ROUGIER EXTENDED ITS FSC® CERTIFICATION IN CAMEROON
The Rougier Group, founded in 1923, is a market leader for certified African tropical wood.

It operates around three activities: natural forest harvesting, industrial processing and international trade (Rougier Afrique International and its subsidiaries SFID, Mokabi and Rougier Gabon), importing and distribution in France of wood products from all origins (Rougier Sylvaco and Rougier Panneaux), and research, management and investment in industrial forest plantations in Africa (Lignafrika). The Group employs 3,000 people, primarily in Africa (Cameroon, Congo, Gabon).
Rougier is a pioneer for good forest management in Central Africa. Before any regulations were introduced in terms of forest development, Rougier made a commitment, more than 15 years ago, with a strategy for the responsible management of its forest concessions, a genuine commitment to the future. Today, the Group’s actions in this area make sense in view of the growing number of regulations aimed at combating timber harvesting without any legality guarantees.

Effectively combining safeguarding resources for future generations, protecting biodiversity and enabling socioeconomic development; these are the driving forces behind our commitment, supported by the ongoing efforts by our teams. Despite a difficult global environment, Rougier is maintaining its focus on progress and forward planning, capitalizing on its experience and the development of its capabilities, with the ultimate goal of achieving FSC® certification for all its concessions in time.

Our strategy has received further recognition recently, with BS 1088 Lloyd’s Register Type Approval certification achieved in December 2012 for the Owendo facility (Libreville-Gabon), as well as the FSC® Forest management certification (FSC®-CD14550) of three forest concessions around Mbang in Southeast Cameroon in March 2013. We have taken a decisive step forward, which is opening up new opportunities for us. Rougier is able to offer its customers a guarantee that 100% of the forest areas managed and operated by the Group are covered by legality and traceability certificates, in line with the growing demand on international markets for environmental and social guarantees.

Francis Rougier
Chief Executive Officer
"ROUGIER’S ENVIRONMENTAL ACTIONS TIE IN WITH AN APPROACH TO PROMOTE RESPONSIBILITY AROUND CERTIFICATION, WHICH DETERMINES THE CONDITIONS FOR TIMBER HARVESTING IN EACH OF THE COUNTRIES WHERE THE GROUP OPERATES."

CSR team – Éric Chézeaux et Paul-Emmanuel Huet

2.1 million hectares of forests covered by management plans registered and approved by the forest supervisory authorities

100% of forests in operation audited by an independent third party

100% of areas in operation labellised, with 46% FSC® certified
AMBITIOUS ENVIRONMENTAL POLICY

IN LINE WITH ITS CONTINUOUS IMPROVEMENT APPROACH, ROUGIER IS SETTING OUT ITS COMMITMENT TO RESPONSIBLE DEVELOPMENT BY FOCUSING ON THREE FUNDAMENTAL PRINCIPLES: GOOD GOVERNANCE, SOCIAL AND CITIZENSHIP RESPONSIBILITY, AND ENVIRONMENTAL RESPONSIBILITY.

MANAGING FORESTS, ENRICHING WOOD

A vital resource for our planet’s balance, the tropical forest represents one of the largest world heritage sites. The players involved in forest harvesting must safeguard its resources and rich assets, committed to harnessing its natural dynamics with a view to passing on a protected ecological capital to future generations.

As a timber concessionaire for an outstanding “forest capital” in the Congo Basin, Rougier is perfectly aware of the responsibility entrusted to it in this way. Rougier is recognized as a committed player in connection with its activities, ensuring the responsible management of its forests.

“Concrete actions to ensure the harmonious coexistence of the three pillars for sustainable development.”

ROUGIER’S ENVIRONMENTAL CHARTER

To structure its approach, Rougier has set out rules for a strict environmental policy based around two pillars which dovetail together effectively: responsible forest management and responsible trade in wood products.

At all levels of decisions, Rougier is committed to:

- Complying with all the laws and regulations in force in the producer and importer countries, in addition to applying the various international agreements and conventions;
- Harnessing its know-how to support moves to develop the value of products from forest harvesting, in line with management plans, notably by minimizing the volume of unusable waste products.

In the forests entrusted to it, Rougier is committed to:

- Taking the harmonious coexistence of three priorities into consideration across the entire Congo Basin:

  Economic
  Ensuring the economic viability of timber and industrial activities, while supporting the financing of the environmental, social and operational costs relating to responsible harvesting.
Environmental
Minimizing the impact on the environment: applying strict internal control procedures, actively participating in research actions in tropical areas, and protecting fragile ecosystems.

Societal
Dialoguing with local communities and indigenous populations in order to respect their rights to land and the long-term use of forest resources, enabling harvesting operations in harmony with the various communities’ practices and contributing towards community outreach operations instigated by the communities themselves.

• Gradually increasing the number of hectares with internationally recognized good forest management certification, such as FSC®.

Certification approach at the end of March 2013
1- in Gabon
2- TLTV-VLC in Cameroon for 624,971 ha / TLTV-VLO in Congo for 586,330 ha

Area audited by a third party 2,088,000 ha
Area under concession or control 2,135,000 ha
Area TLTV² certified 1,211,000 ha
Area FSC³ certified 974,000 ha

In terms of its purchases from various suppliers, Rougier is committed to:

• Increasing the proportion of volumes purchased with certification by an independent inspection body;

• In the absence of certification, carrying out systematic document-based checks, according to certain international regulations (e.g. RBU6E or Lacey Act), in order to endorse the legal origins of the products sold;

• Supporting actions to promote responsible trade in wood products.

FSC®, THE HIGHEST STANDARD FOR CERTIFYING GOOD FOREST MANAGEMENT
FSC® or Forest Stewardship Council® certification represents the highest level of commitment recognized by environmental NGOs in the tropical woods industry. The FSC® system represents more than 174 million hectares of certified forests and 25,450 Chain of Custody certificates worldwide (source: FSC® April 2013).
DEVELOPING THE VALUE OF FOREST RESOURCES

ROUGIER HAS DEVELOPED A PERFORMANCE MODEL BASED ON DEVELOPING THE VALUE OF WOOD RESOURCES. BY COMBINING COMMERCIAL OBJECTIVES WITH THE EXPECTATIONS FOR AN ACTIVE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY, ROUGIER CONTRIBUTES TOWARDS CREATING VALUE, WHILE SAFEGUARDING FOREST RESOURCES ACROSS ALL OF ITS CONCESSIONS.

GROWING DEMANDS FOR LEGALITY DRIVING THE DEVELOPMENT OF CERTIFIED PRODUCTS

Up until recently, the legality of imported wood was not systematically checked on the markets. Major initiatives have been carried out by public authorities and economic players to establish increasingly strict requirements, supporting the development of certified products.

The Lacey Act in the US now requires importers to ensure that the wood they import is effectively legal. Australia and Japan have followed this move, while the European Union has just adopted the RBUE European regulations (Règlement sur le Bois de l’Union Européenne), which are coming into force in March 2013. These European regulations will formally prohibit the marketing of illegal wood, requiring players within the industry to ensure the legality of the wood products sold (due diligence system), at the risk of incurring financial and criminal penalties.

Rougier has backed this initiative (through its production activities in Africa and its import and distribution activities in France). The development of certified products represents a key differentiating factor for Rougier, enabling it to develop the value of its products on the various international markets.

CERTIFICATION APPROACH

Each day, Rougier works to comply with all the regulations in force in the countries where the Group operates. Anticipating the strengthening of legality and good governance controls at state and international levels, Rougier wanted to call on independent certifying bodies (SGS, Rainforest Alliance) in order to guarantee the legality and traceability of its products as a minimum.

In Cameroon since 2007, in Gabon since 2008 and in Congo since 2010, Rougier has embarked on voluntary processes in which the Group is making major investments with a view to developing the value of its products on the various international markets. Today, significant progress has been made, with all the forest concessions operated by Rougier in 2012 covered by a legality and traceability certificate. In addition, three concessions managed by the Rougier Group in Cameroon have just obtained the FSC® Forest Management Certificate in March 2013.

The development of certified products based on the best standards will enable Rougier to effectively capitalize on a still limited “responsible” offering faced with growing demand for certified products.
WASTE MANAGEMENT

With close to 3,000 staff, eight industrial sites and almost 80% of log production processed in the Congo Basin, Rougier generates significant quantities of waste in Africa at the production sites. Various initiatives are deployed, based on effective management systems and a major effort to get all staff on board.

In Africa, the Group is working to raise awareness and promote a sense of responsibility among all the staff and stakeholders to ensure the success and continued application of policies to:

1. Sort organic, metal and plastic waste, putting color-coded garbages in place for the different types of waste, at the living areas, as well as the industrial and timber sites,

2. Store toxic or polluting elements in dedicated facilities (batteries, hydrocarbons, tires, old machines which have been decommissioned, treatment products, soiled waste from the infirmary, etc.).

To ensure the effectiveness of these sorting operations, staff are constantly made aware of these approaches through regular information sessions. Rougier is capitalizing on its experience with the processes put in place at its FSC® certified concessions to carry out similar work at the other sites which are seeking certification.

“11 out of 12 sites had a functional system for sorting waste in 2012.”
PROTECTING AND SAFEGUARDING CONCESSION AREAS

THE CONCRETE ACTIONS IMPLEMENTED AT THE FOREST CONCESSIONS AND INDUSTRIAL SITES CONFIRM ROUGIER’S COMMITMENTS: GUARANTEEING THE RESOURCE’S FUTURE, EFFECTIVELY MANAGING ENVIRONMENTAL RISKS AND CREATING ENVIRONMENTAL VALUE THROUGH GOOD FOREST MANAGEMENT CERTIFICATION.

From year to year, the Rougier Group is ramping up its concrete actions making it possible to ensure the sustainability of its activities in Africa. The Group's commitment to taking the forest’s economic, societal and environmental roles into consideration with a balanced approach is reflected in two primary objectives which have been achieved:

1. Guaranteeing perfect legality and traceability across all production for customers

Major actions have been launched with a view to guaranteeing the legality of wood sold from production in all the Group’s forest units. This objective was achieved in June 2010:

• All the forest areas in Cameroon have a TLTV-VLC attestation from SGS,
• All the forest areas in Congo have also a TLTV-VLO attestation from SGS,
• 974,000 hectares in Gabon (FSC®-C002449) and in Cameroon are FSC® Forest Management certified.

These achievements represent decisive steps forward for the recognition of the technical, financial and human efforts made for more than 15 years now by Rougier in terms of responsible development. They are helping Rougier to stand out on the international markets.

2. Providing customers with guarantees that all the forest concessions are managed responsibly

The application of this certification policy involves a global and participatory approach. This qualitative approach is based on the forest management expertise established and the major human and financial investments made.

Rougier has proven its ability to manage biodiversity-rich areas, while safeguarding them. The geographical, political and economic situations on site mean that it is even more engaged in environmental, social and societal matters: using resources with a carefully thought out approach, putting systems in place

“Strong company culture, built around responsible forest management.”
contribute towards improving the standard of living, developing the local economy, etc.

The FSC® Forest Management certification is rigorous for several reasons:

- The area in which Rougier operates is an extremely fragile environment with very rich biodiversity. Combining forest harvesting and the protection of this biodiversity represents a long-term initiative which requires numerous capabilities, both internal and external, built up over time.

- In the socioeconomic context seen in countries across the Congo Basin, the forest areas are generally relatively remote and characterized by the absence of the State in many cases. In view of this, as the only economic operator, Rougier very frequently has to take on the State’s role in order to be able to provide local communities with all the basic services enabling a reasonable standard of living.

- The cost of the actions to be taken is very high. These costs are covered in full by Rougier and can have a significant impact on its economic profitability, particularly since this certification process is still voluntary and is not applied by all the players in the Congo Basin.
Initial feedback on the FSC® certification experience

CONTEXT AND CONcessions

The forest areas in the Congo Basin belong to the State and are granted under concessions to a forest operator following a tendering process, with timeframes ranging from 15 to 30 years depending on the countries and areas concerned. Once the concession has been awarded, the forest operator generally has three years to prepare and submit a management plan, a genuine set of specifications that clearly sets out how the concession will be managed over the coming years (in terms of forest aspects, as well as environmental and social aspects).

Looking beyond forest development aspects, to implement the best rules for good forest management, the Rougier Group has put internationally recognized legality and traceability verification and certification systems in place across all its concessions. More specifically, Rougier took a major step forward in 2008, with the FSC® certification of 688,000 ha of forest concessions in Gabon and much more recently in March 2013, with the FSC® Forest Management certification of a further 285,000 ha in Southeast Cameroon.

CERTIFICATION: ROOTS AND RATIONALE

Historically, the certification approach was launched with the management plans. However, there was already a forest development “culture” in place within the company, linked to a pragmatic need for savings and good resource management. Indeed, the rotation principle for forest harvesting made it possible to find the same “stock” in place at the end of the cycle. From the 2000s, the management plans started to be governed by regulations, paving the way for companies like Rougier to gain further experience and develop their capabilities. The company then looked at several types of certification and labels. Particularly because it was “operational” and backed by the main environmental NGOs, the decision was taken in the end to work towards FSC® certification.

There is no denying that the commitment to work towards this certification in the mid-2000s was primarily due to pressure from civil society concerning trade in tropical wood. More specifically, the NGOs, which have made a major contribution towards raising consumer awareness, considered that the guarantees offered by the operators themselves were not sufficient and that only the FSC® certificate offered effective guarantees for good resource management and the successful integration of local communities.

As such, Rougier’s commitment to FSC® at the time cannot be attributed exclusively to economic calculations. There was no “business plan” for one simple reason: at the time (2005-2006), there were no figures available for building a business plan. Any forecasts were also made difficult by the sometimes unpredictable changes to regulations.

“The first FSC® certification in Gabon in 2008 required five years of preparations and development.”

While the first FSC® certification was achieved in Gabon in 2008, it required more than five years of preparations and development. Naturally, this progress has raised questions from time to time about a strategy that was perceived as expensive (particularly in Gabon due to the operations being geographically spread out). In addition to the technical criteria, it is therefore necessary to factor in the time dimension required by making significant and concrete changes to practices and operating methods on the ground.

CAPITALIZING ON FSC® CERTIFIED PRODUCTS

Today, it is still difficult for Rougier to genuinely find any systematic benefits in terms of the price with FSC®. Nevertheless, certification represents a competitive advantage for main-
taining operations on existing markets or opening up new markets. Indeed, industrial operators value the certificates (with the invoice considered binding) according to each market’s sensitivity. In the US, for instance, the Lacey Act requires importers to check the legality of the products they import. The same situation can be seen in Europe, with the European Timber Regulation (EUTR) coming into force on 3 March 2013. The TLTV certificate is therefore showcased by Rougier on these markets.

The FSC® framework still requires a very significant amount of work to raise awareness among buyers and the general public. There are still major disparities between the markets:

As far as the cost of certification is concerned, for Gabon, it represents over one million euros per year, excluding the initial investments: around 30% for dedicated supervision, 10% for environmental monitoring and above all 60% for “social” actions (housing, health, sanitation, education, etc.). It is still too early to carry out the same type of cost analysis for the FSC® certification obtained recently in Cameroon, but the costs will also be significant.

While the return on investment concerning Gabon is still “limited” today, the growing interest on certain markets, such as Northern Europe and the US, could offer interesting opportunities over the medium term. This interest is being confirmed year after year. The market is already showing extremely encouraging signs, linked to the arrival of new FSC®-certified Rougier products from Cameroon.

As such, the changeover to FSC® must also be assessed in view of benefits other than economic ones. For Rougier, major progress has been made in terms of its operating methods. The company is also benefiting from the certification in terms of its image. Indeed, the work around the certification process has clearly made it possible to develop more constructive relations with local civil society. For instance, the participatory mapping process, which have been made systematic, have considerably improved relations with local communities based around dialogue.

THE FUTURE

The operational experience with certification cannot be assessed without taking a clear look at the system’s difficulties. Indeed, this certification is coming up against limitations over the short term because the few participants to have adopted it are being undermined by persistent competition on many “non-mature” markets (in terms of the carefully controlled management of resources) from timber whose origins and production methods may be questionable.

“...In time, Rougier aims to work towards FSC® certification across all its concessions.”

Nevertheless, it would now be unthinkable for a company like Rougier to take a step backwards, considering the progress made. To address this immediate difficulty, it is therefore vital to keep a “long-term” vision.

In this way, Rougier is looking to extend the approach already initiated in Gabon with a view to getting all its concessions across the Congo Basin. A major step forward has just been taken, with FSC® Forest Management certification achieved in March 2013 for three new concessions in Southeast Cameroon (285,000 ha). In total, Rougier now manages close to 974,000 ha of FSC® certified forests (representing almost half of the concessions managed by Rougier in the Congo Basin).

Indeed, the company now has valuable experience, as well as greater visibility concerning the economic outlook. A certain number of indicators clearly show that the vast majority of the markets in Europe and the US are going to strongly regulate the importing of wood without legality guarantees in the very near future. Players such as Rougier, which have chosen to get certified, will therefore be positioned to develop their market shares.

1 Timber Legality and Traceability Verification
“IN LINE WITH OUR CERTIFICATION POLICY, OUR GOOD FOREST MANAGEMENT OPERATIONS IN THE CONGO BASIN ARE CONTRIBUTING TOWARDS THE LONG-TERM DEVELOPMENT OF THE SOCIAL AND ECONOMIC WELL-BEING OF FOREST WORKERS AND LOCAL COMMUNITIES, WHILE GUARANTEEING THE FOREST’S INTEGRITY AND ECOLOGICAL FUNCTIONS. THIS COMMITMENT IS REFLECTED IN THE CONCRETE ARRANGEMENTS PUT IN PLACE AT OUR INDUSTRIAL AND FOREST SITES.”

CSR team – Éric Chézeaux et Paul-Emmanuel Huet

3,000 staff

1,251 children

100% of the sites

attend six schools built and managed by Rougier

equipped with an operational health service
CONCRETE SOCIAL ACHIEVEMENTS

IN AFRICA, ROUGIER IS DEVELOPING A SOCIAL MODEL BUILT AROUND RESPECT FOR HUMAN RIGHTS. THE ACTIONS CARRIED OUT CONCERN BOTH EMPLOYEES AND THEIR FAMILIES, AS WELL AS LOCAL COMMUNITIES LIVING IN OR AROUND THE FOREST CONCESSIONS IN OPERATION.

In often remote regions, Rougier performs a predominant social role. At its isolated living areas and industrial sites in rural settings, the Group has a responsibility to house and more generally care for its staff, enabling them to have access to all the basic services. In this way, Rougier carries out a range of social actions focusing on safety, hygiene, housing, education, diet and health.

“Rougier is strongly committed to respect for its staff and local communities.”

To oversee these programs, the Group has recently set up dedicated teams, including hygiene, health, safety and environment managers, with one manager for each site in each of the three countries where it operates.

SAFETY

Rougier is developing an active program to raise awareness on professional risks (safety signs, fire training and emergency evacuation procedures) and putting individual protective equipment in place at all its sites.

Individual protective equipment is required by the regulations in Congo Basin producer countries, which are all International Labour Organisation (ILO) members. By reinforcing their use, the various standards (FSC®, as well as TLTV) have made this equipment essential.

For the sites in Gabon alone, annual safety costs represent almost €300,000 for around 1,500 staff.
Hygiene aspects, a longstanding focus for the social policy, have been better formalized with the legality certifications and significantly improved with FSC® certification.

The hygiene, health, safety and environment managers carry out ongoing actions to raise awareness and check living conditions in the remote bases and camps built by Rougier. The primary goal is to lay out the living areas with a view to preventing any problems relating to stagnant water, wastewater collection and the toilet or shower blocks not working properly or indeed not being in place. It also involves regularly raising awareness among all staff and their families on the importance of keeping the living areas clean in order to prevent the spread of diseases such as malaria.

Access to drinking water is provided and guaranteed at all the living areas. It is obtained by drilling wells, maintained and often supplemented when necessary by drinking water treatment units, as in Gabon. For reference, annual upkeep costs for the six wells in Gabon represent some €50,000, while the price of a drinking water treatment unit imported from Europe is around €130,000.

The collection and sorting of waste represent an integral part of the actions carried out in connection with the drive to raise awareness.

Health

To compensate for the lack of healthcare structures and enable staff to receive first aid, Rougier has built health centers (infirmaries, dispensaries) and ensures that they are fully equipped, with all the basic medicines available.

To supplement its structures, in line with the needs identified, Rougier recruits state nurses, as well as doctors when required and possible under the local conditions. Vaccination and STD awareness campaigns are organized on a regular basis, together with medical checkups. For the FSC® living areas in Gabon, Rougier sets aside an annual health budget of around €120,000.
HOUSING

Rougier provides housing for its employees in remote living areas. In Gabon, 450 houses have been built in line with FSC® standards over the last five years. In Cameroon, Rougier has launched a major program to refurbish its living areas in Mbang. In Congo, staff have benefitted from new infrastructures in Moualé over the past two years, with around 50 houses delivered.

These houses are combined with collective areas, generally including a television room with satellite dish, a food supply center and an infirmary. The cost per house is estimated at €7,500.

In Gabon, all of the staff housed in living areas have free and uninterrupted access to electricity, helping improve living conditions for the communities present. While the majority of the small towns and villages in the Congo Basin do not have access to electricity, Rougier goes beyond the requirements of the FSC® certification and supplies electricity to these living areas in Gabon and Cameroon.

“745 houses built by Rougier by the end of 2012 for employees in the living areas.”

ÉDUCATION / FORMATION

As for housing and healthcare, the environments in which Rougier operates very often lack facilities for accommodating children. In this way, schooling for employees’ children is covered by the Group’s companies if there are no infrastructures providing primary-level education. In remote areas, Rougier builds schools, covers teachers’ salaries and provides funds for school supplies. In other cases, Rougier makes a financial contribution towards the running of public schools, by supplying school equipment for instance.

In general, FSC® Forest Management certification requires communities to benefit from all the basic services which are not provided by the State. Within this framework, Rougier takes on the State’s missions.

1,251 children attend six schools created and managed directly and entirely by Rougier.

For adults, Rougier focuses on risk prevention and rallies staff around a genuine health, safety and environment culture, mapping out professional development training plans. For reference, the training budget for Gabon represents around €170,000 per year.

FOOD

To ensure food independence for communities living in the concessions, Rougier has set up food supply centers within the living areas. Alongside this, various actions are carried out in order to promote the development of subsistence crops and support local trade.

These actions are required because hundreds of people arrive in forest sites when living areas are set up. Subsistence hunting, which was previously organized to support indigenous communities, can no longer be carried out based on the same rules for communities who arrive with the forest harvesting operations. Not only must this hunting be strongly regulated in order to safeguard wildlife, but also alternative solutions must be developed, such as setting up supply centers, offering employees and their families all the basic food products at subsidized prices.

These practices are relatively common among all timber firms; however, FSC® Forest Management certification involves a much stricter level of requirements, which requires the forest manager to supply its workers with good quality products and food commodities.
Committed to the responsible forest management certification process, the Rougier Group, through SFID, its subsidiary in Cameroon, takes particular care to ensure the effective management of waste products and pollutants, which contributes towards social well-being. Various actions are carried out to meet the requirements for processing and recycling.

In this way, better management of waste products and inputs is making it possible to comply with national legal requirements and international commitments; limiting any negative environmental impacts, reducing the risks of accidents and illness for the company’s staff and neighboring communities, optimizing the use of products, improving management-employee relations and contributing towards local development through the reclamation of sawmill timber waste.

“Better management of waste products and inputs is making it possible to ensure legal compliance.”

SFID has drawn up procedures for managing the various types of waste, including household waste and non-toxic product packaging, waste wood, worn tires, hydrocarbon and oil barrels, tanks, gas bottles, used batteries, printer cartridges, scrap metal, used oil, oil filters, biomedical waste and drums for toxic chemical products.

Household waste is collected on a regular basis from the living areas and transferred to a waste disposal site. Chemical products and their packaging, as well as liquid and solid non-organic waste, including used oil and fuel, are sorted and eliminated in an appropriate way, respecting the environment, in waste oil pits. Contracts have been signed with specialized and accredited structures for collecting, transporting and recycling the various waste products.

Non-organic waste that cannot be recycled is stored using an appropriate method from an environmental and safety perspective in waste sorting areas. The health, hygiene, safety and environment unit works to raise awareness and regularly provides training for both staff and subcontractors on environmentally-responsible waste management. In addition, subcontractors are required to sign up to a charter and comply with SFID’s waste management policy.
A RESPONSIBLE FORESTRY PLAYER ON TERRITORIES THAT ARE TO BE MANAGED ON A LONG-TERM BASIS, ROUGIER IS ENGAGED ON THE GROUND IN AFRICA, INVESTING WITH DEDICATED RESOURCES FOR THE ECONOMIC DEVELOPMENT OF THE REGIONS WHERE THE GROUP IS PRESENT.

ROUGIER’s approach is founded on mutual respect in relation to local communities living in or around its forest concessions, whether they are indigenous or nomadic communities. These communities, who were there long before ROUGIER’s arrival, are impacted by forest harvesting operations. They have a customary right to use the land where they are located. As such, it is both legitimate and indeed vital to take them into consideration.

APPROACH TO TAKING LOCAL COMMUNITIES INTO CONSIDERATION: respect for rights of use and acceptance of consensus-based zoning

This in-depth approach to taking local communities into consideration is covered by two principles (out of 10) from the FSC® standard:

**FSC® Principle 2:**
“Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established [...]. Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies […]. Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.”

**FSC® Principle 3:**
“The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected […]. Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.”

The concept to seek a consensus at all times between stakeholders sharing the different uses of a given resource is linked exclusively to FSC® certification, and goes much further than the management plans, which already include a socioeconomic section.

In concrete terms, ROUGIER’s sociologists oversee a range of actions aimed at preventing any dispute with local communities (respecting the two principles set out above).

“Taking the interests of local communities into consideration and safeguarding their lifestyles.”
Development of income-generating activities for communities

To develop income-generating activities in communities living in or around the FDU operated by SFID in Djoum, farmers are provided with regular support. In this way, the village of Miatta (Bulu district) was awarded 6,000 cocoa plants in 2012 with a view to setting up cocoa plantations. These plants were shared out fairly between the various families living in the village. Based on the same process, communities in the village of Minkolomeseng (Zamane district) have received support to create a 2 hectare community palm grove. For both the cacao and the palm oil trees, SFID brought in a technical partner who would be able to supply quality plants, while also providing all the advice required for the plants to grow properly.

COMMUNICATION WITH THE COMMUNITIES

As the forest areas are isolated, rural communities may have limited knowledge of the concepts of sustainable development and climate change, which are nevertheless important issues. To facilitate the circulation of information, SFID regularly organizes environmental education sessions for local communities. To promote communication between timber operators and local communities, SFID took part in the annual fair in Djoum, where it raised awareness among more than 100 participants in total (including Bakas, native pygmy people) on its sustainable forest management practices.

Actions to raise awareness in schools in the Mokabi concession

The living areas in the Mokabi FDU (Lola and Moualé) each have a public school which was built by Mokabi, which also covers the costs for teaching staff (accommodation and salaries). In 2012, the school in Moualé was extended, with the addition of a building housing two classrooms and an office for the principal, as well as toilet blocks. The schools in Lola and Moualé (both public and private) are key partners for the various activities carried out to raise awareness throughout the year (wildlife protection, conditions for establishing good forest management, etc.). These activities are led by the development unit, working to ensure the widespread adoption of the sustainable forest management concept by making children aware of the issues at stake with an environmental management approach that is economically viable and socially fair. These awareness campaigns have also been rolled out more widely for neighboring communities.

ACTIVE CONTRIBUTION TO LOCAL ECONOMIC 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, resulting in limited access to development for local communities.

The companies who are FSC® certified go beyond this framework and proactively contribute towards local development through the implementation of a certain number of innovative initiatives. Based primarily on a voluntary approach, they are sometimes suggested in regulations, but very often left to the interpretation of the companies in terms of their actual implementation.
EXAMPLE OF A COMMUNITY OUTREACH PROGRAM IN ACTION

THE ACTIONS DEVELOPED AT THE MBANG SITE IN CAMEROON ILLUSTRATE THE SOCIAL COMMITMENT MADE BY ROUGIER IN ITS VARIOUS CONCESSIONS ACROSS THE CONGO BASIN. THEY PROVIDE CONCRETE PROOF OF THE COMPANY’S ROLE IN LOCAL ECONOMIC DEVELOPMENT.

In remote areas like the Mbang region in Southeast Cameroon, the Rougier Group performs a predominant social role for workers (employees) and their dependents (families), as well as local and “native” communities (Bantu and Pygmies) who lived in the area in question before the other populations or local communities arrived.

The social actions carried out by SFID in Mbang, both in and around Rougier’s concessions, can be broken down into two categories:

• Actions aimed at consulting with and engaging communities in forest management (socioeconomic research in connection with the management plan, participatory social mapping, deployment of procedures for managing disputes relating to tenure and use rights, etc.).

• Actions aimed at improving the living environment for communities, making a major contribution towards local economic development in these remote areas.

We differentiate between actions benefiting employees and their families (internal social initiatives) and those benefiting local communities in the broadest sense, i.e. local communities and indigenous peoples (external social initiatives).

INTERNAL SOCIAL INITIATIVES

At its isolated living areas and industrial sites in rural settings, the Group has a responsibility to find a housing solution and more generally care for its staff, enabling them to have access to all the basic services, such as safety, hygiene, housing, education, food and health.

For instance, in terms of health and food aspects, the following are currently in place in Mbang:

• A medical-social center with a doctor, three state-qualified nurses and two auxiliary nurses (all employed by SFID). Consultations and treatments are free for workers and their families (free consultations, first aid and basic care is being extended to the Mbang site). The medicine required for first aid (for part of prescriptions) is free for employees.
A solidarity fund (CSS) for SFID staff, managed by the workers and funded by member contributions (factory and forest staff), representing a form of savings which they are able to get back later on (end of contract, retirement, etc.). This fund offers a range of services for workers and is split into several segments:

- The company store (sale of basic staple goods and alternative sources of protein to bush meat). Two people under contract with SFID manage the company store.
- The pharmacy and the medical-social center benefit from a public supplier, which makes it possible to source medicines at significantly lower costs. This pharmacy is open to workers, their families and people living in the area. A nurse employed by SFID manages the pharmacy.
- The Club/Foyer, with two people (as well as some day-workers paid by the solidarity fund).

**EXTERNAL SOCIAL INITIATIVES**

At SFID, the implementation of the social component of forest development is also reflected in the creation of a socioeconomic unit within the company, led in Mbang by a team made up of a socioeconomic manager and an assistant. Its missions enable the company to:

- Provide added value on a local socioeconomic level;
- Coordinate and monitor the local projects rolled out;
- Lead the platforms for consultation between SFID and stakeholders for the responsible management of forest resources;
- Identify, define, map and protect priority areas of interest for local communities.

The activities carried out by this socioeconomic team are notably based on consulting with and engaging communities living in or around the forest concessions in the responsible forest management process. More specifically, they involve a participatory social mapping process, which notably enables the recognition and consensus-based management of sites of interest for local communities from a socioeconomic and cultural perspective.

In Mbang, the initiatives supporting local communities are built around an innovative structure: the local development fund (FDL). This is a platform that brings together SFID, civil society participants and, more generally, all the stakeholders engaged in the development of the areas where SFID operates. With a participatory and consensus-based approach, the fund aims to contribute towards the local socioeconomic development of local communities.

**EXTERNAL SOCIAL ACTION: building a house for the primary school teacher in the village of Kéwaga**

In accordance with Article 251 of Law 16/01 concerning the Timber Code in Gabon, and within the framework of Rougier’s social policy to support community outreach operations initiated by villages located near its SOFCs, the village of Kewaga, close to the Léké SOFC, was awarded FCFA 6.3 million of funding in 2012 (amounts capitalized from 2009 to 2012) to build a house for the village school’s primary teacher.

This contribution made it possible to fund work by a local entrepreneur and further strengthen one of the pillars for our social policy: educating children. The school in Kéwaga, integrated within the state school system for the Haut-Ogooué region, is located around 30 km from Franceville, offers a complete primary cycle (five classes) and is attended by 45 children.
REDUCING ENVIRONMENTAL IMPACTS

ROUGIER PERFORMS ITS BUSINESS WHILE SEEKING INsofar AS POSSIBLE TO LIMIT ITS IMPACTS ON THE ENVIRONMENT. THIS ENVIRONMENTAL MANAGEMENT REPRESENTS AN IMPORTANT LINK IN THE GOOD FOREST MANAGEMENT CERTIFICATION APPROACH.

Protecting the environment represents a key focus for the Group. Rougier confirms its commitment through major initiatives at the living areas, industrial sites and forest production sites.

“873 kms of forest roads built in 2012 for 74,513 ha, representing 1 km per 85 ha.”

ON THE LIVING AREAS AND INDUSTRIAL SITES

Rougier structures and optimizes its approach by putting actions in place to prevent pollution risks, built around:

- Waste management: selective sorting, dedicated storage areas;
- Fitting of concrete 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;
- Use of settling tanks and interceptors for waste water and oil;
- Regular upkeep of machines to prevent leaks;
- Use of engine / truck intervention kits in cases when pollution has been reported;
- Regular initiatives to raise awareness among staff on the considerable damage that may be brought about by any pollution.

These actions are in line with Rougier’s voluntary actions as part of its drive to get FSC® certified.

ON THE FOREST SITES

At each stage in forest harvesting, measures are taken to minimize the impacts on production sites. These actions, included within the framework of the management plan (required by the forest codes in Congo Basin countries), focus on three areas:

- Zoning forest concessions and marking out dedicated areas for a specific use (production, conservation, agriculture, pastoral, etc.);
- Increasing the harvesting diameter for a certain number of species for which regeneration based on the official diameter is considered to be sensitive;
- Rolling out low-impact harvesting techniques at every level of operations for forest harvesting: building and maintaining roads and bridges, clearing tracks, felling, forwarding, hauling, cutting into sections for batches of logs in forests, etc.

While low-impact harvesting is becoming increasingly widespread across the Congo Basin, including in companies which have not yet been FSC® certified, an additional level is de-
manded for firms which have achieved forest certification. It covers the building of roads and bridges, as well as its production activities, such as felling and hauling, which must minimize impacts on the resource.

The most emblematic example of this approach concerns the need to regularly increase harvesting diameters, primarily with a view to increasing the reconstitution rates. In this way, for okoume in Gabon’s Ogooué-Ivindo region, the officially approved diameter has been raised from 70 cm to 80 cm (harvesting diameter for the management plan), then 90 cm (good forest management).

This increase in harvesting diameters, combined with a tracking rate (proportion of trees inventoried and considered suitable for commercial harvesting, but which will be left standing because they are located on a steep slope or near rivers), is reflected in a reduction in average production.

Ultimately, in accordance with the management plans, the timber extracted does not exceed an average of one to two trees per hectare, every 25 years. While the management plan represents one of the pillars for the FSC® process, certification requires a more in-depth approach to take a certain number of social aspects into consideration, as well as environmental factors, in terms of both fauna and flora.

How can environmentally and socially responsible timber and mining activities be reconciled within a particular concession?

Following many months of negotiations, a memorandum of understanding was finally able to be signed in May 2012 between REG, a mining company, and Rougier. Among other elements, this memorandum defines the technical and socio-environmental conditions for both parties to use the 1,357 hectare area where REG’s mining permit (Bakoudou goldmine) overlaps with the Moyabi forest concession awarded to Rougier. Within this framework, a Social and Environmental Monitoring Committee has been set up between the Directorate General for the Environment, REG and Rougier. This Committee meets every quarter to take stock of the environmental and social aspects of REG’s activities in relation to their permit, and in addition to assessing the compliance of programs and results with the environmental and social management plan drawn up in connection with their impact analysis.
MAJOR RESPONSIBILITY FOR PROTECTING WILDLIFE

COMMITTED TO PROTECTING WILDLIFE IN ITS AFRICAN CONCESSIONS, ROUGIER PREVENTS AND DETECTS ANY CASES OF ABUSE, POACHING OR ILLEGAL HUNTING SITUATIONS. IT ENSURES COMPLIANCE WITH THE REGULATIONS AIMED AT PROTECTING WILDLIFE RESOURCES, NATURAL RESOURCES AND THE ECOSYSTEM’S BALANCE.

Within the framework of the management plan, wildlife inventories are systematically drawn up with a view to being able to map the distribution of wildlife across the forest concessions as effectively as possible. Clear specifications are set for these inventories, ensuring that the maximum amount of information is collected by prospectors, who often receive dedicated training beforehand. For instance, these inventories are carried out on the ground for mammals based on the quantity and age of elephant droppings, the direct or indirect observation of primates, the types of habitat observed, the number of animal cries recorded, etc.

In connection with the implementation of the management plan, measures are taken to (1) regulate subsistence hunting (or village hunting), (2) ban commercial hunting activities, (3) control and crack down on any poaching practices in breach of the regulations in force.

PROTECTION AND CONSERVATION OF FSC® CERTIFIED CONCESSIONS BY ROUGIER GABON

When preparing the management plan, a forest concession is split into different series, generally differentiating between:
- Dedicated production series for timber harvesting;
- Protection and conservation series set aside not to be harvested in order to be able to protect biodiversity, in terms of both fauna and flora;
- Village series or community development series (often in areas with agricultural activities) intended for agriculture or any other human activity (areas not harvested).

The company must go further than the management plan and demonstrate that all the areas under concession have not deteriorated compared with their original state, notably safeguarding biodiversity.

With this in mind, the forest company must provide proof that the high conservation value (HCV) present within the concessions have been identified and mapped, and the necessary measures have been taken to conserve them. The FSC® standard also requires the protection of representative samples of existing ecosystems within the landscape. In some cases, this is likely to require the protection of areas in addition to the already existing protected areas in a given concession.

These general conservation measures are combined with all the conservation steps taken when harvesting the areas for annual cuts in line with low-impact harvesting techniques. They represent between 20 and 50% of the initial logging areas.
In Cameroon, traditional hunting is authorized within the framework of rights of use: the personal use of forest products, wildlife or fishing resources by local communities. However, with the exception of wildlife reserves, sanctuaries and buffer areas where they may be authorized, rights of use do not apply to integral ecological reserves, national parks or gardens.

Traditional hunting is performed using tools made out of plant-based materials. This hunting only concerns partially protected animals. The products from such hunting are intended to be consumed by the hunters: their sale is forbidden outside of the area’s village community.

**FIVE MAJOR FOCUSES FOR WILDLIFE PROTECTION IN CAMEROON**

1. Informing and raising awareness among the company’s workforce and local communities;
2. Recruiting a forest ranger and wildlife technicians within the company;
3. Developing partnerships with wildlife management structures, such as the ZSL;
4. Taking various measures to protect wildlife: suppression, dissuasion, conservation and compensation. In connection with these measures, systematically closing off all harvesting roads that are no longer in use with a view to blocking any use by vehicles looking to carry out poaching;
5. Offering alternatives to bush meat, by setting up company stores with provisions for employees for instance.

**COMMITMENT FURTHER STRENGTHENED THROUGH CERTIFICATION**

Within the good forest management framework, a certain number of additional measures to protect wildlife - often very expensive - are put in place by companies looking to work towards FSC® certification. In connection with the definition and monitoring of Type 1 high conservation value forests relating to wildlife, they notably result in the definition of “forest areas containing globally, regionally or nationally significant concentrations of biodiversity values”.

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**EXTRACT FROM SFID’S INTERNAL REGULATIONS CONCERNING SUBSISTENCE HUNTING**

In Cameroon, traditional hunting is authorized within the framework of rights of use: the personal use of forest products, wildlife or fishing resources by local communities. However, with the exception of wildlife reserves, sanctuaries and buffer areas where they may be authorized, rights of use do not apply to integral ecological reserves, national parks or gardens.

Traditional hunting is performed using tools made out of plant-based materials. This hunting only concerns partially protected animals. The products from such hunting are intended to be consumed by the hunters: their sale is forbidden outside of the area’s village community.
CLOSE PARTNERSHIPS WITH NGOS

TO CARRY OUT ALL THE ENVIRONMENTAL AND SOCIAL ACTIONS INHERENT IN THE IMPLEMENTATION OF MANAGEMENT PLANS AND FSC® CERTIFICATION, ROUGIER HAS FOR SEVERAL YEARS SURROUNDED ITSELF WITH EXTERNAL EXPERTISE PROVIDED BY SPECIALIZED RESEARCH OFFICES, AS WELL AS – AND INCREASINGLY – BY SPECIALIZED NGOS, BOTH LOCAL AND INTERNATIONAL.

The joint implementation of environmental and community outreach actions in the field has made it possible to bring private businesses and NGOs, which were historically not used to collaborating, closer together.

Today, these partnerships have developed in the field to such an extent that the environmental and societal commitment of companies that are currently or in the process of becoming certified has significantly improved.

ANTI-POACHING PROGRAM WITH THE WWF

On its Haut-Abanga and Ogooué-Ivindo concessions, Rougier Gabon is committed to bringing hunting practices into line with standards. To support Rougier Gabon with the application of these commitments, a three-way program has been put in place between Rougier Gabon, the WWF and the Ministry of Water and Forests to combat poaching.

More specifically, this program aims to carry out missions to combat poaching in Rougier Gabon’s concessions, as well as neighboring villages and living areas, in addition to raising awareness among all the stakeholders concerned (villages, authorities, workers, sellers) on wildlife conservation.

IN-DEPTH KNOWLEDGE OF WILDLIFE IN CAMEROONIAN CONcessions WITH THE ZSL

The Zoological Society of London (ZSL) has set up the Wildlife Wood Project (WWP) with a view to improving wildlife management in production forests in Western and Central Africa. The objectives mapped out for this project are as follows: (1) moving towards forest certification that takes the needs of wildlife into consideration more effectively by offering reliable bio-indicators, and (2) providing economic operators with support to develop and implement concrete wildlife management measures in their concessions. The areas for collaboration in Rougier’s concessions in Cameroon are as follows: (1) monitoring of animal populations and concerted development of a biodiversity conservation program, and (2) strengthening of local capabilities and personnel through training on methods for monitoring wildlife and illegal activities in tropical forests.
FIGHTING AGAINST AIDS AND RAISING AWARENESS ON MALARIA AND TUBERCULOSIS WITH THE GIZ

In conjunction with the GIZ (German international cooperation organization), this program which has been set up in Cameroon is aimed more specifically at screening, raising awareness and educating communities living in or around timber sites about how diseases are transmitted, rolling out widespread prevention actions.

NATURE+

For several years, Nature+ and the Gembloux Agro-Bio Tech Forest Laboratory for Tropical and Subtropical Regions (University of Liège) have been using their expertise and know-how to support the sustainable management of the forests operated by SFID in Cameroon. A framework for researching population dynamics, monitored on an annual basis, makes it possible to fine-tune the development parameters. Nurseries have been set up at the Mbang and Djoum sites, with the capacity for 20,000 plants of key timber species, including assamela, obeche, moabi and sapelli. The plants produced are used for reforesting patch-cuts, log parks and areas affected by previous human occupation. Particular care is taken to provide training for SFID’s staff so that the skills can be assimilated. In 2012, in connection with the FSC® certification of the Mbang massifs, additional support was provided with a view to completing the identification of the high conservation value forests present and improving their management. Three specific studies were carried out by Nature+, including one analyzing the extraction of non-ligneous forest products by neighboring communities.

MAPLAND

Since 2009, Rougier Gabon has established an agreement to work with MAPLAND to prepare drawings (such as cartoons) for popularizing and raising awareness among Rougier Gabon’s workers and their families on the various fields and topics found in the different technical frames of reference for good forest management. The production themes for these drawings are focused primarily on the following areas: Rougier Gabon’s overall responsible management approach (general responsible management policy declaration), the environment (and more specifically the management of waste products, hydrocarbons, hazardous and chemical products), controlled hunting and wildlife management, occupational safety, health and education in connection with the schools in our living areas.

CLOSE PARTNERSHIPS WITH NGOS

CBP

The Congo Basin Program (CBP) is part of a public-private partnership aimed at developing responsible trade and production for tropical timber. The CBP, under the Tropical Timber Program launched by the Sustainable Trade Initiative (IDH), supports forest concessionaries as they move towards responsible forest management and certification. The CBP is focused on Gabon, Cameroon, RDC and Congo, but does not exclude the possibility of working in other African countries. The program has three objectives: developing certification, promoting responsible trade and improving living conditions for communities.

In 2012, SFID received financial support under the CBP.

PPECF

The program to promote certified forest operations (PPECF), funded by the German cooperation organization (KFW), primarily aims to increase the area of certified production forests in the Congo Basin with a view to improving the conditions for the sustainable harvesting and protection of forest resources at these sites. This objective is based around three components: assistance with putting in place appropriate institutional conditions to promote certification, strengthening of communication on certified industrial operations and improvements in the quality of industrial operations. PPECF operations may range from financial support at the request of beneficiaries to a specific range of training programs, funding for research to improve the visibility and image of certification, and even support for making progress with or completing FSC® certification applications.

In 2012, SFID received financial support under the PPECF program.
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