



FSC disassociates from the Schweighofer Group – FAQs

17 Feb 2017

To familiarize yourself with the case, you can read the case summary [here](#).

Rationale for the decision

1. Why did the FSC BoD decide to revoke the 'probation' period based on allegations against the Schweighofer Group (instead of carrying out an investigation and then disassociate if conclusions point at wrongdoing, as done in the past)?
2. Why did the FSC BoD consider the risks related to potential trade of illegal products in its supply chains as a factor for the decision of disassociation at this stage?
3. Weren't these risks already existing at the time of the November 2016 BoD meeting, when 'probation' was decided?

Upcoming PfA investigation

4. Will these additional allegations be investigated by an independent expert team, similarly to the investigation conducted by the complaints panel of the original PfA complaint filed by WWF in November 2015?
5. What are the timelines for this new investigation process?

Roadmap for ending the disassociation

6. Can FSC engage with a disassociated company (in the context of developing of a roadmap for ending for the disassociation)?

Consequences and conditions

7. What are the implications for the Schweighofer Group of FSC's disassociation? When will the disassociation become effective?
8. Is it possible for the disassociation to be ended and the certificates reinstated?
9. What conditions must the Schweighofer Group meet in order to end the disassociation?

Rationale for the decision

1. Why did the FSC BoD decide to revoke the 'probation' period based on allegations against the Schweighofer Group (instead of carrying out an investigation and then disassociate if conclusions point at wrongdoing, as done in the past)?

The FSC Board of Directors considered that undertaking a process of taking corrective action related to the shortcomings and irregularities already identified by the previous complaints panel (CP) in the context of 'probation', while at the same time initiating a Policy for Association (PfA) investigation regarding the additional allegations would be confusing and impractical to all involved.

Disassociation decisions are taken by the FSC BoD, according to the FSC procedure '[Processing Policy for Association Complaints in the FSC Certification Scheme](#)' (FSC-PRO-01-009), based on the findings resulting from a CP evaluation.

In this case however, the additional allegations brought to the attention of FSC, during the 'probation' period, have not yet been investigated in depth by an independent expert team. However, FSC has conducted a preliminary assessment of the content of these additional allegations, concluding that such allegations cannot be disregarded, and that a further PfA investigation is required.

Given the situation that these allegations were raised against the Schweighofer Group during the time in which the company was on 'probation', and even though these allegations have not yet been investigated in depth by an expert panel, FSC BoD concluded that such PfA investigation was incompatible with a 'probation' status, and therefore decided to disassociate.

2. Why did the FSC BoD consider the risks related to potential trade of illegal products in its supply chains as a factor for the decision of disassociation at this stage?

In November 2016, FSC concluded that the limited scope and restrictions of the FSC certificates held by the Schweighofer Group sufficiently safeguarded the production of FSC-products in terms of not constituting a significantly higher risk for irregularities in Schweighofer products compared to other, certified or non-certified sources in Romania.

3. Weren't these risks already existing at the time of the November 2016 BoD meeting, when 'probation' was decided?

The situation changed significantly, in light of the additional allegations raised against Schweighofer. FSC BoD considered that the possibility that these allegations might be substantiated and the associated risk that illegal product might be traded through FSC supply chains opens a new sphere of potential risks for FSC, which is intolerable for a robust certification system.



Upcoming PfA investigation

- 4. Will these additional allegations be investigated by an independent expert team, similarly to the investigation conducted by the complaints panel of the original PfA complaint filed by WWF in November 2015?**

Yes, the additional allegations will be investigated by a team of experts, aiming to determine whether these allegations are substantiated and whether there has been a breach of the PfA by the Schweighofer Group. A technical expert team with expertise and knowledge about the Romanian timber sector, will be appointed to conduct such investigation.

- 5. What are the timelines for this new investigation process?**

The investigation process is expected to be initiated around the beginning of March.

Roadmap for ending the disassociation

- 6. Can FSC engage with a disassociated company (in the context of developing of a roadmap for ending for the disassociation)?**

Yes. FSC's role as a certification system promoting responsible forest management is to drive improvements in the forest sector globally. Through the engagement with the Schweighofer Group for the development of a roadmap for ending the disassociation, FSC aims to promote positive changes in the company's operations and beyond, in the overall Romanian forest sector.

Similar engagement processes with disassociated companies have been conducted in the past (See DLH case [here](#)) and are currently ongoing (See APP case [here](#)).



Consequences and conditions

7. What are the implications for the Schweighofer Group of FSC's disassociation? When will the disassociation become effective?

FSC will terminate all of its trademark license agreements with the Schweighofer Group. Disassociation will cause the termination of the following certificates:

Certificate Code	Certificate status	CW	License Number	Organization Name	Country	First Issue Date	Expiry Date
SA-FM/COC-004420	Valid		FSC-C120622	S.C. OCOL SILVIC CASCADE EMPIRE S.R.L.	Romania	2014-05-29	2019-05-28
TUVDC-COC-100906	Valid	✓	FSC-C132602	Holzindustrie Schweighofer Baco srl.	Romania	2016-10-18	2021-10-17

The Schweighofer Group also owns 682, 51 hectares of forest area in Romania being administered by the FSC forest management group certificate "The Association of the forest owners and managers from the East of Transylvania" (APAPET) (GFA-FM/COC-002596). Given FSC's disassociation from the Schweighofer Group, the administration of Schweighofer's forest land by APAPET shall also be withdrawn.

8. Is it possible for the disassociation to be ended and the certificates reinstated?

Yes. When disassociating from a company, FSC also establishes a set of conditions to be fulfilled in order to end the disassociation. If these conditions are satisfactorily fulfilled, the FSC BoD may decide to lift the disassociation. If the disassociation is ended, then the organization may apply for FSC certification following the normal auditing process.

9. What conditions must the Schweighofer Group meet in order to end the disassociation?

In order for the disassociation to be ended, the Schweighofer Group shall develop a roadmap for ending the disassociation (using as basis the 'preliminary plan for corrective action' developed during the 'probation' period), which addresses the BoD and CP conditions, as well as any new findings resulting from further PfA investigations, ensuring satisfactory stakeholder consultation and appropriate revision of the roadmap following stakeholder input.

Please see pg. 5-7 of the "[Rationale for BoD decision of 'probation'](#)" for more information about the CP and BoD conditions to be fulfilled by the Schweighofer Group.