



LegalSource™ Audit Report for Rain Forest Management (RFM)

Assessment 2018

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Organisation Contact

RFM- Libreville 3939
Gabon

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A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by RFM hereafter referred to as "Organisation". The report presents findings of LegalSource auditors, who have evaluated the Organisation's systems and performance against the applicable requirements. The sections below provide the audit conclusions and follow-up actions required by the Organisation.

Dispute resolution: If stakeholders have concerns or comments about the LegalSource standard or the auditing body, they are encouraged to contact their closest NEPCon regional office. Formal concerns and complaints should be sent in writing.

B. Scope

The LegalSource audit, report and certificate covers the following scope:

Report Type	
Report type:	Confidential

Organisation Details	
Primary contact:	Max Changha
Address:	B.P. 3939 Libreville, Gabon
Tel/Web/Email:	01742860/www.rfmtimber.com/changhamax@gmail.com
Jurisdiction of primary legal entity:	Gabon
Primary Activity	Forest Manager
Description of Organisation:	<p>RFM is a forest management operation which also manages down-stream operations such as saw mills, kiln drying and moulding facilities.</p> <p>At the time of the audit RFM holds management permits (Associated Forestry Permits – PFAs) for a total of 21 areas, covering 371,000 ha See exhibit 1 for a list of all permits held by RFM.</p> <p>RFM manages "concession forestière sous aménagement durable" (CFAD) areas of a total of 64,670 ha under CFAD RFM1. Also, they manage "Convention Provisoire d'Aménagement, d'Exploitation et de Transformation" (CPAET) areas under CPEAT -RFM2 of 50,000 ha, and CPEAT RFM GSEZ of 256,758 ha.</p> <p>RFM manages two separate legal entities: RFM and RFM GSEZ. RFM GSEZ is a separate legal entity that has is operating within the Gabon Special Economic Zone (GSEZ). The two legal entities are managed through the same system and operations.</p> <p>RFM2 (PFA 23/14) is still pending in terms of evidence of following legal procedures by the government when issuing the license. RFM2 shall therefore not be included in the scope until evidence have been furnished that can indicate that the government followed a legal process when issuing the license. If RFM2 must be excluded from the scope, RFM shall also implement a CoC system to ensure separation of logs from RFM2 from other sites (see NCR 15/18). It shall be mentioned that RFM2 is not yet operational, so RFM needs to ensure to inform NEPCon in advance when they plan to start harvest activities, prior to which a CoC assessment should be planned if RFM2 is still not under the scope of the certification.</p>

Certificate Scope	
Certificate Type	<input type="checkbox"/> Single site certificate <input checked="" type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) v2 <input checked="" type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01) <input checked="" type="checkbox"/> NEPCon Generic Group & Multi-Site Standard (NC-STD-02)
Product scope:	<p>The scope of the LegalSource Certification covers the timber produced from the concession areas (Gabon) and processing sites listed below. The products include logs, sawn timber, mouldings and doors and door frames.</p> <p>List of potential species attached as Exhibit 2.</p>
Changes to certificate scope since last audit:	<p>RFM2 (PFA 23/14) is still pending in terms of evidence of following legal procedures by the government when issuing the license. RFM2 shall therefore not be included in the scope until evidence have been furnished that can indicate that the government followed a legal process when issuing the license. If RFM2 must be excluded from the scope, RFM shall also implement a CoC system to ensure separation of logs from RFM2 from other sites (see NCR 15/18). It shall be mentioned that RFM2 is not yet operational, so RFM needs to ensure to inform NEPCon in advance when they plan to start harvest activities, prior to which a CoC assessment should be planned if RFM2 is still not under the scope of the certification.</p>
Certificate Sites or Group members	
<input type="checkbox"/> In place of below table, details are found in Exhibit	
Site 1:	
Site name:	RFM
Site Address/ Tel/Web/Email:	Libreville, List of forest concessions operated by RFM is attached as Exhibit 1
Site Activity:	Forest Manager
Product Scope:	See above.
Site visited during audit:	<input checked="" type="checkbox"/>
Site 2	
Site name:	Mbomao Saw mill Lalara.
Site Address/ Tel/Web/Email:	B.P. 3939 Libreville, Gabon
Site Activity:	Primary Manufacturer
Product Scope	As above.

Site visited during audit:	<input checked="" type="checkbox"/>
Site 3	
Site name:	Nkok storage and kiln drying
Site Address/ Tel/Web/Email:	B.P. 3939 Libreville, Gabon
Site Activity:	Primary Manufacturer
Product Scope	As above.
Site visited during audit:	<input checked="" type="checkbox"/>
Site 4:	
Site name:	RFM GSEZ
Site Address/ Tel/Web/Email:	List of forest concessions operated by RFM is attached as Exhibit 1
Site Activity:	Forest Manager
Product Scope:	See above.
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team:	<p>Christian Sloth- lead auditor MSc in forestry, 15+ years' experience in international forest certification. Manager of NEPCon's LegalSource Programme.</p> <p>Paul Essounga- forestry/legal expert Paul is a Cameroonian forest engineer with a background in forest logging companies in Cameroon where he has worked as site manager of forest management units and certification internal auditor to prepare companies for external audits (OLB and FSC). Paul is also a FSC FM and CoC auditor for many years. He has been part of audits team in Cameroon, Congo and Gabon Republic for more than 5 years on behalf of Rainforest Alliance. Paul has also been involved in Verification of legal Conformity (VLC) audits on behalf of Rainforest Alliance for companies in Cameroon an Congo Republic. Paul has been trained on LegalSource Certification by NEPCon.</p> <p>Laetitia Kombila- social/local expert</p>

	Laetitia holds a master 2 in sociology of development of areas and territories, certificate in social forestry, license in sociology of development. She has been working and had a great expertise on the application of CLIP; on certification audits (as FSC), expertise in socio-economic study expertise in implementation of gender strategies.
Description of Audit Process:	The audit commenced on Tuesday 26 th June 2018 in the RFM office in Libreville. On Wednesday 27 th the audit team and representatives from RFM drove to the RFM sawmill on Lalara. The 28 th June to 6 th July contained forest field visits, document review at the saw-mill office in Lalara and interviews with workers and local communities. The audit ended on Saturday 7 th July with closing meeting at the RFM office in Libreville.
Actions taken by Organisation prior to report finalisation:	NA
Notes for the next audit:	Note on issues related to RFM2 shall be taken into consideration.

Date	Place	Time and Activity	Persons involved
27 June 2018	Libreville	Document review in office in Libreville	Paul Essounga, Christian Sloth, Laetitia Kombila, Dick Anning, Max Changha, Rene Mbougana, Henrik, Mr. Yong.
28 June 2018	Libreville-Lalara	8h-18h Travel from Libreville to Lalara Opening meeting in Lalara	Paul Essounga, Christian Sloth, Laetitia Kombila, Dick Anning, Max Changha, Mr. Lee. Staff from Lalara operations
29 June 2018	Saw mill Lalara	8h-17h Document review in office	Paul Essounga, Christian Sloth, Max Changha, Sougou Axal (cartographer), Nguiongh Frank Junior (Productions recording).
30 June 2018	Saw mill Lalara, Mitzic Village	9h-17h Document review in Saw mill office Meeting community members and government officials in Mitzic.	Paul Essounga, Christian Sloth Laetitia Kombila
1 July 2018	RFM 1, UFG 1, AAC 5.	8h-17h Visit to forest sites	Paul Essounga, Christian Sloth, Dick Anning, Max Changha, Sougou Axal, Ella Megne Francois Xavier, – Wildlife manager, Allogho Ngoua Kenes Martial – forest management assistant.
2 July, 2018	RFM GSEZ, AACp3, Okano-Ivindo	9h-16h Visit to forest	Paul Essounga, Christian Sloth, Dick Anning, Max Changha, Sougou Axal, Ella Megne Francois Xavier, – Wildlife manager, Allogho Ngoua Kenes Martial – forest management assistant.
3 July, 2018	RFM GSEZ AACp 3 - NTEM	8h-16h Forest field Visit	Paul Essounga, Christian Sloth, Dick Anning, Max Changha, Sougou Axal, Ella Megne Francois Xavier, – Wildlife manager, Allogho Ngoua Kenes Martial – forest management assistant. 2 skidding teams (Skidder, skidding assistant, log trimmer and log trimmer assistant)

			1 Felling team (one feller and one assistant).
4 July 2018	Saw mill Lalara,	8h-17h Document review in office	Paul Essounga, Christian Sloth, Max Changha, Sougou Axal (cartographer), Nguiongh Frank Junior (Productions recording).
5 July	Lalara - Libreville	Travel to Libreville	
6 July	Libreville	Document review and closing meeting	Paul Essounga, Christian Sloth, Laetitia Kombila, Dick Anning, Max Changha, Rene Mbougana, Henrik, Mr. Yong.

C. Audit Findings

Audit Conclusion:	
Organisation approved: Minor non-conformance(s) issued	<input checked="" type="checkbox"/>
Organisation not approved:	<input type="checkbox"/>
Additional comments: RFM is approved for LS certification. However, RFM2 (PFA 23/14) is still pending in terms of evidence of following legal procedures by the government when issuing the license. RFM2 shall therefore not be included in the scope until evidence have been furnished that can indicate that the government followed a legal process when issuing the license. If RFM2 must be excluded from the scope, RFM shall also implement a CoC system to ensure separation of logs from RFM2 from other sites (see NCR 15/18). It shall be mentioned that RFM2 is not yet operational, so RFM needs to ensure to inform NEPCon in advance when they plan to start harvest activities, prior to which a CoC assessment should be planned if RFM2 is still not under the scope of the certification.	

Non-Conformances

Non-conformance reports (NCRs) describe the non-conformances identified during audits. NCRs include defined timelines for the Organisation to demonstrate conformance. MAJOR non-conformances issued during assessments/reassessments shall be closed prior to issuance of the certificate. MAJOR non-conformances issued during annual audits shall be closed within the timeline specified in the NCR or result in certificate suspension. Where applicable, all non-conformances against standard requirements are shown below:

Non-Conformance #:	01/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NEPCon Generic Group & Multi-Site Standard (NC-STD-02), Requirement 2.2: The Central Office shall develop, implement and maintain documented procedures covering the applicable requirements of this standard and the applicable standards, including clear procedures for inclusion and removal of participating sites or Group members. AND LegalSource Standard (LS-02) v2, Requirement 3.1: The Organisation shall have written procedures covering all applicable elements of this Standard.	
Description of Non-conformance:		
RFM does not currently have a procedure covering the management of a multi-site organisation. RFM has developed a DD procedure based on the NEPCon DD-12 that covers the due diligence requirements of the LegalSource Standard. Also, the company has developed a draft Procedures Manual covering the operational aspects of the sawmill and forest management activities. It is noted that the procedures, at the time of the assessment was not finalized and formally implemented by RFM. Also, the draft procedures, as in their current form, seems to be focusing on description the overall role of individual positions, rather than actual working procedures.		

Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>
Timeline for Conformance:	12 months from report finalization.
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	02/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NEPCon Generic Group & Multi-Site Standard (NC-STD-02), Requirement 2.8: The Central Office shall maintain an up-to-date record of all participating Sites or Group members and, where applicable, shall notify the Certification Body within five (5) working days of any added or excluded Group members or Sites.	
Description of Non-conformance:		
RFM maintains a list of all forest permits included in their management. However, there is no system developed to ensure that RFM notifies NEPCon whenever new forest permits are acquired, or when existing permits are being opened for exploitation.		
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>	
Timeline for Conformance:	12 months from report finalisation date	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	03/18
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Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>NEPCon Generic Group & Multi-Site Standard (NC-STD-02), Requirement 2.11:</p> <p>The Central Office shall conduct regular audits (at least annually) of all Group members or sites to evaluate continued conformity with all applicable requirements.</p> <p>and</p> <p>LegalSource Standard (LS-02) v2, Requirement 4.1:</p> <p>The Organisation shall review its due diligence system at a minimum annually, in order to address any weaknesses.</p> <p>and 7.9</p> <p>The risk assessments shall be reviewed at least annually and revised whenever changes occur that alter the risk characteristics.</p>	
Description of Non-conformance:		
RFM does not conduct or have a procedure for internal auditing of its activities and due diligence system.		
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>	
Timeline for Conformance:	12 months from report finalisation date	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	04/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) v2, Requirement 1.1:</p> <p>The Organisation shall have a policy stating its commitment to producing and/or sourcing responsibly, by avoiding the use of forest products that have been harvested, traded or processed in violation of applicable national legislation and ratified international treaties.</p> <p>The policy shall be:</p> <p>1.1.1 written;</p> <p>1.1.2 publicly available; and,</p> <p>1.1.3 endorsed at the executive level.</p>	

Description of Non-conformance:	
RFM have created a commitment to producing and processing timber legally, endorsed by the management – however it has not been made public.	
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>
Timeline for Conformance:	12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	05/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) v2, Requirement 4.3</p> <p>The Organisation shall have and implement a complaints procedure to address substantiated complaints related to the production or sourcing of material, including:</p> <ul style="list-style-type: none"> 4.3.1 assessment of evidence provided in the complaint within two (2) weeks of its receipt; 4.3.2 in cases where evidence is considered relevant, implementation of appropriate corrective actions; and, 4.3.3 maintenance of records of all complaints received and actions taken. 	
Description of Non-conformance:		
RFM does not have a clear procedure (in writing or otherwise) to manage complaints and conflicts.		
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>	
Timeline for Conformance:	12 months from report finalisation date	
Evidence Provided by Organisation:	PENDING	

Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	06/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Requirement 9.1 – 9.6	
Description of Non-conformance:		
RFM does not have a procedure to manage LegalSource claims.		
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>	
Timeline for Conformance:	Prior to making any LS claims	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	07/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 1.2.1 and 1.2.3. Evidence that proper legal procedures shall be followed to obtain concession licenses	
Description of Non-conformance:		
The CFAD RFM2 have been directly allocate to RFM without passing through the normal procedures of call for offers. There following documents are available: <ul style="list-style-type: none"> - The Ministry order N° 253/MFEPRN/SG/DGF/DDF/SPF of the 22th May 2015 about the allocation to RFM of a forest concession of 50.000 hectares (PFA 23/14); - The Ministry order N° 000091/MEFPEPGDE/SG/DGF/DDF/SPF of the 23th Mars 2017 modifying some articles of the Ministry order N° 0253/MFEPRN/SG/DGF/DDF/SPF of the 22th May 2015 allocating the PFA 23/14 to RFM; - The convention for a CPEAT between the Ministry of forest and RFM for an area of 50.000 ha representing the PFA 23/14 signed the 21 July 2015; 		

<p>- The letter of approval of the management plan of the CFAD RFM2 (Letter N° 000356/MFE/SG/DGF/DDF/SACF-DDF/SACF/MML/Lettre/10 avril 2018 of the 04th May2018);</p> <p>However, it was found that the allocation process for the UFA RFM2 have not followed legal procedures concerning the allocation of permanent forest through open invitations to tender (Ordonance N° 11/2008 of 25 July 2008 and order N° 00640-08-MEFEPA of 08 October 2008). During interview with the ministry of forestry it was explained that the allocation of RFM2 happened according to the allowance for direct allocation of forest land under the GSEZ process. However, there is no documented evidence supporting that claim.</p>	
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>
Timeline for Conformance:	Prior to inclusion of CFAD RFM2 in the scope of the certificate.
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	08/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) v2, Annex 1, Requirement 1.4.7</p> <p>Field inspection shall confirm that all harvesting restrictions given in the harvesting permit are observed such as buffer zones, protected trees, placement of logging trails etc.</p> <p>and 3.1.2:</p> <p>Harvesting shall not take place in areas where harvesting is legally prohibited.</p> <p>And 3.1.4:</p> <p>Harvesting restrictions shall be observed in the field.</p>	
Description of Non-conformance:	<p>During the field visit in CFAD RFM1, UFA RFM GSEZ Ougoué Ivindo and UFA RFM GSEZ Ntem, the audit team have found that a protected zone has been defined in the approved management plan of CFAD RFM1. This protected area is materialized on field by a border painted in red with indicative plates to inform all employees on the restrictions applicable inside the boundaries of this zone.</p> <p>It's clearly specified in the management plan that no logging practices can occur inside this protected area.</p> <p>However, the auditors have identified some logging activities (felling and skidding of trees) inside this protected area. The wood that has been felled (tree logs) was used to build a bridge out of the protected area.</p> <p>Also, during the visit of the UFA RFM GSEZ Okano-Ivindo, the auditors have found that the buffer zone of 30 meters to the mainstreams of rivers is not respected. A tree has been felled inside this buffer zone and has totally crossed a permanent stream.</p>	

This issue is raised as a minor NCR as it was not found to be a systematic issue to RFM, but isolated occurrences. Also, the Decree 689, does not mention small streams less than 5 meters wide – however this issue is something that carries a risk of non-compliance. (see the technical guidelines for decree 689 section 4.6.2.1.)	
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>
Timeline for Conformance:	12 months from report finalisation date.
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	09/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) v2, Annex 1, Requirement 1.4.7</p> <p>Field inspection shall confirm that all harvesting restrictions given in the harvesting permit are observed such as buffer zones, protected trees, placement of logging trails etc.</p> <p>and 3.1.5:</p> <p>Tree species or selected trees found within the FMU for which felling is prohibited shall be marked in the field.</p>	
Description of Non-conformance:	<p>The prescriptions concerning the marking of protected trees on field is not fully observed. Only few protected trees are marked in a manner to be identified clearly as protected. The inventory map does not give information about the localization of protected species and crop trees as recommended by the article (58) of the Decree N° 689/PR/MEFEPEPN of the 24th August 2014 about the forest management technical requirement and norms for the productive forest areas in Gabon and it's very difficult on field to find these trees.</p> <p>However, in the field it was observed that protected species was in fact not cut – the auditors did not encounter any protected logs or stumps. The NCR is Minor as the issue is considered to not fully meet planning requirements and thus may involve a risk of actually harvesting protected species, even if this was not observed.</p>	
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i> <i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>	
Timeline for Conformance:	12 months from report finalisation date	

Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	10/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 3.3.3. Environmental restrictions shall be followed in the field, such as requirements related to soil damage, buffer zones, slope gradient limitations, retained trees, seasonal restrictions etc.	
Description of Non-conformance:		
The field-base observations demonstrate that:		
<ul style="list-style-type: none"> - For the CFAD RFM1 and the UFA RFM GSEZ Ntem, due to the general hilly landscape, the skidding operations are causing a lot of damages on soil that can lead to rainfall erosion problems. 		
This issue seems not to be fully in compliance with decree N° 689/PR/MEFEPEPN and the National Technical Guide for the Development and Management of State Forests complements Decree 0689 / PR / MEFEPEPN of 1 December 2004 defining the technical standards for the management and sustainable management of registered productive State forests, but also was only encountered in isolated instances.		
Also the Technical Guide sections 4.6.4.4 and 4.6.3.2 does mention that skidding have to be done according to the most optional route, be less than 4.5 m wide and should be straight, but no specific requirements for skid trail implementation seems to exist in the law or guides.		
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>	
Timeline for Conformance:	12 months from report finalisation date	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	11/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 3.3.4:	

	Environmental requirements related to forest management and plantation establishment such as legal requirements for road construction, management of watercourses, use of fire, use of chemicals, fuel use and storage, limitations of conversion etc. shall be adhered to.
Description of Non-conformance:	
The field-base observations demonstrate that:	
<ul style="list-style-type: none"> - The roads and log landings are not subject to detailed planning before creation and that may cause of damage on remaining forest; - RFM does not have a clear system to manage fuel and lubricant waste. 	
This issue seems not to be fully in compliance with decree N° 689/PR/MEFEPEPN and the National Technical Guide for the Development and Management of State Forests complements Decree 0689 / PR / MEFEPEPN of 1 December 2004 defining the technical standards for the management and sustainable management of registered productive State forests.	
The NCR issued here is minor as RFM does plan roads and log landings in their management plans (POAs), however it was found in some instances that the maps in the plans did not correspond with the actual placement in the forest. See Article 42 of Decree 689, which gives some indications that the implementation of the road network and log landings should also be done according to the situation on the ground.	
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>
Timeline for Conformance:	12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	12/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 3.4.1. Occupational health and safety requirements shall be observed by all personal involved in forest management/harvesting activities	
Description of Non-conformance:		
During the field visit, the audit team has found that none of the employees interviewed was wearing their Personal Protective Equipment (PPE) during the fieldwork. After investigation this is due to the fact that for about a year, RFM have ordered PPE from Malaysia and the material hasn't reached the Gabon till date.		
No distribution hub of PPE is available to prove that these materials were provided to workers, but the material has arrived in Gabon and is ready for distribution.		
Corrective action request:	<i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i>	

	<i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i>
Timeline for Conformance:	12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	13/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 3.4.3 Evidence of legally required training and certifications	
Description of Non-conformance:		
<p>RFM haven't yet organized trainings for technical staff involve in logging activities. The required training is concerning the Reduce Impact Logging (RIL) procedures. RFM are in discussion with the local representatives of the Ministry of forest at the level of Oyem and Mitzic to obtain a technical support to improve the practices at the forest level.</p> <p>For the health and safety trainings, the audit team hasn't got evidences of training of forest employees on health and safety issues as required by the article (201) of the labour code N°3/94 of the 21th November 1994. However, some awareness sessions on first aid techniques have been realized but no report is available.</p>		
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>	
Timeline for Conformance:	12 months from report finalisation date	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	14/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 4.2.1:	

	Stakeholder consultation shall confirm that legal requirements related to Free, Prior and Informed Consent were observed where third-parties' rights have been relinquished to a third party.
Description of Non-conformance:	
<p>The only legal requirement is the signing of an agreement called "Cahier de Clauses Contractuelles (CCC)-Contractual Clauses Agreements" (specified at articles (39) and (40) of the forest law) containing particular agreements between RFM and local communities for every AAC. The contents of this agreement are defined by the Order N° 105/MFEPRN/SG/DGF/DDF/SACF.</p> <p>RFM has started to conform to this requirement of the law and one CCC is already signed with local communities of the AAC 5 of CFAD RFM1. However, not all CCC has been signed.</p>	
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>
Timeline for Conformance:	12 months from report finalisation date
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	15/18	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	NC-STD-01 NEPCon Generic CoC Standard (1.2)	
Description of Non-conformance:		
<p>RFM manages only one sawmill and a kiln drying facility in Nkok. As the assessment scope includes all forest sites under the direct management of RFM and RFM GSEZ, and RFM is not purchasing logs from other sources, there is no need for RFM to implement a CoC system in their sawmill, unless RFM2 have to be excluded from the scope – See NCR 15/18.</p> <p>As RFM 2 must be excluded from the scope, RFM will be required to exclude timber from RFM 2 from the scope and thus implement a system to separate logs from RFM 2 from timber from the other areas in their production in Lalara. In this case RFM shall be required to meet the CoC requirements of this checklist.</p>		
Corrective action request:	<p><i>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</i></p> <p><i>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</i></p>	
Timeline for Conformance:	Prior to inclusion in the scope of certification any timber harvested in RFM2. And before start harvesting activities in the RFM2 even if is not included on the scope of certification.	

Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Observations

Observations (Obs) are issued for the early stages of a problem which does not in and of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the Organisation or where general improvements may be made. Where applicable, all observations are shown below:

Observation #:	01/18
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 4.1.1 Stakeholder consultation shall confirm that customary rights are observed during forest management/harvesting activities.
Description of Observation: Interviews with local communities show that the cartographies of land uses inside the CFADs of RFM has not been conducted in a participatory way and the maps realized doesn't represent the field reality.	

Observation #:	02/18
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 1, Requirement 3.1.5 Tree species or selected trees found within the FMU for which felling is prohibited shall be marked in the field.
Description of Observation: Regarding the species "Kevazingo" (<i>Guibourtia tessmannii</i>), which became fully protected from harvesting on the 23 rd February 2018. RFM still have Kevazingo logs in storage, awaiting potential approval to market these already harvested logs. RFM have provided the government with overview of the relevant volumes still in stock. It should be evaluated if the sale of this species is consistent with the volumes in stock.	

Observation #:	03/18
Standard & Requirement:	LegalSource Standard (LS-02) v2, Requirement 2.2 The appointed person/position shall have sufficient authority and resources to ensure that requirements are met.
Description of Observation: Max Changha refers to the senior management of the company. As such Max Changha has the ability to ensure instructions are implemented through the management structure. It should be noted that it was found on some occasions that Max did not seem to be able to make independent decisions and therefore is dependent on the management for most actual decisions.	

Observation #:	04/18
Standard & Requirement:	LegalSource Standard (LS-02) v2, Annex 2, Requirement 2.2.4 Sales prices shall be in line with market prices.
Description of Observation:	
<p>RFM sells timber only through the company Techwood located on Labuan in Malaysia. Apparently there is no legal connection between RFM and Techwood – the two companies are separate legal entities.</p> <p>There is no evidence that the sales prices received by RFM are below what could be considered normal market prices.</p>	

D. Checklist for Group and Multi-site Certification (CONFIDENTIAL)

(NC-STD-02, NEPCon Generic Group and Multi-Site Standard)

E. LegalSource Due Diligence Checklist (CONFIDENTIAL)

(LegalSource standard (LS-02) requirements 1 – 9)

F. Legal Compliance at the Forest Level (CONFIDENTIAL)

(LS-02 NEPCon LegalSource Standard, Annex 1)

G. Legal compliance in the supply chain (CONFIDENTIAL)

(LS-02 NEPCon LegalSource Standard, Annex 2)

H. Chain of Custody (CoC) (CONFIDENTIAL)

(NC-STD-01 NEPCon Generic CoC Standard)

Appendix 1: Exhibit List (CONFIDENTIAL)