



## Forest Stewardship Council Disassociates from the DLH Group Decision due to reputational risks for FSC linked to stakeholder disputes in Liberia

BONN, Germany (12 February 2015) - The International Board of Directors of the Forest Stewardship Council (FSC) has decided to disassociate from the Dalhoff Larsen and Horneman (DLH) Group. Disassociation implies the immediate termination of DLH's FSC membership as well as the suspension of all FSC certificates held by DLH, taking effect three months from today. This decision was made after in-depth research, by an impartial complaints panel, concluded that DLH had been involved in unacceptable activities in Liberia, specifically the trade of illegal timber.

“The purchase of illegal timber has serious impacts on rights and livelihoods of land-holding communities,” said Kim Carstensen, Director General of FSC, “and our continued association with the DLH Group would clearly put the credibility of the FSC system at risk.”

The disassociation results from a formal complaint filed by Global Witness in February 2014, alleging that DLH had purchased illegal timber harvested under ‘Liberian Private Use Permits,’ and that it exported the timber to Bangladesh, China, and France. These permits were found to not be in accordance with Liberian laws and regulations.

The complaints panel was established in July 2014 to conduct an independent evaluation of the complaint, and determine whether DLH had been involved in the trade of illegal timber harvested under the Liberian Private Use Permits. Following a thorough and detailed investigation, the complaints panel concluded there was clear and convincing evidence that DLH and its subsidiaries repeatedly purchased illegal timber in Liberia in 2012.

FSC has defined a set of conditions for re-association that, if satisfactorily fulfilled, would end the disassociation with the company. These conditions are:

- a. **an action plan** has been developed and implemented based on the free, prior and informed consent of the affected communities in Liberia, and monitored by a renowned NGO, to compensate the communities in Liberia affected by the Private Use Permits DLH was sourcing from, for the losses and lost income they incurred, and to restore potentially converted natural forest or destroyed high conservation values. The action plan shall be approved by the FSC Board prior to its implementation.
- b. thorough **third party verification confirms that DLH due diligence systems are meeting relevant best practice standards**, both on paper and in practice, across a range of different operating high risk locations, to make sure that events like the ones in Liberia are not repeated.
- c. costs incurred by FSC for the establishment and work of the complaints panel are covered.

For more information, including a public summary of the complaints panel report, please visit:  
[ic.fsc.org/gw-v-dlh](http://ic.fsc.org/gw-v-dlh).