

**European union timber regulation (RBUE) no 995/2010
implementation of the due diligence system (SDR)
Evaluation of Woodbois Gabon company – May 2022**

Context

To comply with Regulation (EU) No 995/20110, known as EURB, Woodbois Gabon has developed a due diligence system (SDR) to mitigate against the risk of placing timber from illegal harvesting on the market. A study was drafted in March 2022 (PJ 0).

The study involves three steps:

- 1) the collection of information on the timber or derived products to be marketed,
- 2) the assessment of the risk that it (they) are the result of illegal harvesting,
- 3) the implementation of risk mitigation measures if this risk is not negligible.

This evaluation refers to Woodbois, which supplies logs to its own veneer and sawmill factory based in Mouila through its CFADs (Sustainable Forestry Concession) .

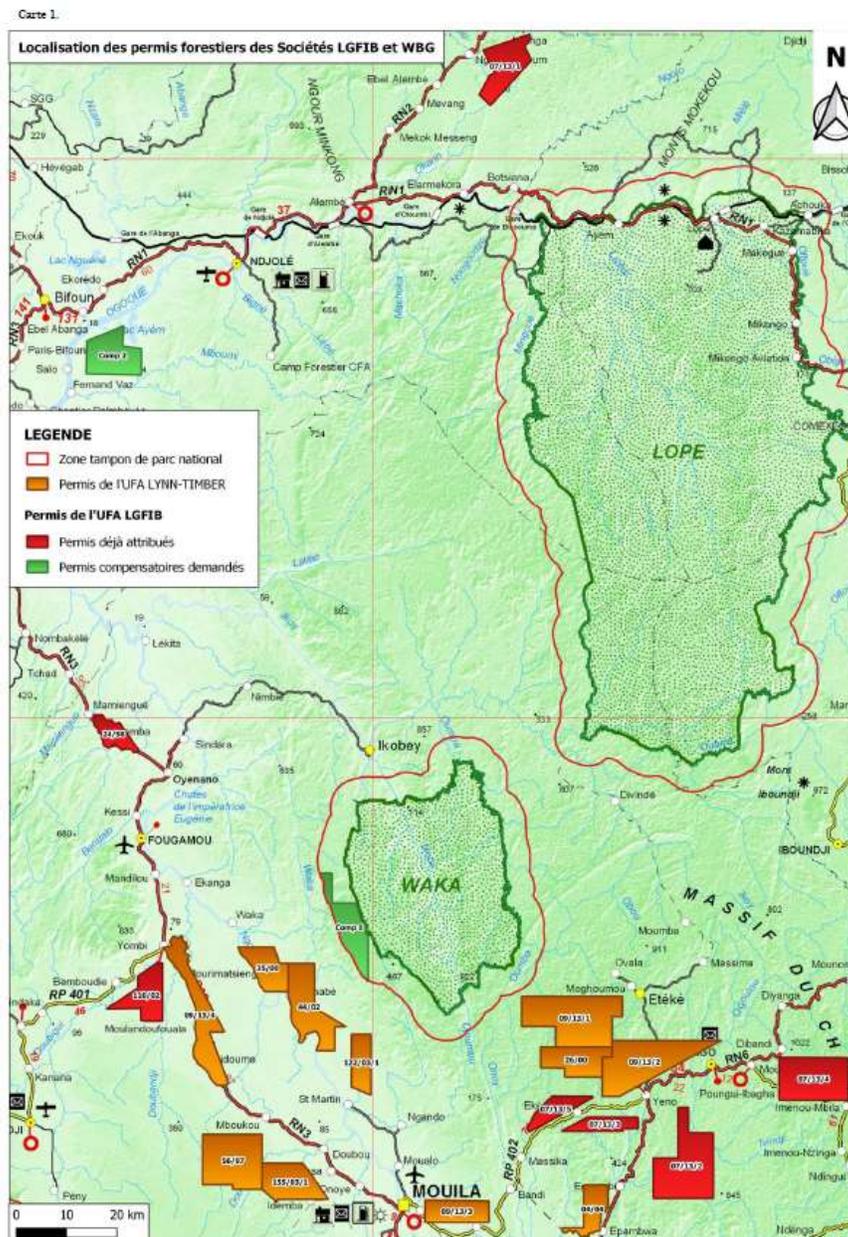
Legal provisions that cover the following five areas are assessed:

1. The right to harvest timber within a legally established perimeter made officially public;
2. Payment of harvesting rights and timber, including harvest-related taxes;
3. Timber harvesting, including environmental and forestry legislation;
4. Legal rights of third parties to use and ownership that are affected by timber harvesting;
5. Trade and customs, as far as the forestry sector is concerned.

The traceability system for logs delivered to factories was also assessed by sampling.

At the end of this analysis, we conclude on the assessment of the risk for the logs harvested in the CFAD Woodbois and for the products, veneer and square-edged, from the Woodbois factories and, if necessary, propose mitigation measures.

Map 1 location of forestry permits for LGFIB and WBG company



1. Right to harvest timber

Woodbois Gabon (WBG), created in 2019, is legally established in Gabon (PJ 1.1). It has 432 employees in May 2022, the vast majority of Gabonese nationality.

Legal form: SA with General Administrator

TIN: 744 506 Y

Capital: 10,000,000 FCFA

General Administrator: MABALA GHOSSEIN Hadi

The company has authorized approval for trades in the forest/wood sector dated January 12, 2021 and valid for 2 years for the "peeling" activity and an approval dated January 12, 2021 for the "sawing" activity. (PG 1.2). Woodbois Gabon has also initiated a request to renew the approval for the "logging" activity in March 2021. The file is being examined and a provisional authorization to practice was issued on August 26, 2021 (PJ 1.3).

The registration of the forestry stamp (initials WBG in a triangle) was carried out in March 2018 at the Court of First Instance of Mouila (PJ 1.4). This mark is found on each log face resulting from the CFAD WBG, and on each tree stump exploited.

The company operates in two Forest Concessions under Sustainable Management (CFAD) located in the Provinces of Ngounié and Moyen-Ogooué (map 1):

- The CFAD Lynn Timber (100,180 ha), whose development plan, approved on September 26, 2017 for the period 2017-2036, is currently being revised (DJ 1.5);

- CFAD LGFIB (the Gabonese forestry of wood industry) (56,295 ha), whose development plan was approved on 14 December 2017 for the period 2017-2036. However, harvest has not yet started in this CFAD in May 2022.

Woodbois Gabon has indeed bought the assets of LGFIB in August 2021 (PJ 1.6), and registered the LGFIB forestry hammer on March 3, 2022 (PJ 1.7). In addition, for reasons of simplification, Woodbois Gabon has requested the consolidation of CFAD Lynn Timber and LGFIB into a single UFA in December 2021 (PD 1.8).

CFAD= Sustainable Forestry Concession

WBG =Woodbois Gabon

2. Payment of harvesting rights and timber, including harvesting taxes

The corporation tax, business license and area tax will be examined:

- WBG is up to date with the first installment of corporation tax for the year 2021 (PD 2.1);
- WBG is up to date with the 2022 patent regulations (PD 2.2);

Due to ongoing negotiations concerning the signing of a memorandum of understanding relating to the execution of road works on the Mouila-Yeno-Mimongo-Pont-Offoué axis, by WBG, the company WBG has requested deferred payment for the area tax 2022 and the balance of corporation tax 2021, and received a positive response on April 7, 2022 (Attachment 2.3).

3. Timber harvesting, including environmental and forestry legislation

3.1. Forest regulations

The company is currently involved in the 2022 CFAD LYNN TIMBER Annual Cutting Plan (AAC), which is theoretically open to exploitation for 3 years, from January 1, 2022 to December 31, 2024.

The management plan for UFG 2 LYNN TIMBER was approved on January 24, 2022 for the period 2022-2026 (PJ 3.1).

The 2022 AAC Annual Operating Plan (PAO) was approved on January 27, 2022, and the operating license was issued on January 28, 2022 (Attachment 3.2).

The visit on the ground conducted in February 2022 also showed that the requirements of the development plan and the annual operating plan were followed. Regulations on timber harvesting are respected. Note that each log bears the mark of its original AAC.

3.2. Labor law regulations

On-site employees have employment contracts that comply with regulations and are regularly registered with the CNSS (the National Social Security Fund). There are no ongoing labor disputes, and labor rights are respected. Personal protective equipment is provided to workers and is worn. The company does not use subcontractors for its logging operations.

WBG is up to date with CNSS contributions for the year 2021 and for the first quarter of 2022 (PD 3.3).

WBG is also up to date with its CNAMGS contributions for the year 2021 and for the first quarter of 2022 (PD 3.4).

3.3 Environment and biodiversity conservation

The field visit carried out in February 2022 showed that the species prohibited from exploitation according to the management plans are known to field staff and protected. Environmental requirements are met. A waste management procedure has been developed and is being implemented. Reduced impact logging practices are known and implemented, including non-logging in a buffer zone near watercourses, and attention to watercourse crossings.

The company filed its first Wildlife Protection Plan (PPF) for FMU 1 Lynn Timber in February 2019.

CNAMG = the CNAMG guarantee healthcare for Gabonese population.

4. Legal rights of third parties to use and ownership that are affected by timber harvesting

The visit on the ground carried out in February 2022, and the documentary study (contractual specifications, meeting minutes,) indicate that indigenous populations currently settled outside the CFADs have uses in the Lynn Timber and LGFIB CFADs. It should however be noted that Gabonese legislation does not recognize the concept of “indigenous people”.

Customary rights are respected. The WBG company has drawn up with the stakeholders (groupings of villages) contractual specifications within the framework of the operation of its AACs in the CFAD Lynn Timber, in accordance with the provisions of article 251 of law 16/01 on Forest Code, supplemented by Order 105 of 6 May 2004 setting the model for contractual specifications (PJ 4). Meetings are organized with the villages for the delimitation of territories. A financial contribution of 800 FCFA/m³ is paid by the company WBG on the basis of the volume of wood cut the previous year.

There is not yet a CCC for the CFAD LGFIB because the operation has not yet started.

Each year, PAO (Operational action Plan) execution reports are drawn up, which list the social actions carried out by the WBG company under these specifications.

5. Trade and customs

The field visit carried out in February 2022, and the consultation of the commercial documents (delivery slips, transport slips, invoices) show that:

- The classification of species, quantities and qualities is respected;
- Trade and transportation requirements are met;

There is no export of logs, so offshore trade and transfer pricing requirements are not applicable;

- Ditto for export customs regulations;
- No CITES species are exploited.

6. Traceability system implemented

The supply chain for materials from CFAD Lynn Timber and LGFIB is simple since the logs are delivered directly to the log yard of the WBG sawmill in Bavanga. There is no intermediary, and each log bears a unique identifier from the forest concession, supplemented by the original AAC number and the WBG (or LGFIB) mark.

The WBG company has created a set of documents to record the information necessary for its logging activities, from felling to unloading logs on the sawmill park in Bavanga.

A procedure summarizing all the actions implemented to ensure this traceability has been drafted, and the computer databases of the WBG company are updated.

These records make it possible to find the exact location of the stumps from which the logs delivered to the factories originate.

7. Other Considerations

Woodbois Gabon is firmly committed to a sustainable management approach (PD 5): A certification manager (RBUE, Legal Source and FSC) has been appointed. WBG has published and implemented:

- A health and safety policy at work;
- A policy of commitment to respect labor law;
- A social policy;
- Ethical and corruption prevention commitments;
- A log supply policy that respects national legislation as well as international treaties applicable to the harvesting and trade of forest products.

8. Conclusion on risk assessment

Given that Woodbois Gabon only exploits in May 2022, logs in CFAD Lynn Timber's AAC 2022, and that the traceability system put in place is functional and makes it possible to find the original stumps of the logs, the risk that the wood delivered to the Woodbois factories in Mouila, either illegally harvested, is negligible.

In addition, in the event of an external purchase of logs to supply its factories, Woodbois will implement its EUTR Due Diligence System in accordance with the procedure.

9. Risk mitigation measures

Not applicable.



L'Administrateur général

A handwritten signature in blue ink, appearing to read "Teillier".

Laurent TEILLIER