



WWF Germany vs. Holzindustrie Schweighofer – case summary

Background

WWF Germany submitted a formal complaint to FSC on 6 November 2015 alleging that Holzindustrie Schweighofer (HS) is involved in the purchase and trade of illegally harvested timber in Romania, and that this is having a negative impact on the country's natural protected areas. These activities are defined as unacceptable in the FSC-POL-01-004 [Policy for the Association of Organizations with FSC](#), and, as such FSC accepted the complaint on 24 November 2015.

Following the procedure FSC-PRO-01-009 Processing Policy for Association Complaints in the FSC Certification Scheme, FSC established an independent and chamber-balanced complaints panel in March 2016 to conduct the evaluation of the complaint. This panel was appointed to determine whether the following unacceptable activities, defined by the Policy for the Association of Organizations with FSC, took place in relation to HS operations:

1. illegal logging or trade of illegal wood or forest products
2. destruction of high conservation values in forestry operations
3. violation of traditional and human rights in forestry operations

On 20-21 April 2016 the complaints panel held its first meeting in Bonn, which marked the beginning of the formal evaluation of the complaint. During its evaluation of the case, the complaints panel consulted an important amount of documents and conducted a number of stakeholder interviews in order to verify the allegations raised against HS and reach its conclusions. This included interviews with members of HS, WWF, the Environmental Investigation Agency (EIA) and multiple other stakeholders of the Romanian forest sector.

The complaints panel finished its review of the case on October 2016 and presented the complaints panel evaluation report to FSC International on 14 October 2016 with its recommendation regarding the case. The FSC International Board of Directors made a decision on the complaint during its meeting held in Brazzaville (Republic of the Congo) on 14-18 November.

Conclusions of the complaints panel evaluation

As a result of the evidence available to the complaints panel, it concluded that there was clear and convincing evidence that the Schweighofer Group had violated the PfA through its ongoing involvement in the trade of illegal timber. This conclusion was based on the findings by the complaints panel that the Schweighofer Group had been involved in significant irregularities



and illegalities in its timber trade operations in Romania, and in the harvesting of timber from forest land that was purchased under a dubious legal framework.

The complaints panel also concluded that there is no clear and convincing evidence of the destruction of high conservation values or the systematic violation of human rights by the Schweighofer Group, and determined that there has therefore been no breach of the PfA with regards to these two unacceptable activities.

The complaints panel's recommendation to the Board of Directors was to disassociate from the Schweighofer Group.

Decision by the FSC International Board of Directors at their November meeting

After reviewing the case as presented by the complaints panel, the Board of Directors decided to immediately place the Schweighofer Group on a probation for possible disassociation until the next board meeting to be held on February 2017. Under this probation, the company was required to meet three pre-conditions:

1. Publicly declare their responsibility for certain irregularities in their supply chains and their commitment to address relevant shortcomings in collaboration with civil society organizations.
2. Demonstrate that it is engaged in a transparent and constructive dialogue with environmental and social stakeholders about a clear plan of corrective action built on the recommendations of the complaints panel. This plan shall address both the significant shortcomings still existing in their operations as well as the major impacts on forests and people that irregularities in their operations have caused.
3. Present a preliminary plan of corrective action to the FSC Board for approval.

Probation follow-up

During the past three months, FSC has been conducting a continuous monitoring of the Schweighofer Group to determine whether the company was upholding the commitments as mandated by the Board of Directors.

The Schweighofer Group presented FSC a preliminary plan of corrective action, a step that FSC considered in the right direction towards addressing and correcting the violations that were initially put forward in the complaint filed by WWF.



Conclusion of the February 2017 Board of Directors meeting

At the Board of Directors meeting held from 7 to 9 February 2017 at Yogyakarta (Indonesia), the members of the board were presented with additional information concerning a possible violation related to timber measurement standards which will require further Policy for Association investigation to determine its scope and impact. These allegations, if confirmed, could carry an increased risk that products not complying with FSC standards and policies might be traded through supply chains under a prolonged probation status.

After a lengthy review of the case, the Board of Directors decided to revoke the probation and disassociate from the Schweighofer Group.

The Schweighofer Group has informed FSC that it accepts the decision and recognizes it as an effective signal to meet stakeholder expectations and encourage their engagement and has consequently decided to terminate its certificates with immediate effect as a way of demonstrating its acceptance and commitment to the FSC Policy for Association.

FSC recognized Schweighofer's efforts and encouraged it to use this work to continue discussions and to develop a roadmap to future re-association.

Depending on the outcome of Schweighofer's progress, the Board of Directors could consider a gradual approach to re-association for the group's mills outside of Romania.