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## **NEPCon response to the Greenpeace report "*FSC at risk: FSC in Russia*"**

In a recent report *FSC at risk: FSC in Russia*, published on 5 August 2014, Greenpeace has questioned the allocation of FSC Certificates to five companies operating in Dvinsky Forest (IFL), the interfluve area between the Northern Dvina and Pinega Rivers in Archangelsk Region, northwest Russia. Four of these companies are now, or have been in the past, certification clients of NEPCon. They are: ICE Titan Ltd.(incl. Ustpokshe-ngsky LPH), Solombalales UK OOO (Konetsgorsky), Solombalales UK OOO (Boretskaya) and Northern Forest Company Ltd. The Report correctly indicates that only one of our four clients still holds an active FSC certificate, the validity of which is confirmed by our comprehensive process for issuing certification audits.

NEPCon commends Greenpeace for its sustained efforts in FSC quality control, monitoring and enforcement in Russia. NEPCon would like to re-iterate the positive evaluation of our actions regarding to cancellation of certification practice of "destructively logging" in Dvina-Pinega interfluve area.

NEPCon welcomes the review of our auditing systems by Greenpeace as we are committed to continuing our best practice auditing standards. However, we take any concern over our auditing quality very seriously. The following statement provides our initial response on this matter.

### **STATEMENT**

In their report *FSC at risk: FSC in Russia* (the Report), Greenpeace accurately identifies NEPCon as a partner of the FSC accredited certifying body Rainforest Alliance. Greenpeace questions how forest operations audited by NEPCon passed certification assessments and received FSC certificates. Of the five companies analysed in the Report, four of them are now, or were in the past, certification clients of NEPCon. They are: ICE Titan Ltd.(incl. Ustpokshe-ngsky LPH), Solombalales UK OOO (Konetsgorsky), Solombalales UK OOO (Boretskaya) and Northern Forest Company Ltd

Conducting forest activities in intact forest landscapes is not prohibited by the Russian FSC national standard. In fact, forest activities in intact forest landscapes are permitted if certain requirements are met. In particular, the standard requires an individual decision-making approach for each intact forest landscape. The Russian national FSC standard (FSC-STD-RUS-V6-1-2012 Russia Natural and Plantations EN) states, at page 164:

*"The Russian standard imposes also the requirement that intact forest landscapes shall be preserved either entirely or by preservation of identified strict conservation zones with creation of buffer zones around them where the best technologies are applied (indicators 9.3.3-9.3.6.)".*

The FSC system allows FSC certificate applicants to be flexible in choosing measures aimed to preserve intact forest landscapes. The position (perspective/input) of stakeholders is an important factor in defining whether an intact forest landscape will be preserved entirely or in its most valuable parts. The

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standard requires that the HCVF identification criteria/HCVF maps and a set of management measures are prepared with the involvement of stakeholders. Russian certification practices show that in a number of difficult consultations, FSC certificate applicants and stakeholders have come to a compromise to preserve the most valuable parts of intact forest landscapes by identifying and maintaining moratorium zones where harvesting operations and road construction are prohibited, while harvest and road construction remain allowed in other parts of the intact forest landscape.

Regarding the Dvina-Pinega interfluvial area, such compromise decisions are always executed in a form of agreement signed by both the FSC applicant on the one part, and the Arkhangelsk branch of WWF and/or Greenpeace Russia on the other. For the four NEPCon certificate holders, three agreements were signed by WWF solely, while the agreement with Ust-Pokshenga was signed jointly by WWF and Greenpeace. However, Greenpeace actively took part in consultations that were leading to signing of all agreements.

To our best knowledge, there are no breaches of moratorium agreements. Moreover, RA/NEPCon has received positive responses from the major HCVF stakeholders that the certification process has stopped further intact forest landscape defragmentation of Dvina-Pinega interfluvial area. Certification has contributed to scheduling of establishment of especially protective area in Dvina-Pinega interfluvial area.

In accordance with accreditation policies and our mission, NEPCon has always contributed to an open dialogue between clients and stakeholders. We strongly believe that FSC forest management certification in intact forest landscapes is not possible without agreed preservation regime of such forests with different stakeholders, including environmental NGOs.

We agree with the Greenpeace that preservation of intact forest landscape cannot be considered without attention to volumes of sustainable forest use outside moratorium zone as well as program to switch from clear cuts of large size, maintenance of landscape's natural patchiness and biodiversity. NEPCon auditors pay careful attention to these key questions during certification audits, and that is reflected in our public summaries of certification reports.

None of the NEPCon certificate holders have been certified during the entire Report period of 2002 to 2013. The Report does not distinguish between logging that took place during the period of certification, and logging that took place prior to, or after, the companies were certified.

As is the case with many jurisdictions, the FSC rules and standards applicable to Russia have evolved significantly over the Report period. The requirements for becoming FSC certified today are therefore very different from the requirements in the beginning of the period that Greenpeace has evaluated. The continuing refinement, and increasing strictness of the requirements is a key factor in the companies losing their certificates. The data presented in the Greenpeace Report therefore not be used to conclude weaknesses in the current FSC requirements applied in Russia.

NEPCon commends Greenpeace's ongoing work in FSC quality control, monitoring and enforcement in Russia. NEPCon will continue to follow the enforcement of the FSC requirement closely and, where necessary, take actions if the requirements are not followed. We encourage stakeholders to continue to stay engaged in the process and provide us feedback. NEPCon looks forward to continuing the long standing, and constructive dialogue with Greenpeace to improve forest protection outcomes in Russia.

Additional information may be found in a statement issued by the Forest Stewardship Council, on the same Report: <https://ic.fsc.org/newsroom.9.850.htm>

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## About NEPCon

NEPCon is an international, non-profit organisation that promotes the sustainable use of natural resources. Working primarily through independent verification services and innovation projects, we help business enterprises and other organisations to be part of the solution to major global challenges, such as deforestation and climate change. Our FSC®, legality verification and carbon verification services are delivered in collaboration with the Rainforest Alliance. NEPCon is accredited for PEFC Chain of Custody certification (DANAK reg.no.7029). Learn more at [www.nepcon.net](http://www.nepcon.net).