

## Case Summary

FSC decided to begin a proactive investigation of the Jari Group (Jari) upon gaining knowledge of an extensive investigation into alleged irregularities carried out by the company conducted by the Brazilian authorities (Federal Public Prosecution Service, the Federal Police, the Brazilian Environmental Institute and the Federal Justice System). The aim of FSC's investigation was to clarify whether Jari was in breach of the [FSC Policy for Association, independent to the Brazilian authorities own conclusions](#).

Under the FSC Policy for Association, FSC will only allow its association with organizations that are not directly or indirectly involved in the following unacceptable activities:

- a) Illegal logging or the trade in illegal wood or forest products
- b) Violation of traditional and human rights in forestry operations
- c) Destruction of high conservation values in forestry operations
- d) Significant conversion of forests to plantations or non-forest use
- e) Introduction of genetically modified organisms in forestry operations
- f) Violation of any of the ILO Core Conventions

Following the procedure for FSC Policy for Association investigations, FSC established an independent investigation panel in January 2018 composed of experts representing the social, environmental and economic chambers in Brazil. Operating under a strict duty to impartiality, they set forth to determine whether Jari was responsible for 2 out of 6 listed unacceptable activities in the Policy for Association; namely:

- 1.) Illegal logging or trade of wood or forest products
- 2.) Violation of traditional and human rights in forestry operations

To conduct its investigation, the panel analyzed a significant number of documents provided by the company, concerned stakeholders, and public records. In addition to a desk analysis of documents and evidence, the panel conducted a field visit and carried out in-depth interviews to local and national stakeholders, including relevant official authorities and community members.

After careful analysis of the results of the investigation, the panel concluded it was beyond reasonable doubt that Jari Group was involved in 'illegal logging or the trade in illegal wood or forest products', as well as evident failure of Jari to formally and consistently recognize the existence of 'traditional communities' within its forest management area which leads directly to the 'violation of traditional and human rights in forestry operations'. As such, the panel recommended disassociation considering proof of involvement in the two abovementioned unacceptable activities.

The investigation panel submitted its investigation report to FSC International outlining the investigation and disassociation recommendation and potential remediation efforts. Utilizing the findings of the investigation report, as well as the company response to the findings and allegations, the FSC International Board of Directors decided at its Board Meeting on March 11-15 in Utrecht, Netherlands, to disassociate from the Jari Group.

## Conditions for Reassociation

While any company wishing to reenter the FSC system must go through a roadmap process, the investigation panel set out preemptive recommended conditions for reassociation. These recommendations address constructive actions towards remedying and preventing violations of the Policy for Association. Such recommendations include but are not limited to the following:

- Develop and implement a robust due diligence system and procedures.
- Develop and implement a timber traceability system.
- Compensate for environmental damage.
- Conduct stakeholder mapping to assess and verify the existence and location of traditional communities within their management operations and neighboring areas.
- Inform traditional and local communities about the management practices. Consult with the interested stakeholders and affected communities regarding potential social and/or environmental impacts that their operations may have.

For a complete list of recommended conditions to end disassociation, as well as to learn more about the investigation and findings, review the public summary of the investigation report [here](#).