



Forest Stewardship Council Re-Associates with Danzer Group

Independent Verification Confirms FSC Conditions Have Been Met

BONN, Germany (14 August 2014) – The Forest Stewardship Council (FSC) announced today that it decided to lift the disassociation from the Danzer Group, after independent verification confirmed that the company had met the criteria required by FSC.

“This story demonstrates the rigor and real benefits of FSC certification,” said Kim Carstensen, director general of the Forest Stewardship Council. “We welcome the Danzer Group back to FSC, and we are convinced it now has what it takes to manage well-performing FSC certified operations in the Congo Basin. And the people in and around Yalisika will feel these positive impacts for many years to come,” he added.

On 21 May 2013, FSC disassociated from Danzer after in-depth research by a complaints panel found that a former subsidiary – SIFORCO – was indirectly involved in unacceptable police action in the community of Yalisika in the Democratic Republic of Congo (DRC). The complaints panel was formed after Greenpeace International filed a complaint with FSC’s dispute resolution system against SIFORCO and its former parent company, the Danzer Group. Disassociation meant that the Danzer Group – and all of its subsidiaries – lost its FSC certification and the right to use FSC trademarks.

Soon after the FSC International Board of Directors decided to disassociate from Danzer, the company entered into a Memorandum of Understanding (MoU) with FSC, which detailed the conditions required for re-association. In February 2014, the Forest Peoples Program (FPP), an NGO that supports the rights of peoples who live in forests, independently verified that Danzer had fulfilled the conditions in the MoU. One verification mission was conducted at Yalisika in the Democratic Republic of Congo and one at Industrie Forestière d’Ouessou (IFO), a subsidiary of Danzer in the Republic of Congo. During this exercise, relevant gaps were identified in the operations of both IFO and SIFORCO but FPP included specific recommendations to improve the situation in both places.

In July 2014, the FSC International Board of Directors approved a roadmap for the re-association with the Danzer Group, detailing the final steps Danzer must complete before FSC ended its disassociation.

The roadmap for re-association included two main conditions:

□ The first condition was that Danzer had fully performed the contractual obligations towards the Yalisika community in the Democratic Republic of Congo by completing construction of the community’s medical center and school. In addition, Danzer was required to build medical centers and schools for communities neighboring Yalisika.



□ The second condition required Industrie Forestière de Ouesso (IFO), a subsidiary of Danzer in the Republic of Congo, to amend its procedures based on recommendations from FPP with regards to its participatory mapping procedures and processes to obtain communities' Free Prior and Informed Consent (FPIC) for operations on their customary lands, as well as the mechanisms being used to deliver direct benefits to affected communities. The conflict manual developed as part of the re-association process would be augmented to specifically address land and resource conflicts. Danzer would also carry out FPIC processes and field testing in the IFO concession, as well as expand the capacity of IFO's social team.

Recently, FPP conducted another verification exercise to confirm that the conditions were being met. During this exercise FPP found that "Danzer has now met all conditions set out by the FSC for the re-association." Throughout, FPP found that "FSC has held firm to its commitment to ensure that any re-association of Danzer would be based upon adherence to its agreements with the affected communities in the DRC."

According to John Nelson, the FPP Africa Regional Coordinator who led the verification effort, the changes in Danzer's operations in the Republic of Congo that occurred through the re-association process were "setting a new benchmark that should be followed by all certified logging companies operating in the Congo Basin."

The lifting of the disassociation means that IFO's FSC membership can be reinstated and new Trademark License Agreements signed with FSC, a key first step in order to regain the FSC certificates it had lost due to the disassociation.

The Danzer Group is one of the largest producers of decorative veneer worldwide and one of the top-ten producers of hardwood lumber in North America.

For more information, please visit: <https://ic.fsc.org/siforco-drc-danzer.355.htm>
Read Danzer's related statement here: <http://www.danzer.com/more-News.3175.0.html>

Forest Stewardship Council

The Forest Stewardship Council (FSC) is an independent non-governmental organization that promotes environmentally sound, socially beneficial, and economically prosperous management of the world's forests. FSC was created in 1993 to help consumers and businesses identify products from well-managed forests. FSC sets standards by which forests are certified, offering credible verification to people who are buying wood and wood products. Currently more than 183 million hectares and 28,000 companies are certified to FSC standards world-wide. For more information visit www.fsc.org.

For additional information, contact:
Karen Bennett Van der Westhuizen
Communications Director
Forest Stewardship Council
Email: k.bennett@fsc.org