

Mekong Watch E-Mail News

July 9, 2015

**FSC Certification “Terminated”
Tree Plantation Project in Laos Invested by Oji Paper**

On 26 May 2015, it was announced that FSC certification¹ of a tree plantation project implemented by Oji LPFL in Laos with investment from Oji Paper, which had been attained in 2013, has been terminated.

The FSC certification is thought to have expired because the company was unable to respond to the corrective action requests imposed as a result of its 2014 annual audit. Eight major corrective action requests, including the following, and fifteen minor corrective action requests, had been imposed as a result of the audit.

- The audit team could not establish that local communities with customary tenure and use rights had agreed to land lease with LPFL or BGA², for areas initially agreed with the company, under free and informed consent.
- LPFL did not conduct sufficient consultation to determine whether there are indigenous people in the villages where its land lease agreement for the plantation business was signed.
- The auditor could not confirm if the contractor had received training in safe working practice.
- Forestry operation did not comply with ILO (International Labor Organization) Code of Practice on Safety and Health in Forestry.
- Appropriate personal protective equipment was not available on site.

The following is quoted from the website of Plantation Watch, launched by six Japanese NGOs including Mekong Watch, to urge companies to adopt responsible procurement policies.

¹ FSC certification is certification by the Forest Stewardship Council, an international multi-stakeholder organization, that wood has been produced in an environmentally appropriate, socially beneficial and economically viable manner.

² This tree plantation project was established by the joint venture BGA LPPF in 1999 after BGA concluded a concession agreement with the Laos government in 1997. In 2005, Oji Paper acquired BGA LPFL and changed its name to Oji LPFL.

■ FSC Certification of Oji LPFL in Laos is terminated

June 24th, 2015

Plantation Watch

On 26 May 2015, the FSC certification of a tree plantation project of Oji LPFL (Oji Lao Plantation Forest Company Ltd.) in Laos with investment from Oji Paper was terminated.

Oji paper launched Oji LPFL as a joint venture with the Laos government and has been establishing eucalyptus and acacia plantations in central Laos. In August 2013, 22,308 hectares of the company's operations were certified by FSC, a global forest certification scheme.

However, it had been pointed out from the beginning that the tree plantations of Oji LPFL were causing many problems such as violations of indigenous peoples' rights and logging of natural forest after 1994. Nonetheless, the project was granted FSC certification without SGS, the auditor, ever having pointed out these problems. In March 2014, Plantation Watch published its report "Analysis of FSC Certification of Oji LPFL 2014" to point out that the company's tree plantation project did not comply with the FSC Principles and Criteria.

In November 2014, an annual audit was conducted by SGS, accompanied by ASI (Accreditation Service International), which accredits and supervises auditors. A number of civil society organizations and experts that questioned FSC certification of the project also pointed out the problems of the company's project. Plantation Watch also provided information regarding the above-mentioned report, etc., to SGS and ASI. As a result of the annual audit, Oji LPFL was asked to take corrective action to address non-compliance with the certification criteria, and the certification was suspended. As appropriate corrective action was not considered to have been taken within the half-year time limit, the certification was terminated.