



Decision and conditions to maintain the association with BILT

FSC expects BILT Graphic Paper Products Limited (BILT) to show clear and significant commitment to uphold the principles of freedom of association and collective bargaining by the time of the next FSC board meeting (BM 72). Commitment shall take the form of an action plan and a progress report submitted to the FSC Secretariat no later than 24 June 2016. Failure to demonstrate such commitment and submit relevant documentation will result in immediate disassociation to be confirmed at BM 72.

Additionally, full implementation of the following conditions shall be completed within six months from the moment this decision is communicated to BILT.

1. BILT shall compensate workers for the costs they incurred in paying membership dues while not receiving the full benefits of union recognition. Compensation shall be calculated based on the membership dues for the past five years for workers of SFI who were registered at any time as union members with the Sabah Timber Employees Union (STIEU) during this time period and are still under employment on the day that this board decision is communicated to BILT.
2. BILT shall compensate STIEU for any documented external legal costs it has incurred in contesting the judicial review process (documented for example through invoices by law firms and court payments).
3. BILT shall put in place a policy of pursuing to have a recognized union based on the workers' free choice and a collective bargaining agreement agreed with the union within one year from obtaining FSC certification for any entity.
4. BILT shall compensate FSC for the costs associated with the complaint. Costs shall be calculated based on the fees and travel costs paid to cover the investigation.

Failure to fulfil the above conditions within six months from the moment this decision is communicated to BILT shall result in immediate disassociation subsequently.

Decision and conditions to maintain the association with SFI

FSC expects Sabah Forest Industries (SFI) to show clear and significant commitment to uphold the principles of freedom of association and collective bargaining by the time of the next FSC board meeting (BM 72). Commitment shall take the form of an action plan and a progress report submitted to the FSC Secretariat no later than 24 June 2016. Failure to demonstrate such commitment and submit relevant documentation will result in immediate disassociation to be confirmed at BM 72.



Additionally, full implementation of the following conditions shall be completed within six months from the moment this decision is communicated to SFI.

1. SFI has recognized a union and has a clear completion date for a collective bargaining agreement with a union of the employees' free choice.
2. SFI shall not arbitrarily recognize a union without verifying that the majority of workers support it through a secret ballot. SFI shall not interfere in any way with the process of union formation.
3. SFI shall withdraw any legal action that may be delaying the process of union recognition.
4. STIEU shall be given the opportunity to demonstrate workers' support in a secret ballot conducted by an independent organization that meets with the approval of STIEU and SFI. Such support shall be based on a simple majority of the votes cast in such a ballot.
5. STIEU shall be given two attempts to demonstrate workers' support in such a ballot.
6. SFI shall make any back payments to any employee that has been ordered by any court in Malaysia since 2009 and that has not already been settled.
7. Independent third party verification has been conducted and has confirmed that the above listed conditions, as the grounds for disassociation, have been adequately implemented and fulfilled.
8. SFI commits to submitting notice of its intent to file any legal action that could affect the union or its members to the FSC Director General for a period of five years after communication of the Board decision.

Failure to fulfil the above conditions within six months from the moment this decision is communicated to BILT shall result in immediate disassociation subsequently.