



LegalSource™ Audit Report for Gabon Wood Industries (GWI)

Annual audit 2023

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A. Introduction

The purpose of this report is to document conformance with the requirements of the LegalSource standard by **Gabon Wood Industries (GW)** 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	
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Jurisdiction of primary legal entity:	République du Gabon Republic of Gabon
Primary Activity	Logging, Trade, primary, secondary and tertiary processing
Description of Organisation:	<p>The forestry company Gabon Wood Industries (GWI) is a public limited company (SA) under Gabonese law and Malaysian interests, whose head office is based in Libreville in the Republic of Gabon. It shares its headquarters with Bois et Scierie du Gabon (BSG) with a joint Managing Director.</p> <p>Gabon Wood Industries (GWI) was created in 2012. In June 2013, the company signed a contract with OLAM/GSEZ to acquire 12.05 ha in the special economic zone of Nkok, and 405,000 ha of forest permits in the province of Ngounié.</p> <p>GWI is a company that carries out logging, wood product processing and trading activities. It has primary, secondary and tertiary processing facilities and warehouses for finished products in Libreville in the NKOK Special Economic Zone.</p> <p>The company has obtained forest concessions from the Gabonese Government in accordance with the legal provisions in force. These Forest Concessions are the Forest Concession under Sustainable Management (CFAD) GWI 1, GWI 2 and GWI 3.</p> <p>The forests of the GWI company are located in the provinces of Estuaire, Moyen Ogooué, Woleu-Ntem and NGOUNIE. These forests are divided into three UFAs: UFA GWI1 MOUILA, UFA GWI2 ALEMBE and UFA GWI3.</p>

	<p>The CFAD GWI1 MOUILA is located in the province of Ngounié whose capital is MOUILA and has a processing unit dedicated to logs from this concession installed in the village of Mokabo.</p> <p>CFAD GWI2 is located in the provinces of Ngounié, Estuaire , Woleu-Ntem and Moyen-Oogoué. Logs from this concession are processed in the factory of a GWI partner company called Bois et Scierie du Gabon (BSG) located in the village of Otouma. The processing of GWI logs in the BSG factory in Otouma is done on the basis of an industrial contract between the 2 companies.</p> <p>CFAD GWI3 is in the estuary provinces. The logs from this concession are processed in a separate factory built around the concession.</p> <p>However, as part of the current audit, only CFAD GWI1 and GWI2 are included in the scope of the certificate as requested by the company because CFAD GWI3 is still in the process of approving its development plan.</p> <p>The GWI and contractor forest workers are installed in advanced camps in the forest used for the entire period of operation of the AACs. Gabonese workers are given 05 days of rest per month with their families.</p> <p>The base camp currently inhabited by company personnel, including Gabonese and expat workers (primarily from Asia), is the BILENGUI camp located inside CFAD GWI1 MOUILA and in the village of the same name located on the outskirts of the concession.</p> <p>Only the employees of the MOKABO sawmill are permanently installed in the main base camp built in the vicinity of the sawmill.</p> <p>The 2 sites work independently given the surface area of the AACs and are managed by two teams based inside the CFAD.</p>
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Certificate Scope	
Certificate Type	<input checked="" type="checkbox"/> Single site certificate <input type="checkbox"/> Group/ Multi-site certificate
Standards Evaluated:	<input checked="" type="checkbox"/> LegalSource Standard (LS-02) V2-1 <input checked="" type="checkbox"/> NEPCon Generic Chain of Custody Standard (NC-STD-01) <input type="checkbox"/> NEPCon Generic Group & Multi-Site Standard (NC-STD-02)
Product scope:	<p>Roundwood and products (EUTR 4409, EUTR 4403, EUTR 4407)</p> <p>W1 Rough wood W1.1 Roundwood (logs)</p> <p>W5 Solid wood (sawn, chipped, peeled) W5.1 Flitches and boules (Plots) W5.2 Solid wood boards (Débités) W5.3 Beams (poutres) W5.4 Planks W5.7 Raw wood for parquet flooring (Parquet)</p> <p>W6 Products from planing mill W6.1 Dimensional lumber, finished (produits rabotés, finis) W6.2 Non-dimensional timber and lumber (produit rabotés, non final)</p> <p>W9 Engineered wood products</p>

	<p>W9.1 Finger jointed wood W9.6 Glued laminated timber (GLULAM) (Lamellés-Collés)</p> <p>W13 Outdoor furniture and gardening W13.5 Decking and garden sleepers (Decking)</p> <p>Essences principales/ Main species:</p> <p><i>Khaya anthotheca</i> (Acajou); <i>Lophira alata</i> (Azobé); <i>Mitragyna ciliata</i> (Bahia) <i>Nauclea diderrichii</i> (Bilinga) <i>Guarea cedrata</i> (Bossé Claire); <i>Piptadeniastrum africanum</i> (Dabema) <i>Lovoa trichilioides</i> (Dibétou); <i>Azalia bipindensis</i> (Doussié); <i>Milicia excelsa</i> (Iroko); <i>Entandrophragma candollei</i> (Kossipo); <i>Distemonanthus benthamianus</i>(Movingui) <i>Cylicodiscus gabunensis</i> (Okan) <i>Aucoumea klaineana</i> (Okoume) <i>Dacryodes buettneri</i> (Ozigo) <i>Pterocarpus soyauxii</i> (Padouk rouge); <i>Swartzia fistuloides</i> (Pau rosa) <i>Entandrophragma utile</i> (Sipo); <i>Erythrophleum ivorense</i> (Tali); <i>Pericopsis elata</i> (Afrormosia)</p> <p>Essences de promotion/ promotionnal species</p> <p><i>Monopetalanthus heitzi</i>(Andoung) <i>Berlinia confusa</i> (Ebiara) <i>Sindoropsis letestui</i> (Gheombi) <i>Testulea gabonensis</i> (Izombe) <i>Staudtia kamerunensis</i> (Niové) <i>Dialium pachyphyllum</i> (Omvong) <i>Guibourtia ehie</i> (Ovang-kol)</p>
Changes to certificate scope since last audit:	None
<p>Certificate Sites or Group members</p> <p><input type="checkbox"/> In place of below table, details are found in Exhibit [ENTER NUMBER OF EXHIBIT]</p>	
Site 1:	
Site name:	GABON WOOD INDUSTRIES (CFAD GWI 1)
Site Address/ Tel/Web/Email:	Same as information above.
Site Activity:	Forest Manager
Product Scope:	EUTR 4403 Logs
Site visited during audit:	<input checked="" type="checkbox"/>
Site 2 :	

Site name:	GABON WOOD INDUSTRIES (MOKABO SAWMILL)
Site Address/ Tel/Web/Email:	Same as information above.
Site Activity:	Primary Manufacturer
Product Scope	EUTR 4409 Solid wood EUTR 4407 Dimensional and non-dimensional lumber and timber
Site visited during audit:	<input checked="" type="checkbox"/>
Site 3	
Site name:	BOIS ET SCIERIES DU GABON (OTOUMA SAWMILL)
Site Address/ Tel/Web/Email:	Same as information above.
Site Activity:	Primary Manufacturer
Product Scope	EUTR 4409 Solid wood EUTR 4407 Dimensional and non dimensional lumber and timber
Site visited during audit:	<input checked="" type="checkbox"/>
Site 4 :	
Site name:	GABON WOOD INSUSTRIES (GWI) - Nkok facility-Gabon Special Economic Zone (GSEZ)
Site Address/ Tel/Web/Email:	Same as information above.
Site Activity:	Primary Manufacturer , Secondary Manufacturer
Site Activity:	Drying, third processing (furniture manufacturing)
Product Scope	EUTR 4403 Logs
Site visited during audit:	<input checked="" type="checkbox"/>

Evaluation Process	
Audit team:	Gabriel Bolton, Lead Auditor, Bachelor of Science in Forestry from the University of Vermont (1996). Over 10 years of experience working as a forester in the Northeastern US with more than 20 years of experience related to forest certification. Employed by Rainforest Alliance since 2006 and currently is Preferred by Nature's Senior Technical Advisor, Forestry, Gabe serves as global

	<p>technical expert for forest management certification. Gabe is a senior auditor and has participated in more than 45 audits and assessments in 18 countries on six continents in addition to completing CoC and FM Lead Assessor Training.</p> <p>Steve NGAPOUT MOUNCHIKPOU, Auditor</p> <p>Steve is a Cameroonian forestry engineer with experience in logging companies in tropical areas, where he worked as a sustainable manager of Forest Management Units (UFA) and as an internal auditor to prepare companies for external audits certification (OLB, LegalSource and FSC) in companies in Cameroon, the Democratic Republic of Congo and the Central African Republic.</p> <p>Steve also completed FSC FM and CoC auditor training several years ago and is currently undergoing a re-qualification process to the FSC Standard. He has also participated to date in a few third-party audits as auditee and then auditor, by and on behalf of several Certification Bodies (Ra-cert, Nepcon and Bureau Véritas).</p> <p>Steve is currently the Central Africa Representative of Preferred By Nature responsible for certification, marketing and project development, since August 2021</p> <p>Protet Judicael ESSONO ONDO, Technical expert,</p> <p>Protet is a Gabonese forest engineer specializing in rural development since 2004 from the University of Bobo-Dioulasso (Burkina Faso) and has developed a wealth of experience in natural resource management, support for civil society and community organizations.</p> <p>After working at Rougier Gabon (CFAD de l'Ogooué-Ivindo) in 2006, he joined the Gabonese NGO Brainforest as Project Manager in 2007 then Program Coordinator from 2009 to 2017, and also Coordinator of the Company's Platform Gabonese civilian "Gabon Ma Terre Mon Droit (GMTMD)" (from 2011 to January 2018).</p> <p>Since 2017, Protet has been a freelancer and formalized the creation of the Cabinet ESSONO ONDO pour le Social et l'Environnement (CEO-SE) in 2019. He has followed several training courses related to sustainable forest management, FSC certification by WWF Gabon in 2018 and is a member of the Forum for the development of new PAFC Congo Basin certification standards.</p>
<p>Description of Audit Process:</p>	<p>The 2023 annual LegalSource Audit for GWI commenced on 2 June 2023 with an opening meeting at the Mouila base camp, CFAD-GWI 1 – Mokabo:</p> <p>2 June 2023:</p> <ul style="list-style-type: none"> - Opening meeting - Interviews with staff and document reviews - Site visits to infirmary, camp Economat, worker housing and worker interviews - Consultation with local villages near CFAD GWI 1. - Daily debrief with GWI <p>3 June 2023:</p> <ul style="list-style-type: none"> - Forest operations inspection in CFAD GWI 1, review planning of forest operations and environmental preception activities. - Review human resources and personnel files.

	<ul style="list-style-type: none"> - Consultation with local villages near CFAD GWI 1 - Daily debrief with GWI <p>4 June 2023 (Sunday)</p> <ul style="list-style-type: none"> - Document review <p>5 June 2023</p> <ul style="list-style-type: none"> - Evaluation of chain of custody at Mokabo mill, waste disposal, workshop and supply room. - Review quality management and due diligence requirements - Stakeholder consultation in Mouila, CNSS office, Labor Department, Forestry Department. - Daily debrief with GWI <p>6 June 2023</p> <ul style="list-style-type: none"> - Travel from Mouila to Libreville – Nkok facility - Interviews with worker representatives - Review and accident records and H&S committee records. <p>7 June 2023</p> <ul style="list-style-type: none"> - Consultation with Libreville stakeholders; Labor Department, Forestry Department, Environment. - Document review and interview with Libreville staff - Nkok site: review general management, interview with human resources and representatives of subcontractors. - Chain of custody evaluation - Daily debrief with GWI <p>8 June 2023</p> <ul style="list-style-type: none"> - Document review and interviews - Preparation for closing meeting - Closing meeting.
Actions taken by Organization prior to report finalization:	None
Notes for the next audit:	See below
Areas difficult to evaluate.	<p>One case was identified where an Indonesian worker at the Nkok mill quit his job and made his way to Libreville. After failed attempts to retrieve his passport for GWI office he solicited help from the Indonesian consulate. The auditors were shown a letter signed by Indonesian Ambassador written to the Gabon Department of Labor requesting help to get the passport back from GWI as all of their efforts to do so had failed. The Labor Agent informed the auditors that he was turned away at the GWI office gate when he went to the office and was only allowed access when he returned with the police. GWI indicated that the officials from the Indonesian Consulate, and the Department of Labor were turned away because they lacked proper identification and documentation stating their official business with GWI. Auditors were not able to verify these statements from either party at the time of the audit. The issue of restricting access to relevant authorities on official business will continue to be a focus of evaluation during subsequent audits if and when GWI's LegalSource certificate is reinstated.</p>

C. Audit Findings

Audit Conclusion:	
Organisation approved:	<input type="checkbox"/>
Organisation not approved: Major non-conformances(s) issued - Immediate suspension required	<input checked="" type="checkbox"/>
Additional comments: The audit resulted in 10 Major NCRs, which represents a fundamental failure of management systems in relation to compliance with the LegalSource requirements.	

Non-Conformances and

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 #:	10/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 2.1.1, 2.1.3 and 2.1.4</p> <p>2.1.1 Evidence shall exist for payments of harvesting-related royalties, taxes, harvesting fees, area taxes and other charges.</p> <p>2.1.3 Organisation shall be current with all applicable taxes and fees related to the maintenance of the right to harvest/manage the forest.</p> <p>2.1.4 Authorities shall confirm that operation has paid all applicable fees</p>	
Description of Non-conformance:		
<p>Pour le paiement de la taxe de superficie due en 2021, l'entreprise a reçu un accord de moratoire N° 000587 pour le paiement d'un montant global de 323 695 200 FCFA suivant un échéancier de 8 tranches. En se référant au document GWI LAND TAX 2021 mis à disposition de l'équipe d'audit, constitué de 05 quittances, un total de 173 260 700 millions CFA a été payé par l'entreprise GWI pour la taxe de superficie due en 2021.</p> <p>En revanche il en ressort que l'entreprise reste redevable d'un reliquat de 150 434 500 F CFA. Pour le montant restant, l'entreprise GWI a initié suivant la lettre REF.OC/LBV/GWI/2021/503 du 4 novembre 2021, une demande de compensation avec la TVA sur un montant de 4 milliards environ, qui n'avait pas encore abouti au moment de l'audit.</p> <p><i>For the payment of the surface tax due in 2021, the company has received a moratorium agreement No. 000587 for the payment of a total amount of 323,695,200 FCFA following a schedule of 8 installments. Referring to the GWI LAND TAX 2021 document made available to the audit team, consisting of 05 receipts, a total of 173,260,700 million CFA was paid by the GWI company for the area tax due in 2021.</i></p> <p><i>On the other hand, it appears that the company remains liable for a balance of 150,434,500 CFA francs. For the remaining amount, the GWI company initiated, following letter</i></p>		

REF.OC/LBV/GWI/2021/503 of November 4, 2021, a request for compensation with VAT for an amount of approximately 4 billion, which had not still been successful at the time of the audit.

2023 findings:

For the payment of the surface tax due in 2021 and 2022, the auditors were able to consult the payment receipts for these two years, with a balance due of 51,937 FCFA for 2022 (documents "GWI LANDTAX 2021" and "GWI LANDTAX 2022").

But regarding the 2023 surface tax, the company submitted a request for a moratorium at the end of the required payment period, on March 30, 2023 (document "LANDTAX 2023") for monthly payments of 18,921,700 FCFA over a 12-month schedule. But at the time of the audit, the tax administration's response was not available. Notwithstanding the absence of a response from the tax administration, the company made 2 payments (27/04/2023 and 11/05/2023) for a total of 37,843,400 FCFA and it remains liable for a balance of 189,217,000 FCFA.

Based on these findings this NCR is raised to a major NCR.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	12/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 3.1.7 Forest management activities shall be conducted in accordance with approved plans and legislation.	
Description of Non-conformance:		
<p>L'entreprise a élaboré des plans d'aménagement pour ses concessions forestières, ils prévoient les actions à mener en matière de protection de la faune. Pour garantir protection de la faune, l'entreprise a signé une convention avec l'administration forestière en vue de mener des actions de lutte anti-braconnage sur le terrain en 2020 pour la CFAD GWI 1.</p> <p>Toutefois de l'analyse documentaire des rapports de mission conduites dans les deux CFAD de GWI 1 et GWI 2, l'entretien avec l'administration locale, il en ressort que l'entreprise qu'une seule mission de sensibilisation a été effectuée en octobre 2021 pour le compte de la CFAD GWI 1. En revanche depuis le début de l'exercice 2021, aucune mission de lutte anti-braconnage n'a été menée sur le terrain en vue de faire un état de la situation du braconnage et effectuer des actions de répression dans leur concession forestière GWI 1.</p> <p>Pour le compte de la CFAD GWI 2, l'entreprise ne dispose d'un plan de protection de la faune, elle n'est encadrée par aucune convention et au cours de l'exercice 2021, aucune mission de lutte anti-braconnage n'a été conduite dans cette concession forestière.</p> <p><i>The company has developed management plans for its forest concessions, they provide for actions to be taken in terms of wildlife protection. To guarantee wildlife protection, the company has signed an agreement with the forestry administration to carry out anti-poaching actions in the field in 2020 for CFAD GWI 1.</i></p>		

However, from the documentary analysis of the mission reports conducted in the two CFADs of GWI 1 and GWI 2, the interview with the local administration, it appears that only one awareness mission was carried out by the company in October 2021 for CFAD GWI 1. On the other hand, since the start of the 2021 financial year, no anti-poaching mission has been carried out in the field with a view to assessing the poaching situation and carrying out repressive actions in their GWI 1 logging concession.

For CFAD GWI 2, the company does not have a wildlife protection plan, it is not governed by any agreement and during the 2021 financial year, no anti-poaching mission was carried out. been conducted in this forest concession.

2023 findings:

During the assessment of the evidence provided by the company, it emerged that for the GWI 1 CFAD: An agreement was signed with the Dola cantonment (Ndendé) in November 2022, covering the GWI 1 CFAD and mainly the Ndendé, Lebamba and Moula block (AAC 2020, 2021, 2022). It reviews 04 AML missions in 2023 and one in 2022. A single anti-poaching mission was carried out with water and forestry officers.

An internal mission was carried out in UFG 5 in the agricultural series in May 2023, and in UFG 1 in the Ndendé zone in April 2023. Signs boards have not been put in place in the CFAD access zones. During this mission, it was recommended that board to be put in place.

A mission was carried out in March 2023 in AAC 3 of GWI 1's UFG 1 to monitor mammals, but this was delayed compared with the work plan due to the availability of vehicles. At the end of this mission, it was recommended that a control barrier also be put in place in March to limit access, given the existence of a conservation series and protected species in the area. The team was also able to carry out unannounced inspections at the Mokabo workers' camp during April 2023. However, no missions have been carried out on UFGs 2, 3 and 4 since the May 2022 mission to Mbigou and Malinga, let alone since the start of the 2023 financial year. During the mission, residents and the monitoring team also noted signs of the presence of protected species in the area.

During the field visit, it was observed that the company had not yet set up a barrier to control access to the CFAD in the Ndendé area, and the work plan does not provide for LAB missions in the area, nor does it have an agreement with the Boumi Louetsi (Mbigou) cantonment.

There is an agreement with the Mouila provincial water and forestry delegation for anti-poaching missions. The last mission took place in 2022, and no mission has yet been carried out for 2023.

As for CFAD GWI 2, the company still does not have a PPF for this CFAD. An agreement was signed with the Direction provinciale des Eaux et foret du moyen Ogooué in May 2023. It covers the GWI 2 CFAD province-wide; the annual work plan provides for 01 mission every quarter. A mission was scheduled for 22 to 24 May 2023. It was carried out and involved 03 administrative staff and some company representatives. The mission focused mainly on raising awareness within communities. The company was unable to provide internal mission reports as part of its internal monitoring of CFAD GWI 2.

Analysis of the actions taken by the company did not allow the non-conformity to be closed, and it is requalified as a major non-conformity.

This NCR is upgraded to a Major NCR.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	14/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 3.4.2</p> <p>Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the Organisation.</p>	
Description of Non-conformance:		
<p>Il a été observé que certains EPI requis par l'étude de danger étaient absents chez certains travailleurs. Le port des EPI n'était pas systématique et la procédure de gestion des EPI n'est pas suffisamment mise en œuvre (pas de port de pantalon anti-coupure, le port des bottes simples par certains tronçonneurs, les gants des opérateurs d'hydrocarbures ne sont pas adaptés).</p> <p>Aussi les pictogrammes et consignes de sécurités mis en place au niveau du garage, pour l'indication des EPI requis par poste de travail / Zone à risque et consignes de sécurité ne correspondent pas aux besoins de l'étude de risque/au type de danger spécifique au poste de travail.</p> <p><i>It was observed that certain PPE required by the hazard study were absent in some workers. The wearing of PPE was not systematic and the PPE management procedure is not sufficiently implemented (no wearing of cut-resistant trousers, the wearing of simple boots by certain chainsaw operators, the gloves of hydrocarbon operators are not suitable).</i></p> <p><i>Also the pictograms and safety instructions put in place at the level of the garage, for the indication of the PPE required by workstation / Risk zone and safety instructions do not correspond to the needs of the risk study / to the type of danger specific to the workstation.</i></p> <p>2023 Findings:</p> <p>PPE Management PRO-GWI-001 annexes 1 and 2 does not include all PPE specified in Etude des risques par poste de travail section forêt 2022-a, therefore, no minimum inventory to trigger order or amount to order is included in procedure for critical PPE, e.g., cut proof trousers, anti-vibration gloves and feller chainsaw helmets with mask/earmuffs. At time of inspection there was only one pair of anti-vibration gloves in stock and no cut proof trousers. Since January only 2 pair of cut proof trousers have been inventoried and distributed and 10 pairs of anti-vibration gloves. Cut proof trousers were ordered by the store clerk in February, March and April and none have been delivered as of date of audit. With the exception of March and April safety boots have been nearly out of stock since January. Lesser used but important PPE, such as welder helmet/gloves are not included in PPE tracking file.</p> <p>Per procedure and interview with Storeroom manager, replacement PPE is only provided when old PPE is returned (with exception of lost equipment). When question how forest workers in remote base get replacement PPE auditor was informed the worker of their supervisor needs to bring it to Mouila base for exchange. Workers rarely return to Mouila base and if supervisors return equipment that means the worker is performing work without required PPE. Auditors visit to forest found that the required PPE was not being used by all workers. Chainsaw operators did not have cut proof trousers, anti-vibration gloves or proper safety shoes. In the workshop area of the main camp, a worker was observed welding without required PPE. He was not wearing gloves, welder helmet or goggles. All workers around sawmill, workshop and fuel/chemical station were observed wearing disposable paper masks, while "Etude des risques par poste de travail section forêt 2022-a", specifies wearing type ffp2 or type ffp3 mask depending on job.</p> <p>Based on these findings this NCR is raised to a major NCR.</p>		
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>	
Timeline for Conformance:	Prior to reinstatement of the audit.	

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

Non-Conformance #:	15/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 3.5.1</p> <p>If legally required, persons involved in forest management/harvesting activities shall be employed under a formal contract.</p>	
Description of Non-conformance:		
<p>Au moment de l'audit, des listings épars d'une partie du personnel immatriculé ont été présentés ainsi que des demandes d'immatriculation d'une autre partie du personnel. Mais il n'existe pas un fichier unique à jour de tout le personnel immatriculé.</p> <p>L'archivage des dossiers des employés doit être amélioré et les dossiers du personnel doivent contenir tous les éléments constitutifs requis par les textes en vigueur (copies du contrat, de la fiche de poste, des cartes d'assurances sociales, fiches d'évaluation des employés...).</p> <p>Il existe une procédure de recrutement et des fiches de postes mais il y a nécessité que les copies des contrats des employés fournis par les sous-traitants soient aussi disponibles auprès de GWI pour pouvoir être examinés lors des audits afin que le respect des dispositions légales liées aux travailleurs de ces sous-traitants puisse être vérifié.</p> <p><i>At the time of the audit, scattered listings of part of the registered staff were presented as well as requests for registration of another part of the staff. But there is no single up-to-date file of all registered personnel.</i></p> <p><i>The archiving of employee files must be improved and personnel files must contain all the constituent elements required by the texts in force (copies of the contract, the job description, social insurance cards, evaluation sheets of employees...).</i></p> <p><i>There is a recruitment procedure and job descriptions, but it is necessary that copies of employee contracts provided by subcontractors are also available from GWI so that they can be examined during audits so that compliance with the related legal provisions to the workers of these subcontractors can be verified.</i></p> <p>2023 Findings:</p> <p>At the time of the audit, the Excel file "LS AUDITORS" provided by the company to the auditors presents for GWI Mokabo staff of:</p> <ul style="list-style-type: none"> • 9 local GWI employees on fixed-term contracts • 45 employees provided by the service provider (subcontractor) Emmanuel Services (ES) and 115 employees provided by the second provider, Seven Consulting Wood (7CW), all on fixed-term contracts. <p>On the sampling of workers' files done by the auditors at GWI Mokabo:</p> <ul style="list-style-type: none"> • only 3 out of 6 7CW files were provided and all 3 were incomplete: no contracts, no pay slips; • for ES, 6 out of 8 files were provided, of which 3 were still in the ES workforce and the contracts of the other 3 had already been finalized since January 2023. 		

At GWI Nkok, the company presented listings of three service providers with:

- Herbert Services Management (HSM): 40 employees,
- Green Horizon (G-Ho): 10 employees,
- Louis Consulting Services (LCS): 40 employees
- While most of the employee files consulted are fairly well maintained with most of the contracts and pay slips relating to them, we still found that several foreign (African) employees did not have residence cards in their files, which makes them illegal workers.

The archiving of employee files (GWI and contractors) is still deficient with the majority missing some constituent elements required by the texts in force (copies of the contract, the job description, social insurance cards, employee evaluation sheets, certificates of leave, etc.). Similarly, the Employer Register (art.295 of the Labour Code) for GWI Mokabo, signed on 14 April 2023 by the Provincial Director of Labour of Ngounié is not up to date because not only is it not normally filled in as it should, but in addition, there are differences with the Excel file of the staff provided by GWI to the auditors.

In addition, whether in Mokabo or Nkok, the examination of the legal files of GWI subcontractors shows that not all have professional approvals related to the purpose of their services even if for the most part, it was only in March 2023 that applications for professional approvals were sent to the Ministry of Forests. At the time of the audit, no claimants had received a response from the Ministry of Forestry.

Contracts for Asian expat workers are not in compliance with Gabon labor code. Work contracts indicate workers are available for work 24/7. Some contracts indicate that regular work week is 6.5 days per week. Annual leave is not earned and allowed to be taken after 12 months of employment. All expat workers are required to surrender their passports to GWI. Passports are kept locked in a safe in Libreville and not available to the worker until the end of their two-year contract. Taking workers passports is a violation of Gabonese law as confirmed by Department of Labor agent. Interviewed staff indicated the only holidays recognized are, Gabon National Day, Labor Day and Christmas day.

Based on these findings this NCR is raised to a major NCR.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	16/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 3.5.2 Persons involved in forest management/harvesting activities shall be covered by obligatory insurances.	
Description of Non-conformance:		
Bien que le service du personnel de GWI déclare que le personnel GWI et des sous-traitants sont couverts par la CNSS et la CNAMGS et que des procédures de demandes d'immatriculation sont en cours, la consultation de la documentation fournie montre qu'une grande proportion du		

personnel n’était pas encore assuré ni à la CNSS, et encore plus à la CNAMGS (grande majorité) au moment de l’audit. Tous les employés des sous-traitants qui étaient des journaliers viennent de passer en CDD après recommandations de GWI.

Les preuves de paiements des créances sociales (quittances CNSS seulement pour les sous-traitants) fournies (**Exhibit 6**-Quittances de paiement créances CNSS et CNAMGS 2021) montrent que la grande majorité des employés employés de l’entreprise ne sont pas immatriculés à la CNSS et aucun employé des sous-traitants présents sur le site d’Otouma n’est immatriculé à la CNAMGS.

Although the GWI personnel department states that GWI personnel and subcontractors are covered by the CNSS and the CNAMGS and that registration application procedures are in progress, consultation of the documentation provided shows that a large proportion of staff was not yet insured either with the CNSS, and even more so with the CNAMGS (large majority) at the time of the audit. All the employees of the subcontractors who were day laborers have just switched to fixed-term contracts following recommendations from GWI.

*The proof of payment of social debts (CNSS receipts only for subcontractors) provided (**Exhibit 6**-Receipts of payment of CNSS and CNAMGS 2021 debts) show that the vast majority of employees employed by the company are not registered with the CNSS and no employee of the subcontractors present on the Otouma site is registered with the CNAMGS.*

2023 Findings:

GWI is not registering all workers within eight day of starting employment with CNSS and CNAMGS as required by Gabonese Law. Auditors found that a significant number of GWI and subcontractor workers have not been registered.

For year to date (January – May), GWI was only able to provide auditors with Salary Declaration Reports (SDR) for CNSS and CNAMGS for the first quarter of 2023 for 67 Asian workers. Evidence for first quarter 2023 was also provided for Nkok contractors. GWI was not able to provide auditors with any other updated files of declaration or payment of social contributions (CNSS and CNAMGS) for local GWI workers or the two GWI Mokabo subcontractors. However, from GWI pay slips consulted for some workers, auditors observed that GWI was making deductions of social contributions from workers' wages. This amounts to theft of wages as the contributions are not being made to CNSS and CNAMGS on the workers’ behalf so they will not benefit from these programs.

A comparison of the SDRs available with salary information provided for the employees declared found that GWI is under reporting salaries on declarations (significantly in some cases). When questioned about this discrepancy auditors were told that as a practice GWI only declares portion of salary paid to workers in Gabon and not portion that is paid in their home country. During interview with CNSS officials it was verified that total gross salary is required to be declared for all workers every quarter according to Gabonese regulations.

In addition, from the consultation of the documents provided and the exchanges with the administrations of jurisdiction, it appears that the various service providers have debts with the CNSS and the CNAMGS, and as well as GWI itself which has as of 20/04/2023 an unpaid balance of 102,635,187 FCFA at the time of the audit and a larger unpaid balance with the CNSS which could lead to formal actions to recovery arrears.

As the majority of workers are not registered under CNAMGS not all worker accidents are reported to CNAMGS and Department of Labor as required per regulations.

Based on these findings the NCR is raised to a Major NCR.

Corrective action request:	L’entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN

Comments (optional):	
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Non-Conformance #:	18/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section I-Chain Of Custody Criterion 1.2</p> <p>The Organisation shall develop and maintain documented procedures to ensure compliance with all applicable CoC requirements.</p>	
Description of Non-conformance:		
<p>L'entreprise GWI a mis en place une série de procédure permettant d'assurer la traçabilité du bois de l'inventaire à l'évacuation sur son usine de Mouila. Ce système prévoit entre autres les procédures tels que :</p> <p>La procédure de traçabilité usine PRO- GWI -016 V01 du 10/11/2021</p> <p>La procédure de traçabilité forêt PRO- GWI -015 V01 du 09/11/2021</p> <p>La procédure d'inventaire d'exploitation PRO-GWI-0041 V01 du 10/11/2021 ;</p> <p>La procédure de triage-pistage PRO-GWI-045 V01 du 10/11/2021 ;</p> <p>La procédure d'abattage PRO-GWI-007 V01 du 10/11/2021 ;</p> <p>La procédure de martelage PRO-GWI-008 V01 du 10/11/2021 ;</p> <p>La procédure de débusquage-débardage PRO-GWI-009 V01 du 15/11/2021 ;</p> <p>La procédure de cubage PRO-GWI-010 V01 du 15/11/2021 ;</p> <p>La procédure de roulage PRO-GWI-011 V01 du 15/11/2021,</p> <p>Toute fois la procédure de traçabilité usine présentée à l'équipe d'audit ne permet pas de mettre en œuvre effacement les exigences en matière de traçabilité de bois tout au long de la chaine de contrôle.</p> <p>Parmi les éléments manquant dans cette procédure on peut noter l'absence des postes clés impliqués dans le procédure de traçabilité et leur rôles dans la chaine de contrôle , la méthode de calcul des facteurs de conversion au sein de son usine, les mécanisme d'enregistrement des matières réceptionnées au parc usine et rupture, les mécanismes de séparation physique des matière certifiée et non certifiée, les enregistrements physiques et numériques ne sont pas clairement définis et référencés, l'étape de vente et d'emportage jusqu'à la perte de propriété.</p> <p><i>GW I has implemented a series of procedures to ensure the traceability of timber from inventory to evacuation within its sawmill of Mouila. This system provides, among other things, for procedures such as:</i></p> <p><i>La procédure de traçabilité usine PRO-GWI-016 V01 du 10/11/2021</i></p> <p><i>La procédure de traçabilité forêt PRO-GWI-015 V01 du 09/11/2021</i></p> <p><i>La procédure d'inventaire d'exploitation PRO-GWI-0041 V01 du 10/11/2021 ;</i></p> <p><i>La procédure de triage-pistage PRO-GWI-045 V01 du 10/11/2021 ;</i></p> <p><i>La procédure d'abattage PRO-GWI-007 V01 du 10/11/2021 ;</i></p> <p><i>La procédure de martelage PRO-GWI-008 V01 du 10/11/2021 ;</i></p> <p><i>La procédure de débusquage-débardage PRO-GWI-009 V01 du 15/11/2021 ;</i></p> <p><i>La procédure de cubage PRO-GWI-010 V01 du 15/11/2021 ;</i></p> <p><i>La procédure de roulage PRO-GWI-011 V01 du 15/11/2021,</i></p> <p><i>However, the factory traceability procedure presented to the audit team does not entirely comply with all the applicable CoC requirements. Among the elements missing in this procedure, we can note the absence of key positions involved in the traceability procedure and their roles in the chain</i></p>		

of control, the method of calculating conversion factors within the sawmill, the registration mechanisms of materials received at the factory and logs yard, the mechanisms for the physical separation of certified and non-certified materials, physical and digital recording are not clearly defined and referenced in the procedure.

2023 findings:

At the Mokabo sawmill, the company has revised its traceability procedure and it highlights the actions implemented by the company at each stage of its activities to comply with the requirements of the standard to meet the requirements of the chain of custody. In the new version No. 2, it considers the missing elements observed during the last audit. The analysis of this new procedure makes it possible to find there, for example, that the job and role sheets are indicated at the level of point 4.2 of the traceability procedure. The method for calculating the conversion factor is indicated in section 4.3.9 of the procedure.

The points concerning the mechanisms for recording materials received in the factory and stumping park, the mechanisms for the physical separation of certified and non-certified materials, the physical and digital recording media are clearly defined and referenced, evacuation have also been addressed.

The stages of sale and stuffing until the change of ownership are under the responsibility of the GWI company which is part of the group, and these aspects are addressed in their traceability procedure at the level of the Nkok factory. This procedure also provides for internal audits to monitor the compliance of practices. Awareness campaigns on the new version have been carried out and distributed internally and the personnel involved have a good knowledge of it.

However, at the Nkok plant, the company has not defined a procedure for the use of the LegalSource trademark, the descriptions of the main stages of product transformation, the identification system for certified bundles, the procedure does not specify the element which makes it possible to determine the certification mention of the material used as input. The segregation system described in the procedure does not correspond to the company's practice in the field. The actions taken by the company did not fully cover the Nkok sawmill.

The NCR is upgraded into major.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	20/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section I-Chain Of Custody Criterion 1.5 The Organisation shall maintain records applicable to demonstrate compliance with this standard.	
Description of Non-conformance:	L'entreprise a mis en place un système d'enregistrement physique et numérique des données pour démontrer sa conformité à la norme. Elles remontent à plus de 05 ans et permettent de retracer la matière tout au long de la chaîne de contrôle.	

Toutefois l'entreprise n'a pas mis en place un registre physique pour l'enregistrement des matières au niveau des parcs à bois (Parc scierie Mokabo, parc rupture Mokabo). L'entreprise s'appuie essentiellement sur la base de données numérique pour le suivi des flux de matière en entrée et en sortie ; En cas de bug, destruction de la base de données ou de rupture de courant sur une longue période, il serait impossible d'assurer la traçabilité de bois sur la période requise au niveau du parc rupture.

The company has implemented a physical and digital data recording system to demonstrate compliance with the standard. They go back more than 05 years and make it possible to trace the material throughout the chain of control.

However, the company has not set up a physical register for the recording of materials at the level of the timber yards (Mokabo sawmill park, Mokabo rupture park). The company essentially relies on the digital database to monitor incoming and outgoing material flows; In the event of a bug, destruction of the database or power failure over a long period, it would be impossible to ensure the traceability of wood over the period required at the level of the break.

2023 Findings:

Based on staff interviews, GWI has not set up a physical register for recording materials at the log yard (Mokabo sawmill yard, Mokabo breakage yard).

Analysis of the actions taken by the company did not allow the non-conformity to be closed, and it is **upgraded to a major non-conformity**.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	21/21	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section I-Chain Of Custody Criterion 2.1 The Organisation shall track and segregate products with separate claim categories throughout all processes, including purchasing and receiving, processing, storage and shipping, delivery and sale..	
Description of Non-conformance:		
<p>Au moment de l'audit, tout le bois transformé au niveau de l'usine de Mouila (Mokabo) provenait essentiellement de la concession forestière de la société GWI (CFAD GWI 1). Toutefois à la lecture de la procédure de traçabilité de l'entreprise sur l'usine de Mouila (Mokabo), les auditeurs ont constaté qu'elle n'exclut pas la possibilité que l'entreprise ait des sources d'approvisionnement autres que la CFAD GWI1. A l'analyse de la procédure dans son ensemble et après observations sur terrain les auditeurs ont constaté que l'entreprise ne prévoit pas de mécanismes qui seront mis en œuvre pour limiter la contamination de la matière certifiée par des matières provenant d'origines non certifiées.</p> <p>Au niveau de l'usine d'Otouma appartenant à la société BSG et dans laquelle l'entreprise fait transformer les grumes issues de la CFAD GWI2 localisée dans la même aire géographique que</p>		

cette usine, les grumes de la CFAD BSG Otouma et de la CFAD GWI2 Otouma sont manipulées en même temps sur les mêmes parcs à bois et dans la même scierie.

Lors de la transformation des grumes de la CFAD GWI2 sur le site d'Otouma, les grumes restent la propriété de GWI qui ne fait qu'utiliser les machines de son partenaire technique et commercial la société BSG qui dispose d'une usine de transformation sur le site d'Orouma. Il n'y a pas de changement de propriété des produits (grumes et débités) lors de ce processus de transformation.

La procédure de traçabilité de l'usine BSG Otouma prévoit que l'entreprise puisse s'approvisionner auprès d'autres entreprises mais ne prévoit pas clairement une séparation physique des produits pendant le processus de transformation.

Le risque de mélange de grumes provenant de la CFAD BSG Otouma et de la CFAD GWI2 Otouma est donc réel sur le parc de l'usine BSG d'Otouma et aucun dispositif de ségrégation n'est prévu par la procédure de traçabilité ou mis en place sur le terrain.

Le problème ne se pose pas encore vu que les entreprises partenaires GWI et BSG sont toutes les 2 candidates à la certification LegalSources y compris leurs unités de transformation.

Toutefois, vu que l'entreprise prévoit un éventuel approvisionnement autre que les grumes provenant de ses titres, la procédure de traçabilité usine doit clairement spécifier les actions qui seront mises en œuvre pour assurer la ségrégation des produits provenant de plusieurs origines tout au long du processus de transformation.

At the time of the audit, all the wood processed at the Mouila plant (Mokabo) comes mainly from its forest concession of the company GWI (CFAD GWI 1). However, on reading the company's traceability procedure at the Mouila factory (Mokabo), the auditors noted that it does not exclude the possibility of the company having other sources of supplies other than their forest concession CFAD GWI1. Upon analysis of the procedure as a whole and observation after observation in the field, the auditors noted that the company does not provide for the mechanisms that will be implemented to limit the contamination of the certified material by materials from uncertified origins.

At the level of the Otouma plant belonging to the company BSG and in which the company processes the logs from the CFAD GWI2 located in the same geographical area as this plant, the logs from the CFAD BSG Otouma and the CFAD GWI2 Otouma are handled at the same time on the same log yards and in the same sawmill.

During the processing of CFAD GWI2 logs on the Otouma site, the logs remain the property of GWI, which only uses the machines of its technical and commercial partner, BSG, which has a processing plant on the Orouma site. There is no change in ownership of the products (logs and cuts) during this transformation process.

The traceability procedure of the BSG Otouma factory provides that the company can obtain supplies from other companies but does not clearly provide for the physical separation of products during the transformation process.

The risk of mixing logs from CFAD BSG Otouma and CFAD GWI2 Otouma is therefore real on the park of the BSG Otouma plant and no segregation device is provided for by the traceability procedure or put in place in the field.

The problem does not yet arise since the partner companies GWI and BSG are both candidates for LegalSources certification, including their processing units.

However, since the company foresees a possible supply other than logs from its titles, the factory traceability procedure must clearly specify the actions that will be implemented to ensure the segregation of products from several origins throughout the process of transformation.

2023 Findings:

During the site visit, it was observed that the company's operational staff were not familiar with the simple segregation measures put in place by the company, such as the use of green plates marked "LS" for certified timber and black plates marked "NC" for non-certified timber.

Also, in the storage yards for LS-certified finished products, many packages were found with no information on their contract or contract number. Analysis of the packing list for a sample of bundles, mainly GHG 23, GHF 1 and GHM 07 showed that the type of certification was not

mentioned, nor were the contract and batch numbers. Analysis of the database shows that these packages have no mention of certification. The findings indicate mismatching with the measures put in place by the company to ensure the segregation of certified and non-certified materials within its certification perimeter.

At the Nkok sawmill, physical segregation has not been properly implemented. For example, about identification, the procedure specifies that Legal Source certified packages will be identified by the words "LS Certified material", which is not consistent with the requirements for use of the mark. About spatial separation, certified packages are stored in the same place as non-certified packages. Also, no mention of the contract is made on the production sheets for the production machines. Analysis of the actions taken by the company did not allow the non-conformity to be closed, and it is **raised as a major nonconformance**.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	01/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 1.1 The Organization 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:	<p>The company has presented his policy to the audit team. The policy does not match the requirements of the indicators. It essentially addresses its commitment to responsible sourcing, without referring to its production activities, mainly those related to harvesting, transport, trade processed in violation of applicable national legislation and ratified international treaties.</p> <p>Also, the policy is not endorsed by the company.</p> <p>Major RNC. The NCR is a major as the commitment of the company in the policy statement does not fit with what is required by the standard.</p>	
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>	
Timeline for Conformance:	Prior to reinstatement of the certificate.	

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

Non-Conformance #:	02/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Requirement 1.2</p> <p>1.1 The Organization 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>1.2 The Organization shall ensure the policy is implemented.</p>	
Description of Non-conformance:		
<p>GWI has intentionally violated Decrete n00274/PR/MPH 21 May 2015 and L` arrete n00027 9 April 2019 which established different prices for petrol products for consumers and industry. Through document review and interview with staff, auditors confirmed that GWI fills up log trucks and flatbed trucks used to transport product to Nkok at petrol stations and on return trips, fills 1,000 lt. tanks at petrol stations at consumer price of 585 CAF francs/lt. to supply the camp in Mouila with diesel. The last fuel delivery at industry price at Mouila camp was in February 2023. This is raised as a major nonconformance as it is an intentional violation of law and has been ongoing for at least 4 months.</p>		
Corrective action request:	<p>L`entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p>The company must implement the necessary corrective actions.</p>	
Timeline for Conformance:	Prior to reinstatement of certificate.	
Evidence Provided by Organisation:	PENDING	
Findings for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	03/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource DueDiligence Checklist, criterion 3.1 The Organization shall have written procedures covering all applicable elements of this Standard.</p>	
Description of Non-conformance:		
<p>GWI has presented to the auditors a set of operational procedures (EXh 02). These procedures cover most of the requirements of the standard and ensure the conformity of their practices.</p>		

<p>Most of them were related to the due diligence system, the chain of custody system, forest exploitation, control system of forestry operations, human resources management, external social aspects and overall health and safety measure. Nevertheless, the company was missing a procedure on the trademark use. A non-conformity is issued.</p> <p>The non-conformity is minor as the company has most of the required procedures and there was no failure in the trademark use made by the company.</p>	
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	04/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource DueDiligence Checklist, criterion 4.1 The Organization shall review its due diligence system at a minimum annually, in order to address any weaknesses.</p> <p>NOTE: Internal monitoring shall cover internal entities and group members/sites (where applicable), as well as for any suppliers and sub-suppliers.</p> <p>4.3.4 All non-conformances and corrective actions identified shall be documented.</p> <p>4.3.5 Organization shall ensure that all non-conformances are addressed and corrected in a timely manner.</p> <p>4.3.6 Organization shall make all reports of monitoring available to the Certification Body.</p>	
Description of Non-conformance:		
<p>The company has reviewed its due diligence procedure and has release its version 2. It is planned in the procedure to review the due diligence annually based on the internal audits and the finding from the certification body. The annex of the procedure is the quarterly report of the internal audit, and it specifies the level of risk of some of the requirements of the standard. Only the specified risk is documented and the mitigation measure to be implemented are also documented in order to reinforce the weaknesses identified in the due diligence system. For instance, during the audit, it was found that:</p> <ul style="list-style-type: none"> All the non-conformities are documented in the audit reports, For each non conformance identified by the company, corrective measures are prosed in the form of action plan. Most of the identified non conformities were addressed by the company and some were still un the step to be solved. All the quarterly internal audit reports were made available to the audit team during the audit. <p>After investigation, it seems some non-conformities were not addressed and solved within the completion time required. For example, according to the latest audit report: 4th report of due diligence system from 14th to 18th December 2022; it was notice that the Action No: 01, major NCR on "Persons involved in forest management/harvesting activities shall be employed under a formal contract, if legally required and covered by obligatory insurances. Majority of Subcontracted</p>		

workers are not declared under CNSS and CNAMGS nor any other private insurance” was to be solved in 4 weeks, but during the audit the NCR was not solved. This was the same for Action No: 01 and 05, the NCRs were identified in 24/06/2022, over 04 major NCR, just 2 were closed during the 14th to 18th December 2022 audit and even during audit. A non-conformity is raised, on the respect of the timeline for the treatment of identified NCR during internal audits.

The NCR is major as most of the NCRs are not closed in the required time lime and some were still opened during the annual audit. Them system in place for solving the identified NRC in time is not effective.

Evidence: EXH 04

- PRO-GWI-017 Verification of Legality of Timber V02 (Signed),see page 5.4 page 5
- Interviews.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	05/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section E-LegalSource DueDiligence Checklist, criterion 7.3 ; 7.7, 7.8, 8.1, 8.2; 8.3 The Organization shall document the risk assessment process and provide justification for the level of risk specified for each individual origin or supply chain. EXHIBIT REQUIRED (EXH 04)	
Description of Non-conformance:		
<p>The company conducts a risk assessment at the harvesting levels and the related activities. The company also conducted a risk assessment of mixing its products with the material of illegal origin. The company has an evaluation checklist that covers all the requirements of the standard (Annex 2 and 3) and the conclusion of the evaluation are reported in Annex 1 and 4 of the due diligence procedure, called "Report of Due Diligence System" and the Corrective Actions Request Template report.</p> <p>However, it was for that the risk assessment is not conducted for the other requirements of the standard, including an analysis for activities related to transport and risk related to the mixing of its products with the material of illegal origin.</p> <p>The company carries out internal audits to update its risk analysis as part of its SDR and cases of non-compliance are documented. However, the risk analysis does not document the identified low risks related to the other requirements of the standard, and does not provide in its assessment, the justifications for grading the risk as low or specified. This is a non-conformity.</p> <p>The company does not clearly document as part of its risk analysis, the mitigation measures it plans to put in place to mitigate the specified and low risks, at the level of timber harvesting, transport, trade, and limitation of mixing with material of unknown origin.</p> <p>The risk analysis is not comprehensive and does not provide information on the level of risk of the applicable set of requirements of the standard. Only the specified risks are mentioned in the risk analysis.</p>		

<p>The company does not clearly describe the actions it will take in the event of a specified risk and the acquisition of unidentified logs for which a conclusion of specified risk of illegal timber harvesting is proven. This is a non-conformity.</p> <p>The non-conformity is major as the company does not meet the full requirement related to the risk analysis and many non-conformities are related to their risk analysis.</p>	
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>
Timeline for Conformance:	Prior to reinstatement of the certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	06/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, criterion 1.1.3</p> <p>1.1.3 The Organisation shall be legally allowed to carry out commercial activity as relevant to the processing or transport of forest products.</p>	
Description of Non-conformance:		
<p>Findings:</p> <p>The company is registered at the Trade and Personal Property Credit Register (RCCM), under the number RCCM N° RG LBV 2012B13038.</p> <p>This information is confirmed by consulting the company circuit sheet which is signed by all the competent Administrations for the activities carried out by GWI, in the Republic of Gabon and which contains the various official registrations of the company.</p> <p>As such, the company is authorized to carry out any commercial activity on the territory of the Republic of Gabon and to make the declarations and payment of taxes, duties, and fees applicable to its activities.</p> <p>However, for the processing and logging activities, companies need some specific accreditations or licenses. The accreditation for first level processing was available and delivered to the company but was already expired since April 2021. For the logging activities, the accreditation for logging was also present but was expired since May 2021. The company presented an attestation of request of this accreditation, and it was delivered by the ministry of water and forestry since august 2021, after almost 02 years, this document was still not made available. Indicator requirements are not meet; this is a non-conformity.</p> <p>The non-conformity is major, as the company did not present their valid core accreditation documents to practice activities of processing and logging in Gabon.</p>		
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>	
Timeline for Conformance:	Prior to reinstatement of the certificate.	
Evidence Provided by Organisation:	PENDING	

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

Non-Conformance #:	07/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Criterion 1.3.7 If legally required, harvesting restrictions shall be identified in management plans and maps.	
Description of Non-conformance:		
<p>The restrictions required to be respected when logging is not indicated on the logging maps. For example, it was observed that the logging maps did not indicate steep slope zones, buffer zones around watercourses and swamps, trees excluded from logging and protected trees, in particular monumental trees, prohibited species, seeding trees and certain future stems. This is a non-conformity as the company should mention all required information of the logging maps as prescribed by the regulations and management plans.</p> <p>The non-conformity is minor as not all required harvesting restriction were missing.</p>		
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>	
Timeline for Conformance:	Prior to reinstatement of certificate.	
Evidence Provided by Organisation:	PENDING	
Constat for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	08/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, criterion 1.3.9 Field verifications shall indicate that the requirements described in the management/harvesting plans are adhered to in the field. 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:		
<p>Findings:</p> <p>At the time of the audit on the 2 CFADs of the GWI company included in the scope of the LegalSource certificate requested (CFAD GWI1 and GWI2), only CFAD GWI1 was in operation and was visited by the auditors.</p> <p>The visit to the sites of activities in the CFAD GWI1 and the discussions with the personnel of the company involved in the forestry activities on this forest concession enabled the auditors to note</p>		

that the recommendations of the development plan, the management plans and of the Annual Operating Plans (PAO) are complied with, in terms of:

- Respect for authorized species (number of plants, volumes) or prohibited for harvesting.
- Planning the construction of roads and crossing structures.
- Planning skid trails.
- Marking the stems of trees protected or prohibited from logging, future stems and trees of interest to local populations.
- Consideration of Reduced Impact Logging standards during activities.
- Implementation of environmental protection activities.
- Implementation of activities aimed at monitoring biodiversity on the concession and the organization of Anti-Poaching missions within the concession.
- Training of personnel involved in forestry activities with a view to improving practices in the field.

However, it was found in the forest, one tree was felled in the buffer zone. When check on the logging maps, it was found there was no indication of the buffer zones. According to the interviews this was due to weak appraisal of the distance of the tree with the buffer zone and lack of the details on the limit of buffer zones on the logging maps. This is a non-conformity.

The NCR is minor as the set of trees controlled around the buffer zones were protected. This was an exceptional situation.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	09/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Criterion 1.4.7 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.	
Description of Non-conformance:		
<p>The company in its tracking procedure, provides that the teams are responsible for identifying the trees to be excluded from exploitation. The procedure identifies among the trees to be preserved or abandoned, trees located in steep slope areas, those located in the buffer zones, the prohibited species and the trees that have not reached the minimum operating diameter, also they are required to mark the tracks through which the machine operators will have to circulate for the skidding of the wood.</p> <p>During the field visit, it was observed that the materialization that is carried out is not respected by the drivers. The analysis of the maps and the field observation of the tracking indicates that the tracks are sometimes materialized on steep slopes presenting risks for the drivers and difficulties during the logs pulling. Drivers sometimes take the incentive to take new tracks without prior planning which is not prescribed by the company procedure. Also, during logging control operations, the quality of trees tracking road is not monitored by the monitoring teams.</p>		

The non-conformity is minor as some harvesting restrictions were respected , and not all of the logging trails placements were found inappropriate.	
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	10/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, 3.3.1 If legally required, Environmental and/or Social Impact Assessments shall be in place and approved by the legally Competent Authority.	

Description of Non-conformance:

The company has produced an environmental impact notice for its Nkok factory (Environmental impact notice relating to the construction of a sawmill at the Nkok ZERP and related activities dated December 03, 2018). It has also drawn up an Environmental Impact Study for its Mokabo factory by Mouila (which has been approved by the Administration in charge of the Environment as shown in the EIA Compliance Certificate No. 1578/MFEPRN/SG /DGEPN of July 16, 2014) and an Industrial Development Plan (PDI) for the same plant (approved by the Forestry Administration as shown in the Certificate of Compliance of the Industrial Development Plan N° 00282/MFEPRN/SG/DGICBVPF/CAB .DG/C of May 5, 2015 which was presented to the auditors).

However, with regard to its forestry road construction activities within CFAD GWI2 Otouma and GWI1 Mouila, the company has not carried out any impact studies. The interview with the administration indicates that this study is not yet required from the operators and the need for it to be maintained is still under discussion between the various stakeholders.

In 2022, a new text was developed by the administration requesting all the companies managing FMU to conduct the Environmental Impact assessment according to the level the have being implementing forest operations. For those who newly acquired the FMU was asked to do a full environmental impact assessment meanwhile , it was requested to those who already began their activities to provide an environmental audit of the impacts. During the audit it was found that the company asked the Terea office to carry out its environmental assessment for its CFAD GWI 1 and 2, and the consultant has valid agreement to take out this study.

So far the company submitted the AIE report in August 2022 against discharge and field mission was conducted in October 2022 to approved the study and recommendations were made to the company to an Environmental Impact Assessment instead of an Environmental audit. The Environment and Social Management Plan (PGES) is required within 2 months after the field verification mission , which had not yet been submitted during the audit. Also it is required to carry out ESMPs at the level of the Annual plots started, which was not the case for the AAC 3 2020 and AAC 1 (2020) in operation.

According to the evidence provided and interview with the central administration , the company does not have its environmental audit approved at the time of the audit and discussions with the administration indicates that are still expecting some documentation from the company according to their recommendation, for them to deliver the approval for the Envriommmental impacts evaluation. This is a non conformity.

The NCR is minor the requirement is still recent and it takes some time for the company to do the study and the approval pending for long, due to some misinterpretation of the requirement of the law between the administration and companies.	
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	Prior to reinstatement of certificate.
Evidence Provided by Organisation:	PENDING
Constat for Evaluation of Evidence:	PENDING
NCR Status:	OPEN
Comments (optional):	

Non-Conformance #:	11/23	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, criterion 3.3.4 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:		
<p>During field visit at the Ndené camp, it was found that the hazardous waste management system is inadequate; For example, the used batteries are stored in open space behind the workshop, cases of leaking and spillage of oil on the bare ground have been observed under a machine parked in the back of the workshop. The storage tank for the used oil is installed inappropriately on a platform that does not provide a seal, in case of spillage, cases of oil spillage have been observed there. Also, at the Mokabo base, the chemicals are stored inappropriately, and the list of products displayed is not up to date, the products are not labelled. This is a non-conformity related to the system in place for dangerous waste and chemicals management in the FMU.</p> <p>This NCR is minor as the gaps found is restricted to a new base camp recently constructed by the company and cases of the chemicals spillage in the environment was not found during the audit.</p>		
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>	
Timeline for Conformance:	Prior to reinstatement of certificate.	
Evidence Provided by Organisation:	PENDING	
Constat for Evaluation of Evidence:	PENDING	
NCR Status:	OPEN	
Comments (optional):		

Non-Conformance #:	13/23	
Non-Conformance Grading:	MAJOR <input checked="" type="checkbox"/>	Minor <input type="checkbox"/>

Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 3.4.1 3.4.1 Occupational health and safety requirements shall be observed by all personal involved in forest management/harvesting activities.
Description of Non-conformance:	
<p>GWI has a dedicated HQ position that is responsible for implementation and monitoring of H&S related aspects within GWI forest and manufacturing operations. There is a robust system in place for monitoring accidents and conducting follow-up awareness training on related safety risks. H&S Committees have been formally established at the Nkok site and the Mouila base camp in accordance with Gabon Labor Code, articles 252 – 259. While improvements have been made by GWI, the audit team has found that major NCR issued during the assessment and subsequently closed during the CVA has not been adequately addressed based on the following gaps observed during this audit:</p> <ul style="list-style-type: none"> • The Ndende forest camp does not have a qualified medical staff person and was not equipped with a clinic with stocked pharmacy as required by the Gabon Labor code 2021, Article 263. • A H&S Committee has not been established for the Ndende Forest Camp. • Review of an accident that occurred in February 2022 (Incident 065, 26 Feb 23) where a worker operating a bandsaw and suffered a cut on two fingers resulting for improper function of safety feature, found that established safe work protocol was not followed. The result of the internal investigation found that the operator of the saw had informed his supervisor of the malfunctioning safety feature prior to the accident, yet he was told to continue using the saw resulting in the injury. The established protocol required to stop using the saw until it could be serviced and determined safe and report the incident to the safety officer. • Based on staff interview and document review auditors found that PRO-GWI-003 Declarations of OA is not being fully implemented. Accidents reports are being prepared and investigations completed, however the excel tracking template has not been used since January 2023 due to issues with formulas and statistics monthly figures are no longer prepared and sent to the certification manager and the three-month report for the general manager is also not implemented. These reports were the basis for completing the accident rate analysis. • Legally required PPE is not provided for all workers and use of PPE is not enforced. See Major NCR 14/21 for additional details. <p>Based on these findings this nonconformance is recurrent and has been in place since the assessment, therefore a major NCR is raised.</p>	
Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. The company must implement the necessary corrective actions.
Timeline for Conformance:	Prior to reinstatement of certificate.
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 #:	1/23
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Requirement 1.1.4 In areas with land ownership conflicts, consultation with neighbours, local communities and others shall confirm that land tenure rights are clear.
Description of Observation:	<p>At the time of the audit, no land conflicts were brought to the attention of the auditors or found between the various stakeholders and the company for access to the GWI1 and GWI2 UFAs. The exchanges with representatives of local communities allowed the auditors to confirm this observation and to verify that the rights and duties of the different parties on these forest concessions are well known. However, it was found that local communities do not have copies of their maps produced in the villages.</p>
	The company should arrange for each village to have a map of its territory.

D. Closed Non-Conformances

Closed Non-Conformances

This section indicates where the Organisation has adequately addressed non-conformances issued during or since the last audit.

Any non-conformances which cannot be closed remain open and appear in Section C (above). Failure to comply with a minor non-conformance results in the NCR being upgraded to major; the specified follow-up action is required by the Organisation or involuntary suspension will take place.

Non-Conformance #:	01/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 2.3</p> <p>The Organization shall designate individual responsibilities for all applicable elements of this Standard.</p>	
Description of Non-conformance:		
<p>La consultation de la procédure de Diligence Raisonnée de l'entreprise V 1.0 (PRO-GWI-019 du 22 Novembre 2021) a permis aux auditeurs de constater que les responsabilités individuelles dans la gestion de la certification LegalSource ne sont pas définies.</p> <p>Les procédures opérationnelles internes de l'entreprise précisent les services responsables de leur mise en œuvre dans chaque cas sans toutefois attribuer clairement les responsabilités de la conformité des activités de l'entreprise aux exigences de la norme LegalSource.</p> <p>Chaque élément du Système de Diligence Raisonnée de l'entreprise devrait avoir un Responsable clairement désigné chargé d'assurer la conformité des activités de l'entreprise avec la norme dans les aspects dont il a la charge.</p> <p><i>The consultation of the company's Due Diligence procedure V 1.0 (PRO-GWI-019 of November 22, 2021) allowed the auditors to note that the individual responsibilities in the management of the LegalSource certification are not defined.</i></p> <p><i>The company's internal operational procedures specify the departments responsible for their implementation in each case without, however, clearly assigning responsibilities for the compliance of the company's activities with the requirements of the LegalSource standard.</i></p> <p><i>Each element of the company's Due Diligence System should have a clearly designated Manager responsible for ensuring compliance of the company's activities with the standard in the aspects for which he is responsible.</i></p>		
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>	
Timeline for Conformance:	12 months from report finalization date	
Evidence Provided by Organisation:	<p>PRO-GWI- 016-Sawmill Tracebility Procedure V2 du 14 mars 2023 PRO-GWI-019 EN DUE DILIGENCE SYSTEM V2 du 25 mars 2022 Interview with workers Fiches de postes et procédures internes. Organigrammes</p>	
Constat for Evaluation of Evidence:	<p>The company has updated its due diligence procedure. The implementation of this procedure is under the general responsibility of the certification manager, and specific responsibilities are distributed among the marketing, forest</p>	

	<p>management and human resources divisions. The HR is responsible for training and skills development, the certification manager is responsible for document management and procedure development, monitoring and internal audits, risk analysis and risk mitigation.</p> <p>The procedure describes how each of these responsibilities is to be implemented, as well as the related procedures to be implemented to ensure the identification and mitigation of risks in the company's system.</p> <p>The heads of departments are responsible for a staff that they administer who are responsible for the implementation of each of the applicable procedures of the SDR as indicated by the internal organization chart of the company. For example, we have the HR manager of the company, who ensures the coordination of the external social team, the HSE, human resources at the site level and the coordination of subcontractors.</p> <p>The elements analyzed show that the company has put in place a system with key people and responsibilities for the proper formation of the SDR. We propose the closure of the minor non-conformity.</p>
NCR Status:	CLOSED
Comments (optional):	

Non-Conformance #:	02/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 2.4</p> <p>All relevant staff shall demonstrate awareness of, and competence in implementing, the Organization's procedures relevant to fulfilling this Standard.</p>	
Description of Non-conformance:		
<p>GWI a présenté aux auditeurs les preuves de formation/sensibilisation de son personnel sur les exigences de la certification LegalSource et les échanges électroniques entre les différents responsables afin d'assurer leur imprégnation sur les exigences de la certification LegalSource. Les séances de sensibilisation/formation organisées ont ciblé aussi bien le personnel asiatique qu'Africain de l'entreprise.</p> <p>La Communication utilisée a été adaptée à la langue utilisée par le personnel à savoir le Français, l'anglais, le malais et le Chinois</p> <p>Toutefois, les échanges entre les auditeurs et le personnel de l'entreprise pendant l'audit ont permis de constater que les connaissances du personnel de l'entreprise sur les exigences de la certification LegalSource étaient faibles malgré les séances de sensibilisations organisées.</p> <p><i>GWI presented to the auditors the evidence of training/awareness of its staff on the requirements of LegalSource certification and the electronic exchanges between the various managers in order to ensure their understanding of the requirements of LegalSource certification. The awareness/training sessions organized targeted both the Asian and African staff of the company.</i></p> <p><i>The communication used has been adapted to the language used by the staff, namely French, English, Malay and Chinese.</i></p>		

However, the exchanges between the auditors and the staff of the company during the audit revealed that the knowledge of the staff of the company on the requirements of LegalSource certification was low despite the awareness sessions organized.

However, each Manager met showed a good knowledge of the actions to be implemented in their area of intervention in accordance with the company's internal procedures.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	<ul style="list-style-type: none"> - TEREA 5th mission accompagnement report 25032023 VF. - Minutes for the CoC training 05-22-2023. - Forest Opération Attendance.pdf 13. 01. 23 - Rapport Sensibilisation et training Legal Source (asiatique) 11.05.23. - Rapport Sensibilisation et training Procedure sustainable forest management; 13. 01. 23. - Rapport Sensibilisation et training Procedure (Forest operation) 13.02.23. - Rapport Sensibilisation et training Procedure (Low impact Logging) 16-03-2023 - Rapport Sensibilisation et training Procedure (Logging best practices) 15 /04/23.
Constat for Evaluation of Evidence:	The company has trained all its staff involved in its due diligence system on the requirements of the LegalSource standard and participates in the drafting of procedures. The interview with the company's staff indicated that they were aware of the specificity of LegalSource and its legality requirements. The company has also implemented a regular training process for its workers to maintain a good understanding by workers of the requirements to maintain the company's compliance. For example, the tree fellers interviewed had a good knowledge of their working procedure. Also, the interview with the farm manager show he had a good knowledge of his work procedures, and he had a copy of each applicable procedure in forest logging activities. Following the evaluation of the elements provided by the company we propose the closure of the non-conformity.
NCR Status:	CLOSED.
Comments (optional):	

Non-Conformance #:	04/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 4.3</p> <p>4.3 The Organization shall have and implement a complaints procedure to address substantiated complaints related to the production or sourcing of material, including:</p> <p>4.3.1 assessment of evidence provided in the complaint within two (2) weeks of its receipt;</p>	

	<p>4.3.2 in cases where evidence is considered relevant, implementation of appropriate corrective actions; and,</p> <p>4.3.3 maintenance of records of all complaints received and actions taken.</p>
Description of Non-conformance:	
<p>La société GWI a mis à la disposition un ensemble de procédures opérationnelles (<u>Exhibit 3- Procédures opérationnelles internes de la société GWI</u>) comme précisé au critère 3.1 ci-dessus.</p> <p>Toutefois, aucune procédure relative à la gestion des plaintes dans le cadre de la production ou de la commercialisation des produits bois n'a été mise à la disposition des auditeurs.</p> <p><i>BSG has made available a set of operational procedures (<u>Exhibit 3- GWI internal operational procedures</u>) as specified in criterion 3.1 above.</i></p> <p><i>However, no procedure relating to the management of complaints in the context of the production or marketing of wood products has been made available to the auditors.</i></p>	
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	PRO-GWI-019 EN DUE DILIGENCE SYSTEM (page 7).
Constat for Evaluation of Evidence:	The company has revised its Due Diligence procedure and it considers the requirements for the handling cases of complaint on the product on page 7 of the document. The person responsible for the implementation of the process has a good knowledge of it and the modalities of implementation. Following the evaluation of the provided elements by the company we propose the NCR to be closed.
NCR Status:	CLOSED.
Comments (optional):	

Non-Conformance #:	05/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 4.4</p> <p>4.4 Where the Organization identifies that products have been placed on the market and/or sold prior to risk being mitigated, the Organization shall:</p> <p>4.4.1 immediately cease to sell any remaining products held in stock;</p> <p>4.4.2 identify all relevant buyers, and advise those customers in writing within three (3) business days and maintain records of that advice;</p> <p>4.4.3 analyze causes and implement measures to prevent re-occurrence;</p> <p>4.4.4 notify the Certification Body; and,</p> <p>4.4.5 mitigate the causes and allow the Certification Body to evaluate actions taken.</p>	

Description of Non-conformance:	
<p>L'analyse de la procédure de Diligence Raisonnée de l'entreprise GWI V 2.0 (PRO-GWI-019 du 07/12/2021) mise à la disposition des auditeurs a permis aux auditeurs de constater que l'entreprise n'a pas réalisé une analyse de risques ni proposé des mesures de mitigation aux risques identifiés.</p> <p><i>The analysis of the company's Reasoned Diligence procedure GWI V 2.0 (PRO-GWI-019 of 07/12/2021) made available to the auditors enabled the auditors to note that the company did not carry out a risk analysis or proposed mitigation measures for the identified risks.</i></p> <p><i>The company has not specified what measures it will take if it is found that products have been placed on the market or sold by the company before the risk mitigation.</i></p>	
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	<ul style="list-style-type: none"> - PRO-GWI-019 EN DUE DILIGENCE SYSTEM - Interview with the Due diligence managers (Khan, CK and Vessasa).
Constat for Evaluation of Evidence:	<p>A version 2 of the due diligence procedure has been released by the company. It considers the requirements of this indicator in section 4.4.3 of the procedure. It clearly defines the mechanisms it intends to put in place in the event of the placing on the market of products for which the risks have not been mitigated. Interview with the due diligence manager confirm he has a good knowledge on this requirement. Following the evaluation of the provided elements by the company we propose the NCR to be closed.</p>
NCR Status:	CLOSED
Comments (optional):	

Non-Conformance #:	06/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section E-LegalSource Due Diligence Checklist, criterion 5.1</p> <p>The Organization shall define and document the products within the scope of its DDS, in terms of:</p> <ul style="list-style-type: none"> • origin; • species; • supply chains; and, • dates of entry to and exit from the scope for each product. 	
Description of Non-conformance:		
<p>L'examen de la procédure de Diligence Raisonnée V 2.0 (Exhibit 5- Procédure Système de Diligence Raisonnée GWI PRO-GWI-019 du 07/12/2021) a permis aux auditeurs de constater que la portée du Système de Diligence Raisonnée de l'entreprise n'est pas définie en termes :</p> <ul style="list-style-type: none"> - de titres forestiers concernés; - d'espèces forestières récoltées; - de chaîne d'approvisionnement; - de dates d'entrée et de sortie de chaque produit de la portée du certificat. 		

<p>The review of the Due Diligence procedure V 2.0 (Exhibit 5- GWI Due Diligence System Procedure PRO-GWI-019 of 07/12/2021) allowed the auditors to note that the scope of the company's Due Diligence System is not defined in terms of:</p> <ul style="list-style-type: none"> - forest titles concerned - harvested forest species; - supply chain; - dates of entry and exit of each product from the scope of the certificate. 	
Corrective action request:	<p>L'entreprise doit mettre en oeuvre les actions correctives nécessaires.</p> <p><i>The company must implement the necessary corrective actions.</i></p>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	<ul style="list-style-type: none"> - PRO-GWI-019 EN-Annex 1- 15072022- RDDS (introduction) - PRO- GWI G-019 EN DUE DILIGENCE SYSTEM voir point 4.1.8 - PRO- GWI -016- Sawmill Traceability Procedure V2 - Interview with the Due diligence managers (Khan, CK and Vessasa).
Constat for Evaluation of Evidence:	<p>The company has revised its due diligence and traceability procedures. They give the information on the products in the scope of the company's certificate. It is described in the introductory part of the section 1 of the 3rd REPORT OF DUE DILIGENCE SYSTEM FROM 26th to 29th June 2022, the origin of the products. For instance, they came from their FMU located as follow:</p> <p>The CFAD GWI1 MOUILA is in the province of Ngounié whose capital is MOUILA and has a processing unit dedicated to logs from this concession installed in the village of Mokabo.</p> <p>CFAD GWI2 is in the provinces of Ngounié, Woleu-Ntem and Moyen-Ogoué. Logs from this concession are processed in the factory of a GWI partner company called Bois et Scieries du Gabon (BSG) located in the village of Otouma. The processing of GWI logs in the BSG factory in Otouma is done based on an industrial contract between the 2 companies.</p> <p>The section 3.3 of the same document gives the list of the type of product within the scope of the company. Mainly sawntimber and logs and the common species felled and processed by the company are : OKOUME, ANDOUNG, PADOUK, OMOVONG , GHEOMBI, BELI, OVENGKOL.</p> <p>The company's Sawmill Traceability Procedure describes also the supply chain of the in section 4.1 of the procedure.</p> <p>Following the evaluation of the provided elements by the company we propose the non-conformity to be closed.</p>
NCR Status:	CLOSED.
Comments (optional):	

Non-Conformance #:	08/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 1.1.1	

	The Land registry shall confirm ownership and validity of property deed.
Description of Non-conformance:	
<p>La société GWI a décidé en 2015, d'intégrer les massifs forestiers faisant l'objet des CFAD GWI1 MOUILA et CFAD GWI2 OTOUMA dans le processus d'aménagement forestier.</p> <p>Cette volonté s'est concrétisée par la signature de deux Conventions Provisoires d'Aménagement-Exploitation-Transformation (CPAET), le 10 Juin 2015 entre la Ministère en charge des Forêts et la société GWI. Cette convention engageait la société GWI à réaliser les plans d'Aménagement de ses permis forestiers au bout de 3 ans.</p> <p>Afin de respecter ses engagements, la société GWI avait lancé les travaux d'inventaire d'aménagement et l'étude socio-économique pour ces 2 titres forestiers en 2017. Au terme de ces travaux de terrain, les Plans d'Aménagement des CFAD GWI1 MOUILA et GWI2 OTOUMA avaient été déposés à l'administration en charge des forêts.</p> <p>Lesdits Plans d'Aménagement ont été approuvés par le Ministère en charge des Forêts (Voir courrier d'approbation N° 000973/MEFEDD/SG/DGF/DDF/SACF-DDF/SACF/MML/Lettre/12 Juillet 2018 du 19 Juillet 2018 pour le plan d'Aménagement de la CFAD GWI1 et N° 1943/MEFMECPAT/SG/DGF/DDF/SACF-DDF//SACF/MML/Lettre/le 7 Décembre 2020 du 31 Décembre 2020 pour le plan d'aménagement de la CFAD GWI2).</p> <p>La CFAD GWI1 MOUILA est constituée de cinq Permis Forestiers Associés (PFA 20/11, PFA 21/11, PFA 22/11, PFA 23/11 et PFA 28/11), pour une surface totale de 138 259 ha</p> <p>La CFAD GWI2 OTOUMA est constitué de six Permis Forestiers Associés (PFA N° 09/10, 10/10, 03/11, 03/14/1, 03/14/2, 03/14/3) pour une superficie de 129 267 ha.</p> <p>Ces différentes informations montrent que le processus d'attribution des CFAD GWI1 MOUILA et GWI2 OTOUMA s'est déroulé dans le respect des dispositions légales en vigueur.</p> <p>Toutefois, même si le processus d'aménagement de ces UFA est clair à partir du moment où ces différents permis forestiers ont été intégrés à ces CFAD, l'entreprise n'a pas pu présenter aux auditeurs les décisions d'intégration de ces permis aux CPAET accordée en vue de l'élaboration des plans d'aménagement des UFA GWI1 et UFA GWI2.</p> <p>GWI devra ainsi solliciter auprès de l'Administration forestière et archiver les copies des lettres d'intégration des différents Permis à la CPAET ayant donné lieu aux 2 CFAD dans la portée du certificat LegalSource.</p> <p>L'entrepris a pu fournir les CPAET pour les CFAD GWI 1 et GWI 2. Le description des permis attribués correspond bien a ceux qui rentrent dans la constituton des plans d'aménagement des deux CFAD.</p> <p><i>The GWI company decided in 2015 to integrate the forest areas covered by CFAD GWI1 MOUILA and CFAD GWI2 OTOUMA into the forest management process.</i></p> <p><i>This desire was materialized by the signing of two Provisional Development-Exploitation-Transformation Agreements (CPAET), on June 10, 2015 between the Ministry in charge of Forests and the company GWI. This agreement committed the company GWI to carry out the development plans for its forest permits after 3 years.</i></p> <p><i>In order to respect its commitments, the company GWI had launched the management inventory work and the socio-economic study for these 2 forest titles in 2017. At the end of this field work, the Management Plans of the CFAD GWI1 MOUILA and GWI2 OTOUMA had been submitted to the administration in charge of forests.</i></p> <p><i>The said Management Plans have been approved by the Ministry in charge of Forests (See approval letter No. 000973/MEFEDD/SG/DGF/DDF/SACF-DDF/SACF/MML/Lettre/July 12, 2018 of July 19, 2018 for the Development Plan of CFAD GWI1 and No. 1943/MEFMECPAT/SG/DGF/DDF/SACF-DDF//SACF/MML/Lettre/December 7, 2020 of December 31, 2020 for the Development Plan of the CFAD GWI2).</i></p> <p><i>CFAD GWI1 MOUILA is made up of five Associated Forest Permits (PFA 20/11, PFA 21/11, PFA 22/11, PFA 23/11 and PFA 28/11), for a total area of 138,259 ha</i></p>	

CFAD GWI2 OTOUMA is made up of six Associated Forest Permits (PFA N° 09/10, 10/10, 03/11, 03/14/1, 03/14/2, 03/14/3) for an area of 129 267 ha.

This information shows that the process of awarding the CFAD GWI1 MOUILA and GWI2 OTOUMA took place in compliance with the legal provisions in force.

However, even if the management process for these FMUs is clear from the moment these various forest permits were integrated into these CFADs, the company was unable to present to the auditors the decisions to integrate these permits into the CPAET granted for the development of UFA GWI1 and UFA GWI2 development plans.

GWI will thus have to request from the Forestry Administration and archive copies of the integration letters of the various CPAET Permits that gave rise to the 2 CFADs within the scope of the LegalSource certificate.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	<ul style="list-style-type: none"> • CPAET GWI 1 N° 251 du 10 juin 2015. • CPAET GWI 2 N° 257 du 10 juin 2015.
Constat for Evaluation of Evidence:	<p>The company was able to provide the convention including the version permit which were joined to become the FMU GWI 1 and GWI 2. They mention all the permit as follow :</p> <ul style="list-style-type: none"> – CPAET GWI 1 N° 251 of 10th june 2015, for the FMU GWI1 MOUILA is made up of five Associated Forest Permits (PFA 20/11, PFA 21/11, PFA 22/11, PFA 23/11 and PFA 28/11), for a total area of 138,259 ha. – CPAET GWI 2 N° 257 of 10th june 2015, for the FMU GWI2 OTOUMA is made up of six Associated Forest Permits (PFA N° 09/10, 10/10, 03/11, 03/14/1, 03/14/2, 03/14/3) for an area of 129 267 ha. <p>Following the evaluation of the provided elements by the company we propose the non-conformity to be closed.</p>
NCR Status:	CLOSED.
Comments (optional):	

Non-Conformance #:	09/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicators 2.1.1, 2.2.2</p> <p>Evidence shall exist for payments of harvesting-related royalties, taxes, harvesting fees, area taxes and other charges.</p> <p>Section G-Legal Compliance in the supply chain, indicators 2.1.1, 2.2.2</p> <p>Volumes, species and qualities given in sales and transport documents shall match the fees and royalties paid.</p>	
Description of Non-conformance:	<p>La société GWI a mis à la disposition des auditeurs les preuves de paiement des taxes et redevances dues, dans le cadre de ses activités et notamment :</p> <ul style="list-style-type: none"> - Les Déclarations et quittances de paiement des tranches des montants dus à la Caisse Nationale de Sécurité Sociale (CNSS) au titre des trimestre 1, 2 et 3 de l'année 2021; 	

- Les Déclarations et quittances de paiement des tranches des montants dus à la Caisse Nationale d'Assurance Maladie et de Garantie Sociale (CNAMGS) au titre des trimestre 1, 2 et 3 de l'année 2021;
- Les quittances de paiement d'une partie des taxes superficielles dues pour l'exercice 2021. (GWI Land tax 2021).

En revanche la société GWI n'a pas pu fournir aux auditeurs les preuves de paiement des sommes dues au titre de l'Impôt sur les sociétés pour l'année 2020.

GWI has made available to the auditors proof of payment of taxes and fees due, in the context of its activities and in particular:

- *Declarations and payment receipts for installments of amounts due to the National Social Security Fund (CNSS) for quarters 1, 2 and 3 of the year 2021;*
- *Declarations and receipts for payment of installments of amounts due to the National Health Insurance and Social Guarantee Fund (CNAMGS) for quarters 1, 2 and 3 of the year 2021;*
- *Receipts for payment of part of the area taxes due for the 2021 financial year. (GWI Land tax 2021).*

On the other hand, GWI was unable to provide the auditors with proof of payment of the sums due in respect of corporation tax for the year 2020.

2023:

GWI is located in the Nkok SEZ, it is exempt from corporate tax for 10 years and VAT. The company Provided the auditors with documentation the formal documentation that showed entry into the program in 2015 with first sales of wood products from the mill in Nkok. The 10-year exemption will expire in 2024. As GWI is exempt from Corporate tax through 2024, this NCR should not have been raised and is withdrawn.

Corrective action request:	
Timeline for Conformance:	NA
Evidence Provided by Organisation:	
Constat for Evaluation of Evidence:	
NCR Status:	WITHDRAWN
Comments (optional):	

Non-Conformance #:	11/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 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 Non-conformance:		
<p>L'entreprise a élaboré une procédure d'inventaire d'inventaire (PRO-GWI-004 du 10 Novembre 2021) et une procédure de pistage (PRO-GWI-006 du 10 Novembre 2021) qui prévoient que les tiges d'avenir, les arbres monumentaux et les semenciers soient préservés tout au long des pistes de débardage, ainsi que les zones tampons. Les observations de terrain permettent d'attester de la présence des restrictions en vue de leur préservation lors de l'exploitation proprement dite.</p> <p>Toute fois l'entreprise n'a pas défini des mesures spécifiques à la protection et marquage des essences interdites d'exploitation sur le terrain.</p> <p><i>The company has developed an inventory inventory procedure (PRO-GWI-004 of November 10, 2021) and a tracking procedure (PRO-GWI-006 of November 10, 2021) and it which provides that</i></p>		

future rods , monumental trees and seed trees are preserved along the skid trails, as well as the buffer zones. Field observations make it possible to attest to the presence of restrictions with a view to their preservation during actual operation.

However, the company has not defined specific measures for the protection and marking of species prohibited from exploitation in the field.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
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Timeline for Conformance:	12 months from report finalization date
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Evidence Provided by Organisation:	<ul style="list-style-type: none"> - GWI - CONTROL OF FORESTRY OPERATIONS - GWI - CONTROLLED FELLING - GWI - DISCOVERY OF RISK ZONES - GWI - SKIDDING AND FOREST PARK OPENING - GWI - ROAD OPENING, MAINTENANCE AND CONSTRUCTION OF STRUCTURES - PRO-GWI-006-Triage-pistage EN v3 - PLAN ANNUEL D'OPERATIONS DE L'AAC3 (2020) UFA GWI 2. - PLAN ANNUEL D'OPERATIONS DE L'AAC3 (2020) UFA GWI 2. - Rapport Sensibilisation et training Legal Source (asiatique) 11.05.23. - Rapport Sensibilisation et training Procedure sustainable forest management; 13. 01. 23. - Rapport Sensibilisation et training Procedure (Forest operation) 13.02.23. - Rapport Sensibilisation et training Procedure (Low impact Logging) 16-03-2023 - Rapport Sensibilisation et training Procedure (Logging best practices) 15 /04/23.
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Constat for Evaluation of Evidence:	<p>The company has set up RIL procedures, in particular the opening and construction of roads, tracking trails, skidding tracks, and controlled felling and a control procedure for forest operations. These procedures all emphasize minimizing impacts on the residual stand and protected species.</p> <p>The tracking procedure clearly defines the measures to be implemented during tree tracking for the protection of prohibited species from exploitation, the young stems, the seeding trees and the monumental trees.</p> <p>During the field visit, it was observed that the company was effectively marking the stems of the future and species prohibited from exploitation such as Ozigo and the interviews with the personnel operating on the site clearly understand the need for this measure and how it must be implemented.</p> <p>Staff have been trained in the implementation of these procedures. A post-logging control system has been put in place by the company.</p> <p>Also, the consultation of management documents such as the management plan and the annual operation plan clearly indicates the specific measures that will be implemented by the company for the protection of the young stems and the prohibited/protected species during the various operations of logging (road opening, tree felling and skidding).</p>
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	Following the evaluation of the provided elements by the company we propose the non-conformity to be closed.
NCR Status:	CLOSED.
Comments (optional):	

Non-Conformance #:	17/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	<p>LegalSource Standard (LS-02) V2.1, Section F-Legal Compliance at the Forest Level, Indicator 4.1.1</p> <p>Stakeholder consultation shall confirm that customary rights are observed during forest management/harvesting activities.</p>	
Description of Non-conformance:		
<p>La société GWI n'a pas élaboré de politique ou de procédure encadrant ses interactions avec les populations riveraines aux UFA GWI1 et GWI2. Cette absence de politique/procédure dilue les efforts de l'entreprise pour assurer une meilleure communication avec les villages riverains à ses CFAD.</p> <p>Au moment de l'audit, un nouveau responsable des aspects sociaux externe était en cours de recrutement et devait par la suite déployer une stratégie de communication avec les populations riveraines.</p> <p>En vue de l'identification des finages et afin de déterminer les montants de Fonds de Développement Local (FDL) à affecter aux villages riverains aux AAC 1 (2020) de la CFAD GWI2 et AAC 2 (2019) de la CFAD GWI1, l'entreprise a réalisé la cartographie participative des zones d'intérêt des populations riveraines aux AAC en cours d'exploitation dans les 2 CFAD dans la portée de l'audit.</p> <p>Il subsiste toutefois au moment de l'audit des contestations de cette cartographie notamment au niveau du village Bilengui qui estime que la cartographie participative de son terroir est incomplète et que plusieurs zones d'importances identifiées dans l'AAC 1 (2018) de l'UFG1 de la CFAD GWI1 n'ont pas été prises en compte par l'entreprise lors de ses activités et ont été dégradées.</p> <p>Les preuves d'enregistrement de cette contestation des résultats de la cartographie participative n'ont pas été apportées aux auditeurs par l'entreprise et aucune communication claire sur la démarche mise en œuvre pour la résolution de cette situation n'a été fournie aux auditeurs ni aux populations concernées.</p> <p>La société GWI n'a pas élaboré une procédure de cartographie décrivant le déroulement de la cartographie participative ni une procédure de gestion des conflits/doléances des populations décrivant les actions qui seront mises en œuvre pour la résolution de telles situations.</p> <p><i>GWI has not developed a policy or procedure governing its interactions with local populations in UFA GWI1 and GWI2. This lack of policy/procedure dilutes the company's efforts to ensure better communication with the villages bordering its CFADs.</i></p> <p><i>At the time of the audit, a new manager of external social aspects was being recruited and was then to deploy a communication strategy with local populations.</i></p> <p><i>With a view to identifying the finages and in order to determine the amounts of Local Development Funds (LDF) to be allocated to the neighboring villages in AAC 1 (2020) of CFAD GWI2 and AAC 2 (2019) of CFAD GWI1, the company carried out the participatory mapping of the areas of interest of the populations living near the AACs in operation in the 2 CFADs within the scope of the audit.</i></p> <p><i>However, at the time of the audit, there are still challenges to this mapping, particularly at the level of the Bilengui village, which considers that the participatory mapping of its territory is incomplete and that several areas of importance identified in the AAC 1 (2018) of the UFG1 of the CFAD GWI1 have not been taken into account by the company during its activity and have been degraded.</i></p>		

The proof of registration of this contestation of the results of the participatory mapping was not provided to the auditors by the company and no clear communication on the approach implemented to resolve this situation was provided to the auditors nor to the populations concerned.

The GWI company has not developed a mapping procedure describing the process of participatory mapping or a procedure for managing the conflicts/grievances of the populations describing the actions that will be implemented to resolve such situations.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	External Social Plan (PL-GWI-004 version of 22/11/2022) Integrating the procedures for managing conflicts, complaints and grievances of local communities and the external social team has been strengthened by the recruitment of assistants to the External Social Officer. Evidence (pictures, attendance sheets) of meetings conducted at local villages. Maps developed during participatory mapping sessions at local villages.
Constat for Evaluation of Evidence:	An External Social Plan (PL-GWI-004 version of 22/11/2022) has been developed, integrating the procedures for managing conflicts, complaints and grievances of local communities and the external social team has been strengthened by the recruitment of assistants to the External Social Officer. Visits to the villages (Mouyamba and Memba) concerned by the AAC2019, the auditors were able to verify that local communities have been sensitized on the new procedures for managing conflicts, complaints and grievances of local communities and that their rights of use and access to their forests are respected. The CCCs were signed after participatory mapping activities that had mapped village territory and local communities confirmed that they had participated and validated these maps. Based on these findings this NCR can be closed.
NCR Status:	CLOSED
Comments (optional):	It was found that local communities do not have a copy of their maps produced in the village. The company should arrange for each village to have a map of its territory. See Observation 1.1.4/23.

Non-Conformance #:	19/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section I-Chain Of Custody Criterion 1.3 The Organisation shall develop and implement procedures for addressing non-conformances identified by auditors.	
Description of Non-conformance:	L'entreprise GWI a élaboré une procédure de traçabilité pour son usine de transformation de Mouila et elle est mise en œuvre. Elle prévoit un mécanisme de suivi de la traçabilité au niveau de l'usine.	

Toutefois la procédure fournie à l'équipe d'audit ne définit pas clairement le mécanisme prévu par l'entreprise pour le traitement des anomalies/écarts observé par les auditeurs sur tout produit.

Les échanges entre les auditeurs et le personnel de l'entreprise ont permis de constater que les actions à mettre en œuvre pour la correction des non-conformités sont prévues aussi bien pour les audits tierces parties réalisés par l'organisme de certification (Preferred By Nature) que pour les audits internes. L'entreprise a mis sur pied une équipe chargée de l'audit interne et celle-ci a démarré ses activités et des preuves de réalisation des audits internes des activités de la société GWI ont été mis à la disposition des auditeurs.

Toutefois, le traitement des non-conformités ne fait pas l'objet d'une procédure au sein de l'entreprise GWI comme recommandé par le critère.

Les échanges avec les responsables désignés dans cette équipe d'audit interne font ressortir qu'une telle procédure n'est pas encore élaborée au sein de l'entreprise.

The company has developed a traceability procedure for its Mouila processing plant and it is being implemented. It provides for a traceability monitoring mechanism at the factory level.

However, the procedure provided to the audit team does not clearly define the mechanism provided by the company for the treatment of anomalies/deviations observed by the auditors on any product.

The exchanges between the auditors and the staff of the company revealed that the actions to be implemented for the correction of non-conformities are planned both for the third-party audits carried out by the certification body (Preferred By Nature) than for internal audits. The company has set up an internal audit team and it has started its activities and evidence of the completion of internal audits of the activities of the company GWI has been made available to the auditors.

The treatment of non-conformities is not the subject of a procedure within the BSG GWI company as recommended by the criterion.

Discussions with the managers designated in this internal audit team show that such a procedure has not yet been developed within the company.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
Timeline for Conformance:	12 months from report finalization date
Evidence Provided by Organisation:	<ul style="list-style-type: none"> EX 01 Interview avec le personnel en charge la CoC et observation directe sur le terrain.
Constat for Evaluation of Evidence:	The company has revised its due diligence procedure and it describes in section 4.5 on monitoring, the approach it plans to put in place for the treatment of non-compliance identified by the auditors. We are proposing closure of this non-compliance.
NCR Status:	CLOSED
Comments (optional):	

Non-Conformance #:	22/21	
Non-Conformance Grading:	MAJOR <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	LegalSource Standard (LS-02) V2.1, Section I-Chain Of Custody Criterion 4.1 The Organisation shall use a tracking system or production records to document the manufacture of product for each claim category.	
Description of Non-conformance:		

Les procédures de l'entreprise répondent à toutes les exigences du standard, ils permettent de tracer le bois de l'inventaire d'exploitation à l'évacuation. Le personnel a également démontré une bonne maîtrise des exigences en matière de traçabilité lors des entretiens.

Toutefois un écart a été observé sur le colis GFF 365 d'Okoumé. Le numéro de contrat physiquement marqué sur le colis (CR 81) diffère de celui enregistré dans la base de données et dans le registre d'enregistrement physique des colis (fiche N° 10721 du 12/07/21). Le contrat constitue l'élément central de la traçabilité des produits au sein de l'usine ; Aussi l'entreprise n'a pas pu fournir les preuves de formation de certains opérateurs clés intervenant dans la chaîne de contrôle sur les procédures de traçabilité.

The company's procedures meet all the requirements of the standard, they make it possible to trace the wood from the operating inventory to the evacuation. Staff also demonstrated a good understanding of traceability requirements during interviews.

However, a discrepancy was observed on the GFF 365 package from Okoumé. The contract number physically marked on the package (CR 81) differs from that recorded in the database and in the physical package registration register (sheet No. 10721 of 07/12/21). The contract is the central element of product traceability within the factory; Also the company could not provide evidence of training of certain key operators involved in the chain of custody on traceability procedures.

Corrective action request:	L'entreprise doit mettre en oeuvre les actions correctives nécessaires. <i>The company must implement the necessary corrective actions.</i>
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Timeline for Conformance:	12 months from report finalization date
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Evidence Provided by Organisation:	Database, field visit , interview with the data base manager and CoC manager. Transports slips,
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Constat for Evaluation of Evidence:	<p>The company has revised its CoC procedure in order to clarify the traceability key elements within the sawmill. The batch number system was put in place, which makes it possible to determine the certification claim of each bundle, contrary to the contract as seen during the last audit. All the packing lists consulted had batch numbers and they all corresponded to the number recorded in the system.</p> <p>The company's management staff responsible for keeping registration documents and managing databases have also been trained on the sawmill traceability system.</p> <p>During field visits, logs present on the yard were traced along the CoC system of the company. The audit team had to check the recording of the information physically marked on the logs, with what was recorded in the recording sheet and the data base. This was done both for logs and for bundles ready for transportation towards exports or the Nkok sawmill ; Onsite we had to check the logs Dabema 221/1 , 608/1, 1094/1 and Padouck 924/1, 527/1 as certified products and as for non-certified from the AAC 2019 : Andong 1609/1 , Tali 1116/1, 1742/1 and Niove 1490/1, all the logs were able to be traced in the data base and the transportation slips from the forest. At the level of the sawmill, the following bundles were also tracked: Okoumé GHP 4, GHP 10 ; Iroko GHF 3, GHG 23 , GHG 31 and Okoumé GHN 6 were able to be found in the data base and on the corresponding packing list respectively : N° 015177, N° 015186, N° 14907, N° 14176 and N° 14275.</p> <p>The company has solved the root cause problem by training its workers on the need for accurate information to keep the product traceable along the production chain.</p> <p>We are proposing closure of this non-compliance.</p>
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NCR Status:	CLODED.
Comments (optional):	