

Vision

Bringing back the natural forest and managing it sustainably

Core Purpose

To deliver consistent, predictable and sustainable supplies of quality timber from our NFM and ITP (BASIL) forests

Core Values

- Do the Right thing, even though no one is watching;
- Love and respect for self, fellow man and nature;
- Recognise and promote teamwork, and never let your team members down;
- Continuous improvement of self and Sapulut through training and learning and practice "I see, I think and I do";
- Discipline- discipline of self, disciplined thoughts and disciplined action;
- Do ordinary things extraordinarily well;
- Know the rules, and know how to break them properly.

Revised on 28 June 2017

THE COMPANY'S CULTURE

Company culture is the DNA of the company. At the most fundamental level, our company's culture is define by the core purpose and core values (which determines the conscience and strategy of the company) and the standards that we set for ourselves. It can be summarized as:

Core Purpose + Core Values + Standards = Company Culture

Let's look at a few examples where the company's culture take on great importance in the organisation:-

In Zappos, the company's culture is not only used in the recruitment process but also played an important role in worker's dismissal. They can dismiss a worker for not contributing to the corporate culture¹. In Sapulut, we can look back at some of the examples in our hired staff, those that did not fit in with our core values and ultimately had a bad effect to the company and our co-workers.

Warren Buffet, who is an American business magnate, investor, philanthropist² and the most successful investor in the world, has over the years being asked to name a successor to head Berkshire Hathaway when he becomes incapacitated. Warren is 87 years old and he just revealed that his son, Howard Buffet, will be his successor. And this is not a case of nepotism. Howard is a farmer and is not involved in the business. There are many operational and corporate matters that he does not know, and there are many people smarter and more capable than him within Berkshire. But Warren picked him because he understood the corporate values of Berkshire better than anyone else, and Warren trusted him to be the guardian of those values. His sole responsibility to ensure that Berkshire keeps its corporate values. He has the power to remove anyone who does not contribute or align themselves to the corporate culture of Berkshire.

These examples should make us aware to the importance of a company's culture for an organization to perform at the highest level.

Norman Wong
Managing Director (13 September 2017)

1. <http://fortune.com/2017/05/20/company-culture-leader/>

2. https://en.wikipedia.org/wiki/Warren_Buffet

KNOW HOW TO TELL A GOOD FAILURE FROM A BAD ONE

Not all failures are bad – some of them are actually good because of the valuable learning opportunities they present. Dividing our organization's failures into three categories will help us distinguish the good, useful failures from the bad, useless ones:

- **Preventable failures in predictable operations.** These are caused by inadequate training, inattention, or lack of ability. They're easy to diagnose and fix and considered as bad/useless failure as it was not supposed to happen.

For example: When Sapulut started BASIL, two tree fellers were assigned to cut the trees in the harvesting lines. Both were trained at IPS, and they are aware of the requirements to maintain riparian reserve. One observed the requirement while the other did not and fell 35 trees within the riparian reserve. Sapulut was penalised by Forestry Department at a rate of RM5,000.00 per tree (before our appeal).

- **Unavoidable failures in complex systems.** Small process setbacks are inevitable, so considering them as failures is counterproductive. They can usually be averted by following best practices for safety and risk. We learn from this failures and improve.

For Example: LFIS is a complex system and is a powerful tool when used as a Management Information System by Marketing, Accounting, etc. As the system is complex, failure can occur in the design/software level, as well as in the implementation level. Initially data integrity was an issue and control procedures were put in to avoid unilateral changes made by data

entry personnel. We are still learning and making changes with feedback from end users and when weaknesses in controls are observed. It is important that we make progress everyday for this complex system in order to ensure that it works properly and meet the needs of end users.

- **Intelligent failures at the frontier.** These good failures happen as a result of forward-thinking innovation. They provide valuable knowledge that can help you get ahead of the competition. But they can become bad failures if your organization starts working at a larger scale than is necessary.

For example: Sapulut is a pioneer and is charting new frontiers in the management of plantation forest in Sabah. When we start something new we start from small before we move on to bigger scale. We pioneered BASIL planting and we started small with buffer lines of 5 meters. We did a trial and decided that the 5m strip/buffer lines are too small. We revised it to 15 meters and it seems suitable after some trials. However when we decided on yarder harvesting, a 33 meter strip/buffer line seems more suitable, so the new width was adopted. We start small, experiment, adapt and then adopt. In other words, you start small until you get it right, then go full scale. One author has called this approach *'fire bullets first, then fire the cannon balls'*.

Source: Adapted from "Distinguish Good Failures from Bad Failures" by Amy Edmondson.

Summarized by: Matthew Wong, Finance & Admin Manager

SABAH LOG GRADING RULES – SLGR

A basic course of log grading using the method referred to in the book of Sabah Log Grading Rules 2002 Edition was held on July 10, 2017 until July 14, 2017 at the Forestry Complex open hall. A total of 18 participants from Prisma Majujuta Sdn Bhd, Timber Harvesting Support Services Department, Marketing Department and Management System Information Department participated in this course.

The main objective of this course is to provide a guide and reference for round log grading standards that will be sold either for export or local market purposes. It improves and increase the quality of timber grading for the company. This course teaches us how to grade timbers according to the state of logs and timber defects. We are also taught to evaluate, to calculate and measure log defects to obtain the actual volume of the logs. At the end of the course, all participants took the field assessment test and written test to assess the participants' knowledge level.

From this course the participants studied 9 categories of logs, 21 logs rules and 5 parts of table defects interpretation and unit equations. Everything learned in this course will be an important reference materials when classifying these logs for the purpose of selling round logs.

Article and pictures from: Norman Bandara, THSS Department & Jimmy Wesley, MIS Department



Picture 1: One of the speaker from Sabah Forestry Department.

Picture 2: Tuan Osman giving briefing in the field.

Picture 3: Tuan Azni explaining the method of logs grading.

Picture 4: Participants sitting on the written test at the Forestry Complex open hall.



Group photo of the participants with the trainer and Mr Santharasagar.



Participants pictured together with the speaker/trainer from the Sabah Forestry Department at the field.

COLLABORATION: Sapulut-Sabah Forestry Department-UMS-STIA-TAS

Forestry research: STIA-TAS seeks UMS collaboration

KOTA KINABALU: The Sabah Timber Industries Association (STIA) and Timber Association of Sabah (TAS) have sought the collaboration and support of Universiti Malaysia Sabah (UMS) in conducting research.

Head of the STIA-TAS Grouping, Norman Wong Shew Yam, said they chose UMS as research partners because of the university's insights and capability in forestry research.

"It is necessary for us to have this constructive engagement and collaboration in order to build a strong foundation for an enduring and sustainable timber industry," he said at a meeting with a delegation of UMS academics and students, here, Thursday.

Wong, who is also Deputy President of TAS and Managing Director of Sapulut Forest Development Sdn Bhd, said the group recognises the Sabah Forestry Department, STIA and TAS as the three core members of the timber industry, each with its roles, responsibilities and expectations.

He stressed the need to have a market-based mindset and approach in dealing with the current challenges faced by the industry.

"Forestry is a long-term investment and it requires both marketing and innovation in order to succeed," he said.

Forestry in Sabah, he said, enjoys a comparative advantage due to the quality and diversity of plantation species, climate conditions, good soil and good governance.

"But we have not taken good advantage of this situation yet," he noted.

He said it is only after 20 years since the State Government implemented the Sustainable Forestry Management policy and the establishment of Forests Management Units (FMUs) in Sabah in 1997 that "we are now starting to see the light, a way out."

Wong declared that the timber industry is a sunrise industry and not a sunset industry as some might perceive it to be.

"Forestry has a bright future, a force for



Wong (right) speaking at the meeting. On his left are Dr Liew (centre) and Dr Ong.

doing good socially and environmentally and for doing well economically."

He said forestry in Sabah has become a platform for creation of value-added products for both FMU licence holders as well as players in downstream industries.

Associate Professor Dr Liew Kang Chiang, from the Faculty of Science and Natural Resources, who led the delegation from UMS to the meeting, said the university was willing to undertake forestry studies.

"However, we may not be able to accomplish such research projects as speedily as the industry players want, since we have other responsibilities such as teaching."

Dr Robert Ong, who represented the Sabah Forestry Department (SFD) at the meeting, briefed them on the bigger picture of the forest sector of the state economy, saying that timber production areas are shrinking.

He stated that among prevailing problems faced was a lack of innovation and passion in developing the industry.

He shared the knowledge he gained from the Borneo Forest Cooperatives (BFC) at Kota Marudu recently.

Dr Ong, who is a deputy head at the Forest Research Centre of SFD in Sandakan, disclosed that the Forestry Department is preparing a long-term state level landscape management plan that would harmonise with smaller plans and that this task might take two years to complete.

The two-hour forum enabled representatives to discuss and share experiences on various aspects of research work, including studies on specific softwood species for forest plantations.

Two students taking forestry courses at UMS were given an opportunity to share their experience of a six-month internship at an FMU under the management of Sapulut Forest Development Sdn Bhd.

Haslina Laharum and Nasru Alfiuddin bin Mohamad Sidik stated that the hands-on field experience had been very beneficial and strengthened their desire to enter into a career in the forestry field.

New Sabah Times

HOME

Saturday August 19, 2017

STIA-TAS grouping seeks UMS collaboration in forestry research

KOTA KINABALU: A new grouping of Sabah timber industry players representing the Sabah Timber Industries Association (STIA) and Timber Association of Sabah (TAS) has sought the collaboration and support of Universiti Malaysia Sabah (UMS) to conduct research studies.

"We need to engage with the UMS for they have the insights and capability in forestry research," said Norman Wong Shew Yam, Head of the STIA-TAS Grouping, at a meeting with a delegation of UMS academics and students here on Thursday.

"It is necessary for us to have this constructive engagement and collaboration in order to build a strong foundation

for an enduring and sustainable timber industry," he said.

Wong, who is also deputy president of TAS and managing director of Sapulut Forest Development Sdn Bhd, said the grouping recognised the Sabah Forestry Department, STIA and TAS as the three core members of the timber industry, each with its roles, responsibilities and expectations.

He also underscored the need to have a market-based mindset and approach in dealing with the current challenges faced by the industry.

"Forestry is a long-term investment and it requires both marketing and innovation in order to succeed," he told the

UMS delegation and officials from STIA and TAS.

Forestry in Sabah, he added, enjoyed a comparative advantage due to the quality and diversity of plantation species, climate conditions, good soil, and good governance.

"But we have not taken good advantage of this situation yet," he noted.

He said it was only after 20 years since the state government implemented the Sustainable Forestry Management policy and the establishment of Forest Management Units (FMUs) in Sabah in 1997 that "we are now starting to see the light, a way out."

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Dr Liew speaking at the meeting. Also present were Norman (right) and Dr Ong (2nd right)

dustory as some might perceive it to be.

"Forestry has a bright future, a force for doing good socially, environmentally and for doing well economically."

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since we have other responsibilities such as teaching."

Dr Robert Ong, who represented the Sabah Forestry Department (SFD) at the meeting, briefed them on the bigger picture of the forestry sector, saying that timber production areas were shrinking.

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plans and that this task could take two years to complete.

Above Picture: Extracted from New Sabah Times, Page 7 dated August 19, 2017

Left Picture: Extracted from Daily Express, Page 4 on the August 19, 2017

In August 2017, the Managing Director's Office (MDO) have come up with the idea to set this meet up for collaboration between Sapulut Forest Development Sdn Bhd, Sabah Forestry Department (SFD), Faculty of Science and Natural Resources (University Malaysia Sabah), Sabah Timber Industries Association (STIA) and Timber Association of Sabah (TAS). Before the meet up was set, there was a meeting to explore the opportunities for collaboration in the fields of plantation and wood technology between Sapulut and the Faculty of Science and Natural Resources (FSSA) which was held on the August 09, 2017. Sapulut were hoping to explore opportunities for mutual benefit in example to explore the expertise of the staff and students of FSSA to enhance the technology, productivity and operations of the company and at the same time to provide resources and opportunities for the FSSA in academic and scientific research at our FMU.

The meet up for collaboration was held on the August 16, 2017 at the Wisma Manikar, Likas, Kota Kinabalu hosted by Sapulut. A crowd of 33 pax came for the first meet up that start at 10.00 am and last about 2 hours with various interesting facts and information on the forestry industry as well as related researches. Four of the interns who did their internship in Sapulut were also present on this event and two of them, namely Haslina Laharum and Nasru Alfiuddin bin Mohd Sidik gave out a good presentation of their 6 months' internship training. The event ends with a networking lunch and photo sessions.



Picture 1: Our Managing Director, Mr Norman Wong as the host for the event.

Picture 2: Open dialogue with question & answer session.

Picture 3: The delegation from Faculty of Science and Natural Resources (UMS), STIA with Mr Norman, Mr Bryant and Mr JJ Wong pictured together.

Picture 4: Hue Su Wah with staff from FSSA and two interns students.

Picture 5 & 6: Networking lunch.

Fun Fact About Fruits!

Are we aware of the facts about the fruits we eat? Fruits such as mango, honeydew melon, dragon fruit and papaya are few of the many tropical fruits that can easily found in Sabah. Some of these fruits also can be found in other country in the world. Do you know that they are called by other names in other country? Let us explore more on these fruits.

Fact #1: Dragon fruit

Dragon fruit or known as strawberry pear or pitaya. The red-fleshed variety of dragon fruit contains lycopene, the same anti-oxidant found in tomatoes. Lycopene helps in lowering the risk of cancer, hypertension and heart disease. Taiwanese doctors are said to recommend dragon fruits to patients with diabetes, to help normalize blood sugar levels. Eating too much red-colored dragon fruit can give rise to a harmless condition called pseudohematuria, which can turn urine reddish.



Fact #2: Papaya

Other names of papaya: *pawpaw* (Europeans and Australians), *mamao* (Brazil), *fruta bomba* (Cubans).

Portuguese explorer, Christopher Columbus, even had his own name for the papaya; he called it "the fruit of the angels."

The papaya plant, although mostly referred to as a tree, is actually a giant herb. It is fast-growing and can produce fruit within 6 to 12 months from planting.

Other parts of papaya:

- seeds and leaves are valued as medicine. Papaya seeds are said to be effective in getting rid of intestinal parasites while a tea brewed from papaya leaves is known to prevent malaria.
- stems and bark of the papaya plant can be made into rope.

Eating excessive amounts of the fruit can result in a temporary condition called carotenemia, which turns the palms of the hand and the soles of the feet yellow.



Fact #3: Mango

Mango trees belong to the family of fruit-bearing trees that grow in the tropics and bear edible fruits. *Mangifera indica* is a native of South Asia but is now being grown in different parts of the globe. The mango's name has its origins in the Tamil word "man-kay" or "man-gay." The Malays later changed the name to "manga;" but it was the Portuguese who first referred to the fruit as "mango".

Very recent studies indicate that mangoes boost the effect of marijuana on the body. Myrcene, the chemical which gives mangoes its distinct aroma, contains the organic compound, terpene. It is this compound that interacts with the psychoactive ingredient in cannabis, increasing the drug's potency and effect.



Fact #4: Honeydew Melon

The ancient Egyptians regarded the honeydew as sacred and it was only reserved for society's elite. Famous historical figures who loved the fruit include Cleopatra, Napoleon Bonaparte and Pope Paul II. Fortunately, widespread cultivation of honeydew has made it available for everyone today. Benefits of honeydew:

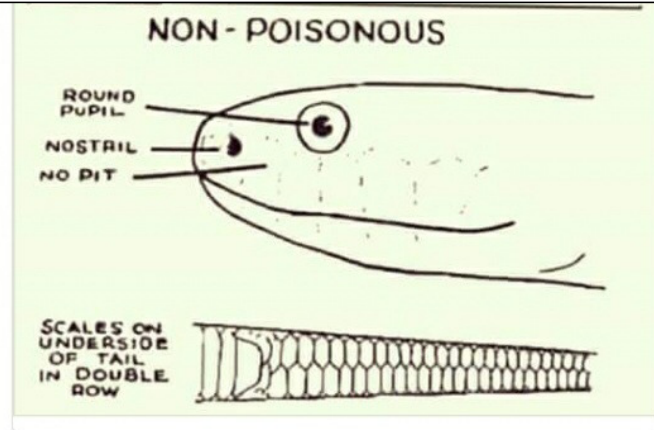
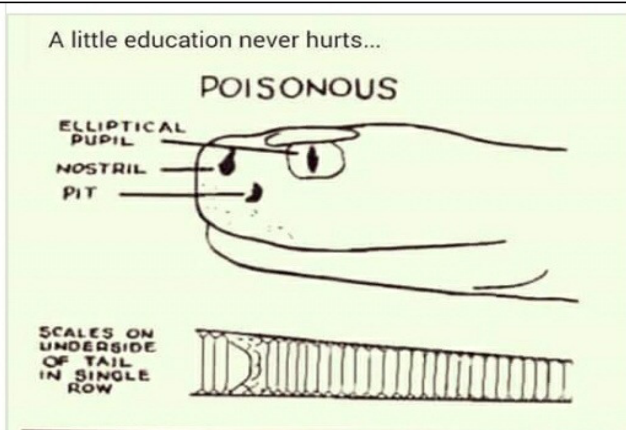
- an ideal snack if you are trying to lose weight. It is has zero fat and cholesterol, is low in sodium and high in Vitamin C.
- A half cup of diced honeydew melon has 60 calories. The main nutrients found in honeydew melon include the B vitamins, niacin and thiamine, Vitamin C, copper and potassium.
- Regular consumption of honeydew melons can improve overall health, particularly, a stronger immune system and smoother, more radiant skin.

Source from: <http://servingjoy.com>



POISONOUS AND NON-POISONOUS SNAKE

How to distinguish between a poisonous and non poisonous snake. This knowledge can be life saving! ~ courtesy from Roney Pidur



GET INVOLVED: If you like to contribute articles, feel free to submit to newsletter@sapulut.com or contact any of the team members:-

KK Office: Deckna Mosinoh & Theresia Richard

Base Camp: Teddy Sius, Johnson Joseph & Ee Asjera Janim.

We welcome any feedback or comments to improve the contents of our newsletter. We also welcome any of the staff who wish to become a member of Newsletter Team.