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**Nominated for the Public Eye Award
in the category:**

E N V I R O N M E N T

Nomination by: Greenpeace Switzerland

Danzer-Group

Headquarters: Danzer AG (Holding) in Baar Zug, Switzerland; 13 veneer mills and 5 sawmills in Europe, North America and Africa, 27 sales agencies worldwide
Turnover: 2003: €425 million
Branch of trade: one of the biggest producers of hardwood veneer as well as one of the biggest international traders of tropical lumber and veneer
Owned by: members of the German Danzer family are the main shareholders
No. of employees: 2003: 4,400
CEO: Hans-Joachim Danzer
Member to the WEF: NO (in January 2004)

Outline

In Africa, the Danzer Group knowingly financed illegal logging. According to Greenpeace internal information, it also bribed people in Africa and dealt with a blacklisted arms trafficker who is subjected to an UN travel ban. According to documents Greenpeace obtained, employees of a Danzer subsidiary in Switzerland seem to have been forging documents. Up to today, the Danzer Group refused to let its concessions be certified by the Forest Stewardship Council (FSC). The FSC proves ecologically and socially sound forest management. Danzer also refused to exclusively trade with certified wood. Such activities undermine sustainable forest management. Greenpeace asks Danzer to stop collaborating with companies involved in all kind of illegal activities and commit itself to sustainable forest management according to the Forest Stewardship Council.

General Information on the Case

The Danzer subsidiary Interholco with headquarters in Baar, Switzerland had close relationships with the Liberian "Inland Logging Company" (ILC). According to the UN, ILC belongs to Maurice und Oscar Cooper. Maurice Cooper used to be a close consultant to the former Liberian dictator Charles Taylor, who flew from the country in October 2003 and is accused as a war criminal. Interholco also bought wood from the "Oriental Timber Company" (OTC). The UN regards OTC's manager, the Dutch national Gus van Kouwenhoven, as a key figure behind the logistics of the illegal arms trafficking business to Liberia. Between 2000 and 2003, approximately a third of the deliveries to Interholco came from Liberia. During this period, both ILC and OTC had a devastating impact on their forests in Liberia.

In Cameroon, Interholco purchases logs and timber from the company "Mbah Mbah Georges" (MMG), with which Interholco maintains a close financial partnership. MMG owns a sawmill in

southern Cameroon. In 2000, MMG was involved in illegal logging on a big scale. The value of the illegally cut timber by MMG is estimated at over €1 million. MMG has never been fined for this infraction.

In addition, a confidential report made available to Greenpeace states that in Africa, Danzer seems to be willing to pay bribes. Greenpeace is also in possession of Phytosanitary Certificates and Certificates of Origin that are suspected of having been forged by Danzer Group staff. The certificates enable the export of wood from a number of African countries, including Liberia and Cameroon, and they also allow the import into other countries.

Characteristics of irresponsible corporate behaviour

- Destruction of the environment: It is a fact that Danzer has been collaborating with companies involved in illegal logging. The group has thus contributed to destructive forest use. ILC and OTC, the suppliers of Interholco in Liberia, have been plundering forest resources. Furthermore it is well documented that MMG was involved in logging outside of its forest concession in an area of about 1,000 hectares of an area planned to become a community forest.
- Until today, the Danzer Group has not made any commitment to introduce a FSC certification for its wood. FSC is accepted by a wide range of organisations and companies in the area of ecological and socially sound forest management.
- According to a Greenpeace internal document, bribing seems to have been part of Danzer's company policy in Africa in the recent past. (cf. below, "current status and demands").

Consequences

According to the World Resources Institute, only one third of the primary forests of Africa are still intact. Only one tenth of them are large enough to ensure the survival of the variety of species typical for primary forests. Nonetheless, industrial logging in Africa continues incessantly. By buying wood from such forests and by accepting partially illegal logging, Interholco contributes to the destruction of the last primeval forests in Africa.

Current status and demands

Greenpeace took legal action against Danzer at the Swiss Federal Prosecutor General on the basis of bribing foreign officials and because of forgery of documents. On 21 December 2004, the Swiss Attorney General ordered the dismissal of the preliminary proceedings in one of the two complaints, i.e. the one on bribing foreign officials. Up to today, Greenpeace is not in possession of the grounds of the Swiss Attorney General. Since Greenpeace is complainant only it does not have any right to get information on the proceeding. So far, the Danzer Group has not made the grounds available to Greenpeace either. Furthermore the Group also failed to present a sufficient explanation on the evidence Greenpeace presented, in particular it did not explain the activities described in the travel report of one of the Danzer company's director. The Swiss Federal

Prosecutor General now passed the files to the public prosecutor of the Canton Zug, in order to let it further investigate the allegation of forgery.

Greenpeace Switzerland also announced to file a complaint with the Swiss OECD contact point, based on the OECD Guidelines for Multinational Enterprises.

Greenpeace asks Danzer:

- to immediately stop buying timber products from companies involved in any kind of illegal and unethical activities.
- to phase out all timber products originating from intact primary forests and other high conservation value forests, unless they are coming from a forest management certified by the FSC.
- to commit itself to introduce a FSC certification for all its concessions.

Link to the details of the nomination: www.evb.ch/nominations.htm

Further information and links:

- Greenpeace International: www.greenpeace.org
- Greenpeace Switzerland: www.greenpeace.ch