BRUNO MANSER FONDS, BASEL / SWITZERLAND

MEDIA RELEASE:

Forest Stewardship Council suspends Samling certification

The Malaysian Samling Group's most important certificate for forest management has been suspended following an audit by the Forest Stewardship Council (FSC). This was learned from a news publication by FSC-Watch, an independent observer of the FSC's activities.

In February 2006, Barama Co. Ltd., a wholly owned Samling subsidiary in the South American nation of Guyana, was granted a FSC certificate for the management of 570'000 hectares of tropical forest in the Northwest Region of Guyana. The certificate was issued by SGS-Qualifor and related to the largest tropical forest certified according to FSC's standards. The certification was made possible through funding from the Dutch and the French government as well as from the conservation organization WWF.

The recent FSC audit found that the Samling subsidiary "could not demonstrate compliance with FSC certification requirements" due to "systematic major nonconformities". Criticism of the Malaysian company includes its dealings with the local indigenous communities, its environmental performance and its failure to comply with basic health and safety requirements for the company workers.

According to the report written by FSC auditor Hubert de Bonafos, representative stakeholders of the indigenous communities were not consulted prior to the certification and there was evidence that the local communities had delegated control over forest management on their land "without free and informed consent". As a consequence, "some local people are not allowed to perform forest management operations on their own land and it is Barama Co. Ltd. that is currently harvesting on these indigenous lands."

The company had not undertaken appropriate environmental impact assessments prior to "performing activities with a very high and significant environmental impact". Its poor waste disposal and hydrocarbon (oil and diesel) management were found to result in "severe environmental pollution".

The WWF issued a statement last week saying it was "deeply disappointed" with Barama's failure to comply with the certification and criticized the fact that the Samling subsidiary "did not carry out nor give priority and resources to many of the improvements the company had committed". The non-compliance of Barama with the FSC standards is a setback for the WWF and a major embarrassment for the Switzerland-based SGS group whose assessment of Barama was condemned by the auditors for not having adequately addressed various FSC certification requirements.

On its website, the Samling group fails to mention that Barama's FSC certificate was suspended and continues to praise the "fruitful results" of the "long and laborious journey to certification" of its South American subsidiary. It is likely that the FSC's decision will

intensify pressure on the Malaysian Timber Certification Council (MTCC) to withdraw the highly controversial Certificate for Forest Management granted to Samling for its operations in the Upper Baram River area of Sarawak.

Sources: <u>www.fsc-Watch.org</u>; <u>http://guyanaforestry.blogspot.com</u>; www.samling.com.

Bruno Manser Fonds for the Peoples of the Rainforest Heuberg 25 4051 Basel / Switzerland +41 61 261 94 74 info@bmf.ch www.bmf.ch