



25 September 2010

Update to stakeholders
FSC certification of Veracel plantations in Brazil

Overview

A recent article published on the website of the Belgian publication *Mo* Magazine* was brought to the attention of FSC through its National Office in Belgium. The article raised stakeholder concerns about FSC certified plantations owned and managed by Veracel Celulose S.A. in Brazil. The article is available online at [http://www.mo.be/index.php?id=340&tx_uwnews_pi2\[art_id\]=29629&cHash=45bfb71da2](http://www.mo.be/index.php?id=340&tx_uwnews_pi2[art_id]=29629&cHash=45bfb71da2). The stakeholder concerns raised in the article include the following:

- Use of pesticides
- Legal cases against Veracel
- Land use rights of local communities
- FSC certification of plantations

Prior to publication of the article, FSC and FSC Belgium encouraged all stakeholders, including the journalists, to engage in the FSC Dispute Resolution System in order that any concerns that had not been identified or remedied through the surveillance audit process can be addressed by FSC.

After publication of the article, FSC received a submission from stakeholders about the concerns highlighted in the article and has turned its resources to investigate these concerns through the FSC Dispute Resolution System (<http://www.fsc.org/dispute-resolution.html>).

Background

FSC certification of plantations provides a mechanism to identify and improve social and environmental conditions, and facilitates stakeholder engagement. This was the impetus behind the FSC membership decision to include plantation management within the FSC Principles and Criteria.

In order for a plantation to be issued an FSC certificate, the operation is evaluated against standards that are developed through a multi-stakeholder process. In this way, decisions made in the management of an FSC certified plantation operation must comply with criteria that reflect the consensus of stakeholders. As the certification process is performed by inde-



pendent third-parties, FSC maintains a Dispute Resolution System in order that any concerns regarding an FSC certified operation can be submitted directly to FSC.

FSC has been responsive to stakeholder concerns regarding operations owned and managed by Veracel, and has been diligent to engage stakeholders in evaluations. During an ASI audit of SGS at the Veracel operations in March 2008, ASI auditors and 2 observers from the FSC Social Chamber interviewed different local stakeholders, including trade unions and indigenous peoples' representatives.

Some stakeholders, despite successive attempts of engagement by the ASI team before and during the audit, opted not to meet ASI or present their concerns. Their choice not to participate was an unfortunate development in the audit process as stakeholder consultation affords the opportunity to provide direct input to assessments of FSC certified operations.

The ASI audit identified some deficiencies of SGS's assessment of Veracel's operation, which were dealt through corrective action requests. Evaluations of the certified operation were performed in July 2007, October 2007, March 2008, June 2008, January 2009 and December 2009. The public summary of the evaluations details all corrective action requests and status, observations, and stakeholder comments, and is available online at www.info.fsc.org.

Action by FSC

FSC now has information about the current stakeholder concerns regarding Veracel's plantations. The engagement of stakeholders through the FSC Dispute Resolution System has enabled FSC to begin a thorough and objective investigation to determine if the concerns are being addressed through the surveillance audit process.

The actions towards resolving this dispute are in progress, starting with a request to ASI for information regarding the assessments of SGS Qualifor, and review of reports from SGS Qualifor on the evaluations of the operations of Veracel. Based on the outcomes of this analysis FSC will decide on the next steps regarding this complaint.

For more information on FSC certification in plantations please see the FAQs below or www.fsc.org/plantations.html.

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Frequently Asked Questions

What is forest management certification?

Forest management certification is a way of verifying careful and long-term management of forests. FSC certification is voluntary and forest managers or owners can choose to comply with FSC standards, and agree to independent inspection to earn FSC forest management (FM) certification.

FSC certification is carried out by accredited certification bodies which audit each FSC certificate at least annually. If during these audits the certification body finds that a company has non-compliances with FSC requirements, Corrective Action Requests (CARs) are issued and the company is required to make the prescribed changes within a given time frame or its FSC certificate will be suspended or withdrawn.

What is FSC's role in the certification process?

FSC develops guidelines for responsible forest management through strong multi-stakeholder processes. FSC also accredits independent certification bodies to carry out certification activities in accordance with the FSC Principles and Criteria (www.fsc.org/pc). The certification body takes the decision whether operations meet the FSC requirements. FSC does not take certification decisions itself and does not influence the decision making of FSC accredited certification bodies.

The certification body's working procedures, their technical competence and expertise is evaluated by FSC through a detailed accreditation process and undergo regular surveillance under the FSC Accreditation Program to ensure continued compliance with FSC accreditation requirements. The FSC Accreditation Program is managed by ASI-Accreditation Services International GmbH (www.accreditationservices.com).

What is accreditation?

FSC does not issue certificates itself. The certification process is carried out by independent organizations called certification bodies. Before being able to certify according to FSC standards, certification bodies have to gain FSC accreditation.

Accreditation controls the proper implementation of the FSC rules and procedures by the FSC accredited certification bodies. The company managing the FSC accreditation program is called Accreditation Services International (ASI). More information is available at www.fsc.org/certification.html or at the ASI website www.accreditation-services.com.

Why are FSC certificates issued in plantations?



After extensive debate, the FSC membership recognized that there is a continuum of conditions between natural forests and plantations, varying from very diverse and complex natural systems to simpler man-made plantations. In 1995, the FSC membership voted a majority of 89% in favor of adopting Principle 10 for plantations – in addition to Principles 1-9 for plantation management. The decision was made with a majority vote in each sub-chamber: social, environmental and economic members for North and South.

FSC certified plantations do not replace natural forests, and FSC does not support conversion of natural forests to plantations or other land uses. The adoption of Principle 10 for plantations recognizes that natural forests alone should not be expected to meet the global demand for wood and fiber. It also recognizes that application of the FSC Principles and Criteria to timber plantations can contribute to improved social and environmental conditions that would otherwise be unmonitored in these more intensive production systems. By working with the different realities between forests and plantations, FSC will better be able to achieve its mission of promoting responsible forest management. More information on FSC certification in plantations is available at www.fsc.org/plantations.html.

What is the purpose of the FSC Dispute Resolution System?

As a multi-stakeholder organization, FSC is committed to facilitating consistent and timely evaluation of complaints and appeals raised by stakeholders against decisions, performances or any other issues within the FSC scheme. FSC has effective mechanisms for addressing stakeholder concerns, including, among others, the Stakeholder Dispute Resolution Process. This process is fully defined through "FSC Dispute Resolution System" (FSC-STD-01-005) and the supporting documents.

Designed in a modular way, the FSC Dispute Resolution System supports stakeholders to express concerns they may have with the operation of the FSC system and to find the best way of resolving disputes. The commitment to engage in the FSC system is an important step for stakeholders to ensure that their concerns are brought to FSC in a constructive manner. More information is available online at <http://www.fsc.org/dispute-resolution>.