MESSAGE FROM THE CEO

Dear Shareholders,

2016 was a strong transition year for Rougier. In a difficult global economic environment, the Group’s sales were affected in particular by weak demand from Asian markets and a drop in sales prices for some of the timber varieties sold.

Against this backdrop, earnings are still considerably lower than the usual levels expected. They also reflect the transformation of the timber industry in the Congo Basin, with extensive adaptations for our business model in Africa in terms of organizational and industrial aspects.

“ We are moving forward with some major operational projects in 2017 ”

However, the current difficulties do not call into question the Group’s strategy, which is closely tied in with the forest’s cycle. For over 90 years, the Rougier Group has navigated its environment’s constantly changing currents. Our ability to maintain our heading has expressed by all the teams each day. As part of the company’s genetic makeup, these values are deep values handed down by its founders. Firmly established in the Group’s identity, our strengths and values are considered fundamental in the Group’s strategy, which is closely tied in with the forest’s cycle. For over 90 years, the Rougier Group has navigated its environment’s constantly changing currents. Our ability to maintain our heading has been the result of our multi-business line approach; Our international scale; Our responsible management of the sector; Our capacity for innovation; Our position as part of a family group.

Alongside this, our teams are working to constantly adapt in order to deliver effective responses to the challenges facing our industry:

➔ Managing quality and delivery times more effectively to improve customer satisfaction;
➔ Completing the upgrading of our forest and industrial activities to capitalize on new opportunities for development;
➔ Innovating and integrating new technologies to optimize our organization;
➔ Promoting new collaborative tools to make concrete progress with our projects.

Rolling out these actions will enable us to reestablish the Group’s profitability over the medium term. Their deployment will be combined with more effective control over our costs and a reorganization of our internal resources throughout the Group.

Alongside this, we are continuing to improve our financial flexibility with a view to supporting our development. For instance, in May 2017, Rougier Afrique International signed a deal for a 10-year loan from Proparco, a subsidiary of the French Development Agency (AFD), for €15 million, including a three-year interest-only period.

This medium-term financing will give Rougier the means to continue developing its operations in the Congo Basin. Our actions are starting to deliver benefits, as shown by the major log supply contract signed recently with GSEZ (Gabon Special Economic Zone). This long-term contract will be particularly important for the development of our business in Gabon, positively improving operational conditions for our timber production.

Alongside these concrete achievements, we are moving forward with some major operational projects in 2017: starting up our first production units located in Gabon’s Nkok Special Economic Zone (SEZ). This partnership is in line with a policy to promote local timber processing across a complete value chain. GSEZ has selected Rougier on account of the quality of its concessions and facilities, its capacity to supply high volumes of quality timber each month, and its responsible forest management expertise.

“ A FINANCING AGREEMENT SIGNED IN 2017 WILL GIVE ROUGIER THE MEANS TO CONTINUE DEVELOPING ITS OPERATIONS IN THE CONGO BASIN. ”

With confidence and conviction, the Rougier Group is accelerating its transformation with a view to further strengthening its position as a key player for the development of a responsible timber industry in the Congo Basin.

I would like to thank all of our teams for their dedication and commitment, as well as our customers, our partners and our shareholders for their continued trust, confidence and loyalty.

Éric-Bastien Ballouhey
Chief Executive Officer
AT THE HEART OF OUR BUSINESS LINES

Founded in 1923, the Rougier Group is a market leader for certified African tropical timber. Its business is organized around three branches.

- **Natural Forests**
  - Forest harvesting, local industrial processing and international trade in African tropical timber through Rougier Afrique International and its production subsidiaries: Rougier Gabon, SFID (Cameroon) and Mokabi (Congo), as well as Rougier Sangha Mbaéré (Central African Republic), which will be starting up its operations in 2017.
  - 2016 revenue contribution: €120 million

- **Importing and Distribution in France**
  - Timber products from all origins (temperate and tropical) are imported and distributed in France through Rougier Sylvaco Panneaux. Alongside this core business, direct online sales of finished products for outdoor living designs were launched in 2015 through the company Eco Terrasse Pro.
  - 2016 revenue contribution: €28 million

- **Plantation Forests**
  - Management of industrial forest plantations in Africa and related services, through the Lignafrie branch companies, in joint-venture with PFM (Forêt Ressources Management).
  - Rougier has 2.3 million hectares of forest concessions in operation across the Congo Basin. Each year, the Group’s forest sites produce around 600,000 cbm of timber and the Group’s industrial sites locally process 160,000 cbm of sawn timber, plywood and derivatives, with FSC® or legality verification certification.
  - In total, the Group employs around 3,000 people, primarily in Africa.

ROUGIER GROUP SIMPLIFIED STRUCTURE
AT 31 DECEMBER 2016
OUR MARKETS, OUR PRODUCTS

TROPICAL TIMBER IS USED IN A WIDE RANGE OF FIELDS, FROM CONSTRUCTION TO FURNITURE, INTERIORS AND OUTDOOR LIVING DESIGNS. A PIVOTAL PLAYER ON GLOBALIZED MARKETS, THE ROUGIER GROUP OFFERS A COMPREHENSIVE RANGE OF TIMBER SPECIES AND PRODUCTS ALIGNED WITH ITS CUSTOMERS’ NEEDS.

MAIN USES OF TROPICAL TIMBER

Wood in general offers a number of advantages, thanks in particular to its performance levels in terms of insulation, renewability and recycling, as well as its positive carbon footprint. Through their exceptional natural durability, many tropical timber species offer superior properties and characteristics. Tropical timber is very resilient faced with bad weather and aggressive conditions, and can be used in a number of ways without any additional treatment.

Tropical timber also offers a number of other benefits: with its aesthetic appearance and wide variety of colors and shades, it is a highly sought-after material for cabinetworking and interior design work; its strong mechanical performance qualities enable it to be used in construction for elements in demanding situations, such as bridges or planking.

Today, tropical timber is established as an ideal solution for a very wide range of uses, both internally and externally.

TROPICAL TIMBER MARKET

Based historically on a South-North axis, the tropical timber market has undergone a far-reaching transformation over the past two decades. It has opened up considerably to international markets with the development of South-South trade and the growing importance of markets in China, India, Malaysia and Vietnam, as well as the Middle East, South Africa and Turkey. This trend has also been accompanied by the development of new emerging markets, in Africa, Bangladesh, Indonesia and the Philippines. Containerization, changing consumer habits and the globalization of international trade have been the main factors behind these developments.

The various international markets have different and even divergent needs. On the one hand, demand for increasingly processed products for “mature” markets (square-edged, dried, finger jointed, glued); on the other hand, continued “traditional” demand for raw products (logs, sawn timber) for “emerging” markets.

Producer countries, which have traditionally exported their raw materials as logs, have rolled out policies to further strengthen their industrialization: as a result, they now process the vast majority of their production on site, aiming to create more added value and more jobs locally. Certain producer countries have taken this approach even further and the industrial operators that have set up there have developed secondary processing units with a view to producing finger jointed glued laminated blocks, decking and, more generally, industrial components for the window, door or stair markets.

The Group’s expertise with joining and binding technologies makes it possible to create more value with timber species whose mechanical performance features may not be as good as the flagship species that have been harvested for many years. Reconstituted products are starting to offer higher performance levels (insulation, durability). In addition, joining and binding are making it possible to create more added value by capitalizing on byproducts from sawing (recovery).

DIVERSIFIED RANGE OF TIMBER SPECIES AND PRODUCTS

With seven industrial sites (total annual production capacity of 160,000 cbm), Rougier offers a comprehensive product range, regular supplies, high volumes, a commitment to quality and respect for the environment, with certificates guaranteeing the chain of custody for products and responsible management for the forests harvested.

→ TODAY, TROPICAL TIMBER IS ESTABLISHED AS AN IDEAL SOLUTION FOR A VERY WIDE RANGE OF USES FOR INTERIOR AS WELL AS EXTERIOR.
2016 KEY FIGURES

In a volatile global environment, marked by a contraction in demand in key emerging countries, the Rougier group’s revenues are down 9.3% for 2016. Unfavorable changes in the timber variety-product mix and downwards pressure on certain international sales prices have affected margins, which also reflect the impact of operational difficulties in some African countries.

SHAREHOLDERS AND STOCK MARKET

Rougier’s shares have been listed on the Paris stock market for nearly 60 years. The majority family interest in Rougier’s capital, further strengthened by the new long-term shareholder brought on board in 2015, the family-owned company Oronte, ensures the stability needed for the group’s development.

BREAKDOWN OF CONSOLIDATED REVENUES

By product type
- Logs: 20.1%
- Sawn timber: 25.4%
- Panels: 53.8%
- Other: 0.7%

By destination region
- Europe: 49.0%
- Americas and Pacific Region: 10.9%
- Asia: 5.9%
- Sub-Saharan Africa: 29.8%
- Middle East and North Africa: 4.4%

SHAREHOLDING STRUCTURE AT 31 DECEMBER 2016

Shares
- Rougier family group: 2.1%
- Oronte: 1.0%
- Public - other: 60.0%
- Employees: 4.2%
- Treasury stock: 72.2%

Gross voting rights
- Rougier family group: 1.3%
- Oronte: 0.6%
- Public - other: 23.4%
- Employees: 2.5%
- Treasury stock: 72.2%

CONSOLIDATED DASHBOARD (€M)

- Revenues: 149.4
- EBITDA: 8.9
- Shareholders’ equity: 51.8
- Operational investments: 11.5

STOCK MARKET

- Listing market: Alternext Paris
- Number of Rougier shares: 1,092,000
- 2016 share price: €28.45
- Eligible for SME share-based savings schemes
- Market capitalization (at 31 Dec 2016): €20 million
### BALANCE SHEET (At 31 December)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>11,011</td>
<td>11,043</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>44,534</td>
<td>43,189</td>
</tr>
<tr>
<td>Investment properties</td>
<td>-</td>
<td>2,120</td>
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<tr>
<td>Deferred tax assets and other non-current assets</td>
<td>8,576</td>
<td>8,127</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td>64,121</td>
<td>64,479</td>
</tr>
<tr>
<td>Inventories</td>
<td>43,103</td>
<td>43,919</td>
</tr>
<tr>
<td>Trade receivables and related</td>
<td>19,274</td>
<td>21,293</td>
</tr>
<tr>
<td>Other current assets</td>
<td>23,556</td>
<td>19,207</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,837</td>
<td>6,295</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td>88,770</td>
<td>90,714</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>1,455</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>154,346</td>
<td>155,193</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group share</td>
<td>40,169</td>
<td>43,649</td>
</tr>
<tr>
<td>Minority interest</td>
<td>11,604</td>
<td>14,048</td>
</tr>
<tr>
<td><strong>SHAREHOLDERS’ EQUITY</strong></td>
<td>51,773</td>
<td>57,697</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SHAREHOLDERS’ EQUITY</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current financial liabilities</td>
<td>16,841</td>
<td>20,895</td>
</tr>
<tr>
<td>Deferred tax liabilities, provisions and other non-current liabilities</td>
<td>2,507</td>
<td>3,367</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td>19,348</td>
<td>24,262</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>42,054</td>
<td>42,531</td>
</tr>
<tr>
<td>Trade payables and related</td>
<td>26,342</td>
<td>19,220</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>14,204</td>
<td>11,215</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td>82,600</td>
<td>73,234</td>
</tr>
<tr>
<td>Liabilities directly associated with non-current assets held for sale</td>
<td>625</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>154,346</td>
<td>155,193</td>
</tr>
</tbody>
</table>

### INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>149,439</td>
<td>164,725</td>
</tr>
<tr>
<td>EBITDA(1)</td>
<td>8,931</td>
<td>12,145</td>
</tr>
<tr>
<td>Depreciation and provisions</td>
<td>(8,759)</td>
<td>(9,274)</td>
</tr>
<tr>
<td>INCOME FROM ORDINARY OPERATIONS</td>
<td>(961)</td>
<td>(1,851)</td>
</tr>
<tr>
<td>EBIT</td>
<td>(789)</td>
<td>1,020</td>
</tr>
<tr>
<td>Cost of net financial debt</td>
<td>(3,381)</td>
<td>(3,176)</td>
</tr>
<tr>
<td>Other net financial income and expenses</td>
<td>(691)</td>
<td>(526)</td>
</tr>
<tr>
<td>Tax</td>
<td>(1,461)</td>
<td>(448)</td>
</tr>
<tr>
<td>Share in income from associates</td>
<td>-</td>
<td>(157)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>(3,333)</td>
<td>(2,492)</td>
</tr>
</tbody>
</table>

### NET CASH FLOW STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOW FROM OPERATIONS after cost of net financial debt and tax</td>
<td>3,060</td>
<td>6,807</td>
</tr>
<tr>
<td>CASH FLOW FROM OPERATIONS before cost of net financial debt and tax</td>
<td>7,902</td>
<td>10,477</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(1,900)</td>
<td>(1,753)</td>
</tr>
<tr>
<td>Change in operating working capital</td>
<td>6,077</td>
<td>7,918</td>
</tr>
<tr>
<td><strong>CASH FLOW FROM OPERATING ACTIVITIES</strong></td>
<td>14,681</td>
<td>16,642</td>
</tr>
<tr>
<td>CASH FLOW FROM INVESTING ACTIVITIES</td>
<td>(10,347)</td>
<td>(12,073)</td>
</tr>
<tr>
<td>CASH FLOW FROM FINANCING ACTIVITIES</td>
<td>(6,491)</td>
<td>8,248</td>
</tr>
<tr>
<td><strong>CHANGE IN CASH AND CASH EQUIVALENTS</strong></td>
<td>(2,157)</td>
<td>12,823</td>
</tr>
</tbody>
</table>
OUR DNA

ROUGIER’S HISTORY HAS BEEN BUILT AROUND ITS PASSION FOR WOOD, INITIALLY IN FRANCE, THEN IN AFRICA AND AROUND THE WORLD. ITS DEVELOPMENT IS UNDERPINNED BY ITS STRONG ABILITY TO ANTICIPATE THE INDUSTRY’S MAJOR TRANSFORMATIONS.

OVER 90 YEARS of ambition and forward planning dedicated to wood

2.34 MILLION hectares of forests

7 INDUSTRIAL SITES in Central Africa
OUR MANAGEMENT AND SUPERVISORY BODIES

ROUGIER IS DEVELOPING ITS EFFICIENCY AND RESPONSIVENESS, WHILE ENSURING AN EFFECTIVE BALANCE OF POWERS THROUGH A GOVERNANCE STRUCTURE BASED ON A BOARD OF DIRECTORS, SEPARATING THE ROLES FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER. THE BOARD OF DIRECTORS REFLECTS ROUGIER’S FAMILY SHAREHOLDING STRUCTURE, WHILE INCORPORATING INDEPENDENT EXPERTISE. THE EXECUTIVE MANAGEMENT TEAM HAS EXTENSIVE FINANCE AND BUSINESS EXPERIENCE INTERNATIONALLY AND ON THE AFRICAN CONTINENT IN PARTICULAR.

OVER 90 YEARS OF FORWARD PLANNING AND KNOW-HOW

FROM BIRTH TO MATURITY

1923 - 1980

1923
- Rougier’s story began in Niort, France.

1930
- Unit built to produce plywood with okoume imported from Gabon.

1952
- First timber harvesting permits awarded in Gabon.

1959

1969
- Presence established in Cameroon.

1978
- Industrial unit acquired in Gabon (Owendo).

INTERNATIONAL GROWTH AND RESPONSIBLE FOREST MANAGEMENT

1980 - 2010

1984
- Forest production area and sawmill acquired in Eastern Cameroon (Mbeng).

1988
- Sawmill built in Southern Cameroon (Djoum).

1994
- Sustainable development of African concessions established as one of the strategic pillars.

2000
- Presence established in Northern Congo, with the building of a sawmill.

2005
- Sawmill built in Franceville, Gabon.

2008
- FSC® certification awarded for 688,000 ha of forest concessions in Gabon, as well as chain of custody for the trading subsidiaries.

PARTNERSHIPS AND DIVERSIFICATION

2010 - 2016

2010
- Lignafrica created, specialized in industrial plantations in Africa.

2011
- Gabon’s Caisse des Dépôts et Consignations enters Rougier Afrique International’s capital.

2013
- FSC® certification awarded for the forest concessions in Eastern Cameroon.

2014
- Business combination carried out between the subsidiaries Rougier Sylvaco and Rougier Panneaux.

2015
- Operations established in Central African Republic
  - Partnership set up with WWF
  - Oronte joined Rougier’s capital

2016
- Major log supply contract signed with GSEZ in Gabon

BOARD OF DIRECTORS

Jacques Rougier
Chairman of the Board

Francis Rougier
Vice-Chairman of the Board

Véronique Rougier
Director

Hervé Bozec
Director

Gilbert-Jean Audurier
Independent director

François-Régis Motte
Independent director

SOPAR represented by Nathalie Auguin
Director

PARTNERSHIPS AND DIVERSIFICATION

2010 - 2016

2010
- Lignafrica created, specialized in industrial plantations in Africa.

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2016
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EXECUTIVE MANAGEMENT

Romain Rougier
Deputy CEO

Éric-Bastien Ballouhey
Chief Auditing Officer

Marie-Yvonne Charlemagne
Deputy CEO

Romain Rougier
Deputy CEO
LEADER FOR SUSTAINABLE DEVELOPMENT IN AFRICA

A MAJOR PLAYER IN THE AFRICAN TROPICAL TIMBER INDUSTRY, WITH OVER 2.3 MILLION HECTARES OF FOREST CONCESSIONS ACROSS GABON, CAMEROON, CONGO AND MORE RECENTLY THE CENTRAL AFRICAN REPUBLIC, ROUGIER IS COMMITTED TO RESPONSIBLY MANAGING A RESOURCE THAT IS VITAL TO OUR PLANET’S BALANCE.

Fully aware of its role, Rougier’s ambition is to pass on an ecological capital that is protected for future generations. To support this goal, Rougier put in place a legality certification policy very early on and this has been completed and further strengthened over the years with FSC® responsible forest management certification.

100% of the forest concessions entrusted to Rougier or its subsidiaries in Africa and operated in 2016 are legality certified, while more than half are responsible forest management certified.

- **GABON**: FSC® 100% certification for all the forests in operation (877,000 ha)
- **CAMEROON**: “responsibly-sourced timber” for the Southern massif around Djoum (265,000 ha) and FSC® 100% certification for the Eastern massif around Mbang (285,000 ha)
- **CONGO**: Verification of Legal Compliance (VLC) certification (586,000 ha)

CERTIFICATIONS REQUIRED TO ENABLE ROUGIER TO:

1. Provide its customers with legality and chain of custody guarantees for all products from its forest concessions, certified by an independent third party. These guarantees are essential in order to offer the assurances demanded by international markets concerning the legal origins of timber (Lacey Act in the US, EUTR in Europe, timber regulations in Japan and Australia, etc.).
2. Offer additional guarantees - particularly social and environmental - for customers requiring this, with FSC® 100% certified production in Cameroon and Gabon. On certain particularly sensitive markets, responsible forest management certification offers clear added value.

LONGSTANDING CULTURE FOUNDED ON RESPONSIBLE FOREST MANAGEMENT

When Rougier Gabon achieved its first FSC® certification for 688,000 ha of forest concessions back in 2008, this was a decisive starting point for the recognition of the technical, financial and human efforts made by Rougier over more than 10 years to ensure responsible forest management.

Since then, Rougier has ramped up its actions for the responsible management of its forest concessions in Central Africa.

In 2017, Rougier is maintaining its focus on certification and exploring new areas for diversification, notably putting itself forward as a candidate for PAFC* audits in Gabon. The aim is to continue building on the guarantees offered for the Group’s customers, while consolidating its various societal and environmental approaches in its forest concessions in Africa. Alongside this, the Group is launching its first actions to manage the development of its new concession in Central African Republic.

* Pan-African Forest Certification

HOW TO SAFEGUARD TROPICAL FORESTS?
OUTSTANDING INDUSTRIAL AND FOREST CAPITAL

FOREST CONCESSIONS AND INDUSTRIAL SITES

- FSC® concessions 1,163,000 ha
  RA-FM/COC-006621 in Gabon since 2013
  RA-FM/COC-006347 in Cameroon since 2013
- "Responsibly-sourced timber" concessions 265,000 ha
  RA-CW/FM-007166 in Cameroon since 2014
- VLC concession 586,000 ha
  RA-VLC-007182 in Congo since 2015
- Concession awarded to Rougier Sangha-Mbaéré 270,000 ha

SEA ROUTES

- Port with container loading

KEY

- Capitals
- Railways
- Cities
- Main roads
Valuable human capital

From a social perspective, Rougier strives first and foremost to be a responsible employer. In the areas where it operates, the Group develops a social model with a range of commitments that ensure good working conditions for its employees and a living environment with the necessary facilities for themselves and their families.

3,000 employees in central Africa

At the end of 2016, the Group had 2,989 employees, with 97% in central Africa. The majority of staff are recruited in the employment sectors where the Group’s sites are located and 76% have permanent contracts.

Each Group company has direct responsibility for management-employee relations in each country in order to maintain each subsidiary’s independence, while ensuring consistency with national legislation and local practices and customs. Personnel management is handled by each site’s human resources managers, supported by a human resources department in each country’s capital city, as well as Group-level HR coordination.

Going above and beyond the minimum regulatory requirements, HR policies are rolled out in line with the Group’s CSR strategy. A wide range of social actions are taken to factor in the specific features of the activities and the often remote areas where Rougier’s industrial or forest sites are located.

Training and best practices

Rougier is always looking to optimize its procedures and continuously improve its best practices at all levels. This dynamic approach is supported by increasingly close links between the sites thanks to improvements in the information systems. A number of initiatives have been launched to promote mobility, share practices and value skills.

In line with this, each Group subsidiary puts in place a training plan covering diverse aspects relating to safety, quality procedures and improving technical skills. These training programs help improve awareness among the various stakeholders with a view to preventing professional and environmental risks, in line with our quality commitments.

Occupational Health and Safety Committees have been set up at all our forest, industrial and administrative sites, making it possible to further strengthen our collective efforts to improve working conditions, particularly in terms of health and safety.

Vital social role

In often remote regions, Rougier performs a key social role. At its remote living areas and industrial sites in rural environments, employees are housed in facilities built by the Group and managed in conjunction with their representatives. Rougier supplies drinking water and electricity, in addition to managing and sorting waste.

"Rougier also ensures that employees’ families and local communities living near the company’s sites are able to benefit from access to the full range of primary health services, building and managing health centers when necessary."

Alongside this, in the areas where it operates, Rougier is committed to ensuring access to basic health and education services whenever this is required. For instance, Rougier provides schooling for employees’ children if there are no appropriate structures in place already; in certain cases, this support may also benefit children from local communities at remote rural sites. The Group directly manages three schools in Gabon and Congo, all run by a doctor employed directly by the Group or a subcontractor.

These health centers are integrated into the healthcare systems in place regionally or nationally. In this way, they help distribute messages to raise awareness and take part in vaccination and prevention campaigns to tackle epidemics or other priority health issues in the areas where Rougier operates.

Lastly, to contribute to food security efforts in remote rural areas and combat poaching in its concessions, Rougier has set up food supply centers offering goods for basic necessities at subsidized prices. Various actions are carried out alongside this to diversify food sources (e.g. food crops) and support local trade.

Men and women at the heart of changes

In 2016, the Group continued moving forward with its transformation in order to modernize its operations, prepare to deploy new projects and transform its organization to become more agile and efficient. Rougier's employees are key players, whatever their position within the company. At the end of 2016, the HR function was further strengthened to support the changes and develop a policy that is effectively aligned with the challenges faced in coming years.
OUR ACTIVITIES

A market leader for the production and sale of certified tropical timber, both processed and unprocessed, the Rougier Group operates around three complementary branches.

- 68% of log production processed in-house in 2016
- 51% of group revenues generated outside of Europe in 2016
- 100% of forest concessions in operation audited by an independent third party

*Excluding new concessions awarded but not in operation in 2016.
INTEGRATED TIMBER INDUSTRY PLAYER IN AFRICA

Rougier Afrique International produces, processes and sells a diverse range of timber species and products, from its forest concessions in the Congo Basin. Rougier Afrique International and its subsidiaries have responsible management expertise across the entire production chain for timber, from forest concessions through to customers, importers and industrial operators. Transported by truck, train or boat, its products are marketed worldwide.

Its in-depth knowledge of the industry enables it to ensure a policy for regular deliveries in terms of timeframes and volumes, while setting out its commitments to legality and respect for the environment: 100% of products from Rougier's subsidiaries in Africa are sold with legality and chain of custody guarantees from independent third parties.

MARKET LEADER FOR THE PRODUCTION AND SALE OF CERTIFIED TROPICAL TIMBER

A pioneer for responsible forest management in the Congo Basin, Rougier Afrique International has put in place chain of custody and legality verification and certification systems across all its concessions in order to ensure that its products, services and procedures are compliant with the most demanding international standards, such as FSC®.

Forest certification promotes and guarantees a forest management approach in line with the three pillars for sustainable development: environmental, social and economic. Verified by an independent organization, it determines the conditions for timber harvesting and makes it possible to ensure that the products offered come from responsibly managed forests and can be traced every step of their journey from their place of production through to end customers.

The responsible approach rolled out by the Group at its forest concessions and the development of an extensive range of certified products are enabling Rougier Afrique International to create value through its African products on the various international markets.

GROWING INTERNATIONAL COMMERCIAL REACH

Rougier Afrique International exports and markets the Group’s products worldwide. Its extensive track record, its high volumes and its close relationships with leading marine transport firms make it a pivotal player on the international markets for tropical timber.

Rougier Afrique International’s active market diversification policy over the past few years and its work to identify the best responsible forest management certification criteria enable it to optimize its sales in line with growth differentials across the various markets.

FIRST PRODUCTION OPERATIONS LAUNCHED IN THE CENTRAL AFRICAN REPUBLIC IN 2017

Since 2015, Rougier has significantly strengthened its presence in the Congo Basin, with a new 270,000 hectare forest concession awarded following an international tender process organized by the Central African Republic government. Rougier Sangha Mbaéré, the dedicated subsidiary set up, is benefiting from all the expertise that the Group has already built up in the Congo Basin for responsible timber harvesting and industrial processing. Its first production operations will start up in 2017.


data on a  
phenological pathway
Natural forest harvesting in Africa

NATURAL FOREST HARVESTING IN AFRICA

NEWS AND OUTLOOK FOR EACH COUNTRY

GABON

Present in Gabon since 1952, Rougier has nearly 934,000 ha of forests in operation, producing around 280,000 cbm of logs per year. Its subsidiary Rougier Gabon employs 1,500 people, with a virtually equal split between timber harvesting and industrial processing.

In 2016: Timber harvesting and plywood production both picked up, while productivity improved in the sawmills over the second half of the year, enabling Rougier Gabon to achieve significant improvements in its results.

In 2017: The continued improvement in industrial performance levels needs to be combined with a better alignment of forest production operations. Alongside this, the contract signed at the start of the year with GSEZ (Gabon Special Economic Zone) is moving forward, supporting the development of Rougier Gabon’s activities, while improving its operational conditions. Under this major seven-year contract, 110,000 cbm of okoume logs will be supplied annually to processing units located in the Nkok Special Economic Zone, near Libreville.

CAMEROON

Rougier has been present in Cameroon since 1969 through its subsidiary SFID (Société Forestière et Industrielle de la Doumé), with 561,000 ha of forests in operation today, producing around 200,000 cbm of logs per year. SFID employs 900 people.

In 2016: SFID’s results were marked by the lower levels of industrial and timber production. The deterioration in the timber variety-product mix, the productivity shortfall and the lower absorption of logistics costs had a significant impact on the company’s results, with a loss recorded for the full year.

In 2017: SFID is working to optimize its industrial and forest performance levels. It is focusing in particular on further strengthening its yields and productivity, while improving sourcing for secondary processing. The certification policy is expected to continue supporting SFID’s sales on European markets, while waiting for Asian markets to pick up again. In addition, new opportunities for creating value have been identified.

REPUBLIC OF CONGO

Rougier has been present in the north of the Republic of Congo since 2000 through its subsidiary Mokabi, which has 586,000 ha of forests in operation, producing around 110,000 cbm of logs per year. Mokabi employs 500 people.

In 2016: Mokabi recorded positive results, undermined by a weaker level of industrial efficiency faced with significant volatility in demand on the main emerging markets. Various actions were deployed to increase the efficiency of production operations, while improving the product mix and industrial yields.

In 2017: Mokabi aims to further strengthen its creation of value-added. In particular, the company’s performances are expected to benefit from the increase in its drying capacity, as well as the first synergies linked to operations starting up at the new adjacent concession in the Central African Republic. These elements, combined with an overhauling of its operational organization, will help drive improvements in the company’s results.

CENTRAL AFRICAN REPUBLIC

Rougier set up in the southwest of the Central African Republic very recently, through its subsidiary Rougier Sangha Mbaéré (RSM), which will launch operations covering 270,000 ha of forests based on the concession awarded in the second half of 2015.

In 2016: Rougier Sangha Mbaéré rolled out its first actions, notably drawing up the development plan for its new forest concession. Adjoining the Mokabi concession (Congo), and following on from the Eastern Cameroon forest area (Mbang), operated by SFID, Rougier Sangha Mbaéré is part of a regional integration program with extensive forest, industrial and logistics synergies.

In 2017: Rougier Sangha Mbaéré is launching its operations, with its timber harvesting activities effectively getting underway.

International timber trading from third party suppliers

Rougier Afrique’s international positioning, the scale of its sales force and the reputation of its brand have helped drive the development of an international trade business based on African tropical timber sourced from third party suppliers. This activity will make it possible to effectively adjust to market demands.
IMPORTING AND DISTRIBUTION OF WOOD IN FRANCE

THE BRANCH FOCUSED ON THE IMPORTING AND DISTRIBUTION OF WOOD IN FRANCE HAS HISTORICALLY BEEN REPRESENTED BY ROUGIER SYLVACO PANNEAUX. THIS SUBSIDIARY IMPORTS AND DISTRIBUTES WOOD FROM ALL ORIGINS IN FRANCE, OFFERING MERCHANTS, DISTRIBUTORS AND INDUSTRIAL OPERATORS A VAST SELECTION OF QUALITY TIMBER PRODUCTS IN LINE WITH THE BEST MARKET STANDARDS. IN 2016, THE BRANCH’S REVENUES REPRESENTED 19% OF THE GROUP’S CONSOLIDATED TOTAL.

THE SPECIALIST FOR WOOD IN ALL ITS FORMS

On the French market, Rougier Sylvaco Panneaux imports and sells a wide range of sawn timber, plywood and processed timber products from around the world, from both tropical regions (Amazonia, Africa, Southeast Asia) and temperate regions (Eastern Europe and North America).

Rougier Sylvaco Panneaux is the “go-to” provider for industrial firms, distributors and merchants, whether they are specialized in timber or other fields. Its strength lies in its ability to meet their needs quickly thanks to its high levels of diverse stocks, its knowledge of sourcing channels and its vast network of long-established suppliers upstream.

EXTENSIVE RANGE, AVAILABLE THROUGHOUT FRANCE

Rougier Sylvaco Panneaux offers a wide and regularly enhanced range of products for diverse uses, from construction to interior and exterior design, joinery, industry and transport. It combines a quality selection of over 1,500 products range in stock with solutions to meet specific requests for products, dimensions or timber species.

From square-edge lumber to molding, scantlings, laminated timber products, joists, decking and slabs, as well as special, technical or decorative plywood, Rougier Sylvaco Panneaux’s extensive ranges enable it to effectively meet the specific demands of each request, while ensuring a high-quality overall service, which is essential for confidence and trust over the long term.

PRODUCT RANGE

Over 30,000 sq.m of warehouses, including 16,000 sq.m of covered space, across three strategic sites in Caen, Gennevilliers and Sète, provide storage for more than 40,000 cbm of plywood and timber products. This availability helps ensure regular deliveries with short turnaround times throughout France and neighboring countries in line with requests. Present nationwide in France, the sales teams are committed to providing the best quality of service thanks to their highly responsive approach and personalized advice to meet end customers’ needs.

PRODUCT DIVERSIFICATION

In addition to its range of tropical timber decking, Rougier Sylvaco Panneaux offers composite floorboards in line with the expectations of customers, looking for decking that combines a warm atmosphere with easy maintenance, durability and environmentally friendly features. The Eva-Last Infinity composite decking is made up of 50% recycled bamboo and 50% recycled polymers.

The South African firm Eva-Last has successfully sold its products for over 10 years around the world, particularly in Europe and the US.

PRODUCT TRACEABILITY AND QUALITY

Rougier Sylvaco Panneaux offers all the guarantees in terms of production, finishing and regulatory compliance. With its responsible environmental commitments, Rougier Sylvaco Panneaux notably offers its customers chain of custody guarantees for their timber. Over half of Rougier Sylvaco Panneaux’s products are certified (FSC® and PEFC™), while the rest are covered by legality guarantees in line with the European Union’s Timber Regulation (EUTR).

Rougier Sylvaco Panneaux has also signed up to the environmental charter for the purchasing and sale of wood, drawn up by Le Commerce du Bois (French timber import and distribution industry association). In the audits carried out under this charter, Rougier Sylvaco Panneaux has achieved the highest “three leaf” rating, recognizing the traceability of its products, as well as the Company’s commitment to regularly increasing the percentage of its certified supplies.

RANGE OF PROCESSED PRODUCTS FURTHER STRENGTHENED

Rougier Sylvaco Panneaux is supporting the commercial development of its “PANOLAM” ranges. These finished products, which combine all the benefits of panels with the aesthetics of solid wood, are perfect for optimizing projects for staircases, work surfaces or interior fittings. This comprehensive range of finger-jointed or laminated panels are ready for use and available in premium quality, with strips sorted for each color to offer consistent shades and two clean faces free from defects.
DEVELOPMENT OF FOREST PLANTATIONS IN AFRICA

IN ASSOCIATION WITH THE COMPANY FOREST RESSOURCES MANAGEMENT (FRM), ROUGIER IS CAPITALIZING ON ITS KNOW-HOW WITHIN THE JOINT-VENTURE LIGNAFRICA, SPECIALIZED IN THE CREATION AND MANAGEMENT OF FOREST PLANTATIONS IN AFRICA. THIS RECENT BUSINESS, WHICH IS STILL STARTING UP, IS DRIVING THE DEVELOPMENT OF EXPERTISE IN AN EMERGING SECTOR IN AFRICA.

FIRST RANGE OF FOREST PLANTATION SERVICES IN AFRICA

Lignafrica’s mission is to accompany investors and more generally all economic and institutional stakeholders with the implementation of industrial forest plantations in Africa.

Lignafrica provides a complete service for developing projects to invest in forest plantations in Africa, from support for setting up investment cases to project engineering and the full management of plantation work. The Company is positioned across the entire value chain: studies, R&D, forest management, harvesting, production optimization, marketing of plantation timber, adding value to products, etc.

Lignafrica’s ambition is to meet the structurally growing needs for timber and energy wood in Africa, against a backdrop of strong demand for renewable products and rising fossil energy prices. Plantations represent a direct response to the various requirements of national policies, industrial operators and local communities to effectively manage timber supplies and the corresponding costs.

FIRST PRESENCE ESTABLISHED IN GABON

Since the end of 2011, Plantations Forestières de la Mvoum (PFM), the Lignafrica subsidiary, has been working to develop an area of 40,000 hectares awarded by the Gabonese government, located around 100 km from Libreville. Approximately 17,000 hectares of current plantations of 30 to 55-year old okoume trees are expected to produce up to 100,000 cbm of logs for timber over a full year. These plantations are scheduled to be harvested over 20 years and replaced with clonal teak.

To finance part of its investment program, in 2013 PFM carried out a capital increase reserved for Gabon’s Caisse des Dépôts et Consignations, giving it access to 15% of the capital. Since 2014, work has focused on developing the first teak plantations and harvesting the existing okoume plantations. At 31 December 2016, the nursery had around 100,000 teak plants and 100 hectares of clonal teak had been planted.

Alongside this, PFM has continued to move forward with its applied research program for tropical timber plantations, with work focusing on genetic improvements for plant materials.

In 2016, PFM signed a partnership agreement with GSEZ (Gabon Special Economic Zone), which will purchase almost all the okoume production from its plantations.

PFM’s development is fully aligned with Rougier’s corporate social responsibility commitments. New avenues for creating value will be explored, working with partners when relevant.

WHAT IS A FOREST PLANTATION?

Unlike natural forests, forest plantations are forest areas that are established artificially through planting or seeding. The trees planted are generally from the same species (native or introduced), the same age and evenly spaced out to optimize their eventual harvesting. The aim with forest plantations may be to produce timber and non-timber forest products (production plantations) or provide services for various ecosystems (protection plantations). Industrial forest plantations are aligned with major investment programs, against a backdrop of growing demand for wood for clean energy and timber. Developed around the best social and environmental standards, they represent a carefully thought out industrial approach promoting the sustainable consumption of resources.
OUR CSR ACTIONS

ROUGIER’S ACTIONS IN THE CONGO BASIN ARE BUILT AROUND COMPLIANCE WITH THE HIGHEST PRODUCTION STANDARDS, COMBINED WITH STRONG ENVIRONMENTAL AND SOCIETAL DEMANDS. TO SUPPORT ITS STRATEGY, ROUGIER HAS EMBARKED ON A PARTNERSHIP WITH WWF FOCUSED ON RESPONSIBLE FOREST MANAGEMENT AND TIMBER TRADE.

100%* OF THE FOREST CONCESSIONS in operation are legality guaranteed

1 to 2 TREES harvested per hectare on average, every 25 years

56%* OF THE CONCESSIONS in operation are FSC® 100% certified

*Excluding new concessions awarded but not in operation in 2016.
RESPONSIBLE FOREST
MANAGEMENT

ROUGIER IS DEVELOPING A PERFORMANCE MODEL BASED ON THE RESPONSIBLE
MANAGEMENT OF FOREST RESOURCES. THE GROUP SUCCESSFULLY COMBINES
COMMERCIAL GOALS WITH ENVIRONMENTAL AND SOCIAL RESPONSIBILITY, CREATING
VALUE WHILE PRESERVING FOREST RESOURCES IN ITS CONCESSIONS.

GROWING DEMANDS FOR LEGALITY DRIVING
THE DEVELOPMENT OF CERTIFIED PRODUCTS

Public policymakers and economic stakeholders have only recently put in place significant initiatives to control the legality of imported timber. Following on from the United States, Australia and Japan, in March 2013 Europe introduced the EUTR (European Union Timber Regulation), which strictly prohibits the placement of illegal timber on the market and requires all players within the timber industry to ensure the legality of traded timber products (due diligence system). Failure to comply with this regulation is subject to financial and criminal sanctions.

While certain markets are demanding higher levels of commitments in order to ensure that the products purchased come from responsibly managed forests, the enforcement of these new regulations is increasing the pressure on timber firms to be able to prove their good practices and make this information publicly available.

Planning ahead for increasingly tight national and international legality and good governance controls, Rougier has been working for a long time to ensure compliance with best practices for both its production activities in Africa, and its import and distribution activities in France.

ROUGIER’S COMMITMENT
TO CERTIFICATION

The concrete actions rolled out across the forest concessions and industrial sites confirm Rougier’s commitments: guaranteeing the resource’s future, managing environmental risks effectively and creating environmental value. To further strengthen this approach, Rougier wanted to call on accredited independent organizations - SGS and Rainforest Alliance - to audit its forest concessions and guarantee the legality and traceability of its products.

Responsible forest management (FSC®) and verification of legal compliance (VLC) represent new risk management tools for timber firms. These certificates from independent third parties secure not only the markets, by reassuring customers, but also timber supplies, thanks to a continuous improvement approach. Responsible forest management certification is also a very ambitious goal for several reasons:

• Rougier operates in a fragile environment with very rich biodiversity. Combining forest harvesting and the protection of this biodiversity is a long-term process that requires numerous areas of expertise - both in-house and external.

• Forests are generally located in relatively remote areas. In view of this, and as the only economic operator, Rougier very often provides local communities with all the basic services needed in order to ensure a reasonable standard of living.

• The costs of the actions to be implemented are very high. Fully covered by Rougier, this can have a significant impact on its economic profitability, particularly since the certification process is completely voluntary and is not under any circumstances applied by all the timber firms operating in the Congo Basin.

ROUGIER HAS BEEN WORKING FOR
A LONG TIME TO ENSURE COMPLIANCE
WITH BEST PRACTICES FOR BOTH ITS
PRODUCTION ACTIVITIES IN AFRICA
AND ITS IMPORT AND DISTRIBUTION
ACTIVITIES IN FRANCE.

RESPONSIBLE FOREST MANAGEMENT
BASED ON SELECTIVE HARVESTING

Rougier’s concessions are managed in line with forest management plans, which ensure a long-term focus for harvesting activities, in line with the company’s environmental, social and economic functions.

In line with these management plans, Rougier applies selective harvesting techniques which make it possible to preserve biodiversity and carbon stocks. In addition, timber extractions do not exceed one to two trees per hectare on average, every 25 years. The trees harvested must reach a specific diameter, calculated previously to ensure the forest resource’s satisfactory regeneration (for a certain number of timber species, this diameter is higher than the levels set by forest regulations).

The harvesting conditions, from planning activities better over time to optimizing the areas harvested and protecting the soil against erosion and pollution, optimize the value created through forest resources.

The responsible management of forest resources, in addition to protected areas, is a major tool for the conservation of tropical forests. While the forest management plan represents one of the pillars in the FSC® process, responsible forest management certification requires a more in-depth approach in order to take a certain number of social aspects into consideration, as well as environmental factors, in terms of both fauna and flora.

In January 2015, WWF France and the Rougier Group launched a three-year partnership with a view to driving progress for forest management in Africa and supply chains in Europe, transitioning to more responsible practices. Through the Global Forest & Trade Network (GFTN), one of the WWF’s flagship initiatives to promote responsible forest management and responsible trade, the WWF is providing support for Rougier to maintain and strengthen its objectives for increasing the volumes of certified products. The WWF also ensures that the company successfully implements all the due diligence measures required by the EU Timber Regulation (EUTR).
EFFECTIVE MANAGEMENT OF ENVIRONMENTAL IMPACTS

ROUGIER CARRIES OUT ITS BUSINESS WHILE SEEKING TO LIMIT ITS IMPACTS ON THE ENVIRONMENT. THE GROUP’S COMMITMENTS ARE REFLECTED IN MAJOR INITIATIVES AT ITS LIVING AREAS, INDUSTRIAL SITES AND FOREST PRODUCTION SITES.

LIVING AREAS AND INDUSTRIAL SITES

Rougier structures and optimizes its approach by implementing actions to prevent pollution risks, based around:

• Waste management: sorting, dedicated storage areas;
• Fitting of waterproof slabs at sensitive locations (service stations, waste oil pits, batteries, oil barrels, generators, etc.) in order to prevent any potential run-off of toxic substances during periods of heavy rain or accidental spillages;
• Use of settling tanks and oil interceptors;
• Use of engine / truck intervention kits in cases when pollution has been reported;
• Regular initiatives to raise awareness among staff on the potential damage involved with any pollution.

These measures are in line with Rougier’s voluntary actions within the framework of the responsible management of its work environment.

FOREST PRODUCTION SITES

At each stage in forest harvesting, measures are taken to minimize the impacts at production sites. Incorporated into the forest management plan, these actions focus on three areas in particular:

1. Zoning of forest concessions and delimitation of areas set aside for specific purposes. When the management plan is prepared, a forest concession is split into different areas: i) production areas for timber harvesting; ii) protection and conservation areas that are not harvested in order to notably protect biodiversity; iii) community development areas for farming or any other human activities (non-harvested areas).

2. Increasing the harvesting diameter for a certain number of timber species for which regeneration based on the official diameters is considered to be insufficient. In the case of okoume timber in Gabon’s Ogooué-Ivindo region, the officially approved diameter has been raised from 70 cm to 80 cm (harvesting diameter indicated in the forest management plan), then 90 cm (harvesting diameter for FSC® certification). This increase in harvesting diameters, combined with an adjustment through the tracking rate (proportion of trees inventoried and considered suitable for commercial harvesting, but which will be left standing because they are located on steep slopes or near rivers for instance), is reflected in lower production levels.

3. Implementing reduced impact logging techniques (RIL) at every level of harvesting. These RIL techniques cover the building of roads and bridges, as well as forest production activities, such as felling and hauling, aiming to minimize the impact on resources for each of these operations.

“FOREST DYNAMICS PATHWAY”

AN ESSENTIAL FRAMEWORK FOR SUSTAINABLE MANAGEMENT

A pathway or circuit is a framework that refers to a selection of trees from one or more timber species that are regularly monitored in order to research their development dynamics. This offers a range of benefits in terms of forest management: i) having access to growth and mortality data for better assessment of future stocks; ii) building knowledge of regeneration diameters in order to better define the minimum felling diameters, which do not significantly affect the seed population; iii) identifying the climate-related factors that influence regeneration in order to predict dynamics in the context of climate change.

The joint initiative by the association Nature+ and the Gembloux Agro-BioTech Tropical Forestry Laboratory (GxABT/ULg) has developed proven expertise in these areas. In Cameroon, at each of SFID’s sites, Nature+ and GxABT have trained up teams in charge of taking regular measurements and carrying out regular inspections, as well as providing remote support. In Cameroon, 1,043 trees, covering 11 timber species, are monitored in Mbang, while the circuits monitored in Djoum represent a total of 2,123 trees and 14 timber species. Supporting high-quality research, recognized by several scientific publications, the SFID (Cameroon) and MOKABI (Congo) arrangements have been integrated into Dynaffor’s international network (www.dynaffor.org/partenaires).
ENGAGING IN LOCAL DEVELOPMENT

ROUGIER OPERATES WITH RESPECT FOR LOCAL COMMUNITIES LIVING IN OR AROUND ITS FOREST CONCESSIONS, WHETHER THEY ARE SEDENTARY OR NOMADIC. THESE COMMUNITIES, WHICH WERE THERE WELL BEFORE ROUGIER’S ARRIVAL, BENEFIT FROM A CUSTOMARY RIGHT TO USE THE LAND ON WHICH THEY ARE LOCATED. IT IS BOTH LEGITIMATE AND CRUCIAL TO TAKE THEM INTO CONSIDERATION.

VOLUNTARY ACTIONS SUPPORTING LOCAL DEVELOPMENT

Under the forest codes in Congo Basin producer countries, taxes are paid by timber firms to the central authorities and then part of these taxes are redistributed to the local communities living in or around the forest concessions. In practice, this redistribution is not optimum.

While Rougier is committed to fulfilling its legal obligations, the Group also carries out additional actions supporting local development that enable it to comply with FSC® requirements and even surpass this framework.

DEDICATED TEAM AND STRUCTURE IN CAMEROON

Working with neighboring communities, SFID has developed a certain number of innovative initiatives over the past few years in Southeast Cameroon. In Mbang’s rural environment, the good management of relationships with neighboring communities helps ensure that the company is able to operate effectively.

To support this approach, SFID, like Rougier’s other subsidiaries in the Congo Basin, has a social team in charge of putting in place and monitoring procedures, made up of five people: a sociology manager and sociology technician, as well as three Baka correspondents, who liaise between the company and the indigenous communities. These people are responsible for rolling out and monitoring the social action plan, putting in place and coordinating the platforms for consultation between SFID and the various stakeholders.

CASE STUDY: AGREEMENT SIGNED WITH RAFAMBA IN CAMEROON

To share the benefits of forest harvesting with neighboring communities and promote local development, SFID carries out actions to develop income-generating activities, such as the agreement with the RAFAMBA Mbang network of women’s associations.

The RAFAMBA association is made up primarily of women and brings together 28 community interest groups that are located in the Mbang sector and specialized in collecting non-timber forest products (NTFPs) in the area’s forests.

The agreement signed between SFID and the RAFAMBA association has enabled its members to benefit from access to the FSC® certified forest concessions for collecting NTFPs. In this way, NTFPs are mapped and incorporated into the company’s management plan, which makes it possible to safeguard them in relation to timber harvesting operations.

In addition, the company makes it easier for these women to enter and exit the forest by transporting them and the products they collect. This initiative is enabling the association to increase the quantities of NTFPs collected and is helping it to structure itself.

These products are then processed and sold on local markets, with support from the German cooperation unit GIZ and WWF Cameroon.

Through this initiative, SFID is helping this sector, which generates income for the communities, to structure itself and develop, helping combat poverty, supporting local development and promoting socioeconomic integration for women.

WWF FRANCE TESTIMONIAL

“While tropical forests are home to nearly half of all the biodiversity found on land, deforestation is one of the main threats facing our planet today.

From consumers to producers, politicians and industrial operators, we can all contribute on our level to ensuring sustainable protection for tropical forests. By saving the tropical forests, we are preserving not only their capacity to capture carbon, humidify the atmosphere and offer habitats for diverse species, but also the ecological services that they offer and that many human communities and a certain number of businesses depend on.

Responsible forest management is therefore a priority for the WWF. With this in mind, the WWF is working to engage businesses around this challenge and has developed a partnership with Rougier, which is committed to FSC certification, which we consider to be the most reliable and credible label. This collaboration, which was launched in 2015, is key for our organization with a view to driving progress for forest management in Africa and supply chains in Europe through their transition to more responsible practices. We firmly believe that by supporting Rougier’s move towards best practices and promoting its committed approach in relation to stakeholders in this sector, we will together lay the foundations for building a more sustainable world.”

Isabelle Autissier
WWF France President
WILDLIFE PROTECTION

CONSIDERING THE STAKES INVOLVED WITH PRESERVING BIODIVERSITY, ROUGIER EMBRACES ITS RESPONSIBILITIES BY DEPLOYING SIGNIFICANT ACTIONS TO HELP PROTECT WILDLIFE ACROSS ALL ITS CONCESSIONS.

FORMAL SYSTEMS FOR MANAGING WILDLIFE

Rougier is strongly committed to ensuring that the law is respected, in addition to applying international best practices. The Group’s subsidiaries are developing formal systems for managing wildlife, including surveillance and control activities.

Wildlife inventories are drawn up based on clear specifications to be able to effectively map the distribution of wildlife across the forest concessions and collect as much information as possible about the animals.

To carry out its actions, Rougier benefits from support on the ground from various specialist wildlife protection NGOs. Over the years, close partnerships have been developed with international organizations such as the Zoological Society of London (ZSL), World Conservation Society (WCS) and World Wildlife Foundation (WWF).

The Group's subsidiaries are grouped together in wildlife management groups. All the actions taken by Rougier’s subsidiaries are grouped together in wildlife protection plans, which have already been developed and rolled out or are currently being drawn up. In particular, these plans make it possible to: i) measure the impact of Rougier’s presence on wildlife, ii) better protect sensitive areas in high-value conservation forests, iii) combat organized poaching and iv) establish a framework for monitoring hunting in the concessions.

Thanks to technological capabilities (photos, cameras, GPS, audio sensors) and more thorough inventory methods, Rougier has significantly optimized the responsiveness of the control actions in place.

SHARING BEST PRACTICES AND EXPERIENCES

The following practices are applied at all or part of the sites operated by Rougier:

• Controls to check the effective application of internal regulations clearly setting out the guidelines for wildlife protection.
• Initiatives to raise awareness among employees and neighboring communities on the importance of wildlife protection and the damage caused by large-scale organized poaching.
• Initiatives to raise awareness on traditional hunting with boards, brochures, stickers (in factories, camps, villages, administrative sites, etc.), as well as dedicated meetings, film screenings, mobile cinema sessions

All the actions taken by Rougier’s subsidiaries are grouped together in wildlife protection plans, which have already been developed and rolled out or are currently being drawn up.

• Setting up control barriers that are constantly monitored at the main active entrances to the forest concessions.
• Systematically closing off logging roads when they are no longer used.
• Setting up a company minimarket (supply center) making it possible to offer employees and their families alternative sources of protein to bush meat at competitive prices, equivalent to those available in urban centers.
• Setting up agreements to work with various structures and authorities locally to carry out regular anti-poaching actions, focused in priority on areas identified beforehand as particularly at risk of poaching.
• Setting up a dedicated fully equipped in-house “wildlife and area monitoring” team to identify any signs of illegal activity in the forest concessions on a daily basis. This team does not have any weapons or official authority (responsibility of government agents), but it produces mission reports and maps any illegal activities observed.
• In addition, the wildlife team is responsible for monitoring anti-poaching networks, Rougier is continuing to implement these various action plans, engaging as many stakeholders as possible in them to ensure they are more effective.

ZSL SUPPORTS ROUGIER WITH ITS WILDLIFE CONSERVATION ACTIONS IN CAMEROON

In 2016, the Zoological Society of London (ZSL) and Rougier renewed their agreement to work together, over a three-year period, to protect wildlife in the Rougier Group’s concessions in southern and eastern Cameroon. Under this agreement, ZSL has:

• Supported the “wildlife management” section for the planning and organization of its activities.
• Trained and strengthened capabilities for the “wildlife management” section, implementing the SMART approach through patrols making it possible to collect data on both wildlife and illegal activities.
• Provided technical support for the implementation and annual assessment of the wildlife protection plan in Mtang, covering the period from 2014 to 2018, reviewed the situation in terms of wildlife management in Djoun, and drawn up a wildlife inventory as a prelude to the development of a wildlife protection plan.
• Analyzed the situation concerning the application of legislation during anti-poaching missions and advised on the legal procedures applicable.
• Monitored the camera traps set up at the various access points for SFID concessions.
• Facilitated a platform for exchanges with the various stakeholders (forest authorities, communities, SFID) for the management of information relating to poaching.
In connection with the health prevention policy covering its staff, Rougier Gabon recently set up a key partnership with the Gabonese Red Cross (GRC). Raising awareness on health issues

Representatives from the Gabonese Red Cross are holding awareness sessions for Rougier Gabon’s employees in groups of around 30 people, with sessions from 45 minutes to 2 hours depending on the target population. At the living areas, which are home to families, actions may involve different approaches for different groups: male staff, women, young people, etc. These awareness actions are generally more effective if they are carried out in partnership with the living area’s medical center.

At the end of each awareness initiative, a “listening” service may be set up to address any specific issues. This listening service is staffed by volunteers from the Red Cross, with a fully confidential approach, which is essential to ensure they are effective.

For example, Mokabi, in the Republic of Congo, has launched a project to set up beekeeping activities. The indigenous Gabonese Red Cross has therefore recommended that Rougier Gabon should provide at least one insecticide-treated mosquito net offering long-term effective protection for each household.

Insecticide-treated mosquito nets offering effective long-term protection are distributed in priority to households with children and/or pregnant women. According to the World Health Organization (WHO), insecticide-treated nets represent the best way of preventing malaria.

Lastly, by supplying construction tools and materials, Mokabi has helped create an “indigenous store”, where the community can sell products they have collected and harvested all year round. This activity enables them to structure sales of their products, ensure better control over their sales prices and put in place a community framework for managing the profits generated.

The Group’s companies set up various local development projects in partnership with indigenous communities. These projects enable them to maintain good relationships with the indigenous communities in a calm environment, supporting the sharing of space and resources. For the local communities, the development projects make it possible to generate income, giving them access to additional services alongside those naturally provided by their forest resources and local customs. They include access to healthcare and medication, clothes for children in school, school supplies and certain foods (salt, oil).

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KEY ENVIRONMENTAL INDICATORS

WASTE MANAGEMENT AT INDUSTRIAL AND FOREST SITES

Hazardous waste
- Used oils are stored in barrels or tanks, then transferred, when possible, to accredited companies for recycling;
- Batteries are stored on paved flooring or in dedicated containers;
- Soiled sawdust, plastics and earth are stored in barrels on paved flooring or in dedicated containers.

Non-hazardous waste
- Waste that is assimilated with household waste is taken away for landfill;
- Scrap metal and tires are stored in dedicated areas, waiting to be sold / transferred to businesses for recycling;
- Wood that is not commercially reclaimed may be given to employees or be used for producing charcoal in the vast majority of our sawmills;
- Sawdust and veneer offcuts that cannot be reclaimed are used in the boilers for generating the heat required for the drying kilns (non-reclaimed elements are incinerated);
- Non-perforating medical waste is stored and incinerated in dedicated containers.

Preventing pollution in the event of accidents
The Rougier Group’s sites consume several million liters of diesel annually. The handling of this diesel can occasionally cause small-scale local pollution, which must be able to be rapidly contained. This role is performed by the setting tanks and all interceptors, which are generally positioned on the fuel distribution stations or washing areas for forestry equipment. They are vital because they make it possible to separate the water from the hydrocarbons, which are lighter, ensuring that rivers or water tables are not polluted in the event of heavy rainfall. There are 35 in place across Rougier’s various sites in Central Africa.

This system of setting tanks is supplemented with:
- Retention tanks positioned all around the fuel storage tanks in order to make the location watertight in case any tanks leak;
- Containers with sand and/or sawdust are positioned at strategic locations around the industrial and forest sites to prevent fires from spreading and absorb potential small-scale pollution incidents;
- Aspirated foams (or absorbent paper), which perform the same role as the sand or sawdust, but are easier to handle and transport at the forest sites. They fix the oils and allow the water past, unlike sawdust, which absorbs everything;
- Very regular initiatives to raise awareness among staff.

ENVIRONMENTAL FOREST ASPECTS

Non-timber forest products (NTFPs)
Important NTFPs for local populations are identified when operational inventories are carried out for each annual logging stand. The support provided for channels to capitalize on NTFPs makes a concrete contribution towards local economic development, as illustrated by:
- The Mbang site in Cameroon, where Rougier is supporting a women’s network, based on a community interest group, for collecting, transporting and storing the following NTFPs: Mango (Ninga gabonensis), wild Canosol, attanga, African whitewood, Koko (Gnetum africanaum). With support from the WWF, an action plan is being rolled out and will make it possible to develop the processing of these NTFPs (e.g. crushing) and their sale in neighboring urban centers;
- The Mokali site in Congo, where Rougier is supporting sales of:
  - Raffia palm leaves (tiles) for repairing roofs in huts at the former camp;
  - Wild forest pepper, through a project set up with indigenous communities for the local production of pepper packed in small sachets presenting the product’s characteristics.

Monitoring of forest stand dynamics and forestry operations
Cameron
- Arrangements for monitoring the growth and phenology of timber species considered to be sensitive (pheno-logical pathways);
- Existence of a nursery for each site;
- Restorator and research team monitoring forest dynamics on the pheno-logical pathways;
- Ad hoc reforestation in felling holes, degraded areas, concession borders and annual harvesting areas that are no longer in operation.

Congo
- DNF/FFOR research program focused on monitoring population dynamics. This program includes two 400 ha sections, with one that will be harvested and one that will not. The aim is to study various aspects, including the impacts of harvesting, as well as the specific soil found in this forest area.

Gabon
- 18 permanent plots spread across Rougier’s various sites in Gabon, making it possible to regularly monitor population dynamics. These arrangements will be further strengthened shortly with the monitoring of new timber species;
- Studies have been launched across all the concessions on regeneration dynamics and changes in populations of the timber species harvested.

Monitoring of sites against illegal activities
Cameron (Djoum)
A wildlife and area monitoring team of five people regularly carries out walking and vehicle patrols in the forest concessions, identifying signs of poaching. The average patrol covers around 2 km for every 100 ha of forests.

Cameron (Mbang)
A team of three people is responsible for monitoring the area, combating all illegal activities (poaching, illegal felling, farming plantations, etc.) and implementing the wildlife protection plan mapped out in 2013 in partnership with the ZSL. The average patrol covers around 2 km for every 100 ha of forests.

Congo
- A Monitoring and Anti-Poaching Unit (USLAB) with six agents, one coordinator and one patrol leader is responsible for monitoring the concession site.

Gabon
- Team of six people:
  - Three team leaders and three agents are responsible for implementing the work plans and producing a monthly activity report
- Alongside the various human resources deployed, checkpoint barriers are systematically set up at all concession entrances. The main activities involve mobile and fixed patrols, surprise inspections, the installation and monitoring of camera traps, initiatives to raise awareness among the various stakeholders, joint anti-poaching missions with the water and forestry authorities, combined environmental monitoring and biomonitoring.

Harvesting / post-harvesting quality-control
Cameron (Djoum)
A team controls activities in forest areas and monitors the forest harvesting performance indicators defined in the operational procedures for forest management and harvesting; it is made up of four controllers and one team leader.

Cameron (Mbang)
Harvesting quality controls are carried out daily by the team responsible for monitoring activities in forest areas, made up of five people (one team leader and four control agents). This team’s role is to ensure compliance with the forest harvesting and management procedures and monitor the performance indicators for harvesting operations.
KEY SOCIAL INDICATORS

INTERNAL SOCIAL COMMITMENTS
LIVING AREAS AND CAMPS

Number of houses built for staff at living areas
137 in Congo; 349 in Cameroon; 362 in Gabon.

Presence of social, leisure and cultural facilities
Depending on the sites: TV room, pool table, swimming pool, table football, table tennis, markets, executives and workers club, football stadium, listening room (also potentially used as a prayer room), bakers, fish shop, supply centers, health center, school.

Staff housing policy
At the various living areas, Rougier has a legal obligation to house all displaced workers. This regulation does not apply in locations close to urban centers.

If housing is unavailable, the company pays a housing allowance to its displaced workers.

If housing units are empty, the company provides free medication for employees and their families for first aid emergencies. At its various sites, Rougier also provides free medication for employees and their families for first aid medical care.

General organization of living areas
Living areas are generally managed jointly by the personnel department, the HSE (health, safety and environment) team, the housing committee and the camp leaders / neighborhood leaders. The latter manage disputes and ensure a good atmosphere at the living area.

Management of health, hygiene and safety
Health and hygiene aspects (including sorting of waste) are managed either by the cleaning teams, which clean the camps each day (Congolese), or directly by the camp leaders / neighborhood leaders. Refuse containers are positioned around the various camps and a household waste collection system is operational. Cleanliness campaigns are organized on a regular basis. Household cleaning materials are available to everyone from the camp leaders.

HEALTH AND HYGIENE AT INDUSTRIAL SITES

Method for analyzing wastewater outflow points
Controls to check the separators.

Conditions for storing hazardous waste
Containment (in barrels, boxes and tanks), on protected flooring areas with retention systems in place.

Actions to raise awareness on hygiene and disease risks
Carried out at all the sites.

SUPPLY CENTERS

Number of company minimarkets and locations
2 in Congo, 2 in Cameroon, 3 in Gabon.

Organization of protein transportation
Transportation in isothermal containers (depending on quantities and distances: cooler boxes, freezer compartments, refrigerated containers), tracking the temperature on departure and arrival.

CHILDREN’S EDUCATION

Number of classrooms built by Rougier
9 in Congo, 9 in Gabon and 4 in Cameroon.

Type of school equipment funded
Whiteboards, tables, playing fields and playground, office supplies, chairs, cupboards, teaching aids.

Recent awareness initiatives
Tree Day, sexually transmitted diseases, malaria, environmental protection, hygiene (clean hands operation).

DRINKING WATER

Number of water points
175 in Gabon, Cameroon and Congo.

Type of analysis
Physical-chemical and bacteriological analysis.

WASTEWATER MANAGEMENT

Number of wastewater outflow points
175 in Gabon, Cameroon and Congo.

Type of analysis
Physical-chemical and bacteriological analysis.

Type and number of sources
Wells / drilling (and, if necessary, drinking water treatment unit in Gabon).

Presence of a wastewater evacuation network and conditions
All wastewater is handled by a network of pipes and discharged into the natural environment through outlets. Dirty water containing hydrocarbons is treated beforehand by oil separators or settling tanks.

HEALTH

Number of health centers
7 in Gabon, 3 in Cameroon and 2 in Congo.

Number and status of health staff
Cameroon
2 doctors (including 1 contractor), 8 nurses, 1 laboratory assistant and 5 auxiliary nurses.

Congo
1 doctor, 2 health assistants, 1 midwife, 1 midwife’s assistant, 1 laboratory assistant and 4 nurses.

Gabon
10 nurses.

Proportion of dominant pathologies
At the majority of the sites, malaria accounts for around 50% of the medical visits recorded.

Means for evacuating people with serious injuries
All the remote sites have a dedicated ambulance.

Covering care costs
All medical visits in Rougier’s health centers are free for employees and indigenous community members. Non-indigenous neighboring communities pay a financial contribution except in emergencies. At its various sites, Rougier also provides first aid medication for employees and their families for first aid medical care.

OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

Operational approach (quantitative description)
Congo
The Committee is made up of the human resources manager, personnel manager, doctor, HSE manager, sociologist and employee representatives. It operates based on monthly committee meetings looking at various aspects: health and safety, health and hygiene, housing, food safety, water and electricity, and medical follow-up.

Gabon
The Committee is made up of employees from all categories representing all business functions. It is overseen by the site’s health, hygiene, safety and environment manager. Meeting frequency: monthly.

Cameroon
• MBANG: 69 villages and 18 camps
• DJOUM: 41 villages and 20 camps

Congo
• MOKABI: 9 villages and 5 camps

EXTERIOR SOCIAL COMMITMENTS

PARTICIPATORY SOCIAL MAPPING

The participatory social mapping process enables the consensus-based management of sites of social, economic and cultural interest for neighboring communities. In total, more than 200 villages and camps were mapped at the end of 2016.

Gabon
• HAUT ABANGA: 8 villages
• OGOOUE IVINDO: 30 villages
• MOYABI: 5 villages and 1 camp
• LEKE: 20 villages and 2 camps

Cameroon
• MBANG: 69 villages and 18 camps
• DJOUM: 41 villages and 20 camps

Congo
• MOKABI: 9 villages and 5 camps

The Committee meets every quarter and is made up of 30 members, split into seven working groups.

The Committee meets every quarter and is made up of 20 members, including employee representatives, health, safety and environment manager, sociologist, security agent and HR manager.
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