

Progress Report by Bosques Cautin to FSC International describing the actions conducted so far. 30 April 2015

1. 26 Nov 2014: Response to the complaint by Pewun Kiwun. The complaint was received by several people on the 26 November. Mr. Jaramillo responded to the complaint on the same date, presenting his public apologies. [See 1.](#)
2. Dec 2014 and Jan 2015: Bosques Cautin Board of Directors: the issue of the racist expressions by Mr. Jaramillo was discussed in detail at the company's Board meetings, being recoded as it follows:

Minutes of the company's Board Meeting on December 2014:

General topics: there has been a strong rejection reaction by the Mapuche organizations and FSC, in relation to the comments that have been made by the Director General in his personal Facebook profile, about the entrance to La Araucania airport of certain people, and about other previous events.

The Board has analyzed the situation in detail and agreed the following:

- The Director General will have to restrain himself of making public comments.
- Every comment will have to respect appropriate manners.
- A meeting with FSC Board of Directors will be requested to be conducted as soon as possible. In this meeting, Bosques Cautin's compromise with the FSC principles will be strengthened, and the company will explain in detail what the current work being conducted with the Mapuche people and organizations is.
- The company will answer to the letter that has been sent by WWF.

Minutes of the company's Board Meeting on January 2015:

FSC: The president Mr. Solminihac has described all the actions that have been conducted in relation to the expressions done by the Director General in his personal Facebook page, in the past month of November.

Between these actions, the exchange of correspondence between the company and Mr. Pablo Huanquilao, WWF, FSC Chile Board of Directors and FSC Director General, should be highlighted. Additionally, the Director General was removed from being the

company's representative towards FSC. This position was now assigned to the Director Mr. Jose Antonio Galilea.

The company's Board personnel has been informed about these actions, making it clear that the mentioned expressions do not represent the company. The company's Internal Policies and Procedures have also been modified, explaining that no racist or discriminatory action is accepted. Also, meetings have been held with the people that have raised complaints about the comments. These meetings will continue taking place in February 2015.

3. 2 Dec 2014 Letter by WWF (Mr. Ricardo Bosshardt): WWF rejects and disapproves the discriminatory conduct and expressions. [See 2.](#)
4. 2 Dec 2014 Letter by FSC Chile (Mrs. Ana Rosa Young): FSC Chile indicates their rejection of the racist expressions that have been published on Facebook. [See 3.](#)
5. 16 Dec 2014 Meeting between President of Bosques Cautin and FSC Chile Board of Directors, including the participation of Mr. Jaramillo. Several measures were proposed to confront the situation. [See 4](#) FSC Chile responded with a letter dated of the 22 December 2014. [See 5](#)
6. 19 Dec 2014 Letter by FSC International informing that the complaint presented by AIFBN against Bosques Cautin has not been accepted (to be addressed following FSC Policy for Association. However, FSC requests several reparation measures to be undertaken. [See 6.](#) On the 24 December 2014, the company provided a response to this letter, indicating that the measures requested will be implemented. [See 7.](#)
7. 23 Dec 2014 Meeting between Mr. Jose Antonio Galilea, Director of Bosques Cautin, and Mr. Pablo Huaquilao, representative of Corporación Pewün Kimun, who presented the original complaint. [See 10](#)
8. 6 Jan 2015 Change of company representative towards FSC International and FSC Chile. The new representative appointed was Jose Antonio Galilea, Director of Bosques Cautin. [See 8](#) and [9.](#)
9. 15 Jan 2015 Meeting between Mr. Luis Alfaro and Mr. Bernardo Reyes from Ética en los Bosques. Mr. Reyes manifested his support to the complaint filed by

Pewün Kimun. In this meeting he suggested ideas for the resolution of the issue.
[. See 11.](#)

10.3 Feb 2015 Letter from FSC International is received by Bosques Cautin, indicating that several of the requested measures still need to be addressed. [See 12.](#) This letter was responded on the 7 February 2015, informing FSC International about the reparatory measures which had been conducted by then. [See 13.](#)

11. 6 Feb 2015 Communication by the company's Board President to the personnel: the personnel is informed that there has been a modification of the company's internal policies and procedures, by adding to articles related to the principle of "zero tolerance of discrimination". The communication to the personnel was the following:

"To all the personnel in Bosques Cautin:

I attach for your knowledge and follow up, the new version of the internal policies and procedures of the company, in which the following modifications related to discrimination and racism have been added:

Preamble (page 3):

"To promote the respect between Bosques Cautin and its workers, and between the workers themselves, as well as the respect from all the personnel of Bosques Cautin towards the communities and environment in general. In this sense, avoiding the arbitrary discrimination practices towards people, groups or communities".

Prohibitions (Title XIV, article 27, N°26, page 20)

"To make, in any of its forms, acts with a racist connotation or acts which are discriminatory towards any person, regardless the person belongs to Bosques Cautin's personnel or not, based on ideological, religious or belief reasons, or related to their belonging to any ethnic group, race, original nationality, sex or sexual orientation"

These modifications have been incorporated literally to the previous version of the company's internal policies, given that both the company's shareholders and Executive and Director members, have always rejected all forms of discrimination and racisms. We have considered making these points explicit, given the recent

personal comments made by the Director General in its personal Facebook. It has already been mentioned that, these comments are not shared by the company. The Director General has also apologized and explained to those who may have felt affected, that his comments can be interpreted as going against the internal policies referred to above.”

Sincerely,

Patricio de Solminihac

Board Director [See 14.](#)

12. 6 Feb 2015 Bosques Cautin explains in its website the details of its position regarding this issue.
http://www.bosquescautin.cl/index.php?id=47&no_cache=1&tx_ttnews%5BbackPid%5D=15&tx_ttnews%5Btt_news%5D=30

13. 12 Mar 2015 FSC International sends a response to the letter sent by Bosques Cautin on the 7 February, asking to be more specific about the measures which are still ongoing, according to the following:

- A formal apology by Bosques Cautin, on behalf of the company, in a credible and visible manner, towards the affected Mapuche people, including a declaration from Bosques Cautin about its objection and disapproval of the racist expressions made by Mr. Jaramillo.
- Concrete agreements about reparation measures agreed with the representatives of the affected people.
- A final report to FSC International, in which the actions that have been conducted by Bosques Cautin are described.

[See 15.](#)

14. 7 Apr 2015 **Public apology letter:** Bosques Cautin sends a public apology letter to Corporación Mapuche Pewün Kimun, Corporación Mapuche Nahuelbuta, Ética en los Bosques and to the Permanent Indigenous Peoples Committee of the FSC. This letter was signed by the President of the Board of Directors and by the

main shareholder of the company, Mr. Wolf von Appen, and by Mr. Antonio Galilea, company's representative towards FSC. [See 17](#)

Together with the above, a copy of the public apology was sent to all the people which had been copied in the original complaint letter by Corporación Pewün Kimun, providing them, as well, with the link to the site where the apologies had been published. The list of the contacted people can be found here [See 18](#).

15.8 Apr 2015 Bosques Cautin responds to the letter by FSC International sent on the 12 March, after a phone conversation takes place between Kim Carstensen and Jose Antonio Galilea, indicating the measures which have been taken so far. [See 16](#).

- ***A formal apology from Bosques Cautin, in a credible and visible manner, towards the affected Mapuche people, including a declaration by Bosques Cautin, about its objection and disapproval of the racist expressions by Mr. Jaramillo.*** We will send a formal apology letter, including this point, to the affected people, in this case to the organizations *Pewün Kimun, Corporación Mapuche Nahuelbuta, Ética en los Bosques and the Permanent Indigenous People's Committee of FSC. This letter will be addressed to each of these organizations, copying FSC International and FSC Chile, and published in the website of FSC International, FSC Chile and Bosques Cautin. Interested stakeholders will be able to read the letter from these sources. This letter will be sent at the same time as this present letter.*

- ***Concrete agreements about reparation measures, agreed with the representative of the affected people.*** The list of reparatory measures agreed upon, is the following:
 - (i) *To intensify and strengthen the work that is being conducted with the Mapuche communities which are interested in the reforestation of certain forest areas, always following in a strict manner environmental measures, and respecting the culture of the mentioned communities.*

 - (ii) *Initiate a restoration project for native forest, in the company's forest areas, through a participatory and coordinated work with the neighboring Mapuche communities. For this, we have already contracted the preparation of the legal bases to start the execution of the project. These legal basis should be ready within 6 weeks.*

- (iii) *Initiate a Plan for the Conservation of Protected Areas and Water Courses, in collaboration with the Mapuche communities neighboring the forest areas where the project is implemented.*
 - (iv) *To increase the percentage of people of Mapuche origin which are working for the company (including contractors), by increasing their capacity and skills, in different fields. Currently, the percentage of workers of Mapuche origin is of 25%. The goal is to reach the 35% within the next 3 to 4 years.*
 - (v) *To initiate a support program for contractors of Mapuche origin, to improve their access to modern production technology, increasing this way their chances of applying for work positions.*
- ***A final report to FSC International, in which the actions which have been conducted by Bosques Cautin are described. FSC International will send this final report to all the FSC members in Chile. This final report is being elaborated, and will be sent to you during the month of April 2015.***
16. 22 Apr 2015: FSC International (Ms. Amparo Arellano) sends an email to Bosques Cautin (Mr. Galilea), requesting a confirmation that the affected communities have been contacted in order to reach agreements about the reparation measures. [See 20.](#)
17. 28 Apr 2015: Mr. Kim Carstensen sends a letter to Mr. Galilea, providing a response to the letter of the 8 April 2015. The letter requests confirmation on whether the affected Mapuche communities have agreed and accepted the reparation measures proposed. [See 21.](#)
18. 23 Apr 2015: Letter by Pewün Kimun, which mentions that the organization values the fact that there have been public apologies by the company and that there are reparation measures being developed. [See 22.](#)
19. 30 Apr 2015: In relation to the reparatory measures, it is agreed to conduct a pilot plan for the restoration of the native forest, with the participation of the Mapuche communities neighboring the forest management area. This pilot plan, will be proposed by several organizations, in order to ensure transparency. The legal basis of the project and the call for proposals is shown here. This restoration plan will start, at the latest in June 2015. [See 23.](#)
20. 30 Apr 2015: Mr. Galilea sends Mr. Carstensen, the progress and proposals of the actions which have been conducted until then, following the agreed timelines.