



## Positive breakthroughs towards sustainable management : accession to Central Africa Forest & Trade Network of WWF and award of the OLB\* certificate from Eurocertifor-BVQI

### Information for our clients

As part of our continuous and gradual approach towards achieving sustainable management of forest resources and acquiring attendant skills, we have made significant progress about which we wish to keep you informed.

- Cameroon's Ministry in charge of Forestry validated the forest management plan for our last FMU in December 2004. As from 2005 fiscal year, tapping of all PALLISCO forest resources and those of their partners – five FMUs in all – will comply with forest management plans and logging in the FMUs concerned will be done in such a manner as to ensure the sustainability of forest resources under Cameroonian law. For each logging permit (FMU), a fifteen-year renewable Final Agreement ("Convention définitive") will henceforth replace the three-year Interim Agreement ("Convention Provisoire").
- Implementation of the forest management plans has an impact on PALLISCO and CIFM activities : the demarcation of full protection zones and reduction of the annual exploitation area of each FMU, have reduced the total surface area exploited by about 32% as against the initial surface area (Interim Agreement). Furthermore, prohibition of felling certain species (protection of species diversity) and an increase in the minimum felling diameter (protection of massif restoration) have led to a drop in the volume of timber harvested as against 2004. Such contributions to the conservation of forest resources also have a financial impact, especially the increase in the fixed tax incorporated in the cost price of our timber products.
- On 22 January 2005, PALLISCO signed the membership form of the Central Africa Forest & Trade Network (CAFTN), which is part of the Global Forest Trade Network (GFTN), and thus became a "candidate member" of this initiative steered by WWF (initially named Central Africa Producers Group). In order to meet one of the membership requirements, a preliminary forest management audit was conducted in April 2005 by Eurocertifor-BVQI based on an internationally recognised certification system adapted to local conditions. An Individual Membership Convention between the company and WWF will later permit the adoption of a phased-out modular approach to meet forest certification requirements. Once such convention is signed, the company will accede to CAFTN "contributing member" status.
- On 26 July 2005, PALLISCO and CIFM were awarded the OLB certificate (origin and legality of timber), number "OLB-CERT-050701", by Eurocertifor-BVQI following committee decision of 5 July 2005. The certificate covers the timber harvested from the five FMUs under exploitation by PALLISCO and the sawn timber processed by CIFM. This important step marks the recognition by an international body of the efforts of our companies to uphold local legislation governing forest exploitation and timber processing. The certificate is the second of its kind issued in Cameroon and the first in the East Province.



Our timber marked « OLB » comes from forests exploited in compliance with a management plan, with their origin and legality guaranteed by an independent body. For our companies, this is an intermediate and indispensable step towards forest certification. For our clients, this additional attribute of our timber products will make it possible to meet the greater demands of their markets.

September 27, 2005,  
Douala - Cameroon.

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\* = O.L.B. is a Eurocertifor-BVQI certification system that guarantees the geographical origin and legality of timber products.  
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