

DLH *revised* action plan

I. Compensation of communities affected by illegal trade of timber from Grand Bassa and Gbarpolu counties in Liberia

The table below summarizes the activities of the revised action plan to ensure that communities affected by the illegal trade of timber by DLH receive compensation in compliance with FSC conditions for ending the disassociation. The [original action plan](#) was revised following a feasibility study conducted by Engineers without Borders. This study revealed that certain activities in the action plan were in conflict with Liberian legislation regulating the construction of water facilities.

In August 2017, DLH completed implementation of the revised action plan.

Reparatory measure	Action	Timing	Status
Free Prior and Informed Consent consultation process with the affected communities in Liberia – <i>Basic Needs Assessment</i>	Identification of the affected communities and verification by Sustainable Development International (SDI).	May 2015	Complete
	SDI implements basic awareness raising among the affected communities about the DLH case and the potential compensation activities.	Jul – Oct 2015	Complete
	Development of the Basic Needs Assessment following consultation with communities. Three activities to be implemented are prioritized by the communities and reflected in the Action Plan	Jul – Oct 2015	Complete

Construction of a school with well, hand pump and latrine, to serve the community in Zaye Town	Technical feasibility study of planned activities in Zaye Town and Salloyou Town	August 2016	Complete
	Formation and legalization of community associations to represent community interests in Zaye Town and Salloyou Town	October 2016	Complete
	District and County Education Officers and District Superintendent informed of planned activities	October 2016	Complete
	Building plans completed and presented to Zaye Town community	October 2016	Complete
	Site prepared, materials assembled and construction commenced	October 2016	Complete
	School building completed	December 2016	Complete
	Well, hand pump and latrine installed	January 2017	Complete
	Project completion independently verified	January 2017	Complete
	School complex handed over to community	February 2017	Complete
Construction of a school with well, hand pump and latrine, to serve the community in Salloyou Town	District and County Education Officers and District Superintendent informed of planned activities	October 2016	Complete
	Building plans completed and presented to Salloyou Town community	October 2016	Complete
	Site prepared, materials assembled and construction commenced	October 2016	Complete
	School building completed	December 2016	Complete
	Well, hand pump and latrine installed	January 2017	Complete
	Project completion independently verified	January 2017	Complete
School complex handed over to community	February 2017	Complete	
	Technical feasibility study of planned activities	December 2016	Complete

Construction of a maternity waiting home to serve communities in and around Henry Town	Approval secured from Ministries of Public Works and Health	December 2016	Complete
	Building plans completed and presented to Henry Town community	December 2016	Complete
	Community in Henry Town confirm site for construction	December 2016	Complete
	Site prepared, materials assembled and construction commenced	April 2017	Complete
	Maternity waiting home building completed	June 2017	Complete
	Project implementation independently verified	June 2017	Complete
	Maternity waiting home handed over to Ministry of Health	August 2017	Complete
Trainings on facility use and project management	Trainings delivered to communities in Zaye Town and Salloyou Town on use and maintenance of well and hand pump	February 2017	Complete
	Trainings delivered to communities in Zaye Town and Salloyou Town on leadership and organizational development	May 2017	Complete
Independent evaluation of the outcome of the action plan	Field research, including surveys, focus group discussions and key informant interviews, conducted by independent consultant	August 2017	Complete
	Findings of field research published in evaluation report	August 2017	Complete

II. Improving the DLH due diligence system

During 2015, DLH focused on improving its due diligence system (DDS), procedures and policies for the then-remaining business units DLH Nordic (Denmark and Sweden) and DLH France.

DLH's revenue reduced significantly due to the divestment of various business units during 2014 and 2015, with combined sales falling at this time to approx. EUR65 million. The Nordic hard wood business was among the business units sold. The divestments have significantly reduced the overall risk of illegal timber trade. With the divestment of the Nordic hardwood business, DLH Nordic no longer trades tropical timber from South America and only a small volume of legally verified or certified material from Côte d'Ivoire, Indonesia, and Malaysia.

Our approach consisted of two steps. Going through major changes as a result of the divestments, we conducted internal analysis at the start of 2015 to assess our current state as step 1. In step 2, we complemented our internal reviews with audits conducted by NEPCon. The audits have been used to find gaps and detect areas for improvements. In DLH Nordic, we also changed our DDS from our old the Good Supplier Programme (GSP) system to a NEPCon-supported platform.

During 2016, the decision was taken to close DLH France. No staff or activities transferred to DLH Nordic and so the due diligence evaluation for this business unit also came to an end at this time.

We have now completed the implementation of the recommendations made by NEPCon for DLH Nordic, as shown in our action plan below.

(a) DLH Nordic

Reparatory measure	Action	Supporting documentation	Status	Duration
Third party verification confirms that DLH due diligence systems are meeting relevant best practice standards,	DLH Nordic hard wood business sold to Global Timber – the divestment of the hard wood business reduces the risk profile for DLH Nordic significantly as the majority of tropical timber trade was related to this department	Press release	Done	10 November 2014
	PEFC and FSC certificate audit with NEPCon. Audit detected 1	Audit report from NEPCon (DLH Danmark PEFC CoC audit 14 + Annex 9 DLH Danmark FSC CoC	Done. Conclusion: Approved PEFC and FSC audits	4 December 2014

both on paper and in practice, across a range of different operating high-risk locations	nonconformance. The issue has been corrected	audit 15 + Annex 10 DLH Danmark FSC CoC CVA Apr15)		
	Internal assessment of DLH Nordic GSP system. Internal assessment of system and procedures to identify areas for improvement	Assessment reports	Done.	January– March 2015
	NEPCon DDS audit – audit organized as a basis for improving DLH Nordic DDS. The NCR report finalized on December 4th	Audit report from NEPCon (Annex 8 DLH Denmark LS Pre-Assess Report JUN15)	Done.	21 April 2015
	Migration from old GSP system to updated DDS based on NEPCon' s Legal source documents. Decision is made that DLH Nordic will implement new system in order to strengthen the internal setup to ensure DD		Done. System installed and implemented. NEPCon approval received 9 December 2015	22 April to 1 October 2015
	Implementation of NEPCon recommendation and updating procedures. An internal task force including Nordic management working on the recommendations, procedures, and policies	Annexes 4 and 5 DLH due diligence system vers1 151015 Indkøbs politik	Done. Report received by 10 December 2015. Recommendations implemented.	22 April to 1 October 2015
	Desk audit of legal compliance of supplier in Côte d'Ivoire initiated with NEPCon – audit was established with third-party verification as the supplier from Côte d'Ivoire posed the highest risk in DLH DDS		Done. Report received in February 2016	3 June 2015 – February 2016
	Voluntary participation in EUTR DNA trail testing with Danish Ministry of Environment, Nature Agency. DNA can verify the information regarding the species. We want to support the	Report available from http://mst.dk/media/117821/sampling-project.pdf	Done. Report published in June 2016.	10 September 2015

	development of the technology for verification purposes			
	All recommendations from NEPCon audit implemented. All information and documentation in the new system. Internal deadline in order to be ready for NEPCon audit 15 October 2015	Internal project plan	Done.	2 October 2015
	NEPCon audit of DLH Nordic DDS	NEPCon report	Done. Report received 10 December 2015	15–30 October 2015
	Site visit to supplier in Côte d'Ivoire by NEPCon to collect pending information. During desk audit the supplier changed responsible person for their procurement. DLH decided to organize site visit to Côte d'Ivoire to verify the information provided by the supplier		Done. Report received in February 2016	18–23 October 2015
	Internal training in procedures for handling certified material. Training in our procedures for handling certified material	Instructor: Martin Bohmann Participants: Helle Suhr, Monia Jensen, Niels Rossen	Done.	21 October 2015
	FSC ends the disassociation	Documentation and evidence as requested by FSC	Done.	December 2017

(b) DLH France

Reparatory measure	Action	Supporting documentation	Status	Duration
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	Audit by the French Timber Federation's (LSB) environmental system – the audit was important to ensure European Union Timber Regulation (EUTR) compliance	Certificate extended and valid from 23 September 2014 to 23 September 2016	Done. Conclusion: Full compliance with EUTR	June 2014
	Pre-audit for Programme for Endorsement of Forest Certification (PEFC) certificate renewal by SGS	SGS audit report (SGS Audit DLH f. 24 Feb. 2015)	Done. Conclusion: Full compliance with EUTR	24–25 February 2015
	Audit for PEFC certificate renewal by SGS	SGS audit report (SGS Audit DLH f. 27 Mar. 2015)	Done. Conclusion: Full compliance with EUTR and renewal of PEFC chain of custody (CoC) certificate	27 March 2015
	Internal assessment of DLH Nordic GSP system and procedures to identify areas for improvement	N/A	Done.	May– August 2015
	Audit of DLH France DDS by NEPCon – organized as a basis for improving DLH France DDS	Draft report (Annex 7 DLH France LS preassess 15 DRAFT ENcomments client – LCV)	N/A. DLH France closed before measure finalized	February 2016
	Implementation of NEPCon recommendation and updating procedures This work is done by an internal task force including French management working on the recommendations, procedures, and policies	Internal action plan	Done.	September and October 2015
	All recommendations from NEPCon audit implemented. Internal deadline agreed in order to be ready for audit related to reassociation	Internal action plan	Done. Recommendations implemented	9 November 2015

	FSC reassociation process with NEPCo	N/A	N/A. DLH France closed before measure finalized	February 2016
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