

## **Logging ops: Norwegian action sends wrong signals, says Samling**

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KUCHING - The recent decision by the Norwegian Government Pension Fund to divest its stake in the company gave a wrong message about its logging operations, said Sarawak-based Samling Global Ltd.

Samling said it has endeavoured to safeguard its reputation as a public limited company because it was sensitive to market sentiments and public perception.

"While it is not our policy to comment on an investor's decision, we regret the public characterisation of us by the fund and its Council of Ethics via their recommendation report.

"Samling deems the report biased, inaccurate and not based on complete information," it said in a statement posted on its website, [www.samling.com](http://www.samling.com).

Recently, the Sarawak government, through the Forest Department, had also come to the defence of Samling after the fund decided to withdraw a US\$16-million (US\$1=RM3.06) investment on ethical grounds.

The company said it was saddened for not being given fair hearing by the Council of Ethics, which did not engage it when the investigation started to give it a meaningful opportunity to participate in the process.

In December 2009, Samling received a draft recommendation from the Norwegian Government's Council of Ethics stating its intention to exclude the company from the "investment universe" of its global Government Pension Fund.

In February this year, Samling submitted its reply, after detailed investigation of its operations based on issues raised by council's report besides extending an invitation to the council or its representative to visit its concessions for first-hand knowledge of its business and gain insight into issues raised by it.

"The initial invitation was subsequently followed by another one in July this year but unfortunately, there was no response to both our invites," it said.

Among others, Samling said, the draft recommendation was produced in its entirety with inputs from independent sources, anonymous sources and certain non-governmental organisations.

Samling said as a long-term player, having been in the industry for almost 40 years, and being one of the largest producers of tropical timber, it was mindful that tropical forestry was constantly under immense scrutiny.

As such, it recognised that adopting best practices and certification standards in sustainable forest management was an evolving process for the country, industry and the company.

"The company also operates in regulated environments, which require compliance with its concession agreements that contain conditions enforced by the Sarawak Forest Department and Guyana Forestry Commission," it said.

Samling, the integrated forest resource and wood products company, has established an international presence with strategically-located operations in China, New Zealand, Australia, Guyana as well as in the country.— Bernama

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