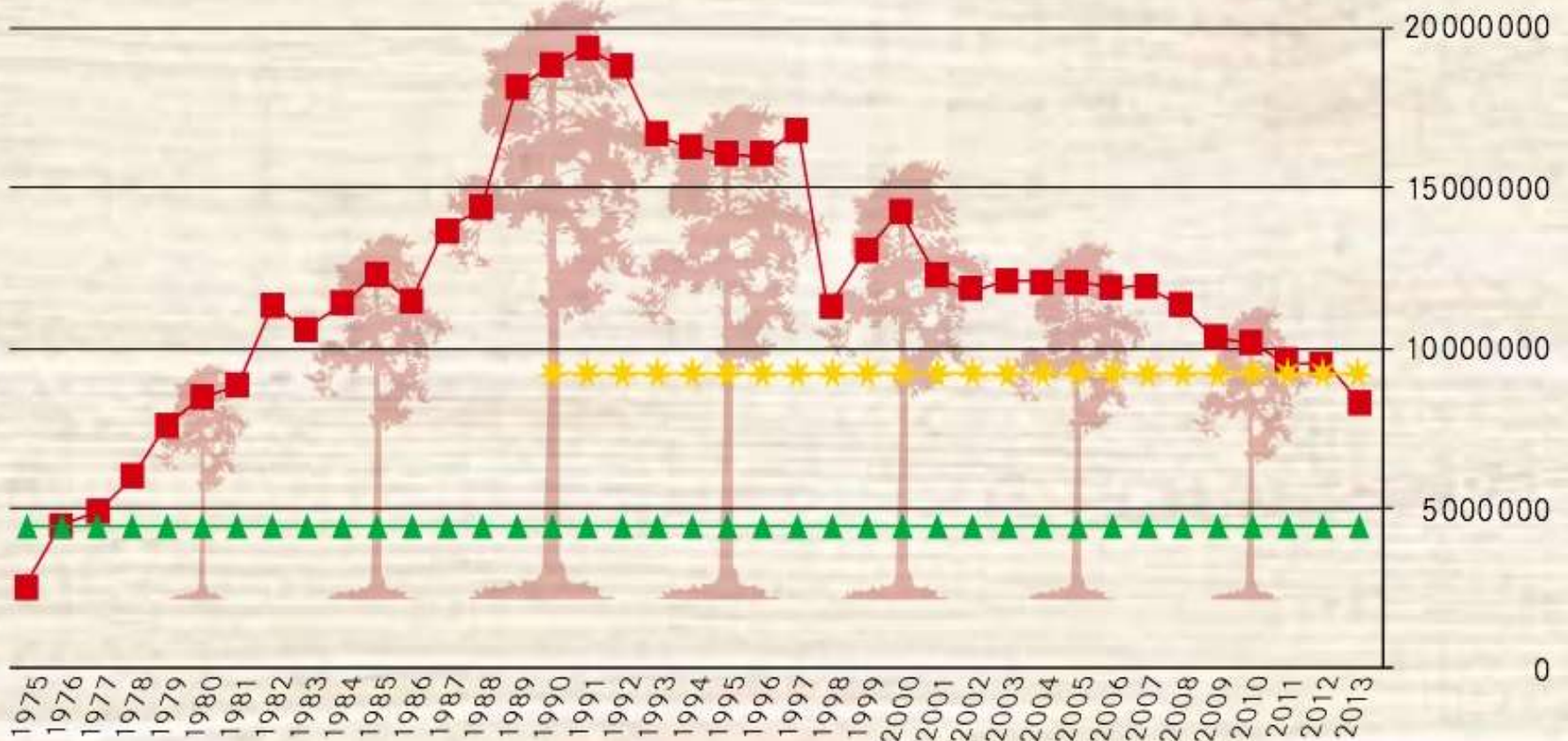


Certified timber from Sarawak

- Malaysian Timber Certification Scheme (MTCS) endorsed by PEFC International
- Samling: Over 65 companies under Samling Global Limited
- New report 2023
 - documents alleged non-compliances of Samling with the MTCS
 - questions whether MTCC can guarantee own MTCS standard
 - reveals Samling timber in Japanese (and other) supply chains



SARAWAK LOG PRODUCTION 1975-2013 (LOG PRODUKTION IN M³)

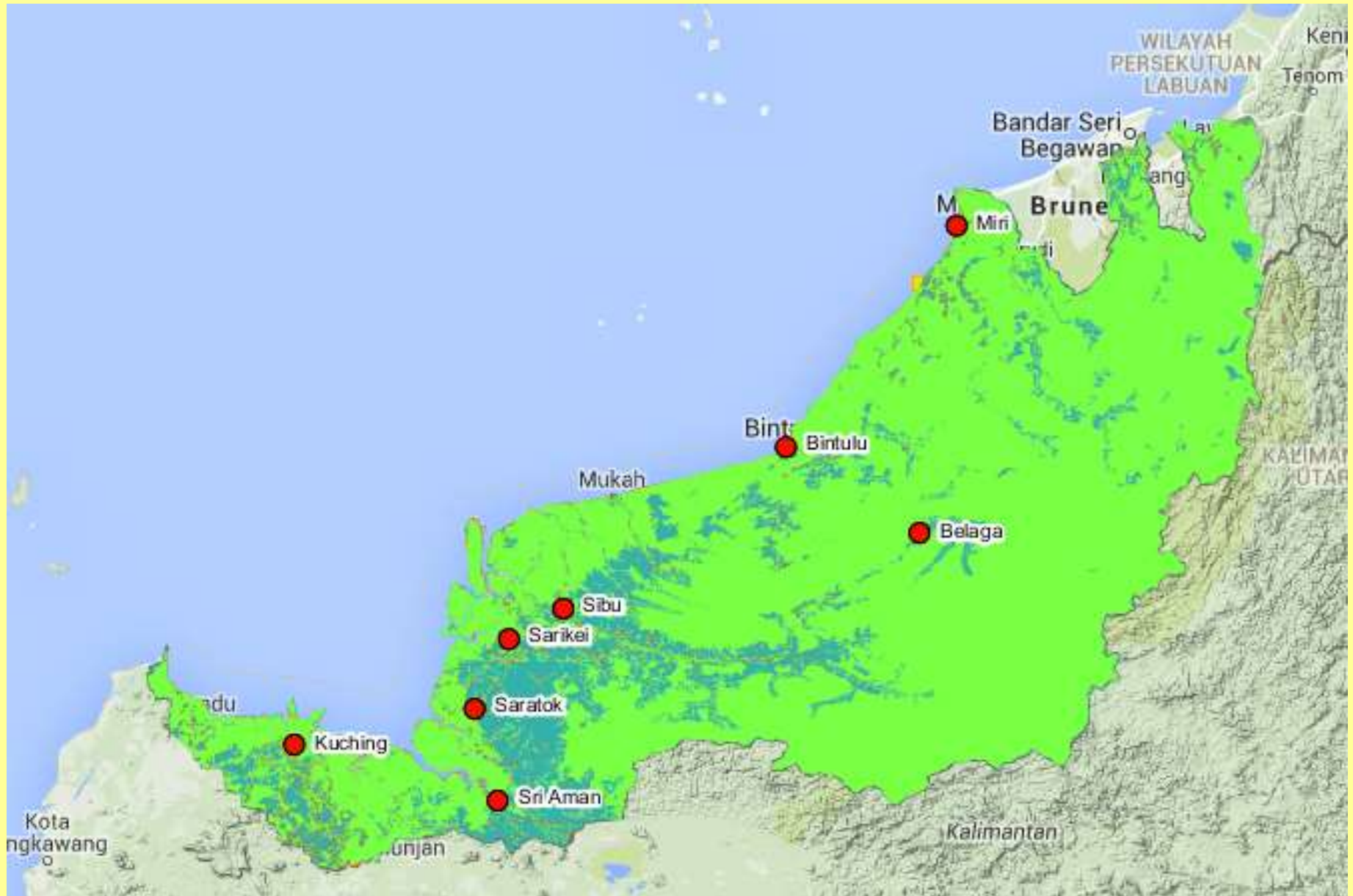


■ Log production in m³

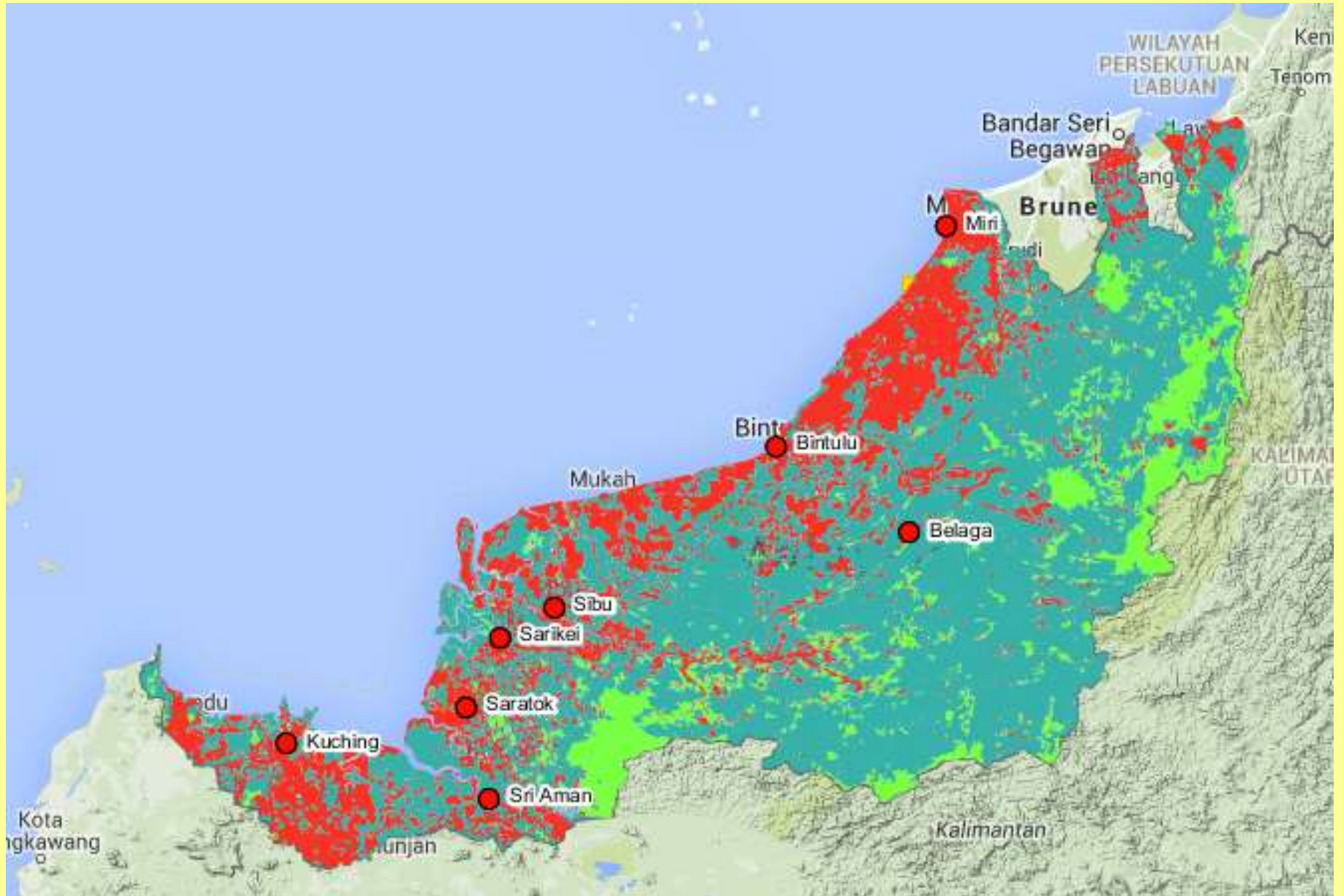
★ ITTO recommendation in m³

▲ FAO recommendation in m³

Sarawak land cover 1960



Sarawak land cover 2010




Samling's licenses in Sarawak



Figure 3: Samling's licenses for timber, planted forest and oil palm in Sarawak

 Samling licenses for planted forest

 Samling licenses for timber

 Samling licenses for oil palm



MTCS Principle 6:
Environmental Impact
Criterion 6.10: “Forest
conversion to other land
uses shall not occur, except
in circumstances where
conversion” “entails a very
limited portion of the FMU”,
defined as “not more than
5% of the total area of the
certified FMU”

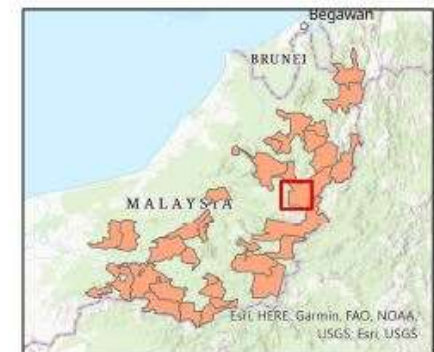
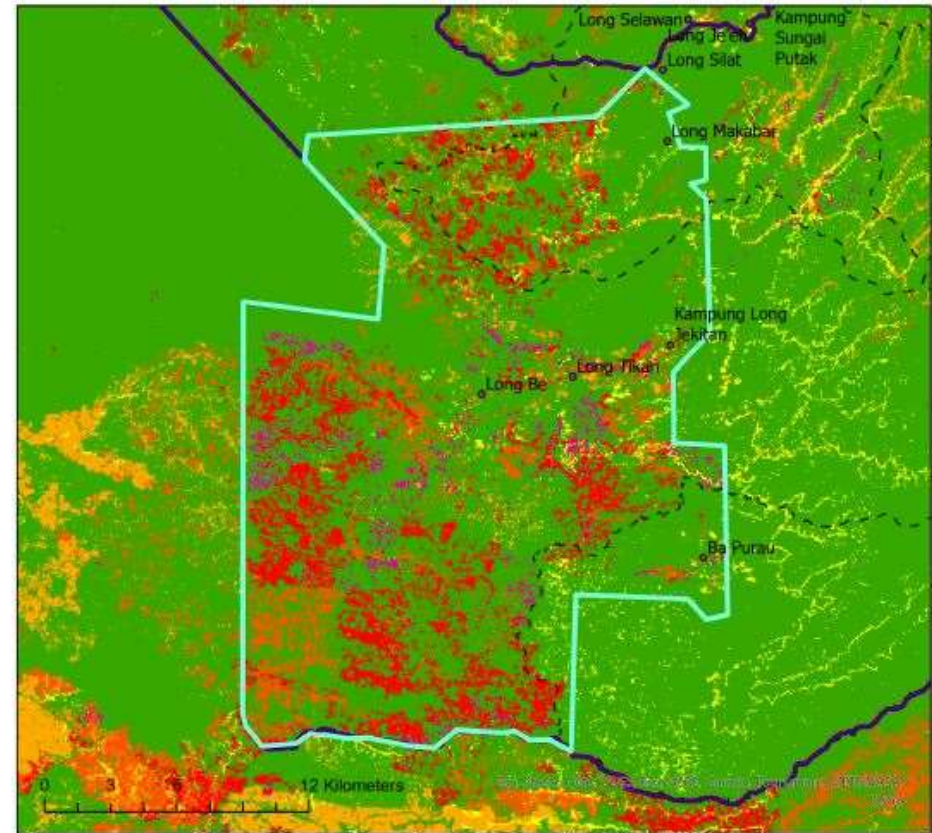


Ongoing conversion

Gerennai FMU

- 50,000 hectares excised and under conversion into oil palm plantations
- Conversion violates
 - MTCS/PEFC
 - MSPO & RSPO
 - EUDR

Deforestation in Excised Area of Gerennai FMU



MTCS Principle 3:
Indigenous Peoples' rights
Criterion 3.1: "Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free, prior and informed consent to other agencies and/or parties."



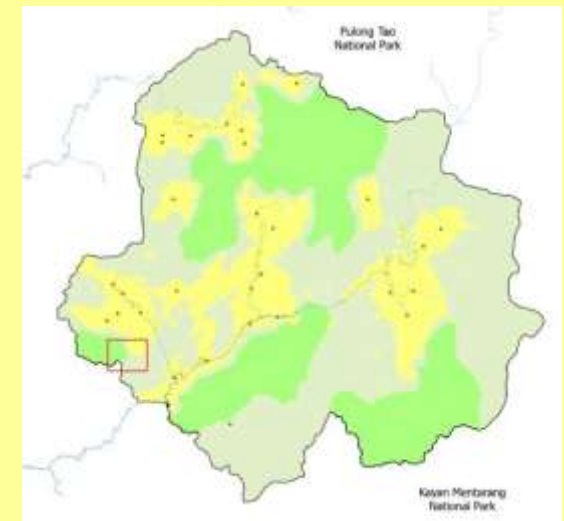
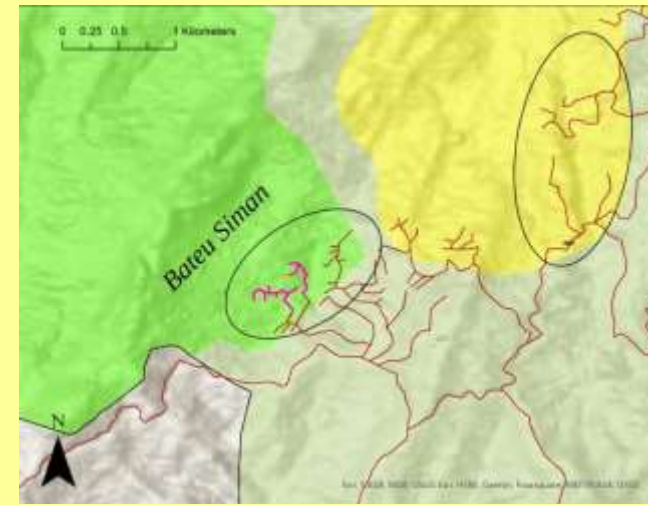
Conflicts with Indigenous communities



- Lack of transparency
- Certain villages are not represented on maps and in consultations
- Disregard of community dependence on forest resources
- Alleged lack of Free, Prior and Informed Consent in the certification process and in logging
- Disregard of community initiatives for forest conservation

Logging in conserved areas

- 2022: Logging within the proposed core protection zone of the Upper Baram Forest Area (UBFA)
- 2018: Logging in a Communal Forest of a Kenyah community



Defamation Suit by Samling

- 2021: Samling sues grassroots organization SAVE Rivers for allegedly defamatory statements
- 2022: UN Special Rapporteurs for Indigenous Peoples and Human Rights defenders agreed that the suit may be classified as “Strategic Lawsuit Against Public Participation” (SLAPP)
- 2023: Samling withdraws case



Flawed complaints procedure

- Samling:
 - historically not responsive to community complaints
 - finally official complaints procedure in 2022
- MTCS
 - official complaints procedure was not online in 2020
 - Very complex to navigate, especially for communities
 - Complaints procedure under MTCS was made harder in 2023
 - No clear guidelines for suspension and withdrawal

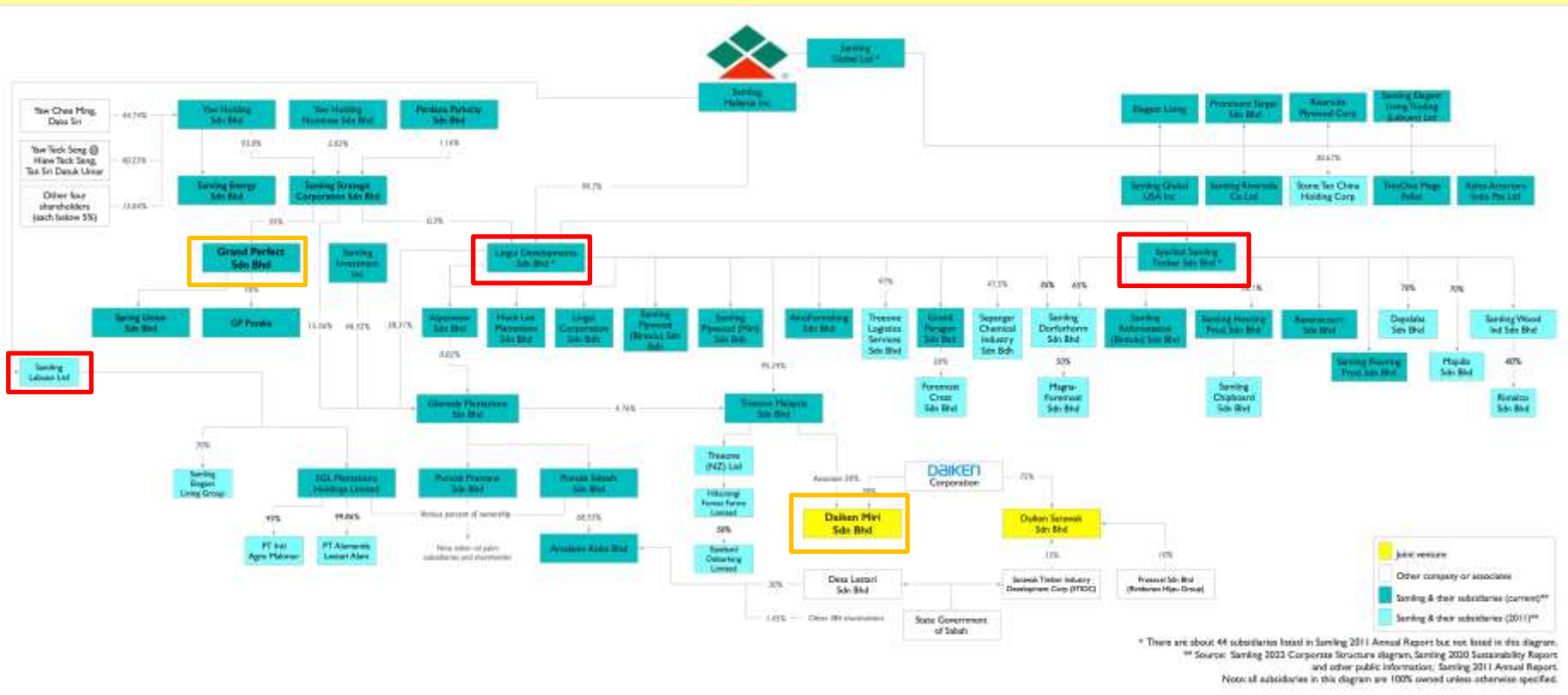


Warning signals from official authorities

- FSC investigates Samling
- Standards Malaysia investigated certification body SIRIM: no clear guidelines on suspension & withdrawal
- Dutch government
 - Requests PEFC to investigate MTCS
 - questions monitoring role of PEFC over MTCS
 - Questions whether MTCC can guarantee their own standard
 - > PEFC must provide evidence

Samling's corporate structure

- Samling controls 65 companies related to forest products



Samling timber in Japanese Supply Chains

- Plywood:
 - Japan: top importer of Malaysian plywood
 - Itochu Corporation and Daiken have partnerships with Sarawak



Samling timber in Japanese Supply Chains

- Medium Density Fibreboard (MDF)
 - Japan imports 65% of MDF produced in Sarawak
 - Daiken Miri uses mixture of acacia and dipterocarp tropical hardwood
 - Traded under TEKWOOD / TEKWOOD-A



Samling timber in Japanese Supply Chains

In 2020/2021 Daiken Miri sold

- 6100 tons of TEKWOOD to PT AST Indonesia (Sumitomo Group)
- 1300 tons of TEKWOOD to PT Matsuzawa Pelita Furniture Indonesia



Samling's customers with Japanese links

Destination Country	Customer	Business	Samling Product and Brands	Connected Customers and Markets
Japan	Itochu Japan	Construction	Plywood and sawn wood	Japanese market
	Daiken Japan	Construction	TEKWOOD	Japanese market
Indonesia	Matsuzawa Kogei	Manufacturer (office and kitchen furniture, musical instruments)	"TEKWOOD" and "TEKWOOD-A" MDF	Japan: Panasonic, Kawai, Takara
	PT AST Indonesia (Sumitomo Group)	Manufacturer (building materials, furniture, pianos)	"TEKWOOD" and "TEKWOOD-A" MDF	Japan: Muji, Toto, Simmons, Sumitomo, Australia: ForestOne Int'l: Roland Music

Japanese companies' influence

- Japan is top importer of MTCS-certified timber
- Sarawak and MTCS-certified timber: high risk
- Japanese companies can make a difference



Thank you for your interest

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