**TÜV Rheinland on media reports regarding certifications in the Indonesian forestry and timber industry**

**Cologne, Germany, March 2, 2023** - In recent days, media reports have appeared on certifications of companies in the forestry and timber industry in Indonesia. TÜV Rheinland comments on this as follows:

We are convinced that since the introduction of certifications, **better regulation of the Indonesian timber industry has become possible and certifications contribute to improving protection of people and nature.** The certification system provides a mechanism to improve the resolution of conflicts. Certifications **enhance** **transparency** and thus **make deficits visible more quickly** than would be possible without certification systems.

TÜV Rheinland carefully and conscientiously fulfills its audit assignments in accordance with the applicable regulations.

If we become aware of practices at the companies we certify that violate the standards and rules according to which we audit and certify the respective companies, their systems and/or their products, we follow the processes prescribed in the standards and withdraw certificates if necessary.

In recent years, for example, **we have repeatedly refused to award our certificate to Indonesian companies or have withdrawn it.**

However, as a certifier, **we are not in the role of a regulatory authority, nor do we have their powers.** We provide our services in accordance with the applicable audit standards. Where companies violate applicable laws, government institutions are called upon to investigate and prosecute illegal practices.

**TÜV Rheinland: Certification according to recognized rules**

Our experts have been **working independently and according to recognized rules and standards** for more than 150 years. In Indonesia, TÜV Rheinland audits and certifies companies in the forestry and timber industry, among others.

**Comment regarding the advance notice of the German broadcaster NDR of March 2, 2023 for the show “Reschke Fernsehen”:**

Regarding the Indonesian company “PT Wirakarya Sakti”, the notice says: “Despite these serious accusations, TÜV Rheinland had certified the company as 'sustainable'. Even currently, TÜV Rheinland still certifies the company’s compliance with self-set environmental targets.”

In fact, TÜV Rheinland is aware of the incident from 2015 described in the notice. At that time, the company was a customer of TÜV Rheinland and certified by us according to the Indonesian standard PHPL. As required by this standard, we thoroughly investigated the tragic incident. In addition, **an independent committee was set** up to decide whether or not the PHPL certificate should be withdrawn. The committee, consisting of **NGO representatives WALHI, KONTRAS, ELSA,** representatives of the **National Human Rights Commission (KOMNAS HAM),** representatives of the **Ministry of Forestry,** as well as the accreditor KAN, **decided - taking into account a court ruling on the case - to maintain the certificate.** According to the processes foreseen in the PHPL standard, **we as a certifier were bound by this decision of the committee.** The company is **no longer certified by us** according to PHPL since 2019. Currently, TÜV Rheinland only certifies PT Wirakarya Sakti to the international environmental management standard ISO 14001.

**Background Information:**

Regarding the processes described in the media reports, the following certifications for forestry and timber management in Indonesia are at issue:

- PHPL (Performance Assessment on Sustainable Production Forest Management): National requirement in Indonesia in the context of forest management concessions, mandatory in Indonesia.

- SVLK (Timber Legality Verification System): National regulation in Indonesia for the production and processing of wood products, mandatory in Indonesia.

To counteract the destruction of valuable forest land and illegal logging, clear and reliable documentation of timber origin is essential. The programs listed above are possible systems to distinguish timber and timber products from sustainable and legal forest management from other origins.

Like a number of other inspection companies, TÜV Rheinland audits and certifies Indonesian companies according to SVLK, PHPL as well as the standards of the Roundtable on Sustainable Palm Oil (RSPO). In order to be allowed to certify according to these procedures and standards, TÜV Rheinland holds accreditations for certifications according to SVLK and PHPL from the Indonesian state accreditation authority (Komite Akreditasi Nasional, KAN). We are also an accredited certification body of the Roundtable on Sustainable Palm Oil (RSPO). Our auditors in Indonesia responsible for PHPL and SVLK audits are specifically trained and certified according to the local requirements of PHPL and SVLK - the relevant Indonesian standards. Auditors trained in accordance with SVLK and PHPL are registered with the relevant accredited personal certification body in Indonesia and must be re-certified every three years.

The state accreditation body KAN as well as the RSPO regularly verify that we conduct our audits independently and in accordance with the rules provided. In addition, we published a summary of SVLK reports and PHPL reports regarding the audits we conduct at our customers' sites on our website at <https://www.tuv.com/indonesia/en/fsc-certification.html>. We send our reports regarding RSPO certifications to RSPO. RSPO publishes reports on their website at [www.rspo.org](http://www.rspo.org).

**About TÜV Rheinland**

*TÜV Rheinland stands for safety and quality in virtually all areas of business and life. The company has been operating for more than 150 years and ranks among the world’s leading testing service providers. It has more than 20,000 employees in over 50 countries and generates annual revenues of around 2.1 billion euros. TÜV Rheinland’s highly qualified experts test technical systems and products around the world, support innovations in technology and business, train people in numerous professions and certify management systems according to international standards. In doing so, the independent experts generate trust in products as well as processes across global value-adding chains and the flow of commodities. Since 2006, TÜV Rheinland has been a member of the United Nations Global Compact to promote sustainability and combat corruption. Website:* [*www.tuv.com*](http://www.tuv.com)

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