



Liberian Agricultural Company (LAC), Liberia

Environmental and Social Due Diligence Assessment

Final Report
Version 2.0

July 2015

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Socfin

Liberian Agricultural Company (LAC), Liberia: *Environmental and Social Due Diligence Assessment*

Final Report

July 2015
Version 2.0

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Date: 31 July 2015

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1 INTRODUCTION

1.1 OVERVIEW AND BACKGROUND

Socfin SA (Socfin) is a Belgian-based company that owns and operates commercial rubber and palm oil production facilities in Africa and Southeast Asia. Socfin is committed to ensuring that company operations are compliant with relevant national laws and regulations as well as the sustainability requirements of the Roundtable on Sustainable Palm Oil (RSPO) (for palm oil production) and Forest Stewardship Council (FSC) (for rubber production).

The *International Finance Corporation (IFC)* is considering financing to Socfin to support company operations as well as partnership programmes to support the operations of independent producers (ie, outgrowers). To this end, IFC and Socfin commissioned *Environmental Resources Management (ERM)* to conduct an assessment of Socfin's operations against the environmental and social performance requirements of the IFC (as detailed in the *IFC Performance Standards on Environmental and Social Sustainability (2012)- the IFC Performance Standards*), RSPO, and FSC with the goal to identify areas for improvement of Socfin's operations.

The report describes the assessment of the Liberian Agricultural Company (LAC) in Liberia.

1.2 SCOPE OF WORK

1.2.1 Purpose

The purpose of the assessment is to provide Socfin a concession-level gap analysis and action plan against the requirements of the IFC Performance Standards, RSPO and FSC to be used to improve environmental and social performance. The assessment is also intended to inform IFC's Environment and Social Development Department (CES) Investment Support Group with regards to financing decisions.

1.2.2 Objectives

The objectives of the assessment are as follows:

For each concession:

- Characterise biodiversity and ecosystem services;
- Characterise the socioeconomic conditions of affected communities;

- Determine gaps with respect to the requirements of the RSPO and FSC and develop an action plan to address gaps; and
- Determine gaps with respect to the requirements of the IFC Performance Standards and develop an action plan to address gaps.

1.3

REPORT STRUCTURE

The remainder of this report is structured as follows:

- Section 2 provides an overview of the specific concessions, the land acquisition process, operations, environmental and social setting and previous assessments relative to the concessions.
- Section 3 describes the assessment framework and methodology.
- Section 4 provides the results of the assessment.
- Section 5 presents a summary of recommendations and proposed actions.

The report includes the following annexes:

- Annex 1 contains the Environmental and Social Action Plan.

2.1 PROJECT BACKGROUND

LAC operates a rubber plantation and rubber processing plant in Grand Bassa County in the Republic of Liberia. The plantation covers 22,000 ha including about 14,000 ha of rubber trees made up of about 4,534 ha of immature trees and 9,500 ha of mature trees producing latex. The remainder of the area includes forests, wetlands and infrastructure. The plantation sits within a wider concession area of 122,500 ha.

The concession area and the current plantation within it are shown in *Figure 2.1, Figure 2.2, and Figure 2.3.*

The plantation processed about 18,000 tonnes of latex in 2014. LAC also purchases latex from independent plantations and small holders as well as from SRC, Socfin's other rubber plantation in Liberia. Approximately 3,400 tonnes was purchased in 2014.

Latex produced on the plantation is coagulated in the field, transported, and stored at LAC's rubber processing plant located at a site in the northwest part of the plantation. Purchased coagulated latex is received and stored at the plant. Coagulated rubber is processed at the rubber processing plant. The plant can produce 2.5 tonnes of rubber per hour or 22,000 tonnes per year. The plant processed a total of about 18,000 tonnes in 2014.

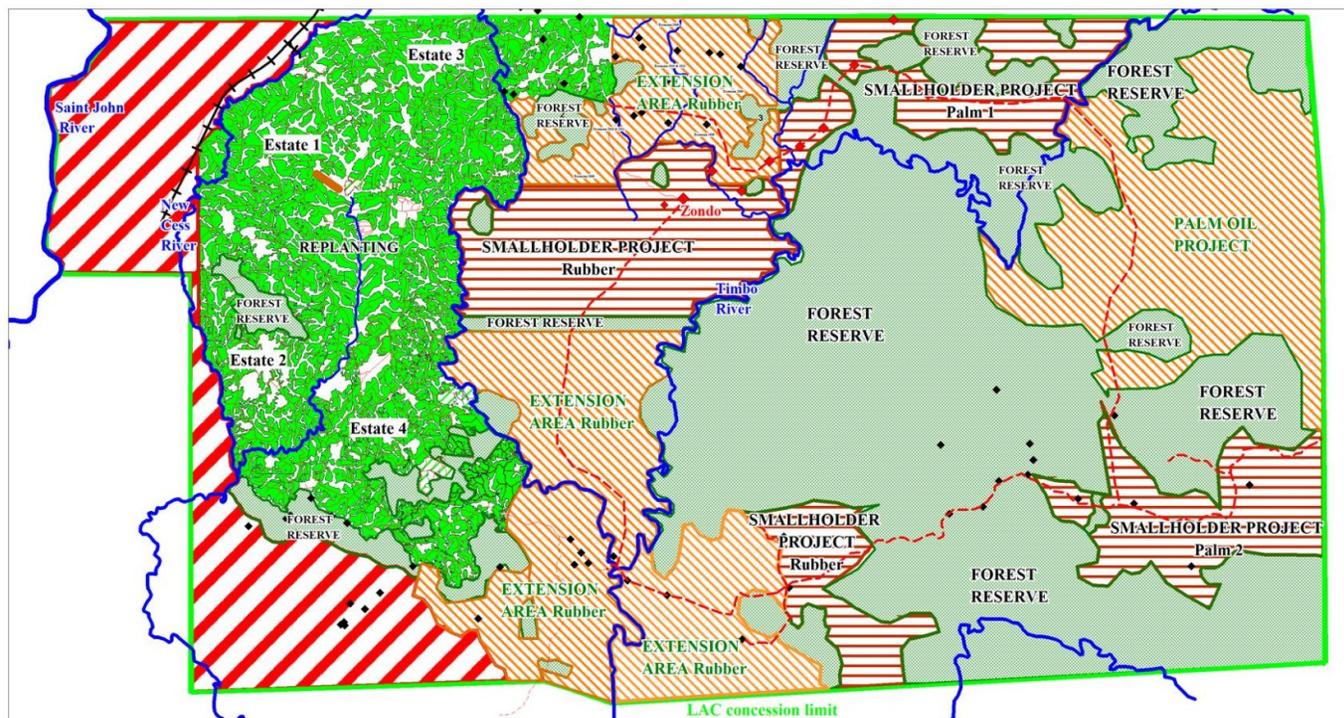
LAC employs about 1,800 full-time workers. Workers are unionized. LAC also employs about 2,300 workers through short-term arrangements with contractors. LAC management staff comprises about 80 people with one general manager and ten senior managers.

Full-time workers are housed in worker camps located on the plantation. There are 84 worker camps. Approximately 19,000 people live in the worker camps. Full-time workers live with their direct families. In addition to the worker camps, there are three housing estates on the plantation for management staff.

The company operates nine schools on the plantation (six elementary schools, two junior high schools and one senior high school) providing learning for over 6,000 school age dependent children. There is a hospital and four health clinics on the plantation with a full-time medical staff. The hospital and clinic provides medical care to full-time workers and dependent families.

The rubber purchasing department also buys rubber from about 685 out growers who plant on approximately 5,400 ha of land outside the plantation.

Figure 2.1 Map of the 122,500 ha Concession



Boundary of the concession area is shown as a green line. The area currently under plantation is coloured in bright green (labelled 'Replanting').

Figure 2.2 Plantation Layout

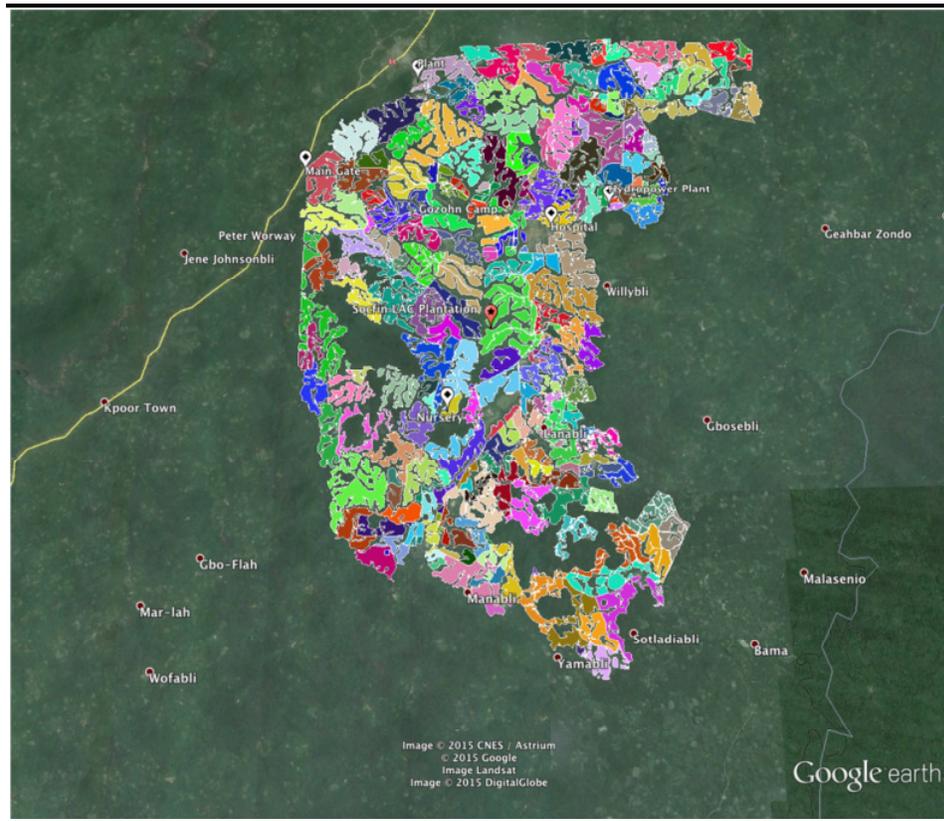


Figure 2.3 Planting Map

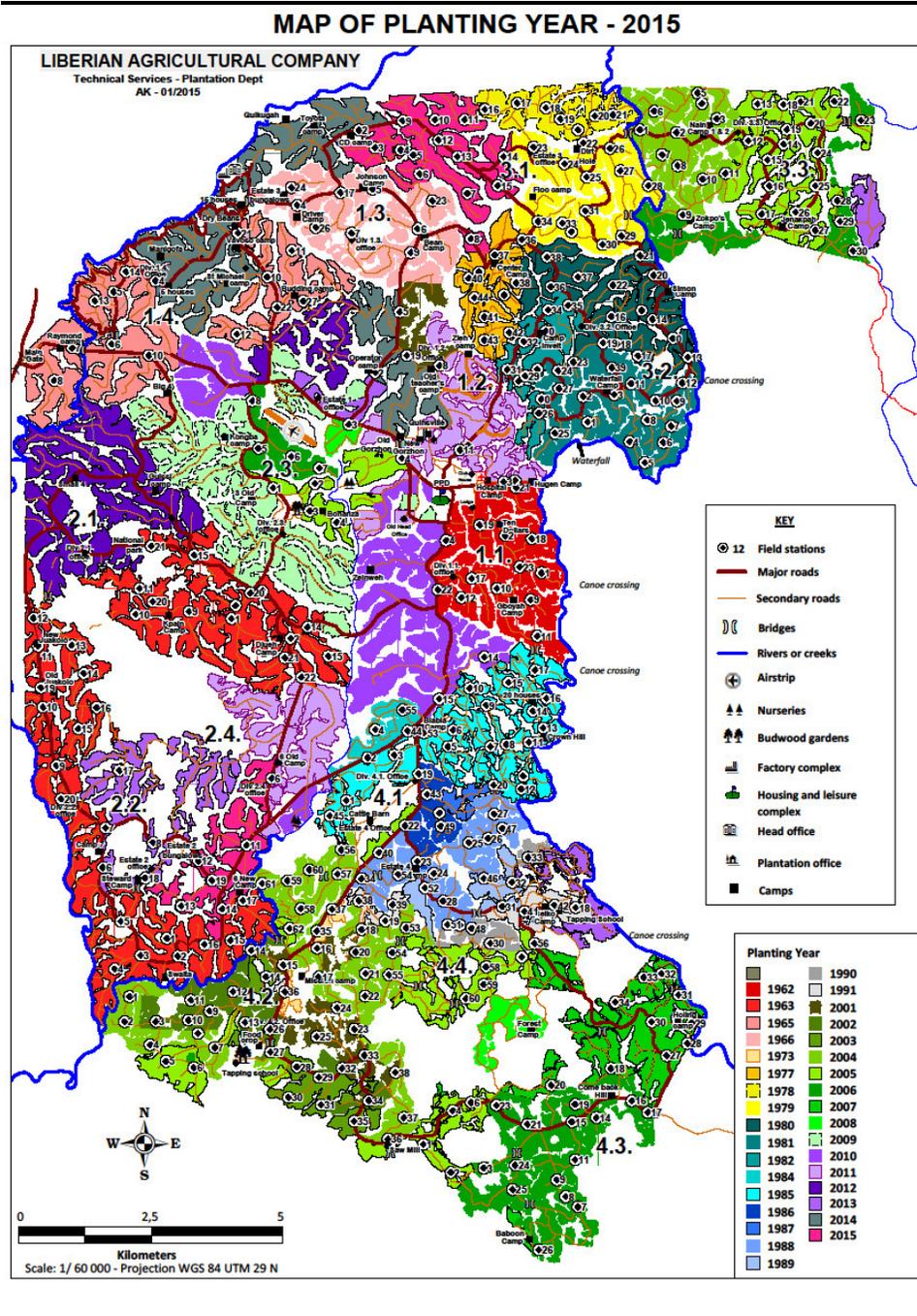


Figure 2.3 shows the areas planted on the plantation colour codes to show the years of establishment. Nothing is known of the status of the habitats in these areas (natural or modified) before clearing.

The blank (white) areas are where the remaining natural forest exists. These forests were found to be relatively intact with potential for critical habitat (see Section 4.2).

2.2

LAND ACQUISITION PROCESS AND RESETTLEMENT FRAMEWORK

LAC was granted the concession rights over an area of 122,500 ha by the Government of Liberia in 1959. The concession area is located in Compound #3, Grand Bassa County, between the St John and Cestos Rivers. The site is about 40km from the city of Buchanan.

The company started operations in 1960 planting mainly natural rubber and tobacco. Cultivation of tobacco has since been discontinued. The plantation and plant facilities were damaged and looted during the war years between 1989 and 1997. The company reopened in 1999 and commenced a rehabilitation program involving replanting of trees and repair to facilities that has been on-going since (with an interruption between 2002 and 2003).

LAC commenced planning an expansion programme in 2004. About 2500 ha was developed until 2008 when the expansion was met with resistance from affected communities and the programme was put on hold. The programme was to develop about 2,000 ha of new industrial plantation in an area extending to the east from the northern part of the current plantation area. It would have also involved development of another 3,000 ha of plantation that would have been operated by out-growers. All of the development would have occurred within the company's concession area. The company carried out an ESIA for the expansion programme and signed an agreement with the affected communities regarding resettlement. As stated above, the expansion was met with resistance from the affected communities. The programme is currently on hold.

Of the total concession area of about 122,500 ha, the total area currently under development is about 22,000 ha. This includes about 14,000 ha of plantation and 6,400 ha of area of wetlands and forested areas that are not developed. The remainder is used for infrastructure.

2.3

PROJECT DEVELOPMENT AND OPERATIONS

LAC's operations comprise rubber tree tapping, collection of latex and coagulation, transport of coagulated latex to the processing plant, and processing and packaging of raw rubber. LAC also purchases coagulated latex from independent growers for processing.

Plantation Operations

Tapping of trees occurs in the morning. Each tapper taps about 600 trees per day and collects the latex. Trees are tapped every three to four days. Latex is collected in stations setup in the tapping areas where it is coagulated using a formic acid solution and stockpiled for collection.

There are some special measures in place to promote the employment of women at LAC. More than 65% of the tappers in the young areas at LAC are women. The plantation has arranged for all rubber tapping below neck height ('down tapping') to be done by women on trees that are less than 11 years old. Once the trees are older, the men take over to tap the trees above neck height.

As women move to new areas of the plantation to tap young trees, the entire family is moved to a new camp near the new tapping area. This allows the women to go to work and come home without having to travel long distances.

In terms of new development, LAC started the expansion programme in 2004 and planted an area of about 2500 ha by 2007. In December 2007 LAC met with resistance from the local communities and had to put a hold on the expansion programme. Since then it has embarked on a programme to replant old trees (of about 650 ha per annum). The company is planning to replace approximately 650 ha of tree per year between 2016 and 2020.

LAC maintains an approximately 40 ha nursery area to produce trees for replanting and to supply small holders (at minimal cost). The nursery area has capability for irrigation including a pump station that draws water from a local creek. Water needs are minimal.

LAC purchases coagulated latex from approximately 685 small holders, about 130 of whom operate in the concession area. Small holders are independent and not contractually obligated to LAC. LAC maintains a supporting relationship with small holders and over the years has provided rubber stumps and bud wood sticks and tapping materials. LAC also provides rental vehicles for rubber collection. The company has also provided technical advice.

Plantation supplies such as fertilisers, herbicides and treatment chemicals are organised and stored in contained sheds with controlled access. Chemical use is small the most significant being use of herbicides for weed control mainly in newly planted areas.

Fuels for plantation equipment are stored at the plant and at various support facilities. Storage tanks are in good condition and secondary containment is installed. Fire control systems and spill containment equipment is in place.

Waste includes organic waste from clearing of expansion areas and removal of old trees in the replanting programme. Wood is typically given to worker camp communities where it is reused in most cases for charcoal making.

Worker camp waste is reused or burned in pits. There is an incinerator dedicated to the treatment of medical waste from the hospital.

LAC generates electrical power using diesel-fuelled generators with a total output of 1.280 megawatts (MW) of electricity (as two 0.640MW units). Power is provided mainly for the plant, hospital and residential areas.

Plant Operations

Coagulated latex is processed at the company's processing plant. Coagulated rubber of various origins are received at the factory and are blended together and processed in batches. The blended coagulum (coagulated latex) is loaded into a reception water tank from where it proceeds through a series of cutters and washes to clean and break it into small pieces. In a continuous process the coagulum proceeds through a series of shredders that create increasingly finer particles. These are then dried, packaged and stored for shipment.

Chemicals used in the process are:

- hydrated lime to reduce the cohesion of the finer rubber particles immediately prior to the drying cycle; and
- caustic soda to clean the drying trays.

The processed rubber is dried using heat generated by oil burners. The dried rubber is pressed into rectangular bales weighing 35 kg each. The bales are then wrapped for shipment.

The water consumption rate for the plant operations is 70 to 80 cubic metres of water per hour. Water is obtained from a dam located on the New Cess River adjacent to the factory. Process wastewater is treated in a series of settling ponds before discharge to the environment.

Hydroelectric Power Plant

LAC is currently constructing a hydroelectric power plant on a waterfall on the Slo River which traverses the concession area. The project involves construction and operation of a low-head, run-of-river hydroelectric facility with a maximum generating capacity of 1.25 MW. The company prepared an ESIA for the project and received the environmental permit in March 2013. The project is currently under construction with completion date estimated as 2016.

2.4 ENVIRONMENTAL AND SOCIAL SETTING

2.4.1 Environmental

The following was excerpted from provided documentation.

The LAC concession lies within the Upper Guinean Forest belt that stretches from Togo to eastern Sierra Leone. This forest belt is considered to be one of the highest global conservation priorities due to its high levels of endemism, species rarity and the extreme and immediate threats facing its survival. Liberia hosts the largest portion of relatively intact forest. Approximately 2,000 flowering plant species and 240 timber species are known to occur in

Liberia's forests. This area also provides conveyance and transit for migratory birds.

The forest cover on most of the plantation had been significantly degraded by cultivation and logging, particularly during the civil war from 1990 to 2003, so that very little primary forest remains. There are four major vegetation types across the concession: bush farms (or fallow), degraded secondary forest, mature secondary forest, and primary forest. The latter two are of significance due to the higher biodiversity value.

Remnants of mature forest occur in patches throughout the plantation, usually on steep slopes and higher hills unsuitable for agriculture or logging. There are approximately 20 remnant forest areas within the plantation, the largest being about 435 ha and the smallest about 2 ha. Remnant forests on the plantation are protected by LAC and may support critical habitat.

The map provided by LAC (Figure 2.1) illustrates a large areas of forest reserve within the wider concession to the east of the plantation area. Google Earth imagery (dated April 2013) reveals that this forest reserve supports extensive intact forest and there is minimal evidence of cultivation. No data on this forest reserve has been found online but is expected to support a rich biodiversity based on the extensive intact forest.

The soils in the area are predominantly latisols that are sandy loam to sandy clay loam in texture. The mid and upper slopes are generally well drained while the lower slopes are prone to flooding, particularly during the months of high rainfall. Because of inherent lack of fertility, the soils are best suited to perennial crops (such as rubber) rather than annual crops. Soils on the steeper and higher slopes are shallower (lithosolic) and well drained. These areas tend not to be planted due to the slope. Soils of the larger wetland areas (ie, swamp areas) are hydromorphic and not suited to rubber trees that require well-drained soils.

In terms of climate, Liberia has two main seasons: dry and rainy. The dry season lasts from mid-November to mid-April; the rainy season from mid-April to late October. Average annual rainfall along the coastal belt is over 4000mm and declines to 1300mm at the forest-savanna boundary in the north. Relative humidity is generally high throughout the country; on the coastal belt it does not drop below 80% and on the average is above 90%. There is wider variation in the interior where it may fall below 20% during harmattan (approximately December to February).

Temperatures in the area are relatively high throughout the year. Mean maximum temperatures range from 28 to 32 degrees C; mean minimum temperatures vary from 20 to 24 degrees C with the lowest temperatures recorded during December and January. The prevailing wind direction is from the northeast in the dry season and from the southwest during the rainy season, though local variations occur. Wind speed normally ranges between 19 and 48 mph.

There are three main vegetation zones in Liberia: coastal (savannah woodland), northern savannah, and tropical rainforest. Liberia is the only country in West Africa that once was covered entirely with rain forest. The forest of Liberia is being reduced at the rate of one to two percent per annum. More than 50 percent of the forests have been cleared. The two remaining dense forest areas are now found in the northwest and southeast of the country separated and isolated from each other by a corridor extending from Monrovia to Nimba County. These two forest blocks are further fragmented and dissected by the advances of shifting cultivation along existing roads and by the construction of logging roads.

2.4.2 *Social*

The Ministry of Planning and Economic Affairs estimated the population of Liberia in 2006 as 4.6 million, with an annual growth rate of 2.4%. Population density is 84 per square mile. Population distribution is uneven with four counties accounting for 70% of the total population. The southeast of the country is very sparsely settled. More than half the population is under the age of 18 and nearly 15% of the population is under 5 years of age. Only about 3% of the population is over the age of 65.

Grand Bassa County is located in the west-central portion of Liberia. It is comprised of eight districts. Buchanan is the capital and the largest city in the county. As of the 2008 census, the county had a population of 224,839. The operating area is located in District #3 which had a population of about 48,000 in 2008.

The plantation area itself is divided into four estates and 16 divisions with 84 worker camps with a population size in each camp ranging from 100 to 500 inhabitants. There are no communities that are not worker camps in the developed area of the plantation. There are however a number of communities (over 60) located in undeveloped areas in the wider concession. These are comprised of scattered hamlets, villages and towns, with a population size ranging from 900 to 5,000 inhabitants. These communities include among others, Civil Compound of Wayzohn, Wee Statutory District, Zondo, Compound Number Four, Zardobo, Joe Crossing and Wroahzohn.

2.5 *ASSESSMENTS AND STUDIES PREVIOUSLY CONDUCTED BY THE COMPANY*

Documents provided by LAC for review are listed in *Table 2.1*.

Table 2.1 Documents Provided by LAC for Review

Title	Date	Author/Source
Environmental Studies and Permits		
LAC Plantation Expansion EIA	August 2006	Agrer Consultancy Services

Title	Date	Author/Source
LAC Hydroelectric Power Plant (HPP) Project EIA Environmental Management Plan	2009 July 2008	Unknown Environmental Management Consultancy Incorporated (EMCI)
Environmental Certificate for Plantation and Plant (EPA/EC/EMP/001-0409) (no expiration date)	20 April 2009	Liberia Environmental Protection Agency
Schedule to the Environmental Permit for Rubber Plantation (EPA/EC/EMP/001-0409) (valid until 10 March 2015)	11 March 2013	Liberia Environmental Protection Agency
Schedule to Environmental Permit for Hydroelectric Power Plant (EPA/EC/ESIS/002-03/13) (valid until 10 March 2015)	11 March 2013	Liberia Environmental Protection Agency
Other Permits and Certifications		
Certificate of Business Registration (valid until 22 January 2016)	January 2012	Liberia Business Registry
Certificate of Clearance (valid for 12 months)	April 2014	Liberia National Fire Service
Certification of Management System to ISO 9001: 2008 Standard (valid until 10 March 2015)	10 March 2012	Bureau Veritas
Sanitary Standard Certificate (renewable annually)	31 March 2012	Liberia Ministry of Health and Social Welfare
Concession Certificate to Operate Private Security Firm (no expiration date)	3 October 2014	Liberia Ministry of Justice
Plant Import Permit (valid until 20 December 2014)	20 December 2013	Ministry of Agriculture
Concession Agreement	1959	Republic of Liberia
Audits, Inspections, and Reports		
Chemical Storage Inspection Report	July 2014	Pierre Bois d'Enghien
Waste Management Inspection Report	July 2014	Pierre Bois d'Enghien
HSE Inspection Report	July 2014	Pierre Bois d'Enghien
HSE Reports 2014	Various 2014	LAC
HSE Reports 2015	Various 2015	LAC
HSE Reports Summary 2015	March 2015	LAC
Quarterly HSE Status Report to EPA, First Quarter 2015	April 2015	LAC
Monthly HSE Assessment Report	January to April 2015	LAC
Socfin Sustainability Report 2014	2015	Socfin
Policy, Plans and Procedures		
HSE Organisation Chart	March 2013	LAC
LAC Company Organisation Chart	April 2015	LAC
LAC Environmental Policy (excerpted from expansion EIA)	August 2006	LAC
Oil Spill Procedure	2014	LAC
HSE Inspection Report	March 2013	Pierre Bois d'Enghien
HSE Document Filing Procedure	March 2013	LAC
HSE Fire Emergency and Evacuation Procedure	March 2013	LAC

Title	Date	Author/Source
HSE Waste Management and Safety Policy	March 2013	LAC
HSE Vector Control Procedure	March 2013	LAC
HSE Waste Management Procedure	March 2013	LAC
Asbestos Handling Procedure	Not dated	LAC
Emergency Procedure	Not dated	LAC
Handling of Flammable Materials Procedure	Not dated	LAC
Yellow Equipment Operating Procedure	Not dated	LAC
Construction Equipment Operating Procedure	Not dated	LAC
Environmental Health Technician Duties and Responsibilities	Not dated	LAC
HSE Plans	2015	LAC
Safety Policy	Not dated	LAC
Environmental Monitoring Procedure	2014	LAC
Fire Emergency Procedures	2014	LAC
Quality Systems Policy	November 2010	LAC
Technical Information		
Various Plantation Planting Maps	2015	LAC
Employee Listing	February 2015	LAC
Summary of Forest Reserve Areas	No date	LAC
Treatment Lagoon Layout Schematic Drawing	Not dated	LAC
Plantation Soil Analysis	January 2015	SOGB
Summary of Replanting Programme	March 2015	LAC
Summary of Water Supply Points	April 2015	LAC
Human Resources		
Collective Bargaining Agreement 2013 to 2016	September 2013	LAC
Contractor Listing	February 2015	LAC
Listing of Health and School Facilities and Staffing	Not dated	LAC
Memorandum of Understanding with Striking Workers	May 2012	LAC
Conditions of Service for Local Staff	January 2012	LAC
Conditions of Service for Sub Staff	January 2012	LAC
ISO Training Programme	2014	LAC
Summary of Worker Camp Population	July 2014	LAC
Labour Force Summary Report	February 2015	LAC
Recruitment Procedure	May 2011	LAC
Code of Employee and Business Conduct	December 2009	LAC
Operating Regulations	October 2002	LAC
Security Code of Conduct	2009	LAC
Standard Operating Procedures	June 2013	LAC
Finance and Administration		
Community Relations		
Framework Agreement for Resettlement Associated with the Expansion Programme between LAC and Affected Communities	October 2007	LAC
LAC Stakeholder Engagement Plan	May 2015	LAC
Various documents prepared to answer questions from IFC	2015	LAC

3 APPROACH AND METHODOLOGY

3.1 ASSESSMENT FRAMEWORK

3.1.1 Overview

The assessment was carried out against a framework that included the environmental and social requirements of:

- IFC Performance Standards and EHS Guideline; and
- FSC;
- National laws and regulations.

3.1.2 IFC Performance Standards and Guidelines

The assessment was carried out in consideration of the IFC Performance Standards. Based on a review of company assets and the concessions, the following standards were determined to be applicable to one or more of the concessions:

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- Performance Standard 2: Labor and Working Conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Community Health, Safety, and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Performance Standard 8: Cultural Heritage

Performance Standard 7: Indigenous Peoples was considered but was determined to not apply because there are no indigenous people (as defined by the Performance Standard) in the Project's area of influence. This was determined through desk-top based research and knowledge of the area.

The assessment considered requirements of applicable World Bank Group Environmental, Health and Safety (EHS) guidelines. Based on a review of company activities, the following were determined to be applicable:

- *General Environmental, Health and Safety Guidelines (April 2007)*; and
- *Environmental, Health, and Safety Guidelines for Plantation Crop Production (April 2007)*.

3.1.3 FSC Principles and Criteria

The assessment was carried out with consideration of the *FSC Principles and Criteria for Forest Stewardship (2012)* (FSC-STD-01-001 version 5.1). Based on a

review of company assets and the concessions, the following standards were determined to be applicable to concession:

- Principle 1: Compliance with Laws
- Principle 2: Workers’ Rights and Employment Conditions
- Principle 4: Community Relations
- Principle 5: Benefits from the Forest
- Principle 6: Environmental Values and Impacts
- Principle 7: Management Planning
- Principle 8: Monitoring and Assessment
- Principle 9: High Conservation Values
- Principle 10: Implementation of Management Activities

Principle 3: Indigenous Peoples’ Rights was considered but was determined to not apply because there are no indigenous people (as defined by the Performance Standard) in the Project’s area of influence. This was determined through desk-top based research and knowledge of the area.

3.1.4 *National Laws and Regulations*

The assessment included verification of company compliance with specific laws and regulations listed in the following sections which were determined to be applicable to the environmental and social aspects. The applicable laws and regulations pertaining to environmental and social aspects of the concessions in each country were determined through a review of the documentation associated with the assets and additional desk-top based research.

Those laws and regulations considered in the assessment are listed in *Table 3.1*.

Table 3.1 *Laws and Regulations Considered in the Assessment*

Law or Regulation	Description
Environment Protection Agency (EPA) Act	The Act grants the EPA with the authority of government for the protection and management of the environment in Liberia. It provides for an Environmental Administrative Court to hear from aggrieved parties. It requires that an Environmental Impact Assessment (EIA) be carried out for all activities and projects likely to have an adverse impact on the environment.
Environment Protection and Management Law (EPML) (2002)	This Law arranges the rules, regulations and procedures for environmental impact assessment, auditing and monitoring. It establishes regulations for environmental quality standards; pollution control and licensing; guidelines and standards for the management of the environment and natural resources. It also addresses the protection of biodiversity, national heritage and the ozone layer. Other areas covered include environmental restoration orders; inspections; international obligations; and information access; education and public awareness.

Law or Regulation	Description
Conservation of the Forests of the Republic of Liberia (1953)	This Law provided the framework for the use of forest and wildlife resources and allowed for the creation of government reserves, native authority reserves, commercial forests, national parks and wildlife refuges.
Supplementary Act for the Conservation of Forests (1957)	This Supplementary Law also provided the framework for the use of forest and wildlife resources and allowed for the creation of government reserves, native authority reserves, commercial forests, national parks and wildlife refuges.
Forestry Development Authority (FDA) Act (1976)	The Act establishes and defines the responsibilities of the FDA, outlined forest offences and penalties; made provision for an Advisory Conservation Committee and specified powers of forest officers with regard to trees in reserve areas.
Public Health Act (1976)	This Act contains provision for the protection of drinking water resources and the inspection of potential sources of pollution.
Wildlife and National Parks Act (1988)	The Act identifies a number of protected areas; specifies policies and objectives regarding wildlife and conservation in the country.
Labour Practices Law (Title 18 and 18A) (1956)	This Law covers all aspects of labour and working including: <ul style="list-style-type: none"> • Minimum wages • Company stores • Maximum hours • Weekly rest and public holidays • Annual leave • Employment in general • Conciliation of grievances • Retirement pensions • Schools for employees' children living in camps • Workmen's compensation • Labour organizations; regulation of internal affairs • Liability of labour organizations • Mediation of labour disputes • Peaceful settlement of industrial disputes dangerous to national health, safety, security and economy • Unlawful picketing, strikes and boycotts (PRC Decree No. 12 of June 30 1980)
National Environmental and Occupational Health Policy (2010)	Provides the policy statement and framework for development of laws and regulations addressing public health and worker health and safety.

In addition to national laws and regulations, Liberia is a signatory to the following international conventions and agreements:

- United Nations Convention to Combat Desertification (UNCCD)
- Convention of Biological Diversity
- UNESCO Convention Concerning the Protection of the World's Cultural and Natural Heritage
- UNESCO Ramsar Convention on Wetlands of International Importance;
- United Nations Convention on Climate Change

- United Nations Environmental Program (UNEP) Convention on the Conservation of Migratory Species of Wild Animals
- UNEP Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- International Tropical Timber Agreement (ITTA)
- Extractive Industries Transparency Initiative (EITI)

3.2 *METHODOLOGY AND PROCESS STEPS*

3.2.1 *Overview*

The scope of work entailed the independent assessment of environmental and social aspects of the company's assets and operation against the applicable regulatory and performance framework.

The assessment comprised the following steps:

- Relevant environmental and social documentation and information were reviewed.
- Site visits were conducted at the concession focussed on operational areas. Visual observations were made of the areas directly and indirectly affected by company activities.
- Individuals or entities associated with activities were interviewed with regards to environmental and social issues.
- Company activities were evaluated against the reference framework to determine compliance with national laws and regulations and conformance with lender requirements.
- A plan for corrective action was developed where gaps were identified.

Document Review

Request for documentation was submitted to the company at the onset of the assessment. The company provided documents and information including environmental and social studies where available. Additional information was identified over the course of the site visits and was subsequently provided.

Site Visits and Interviews

Site visits were carried out in Mr Tunde Morakinyo and Mr Henry Camp of ERM on 27 and 28 May 2015. The site visits covered the plantation operational areas, plantation nursery, support and storage facilities, representative worker camps, representative schools, and the clinic facilities.

The site visits comprised interviews with company personnel and a site tour and inspection of key areas comprising:

- Main plantation area;
- Select representative worker camps;
- Chemical and supply storage facility,
- Plant nursery facility;
- Health clinic;
- Processing plant;
- HPP site.

The focus of the inspections was on environmental control systems.

The following company management staff were interviewed:

- Vincent Servais, Financial Controller
- Naveen Madan, Plantation Manager
- Harry Attoh, Human Resources Manager
- Daniel Greeff, Construction Manager
- Aaron Williams, Social Worker (for women's projects)
- Edwin Nelson, Purchasing and Shipping Manager

Formal interview sessions were also held with:

- Community members as represented by small holders from outside the plantation
- Workers as represented by leaders and members of the Liberian Agricultural Workers Union (LAWU)
- Staff as represented by leader of the staff association

Informal discussions were also conducted during the course of the site visits with workers on the plantation and people living in the worker camps.

Notes were taken during both site visits and interviews. Photographs were taken as documentation and for subsequent review.

3.2.2 *Biodiversity and Ecosystem Services*

Assessment of issues related to biodiversity and ecosystem services followed a specific approach. The overall objectives of the biodiversity assessment are as follows:

- Obtain an understanding of the natural landscape of each concession.
- Characterize the biodiversity values and the occurrence of ecosystem services within each concession and the surrounding areas;
- Prescribe a set of mitigation and management measures to comply with IFC Performance Standard 6.

The approach involved the following:

Activity 1: Desk-Based Review

As first step, a literature review was conducted to identify:

- (i) existing environmental studies, scientific literature or any other type of pre-existing biodiversity data available for the concession and surrounding areas;
- (ii) existing eco-regional plans (for example, developed by the government, by universities, or by conservation organizations); and
- (iii) existing conservation programs or initiatives in the area and its surroundings (for example by government, by universities and/or by conservation organizations).

Existing data, most notably the IUCN Red List of Threatened Species and nationally protected species lists, was used to identify if there are any potentially occurring threatened species, endemic species, or migratory species associated with the concession and surrounding areas. Existing data was also used to identify potential invasive species in the concession and the surrounding landscape.

Activity 2: Stakeholder Consultation

Interviews were conducted with the Liberia Forest Development Authority (FDA) and with Fauna and Flora International Liberia (FFI) to understand the regional context of the concession site in terms of importance to biodiversity conservation (eg, ecosystems, threatened species, endemic species, or migratory species). Interviews were also conducted with local communities on the plantation to determine if there are any particular priority ecosystem services.

The team included a biodiversity specialist from FFI who conducted interviews with hunters from two local communities to determine if there were any IUCN red list species found in the forests on the plantation and to understand their importance in terms of ecosystem services.

Activity 3: Preliminary Habitat Characterization

The results of the screening analysis conducted by IFC using the Integrated Biodiversity Assessment Tool (IBAT), were used to: determine major habitat types; and map the extent of modified or natural habitat in the concession and the surrounding area per the definitions in paragraphs 11, 13, and 16 of Performance Standard 6 (noting that the area could be a mosaic of modified/natural habitat).

If relevant, watershed, interfluvial zone or other relevant defining landscape features in which the concessions are located were described.

Where possible comment on the ecological uniqueness of the concession area was provided with respect to larger landscape (eg, is there anything

ecologically or biologically different about this area with respect to the surrounding landscape).

Activity 4: Reconnaissance Biodiversity Survey

A reconnaissance survey focused on the forests within the plantation was conducted by the biodiversity specialist from FFI to gather field information and confirm the presence of major habitat types or special features. It was not possible within the timeframe to visit forest areas on the wider concession.

Activity 5: Recommended Mitigation and Management Measures

Using the mitigation hierarchy (ie, avoid, minimize, restore and offset) an action plan was developed. The plan provides a recommended set of implementable actions and management measures that focus on enhancing, maintaining or where appropriate restoring the identified priority ecosystems and habitats found within the concession was developed. The action plan includes mitigation measures, timeline and indicative budget to achieve compliance with Performance Standard 6. In case where available information is not sufficient to propose an action plan, additional studies to be carried out were recommended.

3.2.3

Limitations

Note that this assessment is neither an audit (which would entail exhaustive evaluation against a defined standard) nor an environmental impact assessment (which would aim to provide a detailed evaluation of impacts associated with activities associated with the company operations on the natural and human environment). Rather, it was an evaluation of the Company's current and planned environmental and social management practices to determine potential environmental and social risks arising from operations.

While this assessment has endeavoured to provide a comprehensive review of the company against the relevant standards, the following limitations should be noted:

- The assessment is based upon certain facts with resultant subjective interpretations based on professional judgements. The professional judgements expressed are based on the available facts within the limits of the existing data, budget and schedule.
- This assessment is based primarily upon information provided through documents provided, interviews and through first-hand observations; no primary data collection has been undertaken. In addition the accuracy of calculations and modelling outputs performed by third parties, if any, was not verified.

- This assessment was limited to review of outputs and conclusions of technical studies performed by third parties and against relevant criteria and for general reasonableness based upon our professional experience and opinion. Technical review of design and operational performance was not carried out.
- The information provided in this report is not to be construed as legal advice.

4 RESULTS/FINDINGS BY CONCESSION

4.1 REVIEW OF STUDIES PREVIOUSLY CONDUCTED AND ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS

4.1.1 *Environmental and Social Studies*

With regards to environmental and social aspects of the company's operations, the studies of significance are the following:

- *LAC Plantation Expansion EIA (August 2006), Agrer Consultancy Services*
- *LAC Hydroelectric Power Plant (HPP) Project EIA (2009), Preparer Unknown*

Expansion EIA

LAC undertook a study related to the proposed expansion programme (*Figure 4.1*). The programme was never implemented. The EIA report does however provide an assessment of the impacts associated with the main plantation operations as well as what would be expected from the expansion and is useful as reference. It apparently provided the basis for the EMP prepared for the company in 2008. The EIA document is highly focused on EHS issues and issues related to biodiversity and affected communities and other social aspects are not evaluated in any depth.

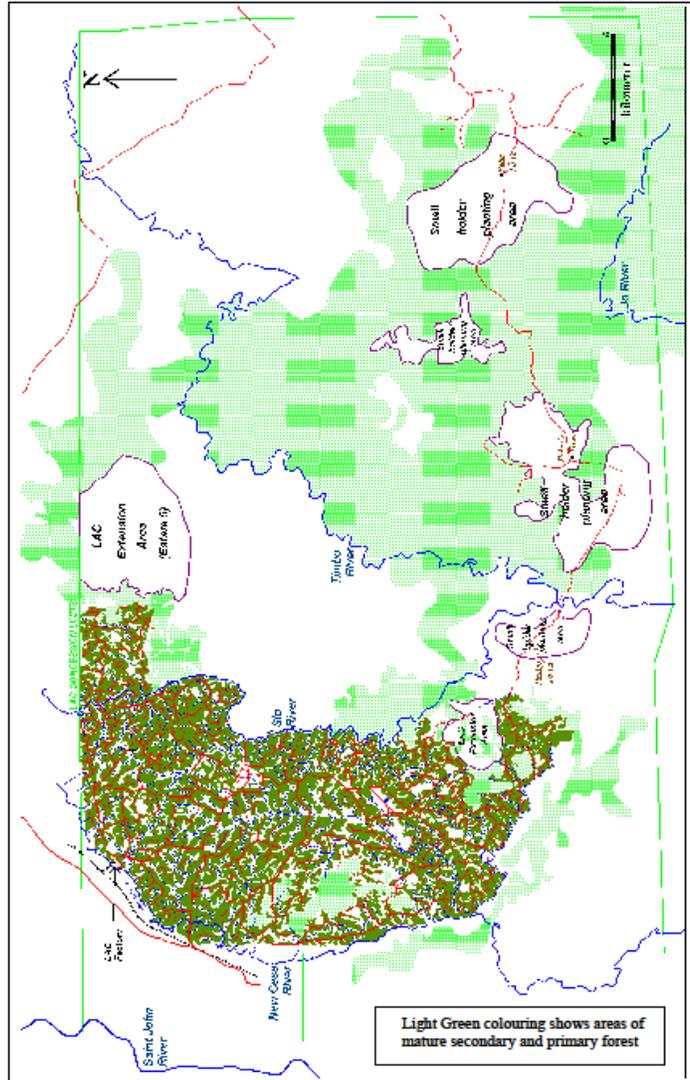
Hydroelectric Power Plant (HPP) EIA

LAC prepared an EIA for the HPP project currently in construction phase. The EIA does not fully align with international standards. Gaps in the EIA include the following:

- Information regarding the socioeconomic situation was not fully documented. There is limited assessment on impacts and risks to affected communities, water resource use (eg, fishing and domestic use), and biodiversity resources (eg, aquatic communities, migratory fish). The project footprint is however small and remote from residential areas and impacts would be expected to be limited.
- The EMP contained in the EIA does not provide detail sufficient for implementation of the mitigation and management requirements. The company would have had to develop more detailed plans and procedures. Based on the documentation provided, this does not appear to have happened. It is also not clear whether LAC is routinely and systematically inspecting the project relative to the requirements in the EIA and the environmental permit. This would be especially important during construction when the majority of the significant impacts are expected to occur.

Figure 4.1 Areas Proposed for Expansion in 2008

Figure 2: Map of LAC Concession, Plantation and Expansion Areas



Environmental and Social Management Systems

LAC commissioned the preparation of an EMP for plantation operations which is described in the following documents:

- *Environmental Management Plan (EMP) (July 2008), Environmental Management Consultancy Incorporated (EMCI)*
- *EMP Update for Liberia EPA (2012)*

An EMP is a legal requirement for a Certificate of Environmental Compliance by the EPA. The original EMP was prepared by EMCI, a Liberia-based environmental consultancy. The EMP document describes the general biophysical and social conditions at the time and identifies impacts and risks associated with on-going operations. The document also describes mitigations and management actions required to address impacts including a recommended structure for an EHS management organisation. The document provides a basic framework for development and implementation of specific policies, plans and procedures that LAC would need to prepare in creating an Environmental Management System (EMS).

An EMP update report was prepared in 2012 as required for LAC's environmental permit renewal. The update was based on an audit of the operations conducted by LAC against the requirements specified in the EMP. The update report highlights areas of non-conformance such as incomplete emergency response procedures and lack of availability of job descriptions.

For EHS issues the EMP specifies mitigation measures for environmental risks pertaining to the factory and plantation operations, including water quality, waste management and pollution.

HSE management is the responsibility of the HSE Manager. The role is currently being filled by the Construction Manager. HSE issues are also managed by an Environmental Management Committee (EMC) that monitors environmental performance at LAC. The EMC comprises the following staff:

- Assistant Manager for Plantation
- Quality Control Officer (laboratory superintendent)
- Maintenance Manager
- Factory Manager
- Finance Manager
- Administration and Information Specialist
- Environmental Health Officer
- Plant Protection Department (security)
- Camp Master

One of the key functions of the EMC is to develop an EMS. No detail is provided regarding key indicators or responsibilities for monitoring. It is

assumed that these will be described in the EMS. The EMC is also required to conduct monthly checks and quarterly audits, therefore acting as internal environmental auditors of the company. Actions are monitored by Socfin, which conducts annual audits to identify and monitor environmental and social issues against Socfin's corporate framework procedures for HSE, chemical storage and waste management.

For social aspects, the EMP provides information on development of improved housing at the plantation and associated facilities. Information regarding plantation services (schools, health care facilities), collective bargaining agreement, and hazards to human health is also described. Although the documents refer to the need for improved transparency with stakeholders regarding transactions and reference to interactions with people highlighted as an unresolved issue, these issues are not fully explained nor addressed. There is also limited detail on management of community relations and stakeholder engagement.

Commitment to community development is demonstrated in the documents. Projects described include maintenance of the roads in the concession and construction of feeder roads for access to markets and healthcare facilities. Improvements such as investment in increased food production including rice and livestock for communities, as well as health initiatives such as HIV / AIDS awareness programmes are also described.

The EMP documents are positive in that they represent an acknowledgement by the company of the issues and impacts that need to be managed in line with Liberia laws and regulations and international good practice. The EMP documents however do not provide clear guidance as to how the measures will be implemented or monitored and how the responsibilities are assigned. As such, the capability of LAC to implement the measures is not clear. LAC has committed to development and implementation of an EMS, but this has not yet been finalised.

While the EMP documents provide the framework for management of environmental and social performance, there are missing elements in terms of what would be expected for a complete EMS. In addition, certain elements of the plans do not appear to be fully followed.

4.2

CHARACTERISATION OF BIODIVERSITY AND ECOSYSTEM SERVICES

Liberia is located within the Upper Guinea Rainforest Belt that stretches across most of West Africa. Liberia retains the largest portion (over 40%) of the remaining intact forest segments of this important ecosystem. The Rainforest Belt is considered one of the world's most important biodiversity areas, supporting high species diversity and endemism. A conservation priority-setting initiative for the Upper Guinean Forest Ecosystem supported by the UNDP and Global Environment Facility (GEF) in December 1999 identified Liberia as a top priority country in humid West Africa from a conservation

perspective. Liberia's forests provide one of the last strongholds and the best chance of survival for several globally threatened species, including the West African chimpanzee (*Pan troglodytes verus*), western red colobus (*Procolobus badius*), pygmy hippopotamus (*Choeropsis liberiensis*) and Jentink's duiker (*Cephalophus jentinki*).

4.2.1 Proximity to Key Biodiversity Areas

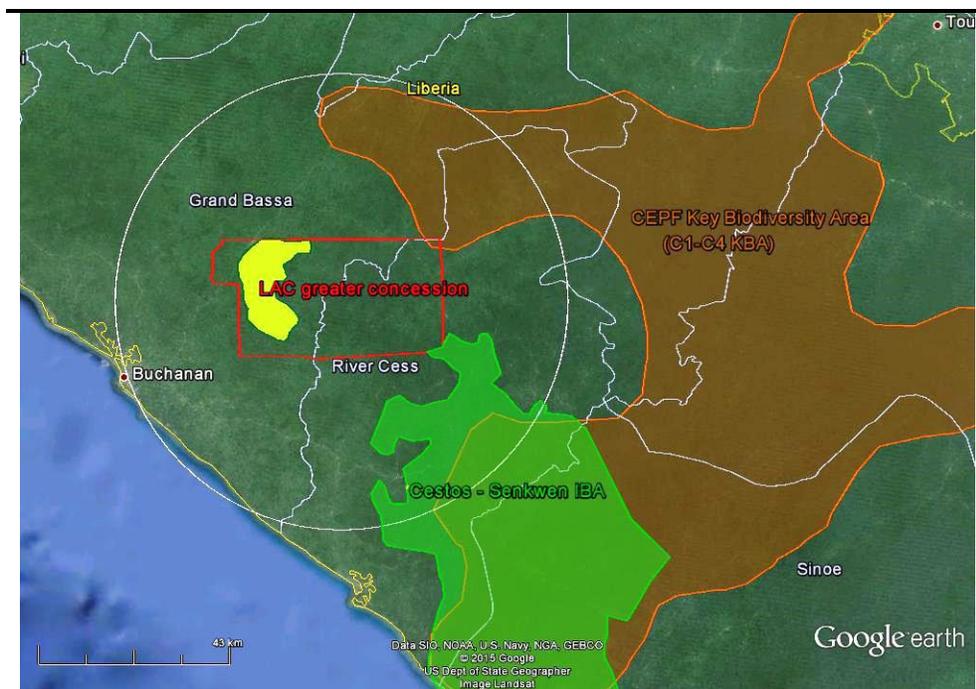
The World Database of Protected Areas ⁽¹⁾ does not indicate any protected areas within the greater vicinity of the LAC concession but the following protected areas are recognised:

- The map provided by LAC (*Error! Reference source not found.*) illustrates a large forest reserve within the concession and east of the plantation area. Google Earth imagery (dated April 2013) reveals that this forest reserve supports extensive intact forest and there is minimal evidence of cultivation. No data on this forest reserve has been found online but is expected to support a rich biodiversity based on the extensive intact forest.
- The Cestos – Senkwen Important Bird Area (IBA) occurs east of the LAC concession. This IBA lies on the coast and its western border occurs close to the LAC concession. It includes part of the lower reaches of the scenic Cestos and Senkwen Rivers, and consists of evergreen lowland rainforest, mangroves and undisturbed coastal vegetation including some of the last examples of littoral forest in West Africa. This IBA is recognized for supporting 91 birds that are globally threatened, restricted range and/or biome restricted species. These include one endangered and five vulnerable bird species.
- The C1-C4 Key Biodiversity Area (KBA) recognized by the Critical Ecosystem Partnership Fund (CEPF – funded through the above UNDP-GEF initiative) is located east of the LAC concession, but with different boundaries to the above IBA. This KBA is classified as 'Exceptionally High' in terms of biodiversity value. This KBA forms a part of the Krahn-Bassa / Sapo / Grebo / Tai complex which contains the largest tract of contiguous forest left in the entire Upper Guinea ecosystem. This complex presents the greatest opportunity to establish and maintain protected areas containing large intact stands of forest.

Small forest reserves are indicated within the LAC plantation (*Error! Reference source not found.*), but are considered to be set asides of the LAC operation rather than protected areas.

(1) Accessed via the Protected Planet website at: www.protectedplanet.net

Figure 4.2 Sensitive and Protected Areas



Note: Approximate locations of the Cestos – Senkwen Important Bird Area (green) and the CEPF Key Biodiversity Area (brown) west of the LAC concession (red), plantation (yellow) and showing a 50 km radius (white) around a central concession point.

4.2.2 Potential Occurrence of Components of High Biodiversity Value

The IBAT database, courtesy of IFC, lists the diversity of threatened species that could potentially occur within the greater vicinity of the LAC plantation. These include 23 mammal species, 18 bird species, 13 amphibian species, one reptile species, and one fish species. Most of these species could not be surveyed during a brief field survey but a number of high profile mammal species were highlighted for investigation during the site visit (*Error! Reference source not found.*). The field survey focussed on the LAC plantation area only and did not consider the presence of these species within the wider concession.

Table 4.1 Threatened Mammal Species with a Likelihood of Occurrence

Order / Family	Species	IUCN Status	Presence within the LAC Plantation based on Interviews & Field Survey
Primates (Primates)			
Hominidae	<i>Pan troglodytes verus</i> West African Chimpanzee	EN	Seasonally present (reported)
Cercopithecidae	<i>Procolobus badius</i> West African Red Colobus	EN	Present in the Plantation (reported)
Cercopithecidae	<i>Cercocebus atys</i> Sooty Mangabey	VU	Present in the Plantation (reported)
Cercopithecidae	<i>Cercopithecus diana</i> Diana Guenon / Monkey	VU	Present in the Plantation (reported)

Order / Family	Species	IUCN Status	Presence within the LAC Plantation based on Interviews & Field Survey
Cercopithecidae	<i>Colobus polykomos</i> Black-&-white Colobus	VU	Present in the Plantation (reported)
Carnivora (Carnivores)			
Felidae	<i>Panthera pardus</i> Leopard	NT	Reportedly Not Present
Cetartiodactyla (Antelope and Hippo)			
Bovidae	<i>Cephalophus jentinki</i> Jentink's Duiker	EN	Present in the Plantation (reported)
Bovidae	<i>Tragelaphus eurycerus</i> Bongo	NT	Reportedly Not Present
Hippopotamidae	<i>Choeropsis liberiensis</i> Pygmy Hippopotamus	EN	Reportedly Not Present
Pholidota (Pangolins)			
Manidae	<i>Phatanginus tricuspis</i> Tree Pangolin	VU	Present (reported)

Key to IUCN Red List acronyms:

EN – Endangered with extinction; VU – Vulnerable to extinction; NT – Near Threatened.

4.2.3 *State of LAC Habitats*

During the field survey it was observed that the LAC plantation maintains areas of relatively intact mature secondary forest capable of hosting a diversity of faunal species, particularly primates and small antelope. These animals are often attracted to secondary forest habitats because of the high availability of fruiting trees and young grasses. Dominant tree species observed in these forests included *Entandrophragma* species, *Tarrietia utilis* and *Uapaca* species and were associated with dense ground cover.

Intact forest appears to be extensive within the wider LAC concession.

4.2.4 *Key Informant Interviews and Field Survey*

Eleven key informants (mainly hunters) were identified during a combined community meeting held in Seiko Camp on 27 May 2015. Communities mentioned that there are no sacred forests located within the LAC plantation area; however this is at odds with reports given during the team's meeting with small holders. The small holders said that the forest reserved on the plantation had been set aside because it was regarded as sacred by the communities. Hunting, logging and farming within the forest areas and wetlands of the plantation are prohibited, but they are permitted to harvest non-timber forest products such as rattan, medicinal plants, and palm wine produced from *Raphia* species. The harvesting methods in use seemed not to be sustainable based on observations during a brief field visit.

There are five species of primates, four duikers and one pangolin occurring in LAC plantation according to community informants. Commonly hunted species include sooty mangabey, black duiker, bushbuck and African civet. Less targeted species include Maxwell's duiker and cane rat.

Seven faunal species present within the plantation area are listed as Threatened on the IUCN Red List, which includes two Endangered species (*Error! Reference source not found.*). Community members mentioned that chimpanzees were seen seasonally moving through the protected parts of the LAC plantation. The brief field survey revealed that chimpanzees may use the forests within the plantation as transit points, but may not inhabit these areas as no evidence of chimpanzee activities were found (eg, nests and nut-cracking sites). Based on community responses, it appears that chimpanzees may occasionally move out of the forest reserve within the eastern parts of the LAC concession and venture into the plantation area.

Species such as the pygmy hippopotamus (EN), elephant (VU) and leopard (NT) are considered to be absent from the LAC plantation, possibly due to fragmentation of forest patches and the habitats being too small for species with large home ranges. These species may be present in the forest reserve within the wider LAC concession.

4.2.5 *LAC Authority Engagement*

LAC institutes some measures to conserve wildlife and their habitats within the plantation. For example hunting, logging and farming in forests within the plantation area are strictly prohibited. Fishing in important wetlands there is also prohibited. Forests areas are under the observation of the LAC security staff and anyone caught hunting, logging or farming is handed over to the police.

No protection efforts are implemented in the wider concession area, although the LAC authorities do encourage rubber cultivation by smallholders, which is associated with loss of forest.

4.2.6 *Potential Occurrence of Critical Habitat*

An assessment of critical habitat occurrence within the LAC plantation and the wider concession area is presented in *Table 4.2* based on currently available data.

Table 4.2 *Assessment of the Occurrence of Critical Habitat*

Critical habitat criteria	LAC Plantation Area	Wider Concession
Criterion 1: Critically Endangered (CR) and/or Endangered (EN) species	Two endangered species are reported to be present within the plantation area, namely Chimpanzee and Jentink's duiker. Criterion is triggered.	Chimpanzees are reported to occur and there is a high level of confidence that Jentink's duiker will occur. Red Colobus may be present. Confidence that this criterion is triggered.
Criterion 2: Endemic and/or restricted-range species	There is no evidence that this criterion is triggered.	There is no evidence that this criterion is triggered but there is a high likelihood of endemic

Critical habitat criteria	LAC Plantation Area	Wider Concession
		and restricted-range species being present.
Criterion 3: Migratory and/or congregatory species	There is no evidence that this criterion is triggered.	There is no evidence that this criterion is triggered.
Criterion 4: Highly threatened and/or unique ecosystems	Habitats contain mature forest that may qualify as highly sensitive old growth forest of high conservation value. Criterion may be triggered.	High level of confidence that mature forest exists that may qualify as sensitive old growth forest of high conservation value. Confidence that this criterion is triggered
Criterion 5: Key evolutionary processes	There is no clear evidence of key evolutionary processes	There is no clear evidence of key evolutionary processes

The Guidance Notes to the IFC Performance Standards state that special consideration should be given to great apes (ie, family Hominidae) given their anthropological and evolutionary significance in addition to ethical considerations. Where populations of CR and EN great apes exist, a Tier 1 habitat designation is probable. A Tier 1 critical habitat within parts of the greater LAC concession is highly probable; however dependence for survival of chimpanzee populations on the habitats within the plantation would need to be investigated to confirm a Tier 1 Critical Habitat designation there.

4.2.7 *Conservation of Biodiversity*

The chimpanzee population is transitory within the LAC plantation and securing the critical habitat there may depend on measures being taken to protect chimpanzees and their habitat within the wider concession. Specialist data will be required to understand these requirements and studies are recommended to cover the following aspects:

- Assess and map the home range and seasonal movements of chimpanzees to determine a discrete management unit for the critical habitat;
- Assess the level and nature of threats to which these animals are exposed and what key measures are required to secure their future.

LAC supports the cultivation of rubber by small holders through its small holder support programme on the wider concession (122,500 ha). This support is restricted to the supply of propagation material, chemicals, loan of equipment and silvicultural advice. LAC does not manage land use patterns on the rest of the concession, but has an impact on the biodiversity there. The company does therefore have an obligation to protect the biodiversity in order to achieve the Net Positive Impact requirement of the IFC Performance Standard 6.

Managing the impact of numerous independent small holders is practically not possible and setting aside an area of the wider concession for conservation is recommended as a compensation for this impact.

An HCV assessment of the wider concession should be conducted to identify key areas and corridors for maintenance of biodiversity. At least 10% of the concession area ($\pm 12,000$ ha or more) and corridors should be set aside from small holder rubber production and reserved for long term conservation in collaboration with a respected local conservation NGO and the conservation authorities. A specialist with experience in the Business and Biodiversity Offsets Programme (BBOP) should be consulted to ensure the conservation programme meets international offset standards.

4.3

SOCIOECONOMIC BASELINE OF AFFECTED COMMUNITIES

The plantation contains 84 worker camps with a population size ranging from 100 to 500 inhabitants. There are no communities that are not worker camps in the developed area of the plantation.

There are over 60 communities located in undeveloped areas in the wider concession comprising scattered hamlets, villages and towns, with a population size ranging from 900 to 5,000 inhabitants. These communities include Civil Compound of Wayzohn, Wee Statutory District, Zondo, Compound Number Four, Zardobo, Joe Crossing and Wroahzohn.

It was outside the scope of this assignment to determine the baseline socioeconomic characteristics of the surrounding communities (ie, the communities in the wider concession area).

There was little available information on the socioeconomic context in the EIA for the proposed expansion programme or the EIA for the hydroelectric plant. There are no details on previous consultations held during ESIA and a review of the ESIA/EMPs reveals a relatively superficial consideration of impacts on communities living outside the operational areas and communities living in the periphery of the concession (both potentially affected by Socfin's activities).

Based on what is available, community members appear to be subsistence farmers as well as out-growers that sell rubber to LAC (or to other rubber companies).

To better understand the potential effects of the company's operation on the broader population there is a need for a social baseline survey of the communities on the concession to describe:

- demography;
- social organization (management of leadership, conflict resolution, land attribution process);

- vulnerable groups;
- ethnic groups;
- land use and land ownership
- livelihoods and socio-economic activities;
- social amenities and infrastructure;
- education and skills development;
- health; and
- cultural resources.

4.3.1 *Previous Significant Issues with Local Communities and NGOs*

Community tensions during the proposed plantation expansion programme

LAC started the expansion programme in 2004 and planted an area of about 2500 ha by 2007 (1000ha in the north and 1500 ha in the south). In December 2007 LAC met with resistance from the local communities and had to put a hold on the expansion programme. The programme would have involved the development of about 2,000 ha of new industrial plantation in an area extending to the east from the northern part of the current plantation area. It would have also involved development of another 3,000 ha of plantation that would have been operated by out-growers, all within the company's concession area.

The company carried out an ESIA for the expansion programme and signed an agreement with the affected communities regarding resettlement. The plan for expansion was met with resistance from the affected communities. In 2007, the LAC Plantation Manager was fatally shot by a member of the community who was apparently upset by the company's expansion plans on lands within its concession. The expansion programme is currently on hold and LAC is now focussing on the replanting of old trees.

While the expansion plans are on hold, it would appear from media reports that some tensions with the communities still remain.

Quality of worker accommodation

Quality of accommodations was an on-going issue that was raised in the meetings with workers. This issue is being resolved by LAC through the on-going programme to replace worker accommodations. The team inspected the new accommodation and could verify that new housing is a significant improvement over the old accommodation. The meeting with the workers confirmed that they are pleased with the programme of housing replacement.

Worker Health and safety on the processing plant

A boiler at the processing plant exploded killing six people and injuring a further 11. After the incident, the General Manager assembled a committee that included both staff and workers to respond to the incident. The committee investigated the causes of the accident and recommended measures, including an assessment of potential hazards elsewhere on the

plantation. This has helped to defuse tensions that occurred after the accident took place.

4.3.2 *Summary of previous engagement activities of Socfin with local communities*

The Human Resources Department has overall responsibility for worker camp community relations at LAC. Engagement with workers and families in the plantation camps is primarily through the operations management chain (overseers, supervisors, superintendents, and on up to estate managers and ultimately the LAC senior management team). Where issues relate to camp infrastructure (such as water pumps, sanitation, repairs) these are reported via each camp master.

Relations with the communities surrounding the plantation are handled by the HR Department. From meetings it appears that most engagement with the surrounding communities is in relation to community investment projects. The plantation receives requests for community project via letters or meetings with community representatives. When these are received, the plantation visits the communities to assess whether the request is reasonable and whether such a project would benefit the wider community.

Communications with communities is largely reactive rather than proactive given the large number of surrounding villages and communication is largely focussed on community projects instead of wider issues. It is important to note though that while the plantation has developed a Stakeholder Engagement Plan (SEP), the plantation does not have a social baseline that describes the social context across the wider concession.

LAC operates a broadcast radio station which can be heard across the plantation. Broadcasts are used to disseminate information regarding activities in the plantation, sensitisation in relation to domestic and health issues, and other matters of public interest. It also provides entertainment. Leaflets and other materials are also disseminated on subjects such as HIV/AIDS, contraception and malaria, and a regular newsletter aimed at all workers and families is being introduced. However, not all households have access to a radio and literacy in Liberia is low, both factors which may reduce the effectiveness of these methods of information dissemination.

In light of the issues mentioned above, it is recommended that LAC considers upgrading its Stakeholder Engagement Plan (SEP) to:

- Establish an effective chain of communication with surrounding communities (including participatory approaches) to facilitate a two-way process of communication to inform and gain feedback regarding plantation developments;
- Identify and prioritise stakeholder groups, including vulnerable groups, who may be directly or indirectly affected by LAC activities and / or have an influence / pose a risk to the plantation. This process should include a stakeholder mapping exercise;

- Define frequency and methods of stakeholder engagement;
- Define roles and responsibilities in LAC regarding stakeholder engagement;
- Monitor engagement activities and reporting of meetings and associated outcomes/ actions; and
- Define and disseminate a grievance process for communities and other external stakeholder groups.

4.3.3 *LAC Small Holder Programme*

The Rubber Purchase Department and its Small holder Technical Unit help out growers with:

- establishment of nurseries;
- supply of bud wood;
- advice on the layout of fields (using a GPS to determine the size of farm plots);
- advice on farm maintenance, use of chemicals, tapping skills; and
- short term loan of equipment (but not money)

Because of the support, many farms are well planned. Stumps and bud wood are sold to the farmers at minimal cost but the technical advice is free of charge. The cost of the loan of the use equipment is deducted from the farmer when LAC buys the rubber from them.

LAC has no direct control over the small holders in terms of health and safety or child labour but the Liberian Justice and Peace Commission does monitor farms. Regarding farm layout and preservation of biodiversity, the government advises that farmers not to plant alongside streams but many farmers do in fact farm other crops along water courses rather than leaving natural vegetation.

Before receiving support from LAC, small holders must fulfil certain criteria:

- distance from the plantation (nearer to the plantation is preferred due the transportation logistics issues associated with collection of coagulated latex)
- farm size
- production potential
- registration with government (and payment of taxes)
- membership of the Rubber Planters Association of Liberia (RPAL)

4.3.4 *Community development projects and initiatives supported by LAC*

LAC has put in place a commendable community development programme for workers. LAC provides medical care, a high standard of primary and secondary education (both at no or very low cost) and subsidised food to workers and families. In addition to investing in communities in worker camps, LAC also invests in communities outside the developed area within

the concession and the surrounding areas providing vital infrastructure such as roads, school blocks, latrines and school equipment.

Over the past few years LAC has been implementing a community investment measures targeted at workers and families in the plantation's camps, with the objective of introducing and supporting alternative supplementary livelihoods, including pilot schemes in camps to diversify and supplement livelihoods by providing sewing machines for women to make aprons for herbicide users, soap-making, and establishment of vegetable gardens. Measures such as rainwater harvesting to improve water availability in camps are also being piloted.

Although community investment initiatives appear well considered and planned and are recognised as being of considerable value by the communities they benefit.

The process by which individual community projects are selected is however not clear. This applies to both worker camps and other communities outside developed areas. It appears that the ideas are *ad hoc* and stem from management rather than through a more participatory approach. It is therefore recommended that LAC consider measures to improve transparency, and the involvement of communities in prioritising and selecting projects by developing a community investment programme that builds upon the excellent initiatives to date and is based upon an assessment of the social context (in the wider concession area) and an analysis of community needs (especially of the more vulnerable sections of society). Such a programme should focus on improving relationships with the neighbouring communities on the wider concession and incorporate skills training and livelihoods support in addition to on-going infrastructure development.

The plantation should also consider establishing a community investment steering committee to consider and validate the annual and longer-term rolling programme of community investments. The committee could include LAC management and representatives from groups within communities such the traditional leadership of key villages, women, youth, workers and others.

4.3.5 *External Factors Review*

The following is a summary of issues related to LAC as reported in various public media outlets (*Table 4.3*).

Table 4.3 External Factors Review

Issue(s)	Socfin Response	Facts as Understood by Consultant	Proposed Steps to Close Gaps with PSs
<p>In June 2015, protests were staged at Bolloré’s headquarters in Paris and at the SocFin headquarters in Luxembourg. The object of the protests was to accuse Socfin/Bolloré of land grabs and demand restitution or return of lands.</p> <p>These protests were reportedly prefaced by demonstrations in Liberia (as well as Cameroon and Cote d’Ivoire). In Liberia, residents of 11 villages surrounded the LAC rubber plantation near the town of Gbainfien and converged on company offices to confront management. The primary grievance in Liberia apparently related to commitments made by LAC with respect to compensation for land and development projects such as schools, made 11 years previously.</p> <p>The 2015 protests are believed to be a continuation of the actions initiated by ReAct in 2013 in respect of Socfin’s operations in Liberia, Sierra Leone and Cote d’Ivoire.</p> <p>The article also noted that Socfin/Bolloré have not signed up to the zero deforestation commitments which many other commodities producers and traders have committed to.</p> <p>http://news.mongabay.com/2015/0605-norman-socfin-global-protests.html</p>	<p>Bolloré claims it attempted to start a reconciliation process via a meeting with local groups in Paris in October. The protesters later complained that Vincent Bolloré distanced himself from the problem by claiming that Socfin’s majority shareholder, Hubert Fabri, was responsible for the majority of decisions.</p>	<p>This appears to be related to general opposition to large-scale plantation development in general. Individual issues related to specific operations serve to escalate conflict.</p>	<p>Issues related to local operations should be addressed locally. Improved community relations and stakeholder engagement would help to reduce conflict.</p>
<p>In April 2015, LAC was reportedly found guilty of negligence and fined in respect of an industrial</p>	<p>LAC reportedly responded to say that each family of the deceased employees received the total</p>	<p>LAC investigated the cause of the accident</p>	<p>Improvement in LAC’s health and safety</p>

Issue(s)	Socfin Response	Facts as Understood by Consultant	Proposed Steps to Close Gaps with PSs
<p>accident in January 2015 which resulted in 6 fatalities. LAC fined US\$100,000 for 'reckless industrial mishaps'. In its findings, the government said that 'it is convinced that the reckless disregard and the lack of appropriate occupational safety and health programs on the plantation, exacerbated by inadequate supervision to ensure compliance with applicable laws and industrial best practices, is the direct and proximate cause of the explosion for which the management of LAC must bear the ultimate responsibility.'</p> <p>The accident was followed by accusations of poor training with respect to worker health and safety and workers reportedly downed tools for an unspecified period.</p> <p>http://allafrica.com/stories/201504132677.html</p> <p>http://allafrica.com/stories/201502131142.html</p>	<p>amount of US\$4,500 in cash and kind to cover funeral and burial expenses.</p> <p>According to LAC in their commitment 'each injured employee is being paid an amount of US\$30 and receives a bag of 50kg rice monthly in addition to salary until the resumption of work.'</p> <p>Each family of a deceased employee is being paid an amount of US\$100 and receives 2 bags of 50 kg rice up to the time when final payment of benefits will be made; children of the deceased employees received the amount of US\$75 per family for the first semester to assist them for school preparation while each of the injured employees received the amount of US\$25.00.</p>	<p>which was identified as a malfunction of the boiler vent system. The cause is not clear but may be defect or related to modification made to piping.</p> <p>The accident does indicate the need for the company to improve health and safety systems and management.</p>	<p>programme including oversight and inspection is required.</p>
<p>In February 2015, allegations were made in the media that LAC had paid certain Liberian government officials to provide favourable results in the investigation into the January 2015 explosion. The Liberian government issued a statement refuting this.</p> <p>http://www.micatliberia.com/index.php/blog/item/240-lac-squashes-social-media-memo.html</p>	<p>According to the article, the Management of LAC has extended apologies to Ministers Dukuly and Leighe as well as others implicated in the fabricated memo for harm done to their reputations. The company also assured all employees of its fullest cooperation in addressing their concerns and promoting the spirit of industrial harmony.</p>	<p>The accusations appear to be false.</p>	<p>No action</p>
<p>Research between 2009 – 2011 into labor conditions in the rubber industry in Liberia, partially undertaken at LAC, included accusations of forced labour and poor living and working conditions.</p> <p>http://www.verite.org/sites/default/files/images</p>			

Issue(s)	Socfin Response	Facts as Understood by Consultant	Proposed Steps to Close Gaps with PSs
<p>/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf</p> <p>In 2006, the United Nations Mission in Liberia (UNMIL) investigated human rights violations among the country’s rubber plantations. Among those investigated was LAC. The investigation uncovered instances of child labor, forced evictions of peasant farmers within the plantation’s expansion area, trade union suppression (and an overall lack of collective bargaining), arbitrary dismissals, a lack of protection from carcinogenic substances, and the use of paramilitary forces for security purposes.</p> <p>http://www.facing-finance.org/en/database/cases/bollore-land-grabbing-and-human-rights-violations-at-african-oil-palm-plantations/</p>	<p>Socfin expressed outrage at not having been consulted during the investigation, and stated that the claims were ‘are outright blatant fabrications; at the minimum, some of the findings are excessive exaggerations.’ Each of UNMIL’s claims was addressed separately and some factual errors pointed out.</p> <p>Response in full found at:</p> <p>http://www.socfin.com/Files/media/News/INTERCULTURES_S.A./Unmill_Report_LACs_version.pdf</p>	<p>The only mention of this was during interviews with LAC staff. Apparently LAC had an informal programme whereby plantation areas were cleaned and latex scraps collected by hand. This was done during school break period and some families worked with school age children as a means to earn extra money including money for school supplies. It does not appear that this was the issue noted in the reference report, but regardless LAC discontinued the practice upon release of the report.</p>	<p>None of the issues noted appear to be a problem so no action is required.</p>
<p>In 2007, the Plantation Manager of the Liberian Agricultural Corporation (LAC), a rubber plantation holding of the Belgian Societe Financiere Des Caoutchoucs (SocFin) portfolio, was assassinated by a member of the community who was upset by the firm’s plans to expand extraction on lands within its leasehold. Extraction from the firm’s full concession area remains a challenge to date.</p> <p>The article suggests that LAC is an example of processes whereby involving communities in social</p>	<p>The killing of the Plantation Manager was addressed as a legal matter by the Liberia Ministry of Justice.</p>	<p>As we understand, negotiations related to the re-take of land for the expansion programmes were on-going. In fact they were eventually concluded later in the year. There is no indication as to whether LAC took any corrective action with regards to community relations or</p>	<p>Improved community relations and stakeholder engagement would help to reduce conflict. As noted in the article, the company needs to assume that the process to re-take land (if it desires to do so) will be protracted. It should do so through a resettlement process as</p>

Issue(s)	Socfin Response	Facts as Understood by Consultant	Proposed Steps to Close Gaps with PSs
<p>agreements over land is often addressed too late in the process. Firms secure legal rights to land with the government and only then engage communities to ascertain the terms of local compensation and service provision. Terms of the agreement are crafted through an unwieldy process of negotiation where citizen demands are expressed through ad hoc community consultations, and corporate calculations of community contribution are made separately.</p> <p>http://caerusassociates.com/ideas/profiting-from-engagement-a-view-from-liberia/</p>		<p>stakeholder engagement following the incident.</p>	<p>specified by the IFC Performance Standards which is intended to address the underlying risks of land take and resettlement.</p>

4.4 ASSESSMENT AGAINST IFC PERFORMANCE STANDARDS

4.4.1 Summary

A summary of the assessment against the requirements of the IFC Performance Standards is provided in *Table 4.4*.

Table 4.4 Summary of Assessment Against IFC Performance Standards

Requirement	Assessment	Gaps and main actions required
<i>Performance Standard 1 Assessment and Management of Environmental and Social Risks and Impacts</i>		
<i>Identification of Risks and Impacts</i>	<p>Impact assessments are conducted for new projects as required by national law. LAC prepared an EIA for the expansion programme that was put on hold.</p> <p>LAC also prepared an EIA for the HPP project currently on-going. An Impact assessment was used to prepare an EMP for company operations.</p> <p>There are just two villages in the vicinity of the HPP project. Both were well informed. Hand pumps were installed at both locations prior to the blasting</p>	<p>There is a partial gap.</p> <p>The ESIA's did not fully cover risks and impacts to biodiversity and social resources (neighbouring communities). In particular there is a need for smallholder/ outgrower supply chain risk assessment given areas of potential critical habitat.</p> <p>Additional studies by suitably qualified specialists will be required to assess social and biodiversity impacts.</p> <p>Assessments do not fully cover the broader area of influence ie, surrounding communities and environment of wider concession area.</p> <p>The company does not have a formal process for</p>

Requirement	Assessment	Gaps and main actions required
		<p>identification of risks and impact related to new activities that may occur during on-going operations (eg, expansion, replanting and change in programme).</p> <p>Action is required.</p>
<i>Permits</i>	<p>The main environmental permit required is the environmental permit associated with plant and plantation operations. Based on company records ('HSE Reports 2015') this permit expired on 10 March 2015.</p> <p>LAC holds a number of other permits required by Liberia laws and regulations.</p> <p>LAC's EMS does not have system to identify and track applicable permits and permit requirements.</p> <p>LAC's operations were certified as compliant with ISO 9001:2008 standards. This certification expired on 10 March 2015.</p>	<p>There is a gap.</p> <p>LAC will need to verify that all required permits are identified and valid. There will need to be process for ongoing management of permits and obligations.</p> <p>Action is required.</p>
<i>Management Programme</i>	<p>LAC has an EMP that describes environmental and social requirements. The EMP describes LAC's environmental policy. The EMP is focussed on aspects related to HSE and is limited in terms of biodiversity and social issues. LAC intends to develop an EMS but as of yet, not all elements have been developed or implemented. For example, the EMC does not appear to be in place. Elements that are in place are not followed on a consistent basis. For example, monitoring reports are incomplete.</p>	<p>There is a gap.</p> <p>LAC's commitment to environmental and social performance needs to cover social aspects</p> <p>The ESMP documentation needs further development to ensure completeness as well as internal consistency in requirements and implementation.</p> <p>Action is required.</p>
<i>Organisational Structure</i>	<p>Management of environmental and social issues is covered by various departments in the organisation. HSE management responsibilities are currently being carried out by the Construction Manager; there is no full-time staff resource dedicated to overall HSE management.</p> <p>The HR Department is responsible for matters</p>	<p>There is a gap.</p> <p>The company needs to increase the level (number and training) of staff resources assigned to HSE management. Given the level of</p>

Requirement	Assessment	Gaps and main actions required
	<p>related to communities outside the plantation area but this is not sufficient given the social/small holder supply chain risks</p> <p>There is a person designated as an HSE officer at the processing plant and another posted at the hospital. The EMC described in the EMP is apparently not functioning.</p>	<p>importance, full-time HSE staff resources are warranted.</p> <p>Additional resources would be required in the medium term to build and implement an EMS. This is especially true for specialist areas such as social, biodiversity and cultural heritage.</p> <p>Additional resources (staffing) are required to address and manage community engagement and development and small holder/ outgrower risks especially where requirements are expanded.</p>
<i>Emergency Preparedness and Response System</i>	<p>LAC has the necessary emergency procedures in place and is coordinating with local resources. Recent events have indicated need for attention to emergency response systems.</p>	<p>This is a partial gap.</p> <p>Given recent incidents related to medical emergency (ebola) and worker accidents, LAC will conduct a review of emergency preparedness and response systems.</p>
<i>Monitoring Systems</i>	<p>Monitoring of HSE performance is through inspections by the HSE resources. Reports are regularly submitted to LAC management and to Socfin. Socfin conducts an audit of HSE aspects on an annual basis. Liberia EPA reportedly also conducts inspections and audits. Monitoring is limited to HSE aspects and does not fully cover biodiversity and social issues.</p>	<p>There is a partial gap.</p> <p>LAC needs to develop a comprehensive system for monitoring environmental and social compliance and control. Monitoring should cover not only HSE but biodiversity and social resources. The monitoring system should form part of LAC's overall EMS.</p> <p>Action is required.</p>

Requirement	Assessment	Gaps and main actions required
<i>Stakeholder Engagement, External Communication and Grievance Mechanisms</i>	<p>The HR department reported that stakeholder relationships with neighbouring communities are largely good however some residual tensions appear to remain in relation to the planned plantation expansion programme that is now on hold. It is not known whether this equally applies to the communities on the immediate periphery of the concession or the villages across the wider concession.</p> <p>LAC has developed a framework plan for stakeholder engagement. The plan identifies broad categories of stakeholders and sets out some specifications for an engagement process.</p>	<p>There is a partial gap.</p> <p>The SEP needs to be fully developed to detail the engagement programme and grievance mechanism. The SEP should contain a summary of all previous consultations (with copies of agreement, minutes of meetings, etc.), resources and responsibilities.</p> <p>Future engagement needs to be broader and proactive. The programme will need to be implemented and disclosed. Additional staffing resources will be required for effective implementation of the SEP.</p> <p>Action is required.</p>
<i>Performance Standard 2 Labour and Working Conditions</i>		
<i>Workers Organisations and Collective Bargaining</i>	<p>LAC is following national labour laws and aspects such as worker organisation and collective bargaining are covered. LAC has the appropriate policies and procedures in place. Workers are part of a union and there is a functional collective bargaining process and agreements in place. LAC and the workers union have a good working relationship and maintain an open dialog to address grievances.</p>	<p>There is no gap.</p>
<i>Worker Accommodations</i>	<p>Older accommodation in the worker camps is substandard and has been the source of grievance for workers. LAC is currently implementing a rolling plan to replace and modify the old housing. New accommodation is of higher standard.</p>	<p>There is a partial gap.</p> <p>Replacement of worker camp facilities will need to continue and performance of the new facilities will</p>

Requirement	Assessment	Gaps and main actions required
		<p>need to be monitored.</p> <p>Action is required.</p>
<i>Non-Discrimination and Equal Opportunity</i>	<p>LAC is following national labour laws and aspects such as non-discrimination are covered. Workers are primarily Liberian but LAC employs people from other counties in the region. There does not appear to be any issue with ethnic or gender discrimination based on feedback with workers.</p>	<p>There is no gap.</p>
<i>Retrenchment</i>	<p>LAC is following national labour laws and aspects such as retrenchment are covered.</p>	<p>There is no gap.</p>
<i>Occupational Health and Safety</i>	<p>LAC has a worker H&S programme that includes induction training, supply of PPE, and on-going training and workshops. Based on incident records, main H&S issues are road accidents, eye injuries (from tapping overhead), hand injuries, malaria, and gastro-intestinal disease.</p> <p>LAC operates a 70 bed hospital. There are also 3 satellite clinics and 11 mobile clinics. There are two full time medical doctors to treat injuries and illnesses.</p> <p>LAC's work force includes both full-time employees as well as workers engaged through contractors. Contract workers are provided the same level of H&S oversight by LAC.</p>	<p>There is a gap.</p> <p>Rates of road accidents and worker injuries indicate that additional attention to worker health and safety systems is required.</p> <p>Additional resources are required to evaluate and improve the H&S programme and monitor implementation (and enforcement) and effectiveness.</p> <p>Contractors should be contractually bound to LAC's H&S requirements.</p> <p>Action is required.</p>
<i>Supply Chain</i>	<p>Contractors are engaged for some operational activities (eg, weeding and cleaning of the plantation stands). Supply chain for the Project includes mainly out growers as supply of rubber from SRC.</p> <p>It appears that besides the supply of silvicultural technical advice there is no mechanism to ensure that supply chain suppliers adhere to all Company standards. In addition there is not a formal management process to pre- select and evaluate all the third parties to further increase traceability and control.</p> <p>Observations during the site visit indicate a</p>	<p>There is a partial gap.</p> <p>Develop and communicate appropriate documented procedures and mitigation measures to ensure that third parties are taking steps to prevent or to correct life-threatening situations and other company standards.</p> <p>Measures to manage</p>

Requirement	Assessment	Gaps and main actions required
	low degree of attention to worker health and safety (eg, PPE was not used by many workers).	small holder/supply chain risks to biodiversity are also required (eg, protection of an offset).
Performance Standard 3 Resource Efficiency and Pollution Prevention		
<i>Resource Efficiency</i>	Plantation operation does not use significant resources. Power is provided by diesel-powered generators. The company is installing a hydropower plant to replace or supplement diesel power. Water from surface water sources is used in limited quantities in the plantation nursery. Groundwater is abstracted for domestic use. LAC tracks and reports resource use.	There is no gap
<i>Greenhouse Gases Reduction</i>	Greenhouse gas emissions are generated by power generators and plantation vehicles. Engines are routinely maintained. Emissions are not significant.	There is no gap
<i>Pollution Prevention</i>	<p>Processing plant emissions to air include limited pollutants from boiler heaters and odours from processing of rubber. Process water for the plant is treated in a series of settling ponds before discharge to the environment.</p> <p>Other sources of emissions besides generators and engines would include contaminated surface water runoff. LAC maintains a buffer from wetland areas. Cleared areas are quickly replanted. Ground cover is planted to retain the soil and to fix nitrogen. Chemicals used in plantation operations are limited. Glyphosate is used for weed control in a controlled programme.</p>	There is no gap.
<i>Waste</i>	LAC has a waste management programme to address waste generated by plantation operations and at worker camps. LAC has made effort to implement a recycling element to the programme.	There is no gap.
<i>Hazardous Materials Management</i>	LAC has a system for management of hazardous materials that includes appropriate storage facilities, access control, and contingency systems for accidents.	There is no gap.
Performance Standard 4 Community Health,		

Requirement	Assessment	Gaps and main actions required
<i>Safety, and Security</i>		
<i>Infrastructure and Equipment Design and Safety</i>	LAC's operations pose limited risk to the public. LAC uses international engineering standards for design and construction. LAC vehicle traffic on public roads is limited. Use and storage of hazardous materials is limited.	There is no gap.
<i>Ecosystem Services</i>	<p>The plantation area contains elements that provide ecosystem services to worker camp communities and communities outside the concession area. LAC has preserved a number of natural areas which hold higher biodiversity value and where plants of traditional use are found. Although limited in size, these are well maintained. The operation has limited effect on larger surface water bodies (streams and rivers) that run through and along the plantation and are used by communities for various purposes. LAC has established buffers around wetland areas where no planting of rubber takes place and cultivation is not allowed in these.</p> <p>While LAC supports small holders in the cultivation of rubber across its wider concession (through loan of equipment, technical advice and supply of stumps) there is no control of land use, forest conversion or avoidance of HCV areas.</p>	<p>There is a partial gap.</p> <p>To better understand the nature of ecosystem services, LAC will need to survey and assess the remaining natural forest on the plantation and across the wider concession in terms of ecosystem services.</p> <p>Assess impacts on these especially from small holders/ out growers.</p> <p>Identify HCV habitat and set aside an offset representing approximately 10% of the concession area. Put in place protection mechanisms to protect the offset in collaboration with an NGO.</p> <p>Action is required.</p>
<i>Community Exposure to Disease</i>	<p>Worker induction and on-going communications programmes include information on prevention of spread of communicable disease.</p> <p>LAC took extraordinary measures in response to the outbreak of ebola and has maintained a programme of awareness and monitoring.</p>	There is no gap.
<i>Emergency Preparedness and Response</i>	LAC has an emergency response plan for response to incidents on-site. Formal plans to not appear to extend to the general public and affected communities.	<p>There is a partial gap.</p> <p>LAC will need to confirm that it has disclosed emergency response procedures to the relevant local</p>

Requirement	Assessment	Gaps and main actions required
		government and affected communities.
<i>Security</i>	Access to the plantation area is controlled. LAC employs security personnel directly to maintain security on the plantation. Security personnel are not armed. The level of security is appropriate for the operation.	There is no gap.

Requirement	Assessment	Gaps and main actions required
<i>Performance Standard 5 Land Acquisition and Involuntary Resettlement</i>		
<i>Project Design</i>	The Government of Liberia granted rights to use the 122,500 ha concession for plantation in 1959. Currently, of the total 22,000 ha has been developed. A proposed expansion was put on hold due to community opposition. A Resettlement Action Plan (RAP) that meets the requirement of PS 5 should be developed for any further expansion. This should demonstrate the avoidance of physical (and if possible economic) resettlement in the project design.	This is a partial gap. LAC's Resettlement Action Plan for any further plantation expansion should be reviewed and upgraded to meet the requirements of IFC PS 5.
<i>Resettlement and Livelihood Restoration Planning and Implementation</i>	The Government of Liberia granted rights to use the 122,500 ha concession for plantation in 1959. Currently, of the total 22,000 ha has been developed. A proposed expansion was put on hold due to community opposition.	This is a partial gap. The LAC Resettlement Action Plan for any future expansion should contain measures to restore livelihoods.
<i>Community Engagement and Grievance Mechanism</i>	LAC does not have a community grievance mechanism in place.	This is a partial gap. The LAC Resettlement Action Plan for any future expansion should contain a community grievance mechanism.
<i>Compensation</i>	Currently 22,000 ha of the total concession area have been developed. A proposed expansion was put on hold due to community opposition.	This is a partial gap. The LAC Resettlement Action Plan for any future expansion should contain compensation for lost assets and replacement value.
<i>Restoration of Livelihoods</i>	A proposed expansion was put on hold due to community opposition.	This is a partial gap. The LAC RAP for any future development should contain measures for the restoration of livelihoods.
<i>Collaborating with Government</i>	During the proposed expansion process, LAC liaised with the government who was a co-signatory to the agreement reached with communities.	There is no gap. A future RAP should include clear responsibilities for

Requirement	Assessment	Gaps and main actions required
		the government where appropriate (and in line with their capacity).
<i>Monitoring and Verification of Completion</i>	N/A	There is no gap.
Performance Standard 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources		
<i>Protection and Conservation of Biodiversity</i>	<p>LAC has measures in place to protect the biodiversity of the remnant forests on the plantation from hunting, logging and cultivation. It is possible that the harvesting of Non-Timber Forest Products (NTFPs) might be unsustainable in some forest areas.</p> <p>There is however, no control of land use or forest conversion or avoidance of HVC areas on the wider concession though small holders are supported to grow rubber through technical advice and other inputs.</p>	<p>Partial gap.</p> <p>Survey and assess the biodiversity value of the remaining natural forest on the plantation and across the wider concession.</p> <p>Assess impacts on these especially from small holders.</p> <p>Set aside at least 10% of the wider concession area for conservation in collaboration with a conservation NGO, and maintain wildlife corridors between the remnant forests.</p> <p>The conservation programme must meet the BBOP standards.</p>
<i>Availability of Competent Professionals</i>	There are no biologists / ecologists retained at LAC to monitor and implement required a Biodiversity Management Plan.	<p>There is a gap.</p> <p>LAC will need to engage experienced and qualified ecologists to develop and monitor a BMP as required by IFC PS6.</p>
<i>Baseline Understanding of Biodiversity values</i>	There is no baseline assessment of the biodiversity values of the LAC concession. A	There is a gap.

Requirement	Assessment	Gaps and main actions required
	baseline assessment of the flora and fauna of the terrestrial and aquatic environments is required for the plantation as well as across the wider concession.	Baseline biodiversity studies are required as required by IFC PS6.
<i>Natural and Modified Habitats</i>	There is no available data on the extent of modified and natural habitats within the LAC concession. These need to be assessed based on the IFC PS6 criteria and subsequently mapped	There is a gap. Classification and mapping of habitats is needed as specified in IFC PS 6. .
<i>Assessment and recognition of critical habitats and HCV areas</i>	Areas of Critical Habitat and High Conservation value (HCV) areas do occur within the LAC plantation and wider concession, but there is no understanding of their values or extent.	This is a gap. A critical habitat assessment is needed based on the five key criteria plus other criteria within the IFC Performance Standards and full assessment for HCV areas against the six key criteria in the FSC standards is needed. Specialist studies on chimpanzee ecology are recommended to support CH and HCV assessments
<i>Legally Protected and Internationally Recognized Areas</i>	The wider concession includes a forest reserve, and is adjacent to two Key Biodiversity Areas (KBAs). Impacts to the forest reserve do occur as a result of small holder cultivation and possible impacts to the KBAs may occur as a result of small holder cultivation and possible impacts to KBAs may occur.	There is a gap. LAC needs to collaborate with conservation authorities to demarcate and protect the forest reserve. Development of a management plan for the forest reserve and KBAs should be supported.
<i>Invasive Alien Species</i>	There is no data available on the occurrence of alien and/or invasive species within the LAC concession.	There is a gap. In line with the requirements of IFC OS 6, an inventory of alien and invasive species is needed with an assessment of the risk they present and a practical plan for their control.
<i>Priority Ecosystem</i>	Extensive community use of natural resources	There is a gap.

Requirement	Assessment	Gaps and main actions required
<i>Services</i>	does occur and the plantations depend on services provided by the natural ecosystem, but there is no assessment of the extent of ecosystem services, their replaceability, dependence of communities or sustainability of the available resource.	An ecosystem services study is needed with an assessment of replaceability, dependence, sustainability and impacts.
<i>Approach to application of minimum mitigation requirements of No Net Loss or Net Gain of biodiversity</i>	The minimum mitigation requirements of No Net Loss and Net Positive Impact of key biodiversity components need to be determined based on the layout of modified, natural and critical habitats within the concession and use of ecosystem services. An analysis is needed to demonstrate how these requirements are to be applied to the biodiversity that is present within the concession. An Avoidance Plan for the set aside and protection of remaining natural habitats, streams, wetlands, water bodies, biodiversity hotspots and important ecological corridors is needed.	There is a gap. A comprehensive assessment is required of the impacts to biodiversity as a result of the LAC footprint and activities (including those of small holders) with a structured overview of mitigation measures that strive to achieve a Net Positive Impact.
<i>Comprehensive Biodiversity Management Plan to guide the Protection and Conservation of Biodiversity</i>	There is no guiding document or approach towards the protection of remaining biodiversity or addressing the impacts. A Biodiversity Management Plan (BMP) is needed to guide the implementation of mitigation measures, and the necessary monitoring of the environment to assess their effectiveness.	There is a gap. A BMP is required that sets objectives, outlines the risk, guides implementation of management and monitoring actions and outlines review processes.
<i>Sustainable Management of Living Natural Resources</i>	LAC has not yet obtained independent certification for its natural forests/plantation on its concession or yet put in place a time bound action plan towards this.	There is a gap. Processes for FSC certification of the plantations need to be initiated.
Performance Standard 7 Indigenous People	<i>This Performance Standard was determined to not be applicable for this Project as there are no indigenous people in the Project's Area of Influence.</i>	
Performance Standard 8 Cultural Heritage		
<i>Compliance with National and</i>	LAC has consulted with the local communities to identify all sacred forests and burial areas.	There is no gap.

Requirement	Assessment	Gaps and main actions required
<i>International Cultural Heritage Law</i>	<p>These have been set aside and are not planted upon. Access to these areas by the communities for their ceremonies etc. is unhindered and to date communities appear to respect the cultural importance of these areas and do not hunt, farm or fell timber from these areas.</p> <p>Nevertheless there is not a map showing clearly where these areas are all located and their sizes (in ha).</p> <p>No new planting is planned so there is no possibility of encroachment of the plantation onto any areas of cultural heritage.</p>	
<i>Retention of Professionals</i>	<p>LAC has not retained professionals to map and describe the cultural value of the reserved forests, graves and other culturally important areas.</p>	<p>There is a partial gap. Retain professionals to map and describe the cultural value of the reserved forests, graves and other culturally important areas.</p>
<i>Avoiding Impacts</i>	<p>LAC has consulted with the local communities to identify all sacred forests and burial areas. These have been set aside and are not planted upon. Nevertheless there is not a map showing clearly where these areas are all located and their sizes (in ha).</p> <p>No new planting is planned so there is no possibility of encroachment of the plantation onto any areas of cultural heritage. Any future expansion plans should include a process to locate and avoid cultural sites.</p>	<p>There is a partial gap. Produce a map showing the cultural sites on the plantation. Future expansion plans across concession should locate and avoid cultural sites.</p>
<i>Allowing Access</i>	<p>LAC allows free community access to all the cultural sites on the concession.</p>	<p>No is no gap.</p>
<i>Mitigation and Management</i>	<p>LAC has consulted with the local communities to identify all sacred forests and burial areas. These have been set aside and are not planted upon. Nevertheless there is not a map showing clearly where these areas are all located and their sizes (in ha).</p> <p>No new planting is planned so there is no possibility of encroachment of the plantation onto any areas of cultural heritage. Any future expansion plans should include a process to locate and avoid cultural sites.</p>	<p>There is a partial gap. Any future expansion plans should include a process to locate and avoid cultural sites.</p>

A gap analysis against the requirements of FSC was carried out. Liberia does not have any national standards nor interpretation for FSC so the latest version of the generic standards has been used.

Note that LAC does not formally review performance against the standards since they have not committed to adhere to them as of yet.

The gap analysis is based on documentation review, field inspections, and consultations with Socfin's management, local communities (internal and external), workers, small holders and out growers.

The assessment is not a comprehensive gap analysis against each of the FSC principles; rather it addresses the parts of the FSC standards that are *additional* to the IFC Performance Standards. Key audit findings are described in *Table 4.5* with a focus on the major areas with specific actions to meet the FSC principles and criteria.

Table 4.5 Summary of Assessment Against FSC Standards

Requirement	Assessment	Gaps and main actions required
<i>Principle 1: Compliance with Laws: The Organization* shall comply with all applicable laws, regulations and nationally- ratified international treaties, conventions and agreements</i>		
<i>Compliance</i>	LAC is partially compliant with all applicable local, national laws. It should be confirmed whether LAC is fully compliant with relevant international laws such as the ILO Convention and this should be compiled as a legal register. No issue related with the company registration was identified.	This is a partial gap. Compile legal register and close gaps in compliance with relevant national and international laws.
<i>Land Rights</i>	The company was awarded its concession in 1959. While the land on the 122,500 ha concession ostensibly belongs to LAC to develop, there has been significant community opposition to expansion. No further plantation expansion is envisaged for now.	This is a partial gap. Put in place an effective stakeholder engagement process to facilitate dialogues and enhance trust between the company and concession communities. Ensure that any future expansion plans are discussed with communities and developed according to a Resettlement Action Plan (RAP).
<i>Boundaries</i>	LAC was awarded the rights to develop its 122,500 ha concession. While the boundaries of the 22,000 ha planted area are clear on the maps produced by LAC, the rights to the remaining land (and associated boundaries) have been the source of tension with neighbouring communities. No further plantation expansion is envisaged for now.	This is a partial gap. Produce and distribute concession map to neighbouring communities showing the boundaries of the plantation and the concession clearly. Initiate stakeholder dialogue to discuss if/how the rest of the concession should be developed.
<i>Illegal Activities</i>	The company has security that ensure that no illegal activities are carried out including illegal settlement, farming, hunting or other illegal resource use on the plantation.	There is no gap.
<i>Anti-Bribery Policy</i>	This aspect is included in the Ethical Code of the	There is no gap.

Requirement	Assessment	Gaps and main actions required
	company.	
<i>Principle 2: Workers Rights and Employment Conditions : The Organization shall maintain or enhance the social and economic wellbeing of workers</i>		
<i>Worker Rights</i>	Managers did not have an up to date working knowledge of all applicable international conventions and copies of the eight ILO Core Labor Conventions were not maintained.	There is a gap. Ensure managers have an up to date working knowledge of the ILO conventions and copies of the conventions are maintained.
<i>Gender Equity</i>	Women are working for the company. LAC has put in place special measures to encourage female tappers (who make up 65% of the tappers in the areas with young trees). LAC should formally put in place specific targets to continue to promote gender equity through training opportunities, management activities processes, equality of engagement and awarding of contracts. The company Ethical Code prohibits discrimination or harassment based on sex and any complaints can be addressed through the company grievance mechanism.	This is a partial gap. Implement specific measures and targets to promote gender equity.
<i>Principle 3: Indigenous Peoples' Rights: The Organization shall identify and uphold indigenous peoples' legal and customary rights of ownership, use and management of land, territories and resources affected by management activities</i>		
	Following the definition provided by FSC on Indigenous Peoples' this principle does not apply to the project.	
<i>Principle 4: Community Relations: The Organization shall contribute to maintaining or enhancing the social and economic wellbeing of local communities.</i>		
<i>Stakeholder Engagement</i>	While LAC has prepared a Stakeholder Engagement Plan this needs upgrading. There is no systematic process to identify all local communities and stakeholders surrounding the concession that could be directly or indirectly affected by LAC activities. A plan should be put in place (with qualified human resources) to pro-actively engage with affected communities and to dialogue with them regarding their rights to farm and other activities on the wider concession. This will be especially important regarding the remaining forests on the wider concession (and also in relation to expansion plans if these are resurrected). This process should be documented in order to demonstrate Free Prior and Informed Consent (FPIC). The plan will also need to monitor any impacts	This is a partial gap. Engage a specialist to carry out a social impact assessment (SIA) and upgrade the SEP. Appoint suitably qualified staff to implement the SEP which should include facilitating an FPIC dialogue on rights to farming on the concession as well as protection of remnant forests.

Requirement	Assessment	Gaps and main actions required
	identified through a social impact assessment process and to publicise the Community Grievance Mechanism.	
<i>Local Development Plan</i>	<p>LAC has a rolling programme of community development projects for the surrounding communities. However this programme is reactive (based on community requests) rather than being based on a community needs assessment. Opportunities for collaboration with NGOs and other relevant organizations could also be explored.</p> <p>It is acknowledged that this is not mandatory but rather part of LAC's voluntary Corporate Social Responsibility and therefore at the discretion of the company based on its capacity and budget.</p>	<p>This is a partial gap.</p> <p>Engage a specialist to carry out a community needs assessment and design a community development programme that builds upon existing initiatives but is more strategic in nature (focusing on improving relationships with surrounding communities, focuses on skills training and draws on external NGOs when if possible).</p>
<p><i>Principle 5: Benefits from the Forest: The Organization shall efficiently manage the range of multiple products and services of the Management Unit* to maintain or enhance long term economic viability* and the range of environmental and social benefits.</i></p>		
<i>Harvest Products and Services</i>	<p>Harvest rates for rubber are determined based on multiple economic and agroforestry factors including notably the production objective, up-to-date growth, yield information, etc.</p> <p>A High Conservation Value assessment for the concession has not been conducted for the swamp and protected forests on the plantation and across the wider concession. Thus any measures for protection are not based on such an assessment.</p>	<p>This is a partial gap.</p> <p>Engage specialists to carry out HCV assessment for the plantation as well as for the wider concession.</p>
<i>Local Processing, Local Services, and Local Value Added</i>	Out-growers have benefited from support from LAC through supply of stumps, seedlings as well as technical advice, subsidised farming materials and fertiliser.	There is no gap.
<p><i>Principle 6: Environmental Values and Impacts: The Organization shall maintain, conserve and/or restore ecosystem services and environmental values of the Management Unit, and shall avoid, repair or mitigate negative environmental impacts.</i></p>		
<i>Forest Management to Conserve Biological Diversity</i>	LAC has not carried out an assessment of the HCV or environmental values of the protected forest and swamp/wetlands on its plantation or the wider concession. The plantation does not allow any farming, hunting or timber extraction in the reserved forests or the swamps/wetlands on the plantation. However LAC does not restrict land use of forest conversion on the	<p>There is a gap.</p> <p>Engage specialists to carry out HCV assessment for the plantation and wider concession and develop a</p>

Requirement	Assessment	Gaps and main actions required
	wider concession. A survey is required to enable the development and implementation of a biodiversity management plan to mitigate associated negative impacts especially of out-growers.	Biodiversity Management Plan (BMP). Set aside at least 10% of HCV land within the wider concession as a forest conservation area in collaboration with an NGO.
<i>Safeguards to Protect Rare, Threatened and Endangered Species and Habitats</i>	Appropriate mitigation and monitoring measures need to be developed to conserve the sensitive biodiversity components that are present in the swamp and protected forests on the plantation and remnant forests on the wider concession. Measures need to be consolidated into a comprehensive Biodiversity Management Plan that is implemented and reviewed on a predetermined cycle.	There is a gap. Appropriate mitigation, offset and monitoring measures to be developed to conserve the sensitive biodiversity components that are present in the swamp and protected forests on the plantation and forests on the wider concession.
<i>Protect Representative Samples of Ecosystems of Appropriate Scale</i>	22,000 ha of the concession have now been fully developed and 1,370 ha have been set aside as reserved forests along with wetland and swamp areas. Further plans to expand the plantation are on hold. However LAC does not restrict land use of forest conversion on the wider concession.	There is a partial gap. Appropriate mitigation and monitoring measures to be developed to conserve the sensitive biodiversity components that are present in the swamp and protected forests on the plantation and forests on the wider concession.
<i>Implement Control Measures for Inappropriate Hunting, Fishing, Trapping and Collecting</i>	LAC actively protects the reserved forests and swamp forests on the plantation. A baseline study on the extent and sustainability of hunting and NTFP harvesting methods on the plantation is required. Mitigation measures should be implemented to control hunting, NTFP collection and other unsustainable activities.	There is a gap. Ensure Biodiversity Management Plan maps and assesses the relative importance of the swamps/wetlands and remnant forests and contains mitigation measures to control hunting and NTFP collection if appropriate.

Requirement	Assessment	Gaps and main actions required
<i>Environmental Value Assessment</i>	See recommendations as described above.	There is a gap. Cf. Biodiversity Management plan measures.
<i>Principle 7: Management Planning: The Organization shall have a management plan consistent with its policies and objectives and proportionate to scale, intensity and risks of its management activities. The management plan shall be implemented and kept up to date based on monitoring information in order to promote adaptive management. The associated planning and procedural documentation shall be sufficient to guide staff, inform affected stakeholders and interested stakeholders and to justify management decisions.</i>		
<i>Management Plan</i>	<p>The ESIA and other Project-specific risk assessments consider some of the risks within the concession but do not include written descriptions and maps describing the social, biodiversity, economic and cultural resources found in, and adjacent to, the plantation (ie, across the wider concession) that could be affected by the plantation’s activities.</p> <p>Requirements for Biodiversity management Plan are elaborated under Principle 9.</p>	<p>This is a partial gap.</p> <p>Engage specialists to survey and map the social, biodiversity and cultural resources found in, and adjacent to, the plantation that could be affected by the plantation’s activities.</p> <p>Develop a Social Management Plan and a Biodiversity Management Plan.</p>
<i>Principle 8: Monitoring and Assessment: The Organization shall demonstrate that, progress towards achieving the management objectives*, the impacts of management activities and the condition of the Management Unit, are monitored and evaluated proportionate to the scale, intensity and risk* of management activities, in order to implement adaptive management*.</i>		
<i>Performance</i>	The LAC EMP sets out some performance targets but this need to be expanded to include targets for social and biodiversity aspects. These need to then be factored into a monitoring plan and adaptive management applied where monitoring shows a failure in planned activities to meet the Management Plan or where targets are not being met.	<p>This is a partial gap.</p> <p>Include performance targets relating to social and biodiversity aspects and monitor achievement of verifiable targets in management plans.</p>
<i>Monitoring</i>	The LAC EMP has some monitoring measures in place. The EMP needs to be augmented to include monitoring of key wildlife populations status of High Conservation Values resources, sensitive cultural and environmental resources.	<p>This is a partial gap.</p> <p>Update EMP to describe achievement of measurable targets relating to biodiversity and</p>

Requirement	Assessment	Gaps and main actions required
		HCV resources.
<i>Review</i>	Monitoring results are analysed. A review system is required to adapt Management Plans if the measures identified are found not to be effective at mitigating impacts.	This is a partial gap. Ensure monitoring results are analysed and management plans are adapted to make them more effective at achieving identified targets.
<i>Disclosure</i>	A summary of the monitoring results is not publicly available.	This is a gap. Ensure a summary of the monitoring results is publicly available at no cost.
<i>Tracking System</i>	LAC has a system in place to track precisely which stands of tree supplied the rubber in the individual blocks of rubber being exported.	There is no gap.
Principle 9: Maintenance of High Conservation Value Forests		
<i>High Conservation Value (HCV) Assessment</i>	HCV assessments are required for the wider LAC concession based on the following six key criteria: <ul style="list-style-type: none"> • HCV1: Areas containing globally, regionally or nationally significant concentrations of biodiversity values • HCV2: Globally, regionally or nationally significant landscape-level areas where viable populations of species exist in natural patterns of distribution and abundance. • HCV3: Areas that are in or contain rare threatened or endangered ecosystems • HCV4: Areas that provide basic ecosystem services in critical situations, including water catchments, erosion control and fire. • HCV5: Areas fundamental to meeting basic needs of local communities • HCV6: Areas critical to local communities' traditional cultural identify (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities. 	There is a gap. Conduct HCV assessment of the plantation and wider concession based on the six key HCV criteria.
<i>Management Plan for HCV.</i>	A comprehensive Biodiversity Management Plan (BMP) is required to guide the avoidance measures, maintenance, enhancement and offsetting programmes and management of ecosystem services. A publicly available non-technical summary of the BMP is required.	There is a gap. Develop a Biodiversity Management Plan (BMP) to guide avoidance measures, active protection and enhancement of HCV attributes. Ensure that non-technical summary of the BMP

Requirement	Assessment	Gaps and main actions required
		is publicly available.
<i>HCV Annual Monitoring</i>	Monitoring measures are required as a component of the BMP for measuring trends in key biodiversity and ecosystem services that trigger HCV recognition. A monitoring plan must include baseline, monitoring sites and protocol, frequency of monitoring, personnel capacity and equipment needs, key threshold levels and corresponding actions.	There is a gap. Put in place annual monitoring to assess trends in key biodiversity and ecosystem services that trigger HCV recognition.
<i>Principle 10: Implementation of Management Activities: Management activities conducted by or for The Organization for the Management Unit shall be selected and implemented consistent with The Organization's economic, environmental and social policies and objectives and in compliance with the Principles and Criteria collectively.</i>		
<i>Alien Species</i>	There is no information or regular monitoring on alien species to ensure that they are only used when direct experience and / or the results of scientific research demonstrate that effective measures are in place to control invasiveness and to mitigate any adverse impacts.	There is a gap. Develop a control plan that includes regular monitoring of alien species.
<i>Pest Management</i>	There is no Integrated Pest Management (IPM) Plan to manage pests, diseases, weeds and invasive introduced species are effectively managed using appropriate techniques. This needs to include recording and reporting pesticide use per ha.	This is a gap. Cf. IFC Performance Standard 3

REVIEW OF CAPACITY AND HUMAN RESOURCE TO ADDRESS ENVIRONMENTAL AND SOCIAL GAPS

The operation management comprises a General Manager and ten senior managers responsible for technical, plantation development, HR, and financial. Based on discussions and interviews, the management is well versed and clearly involved in environmental and social issues related to the company's operation.

LAC does not have a dedicated HSE manager. The Construction Manager is responsible for overall HSE management. Implementation of HSE requirements is the responsibility of the various department managers. For example, HSE management at the processing plant is the responsibility of the Factory Manager. There is an HSE Officer at the processing plant and another HSE officer at the hospital. The HSE Officer conducts inspections and investigates problems and submits a report to the Construction Manager on a monthly basis.

The company's EMP describes an EMC that is to oversee HSE management. It does not appear that an EMC is currently active as there are no records of routine meetings or of EMC activities.

Management of environmental and social issues at the worker camps are handled through the operational management organisation. Each camp has a leader that has responsibility for environmental control.

Aspects of community stakeholder engagement and community development are managed by the HR Department. There are limited staff resources assigned to these areas. It is recommended that LAC considers splitting the HR and community relations functions by appointing an experienced person to act manage communication and all forms of engagement with workers, families and other stakeholders outside the plantation areas. This would facilitate a transparent and positive relationship with these parties through increased face-to-face interaction. This person could also take lead responsibility for implementing and monitoring the various community initiatives which LAC has undertaken, and which it intends to continue.

5.1 INTRODUCTION

This Section provides a summary of both general and specific actions that the company will need to take in order to comply with the requirements of the applicable standards. The proposed Environmental and Social Action Plan (ESAP) was developed by comparing the company activities (present and planned) against the mitigation and management measures as described in relevant environmental and social documentation.

Actions are specified where:

- Information provided is insufficient in level of detail;
- Study carried out is inadequate for the purposes of determining impact and developing mitigation measure(s);
- Gap exist between current or planned activities and national law;
- Gap exists between current or planned activities and the Performance Standard requirements;
- Gap exists between current or planned activities and the RSPO and FSC requirements;
- Proposed mitigation or management measure is or would not be effective;
- Non-conformance was identified; and
- Significant risk exists.

5.2 GENERAL REQUIREMENTS

As minimum actions, the company will need to:

Comply with all relevant host country social and environmental laws, regulations and permits in all material respects, including specifically the environmental permits and associated conditions and those actions specified in the approved EIA reports;

Comply with the ESAP in all material respects during construction and operations and during any expansion;

Provide periodic reports to IFC in a format agreed (with the frequency of these reports proportionate to the severity of impacts, or as required by law, but not less than annually), prepared by in-house staff or third party experts, that: document compliance with the ESAP (where applicable), and provide representation of compliance with relevant local, state and host country social and environmental laws, regulations and permits.

SPECIFIC ACTIONS

The company will need to comply with the ESAP (*Annex A*). In the table both required and recommended actions are specified.

Recommendations for timing in terms of completion are provided in the referenced table. These are guidelines and set based on evaluation of risk and in consideration of the development schedule. These can be used by the IFC and further discussed with the company to consider other factors including operating costs and priorities.

The timings recommended in the ESAP are from first disbursement.

Annex 1:

Integrated Environmental and Social Action Plan and Resources

Environmental and Social Action Plan for LAC

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
1	Performance Standard 1				
1.1	Identification of Social Impacts and Risks	LAC has not fully evaluated impacts and risks to social issues in the communities across its wider concession.	<p>LAC will conduct an assessment of impacts and risks to neighbouring communities in the area of influence.</p> <p>The Social Impact Assessment (SIA) will include a determination of the existing social and socioeconomic conditions. The SIA should include communities within the concession and well as across the wider concession. The baseline should comprise a detailed description of “terroir villageois” (through social mapping: including hunting and gathering grounds, areas for plantations, fishing, etc.) to be able to characterize land use of each community and potential impacts of Socfin’s activities.</p> <p>In particular, the SIA will focus on the assessment of smallholder/outgrower supply chain risk assessment and required management system. This is especially key given regions of potential critical habitat within the wider concession.</p> <p>The SIA will describe actions that LAC will take to mitigate negative impacts and risks as well as actions to enhance benefits. The SIA will also describe a programme for monitoring social performance. The SIA shall be conducted by a specialists qualified in the areas of relevance.</p>	<p>a) Social baseline report acceptable to IFC</p> <p>b) SIA and management plan acceptable to IFC</p>	<p>a) By September 2015</p> <p>b) SIA by January 2016 and implementation as per the management plan</p>
1.2	Identification of Biodiversity Impacts and Risks	LAC has not fully evaluated impacts and risks to biodiversity resources.	<p>LAC will develop a thorough understanding of biodiversity and ecosystem services (BES) sensitivities within the area of influence (ie, within the plantation and across the wider concession area).</p> <p>A biodiversity baseline shall be developed which shall</p>	<p>a) Biodiversity baseline report acceptable to IFC</p> <p>b) BESIA and management plan acceptable to IFC</p>	<p>a) By September 2015</p> <p>b) BESIA by January 2016 and implementation as per the plan</p>

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			<p>include a chimpanzee ecology study. This chimpanzee study will be conducted within the LAC plantation and wider concession area under the guidance of experienced primatologists to (i) determine the extent of a discrete management unit for the associated tier 1 critical habitat and (ii) assess the threats to which these animals are exposed and identify measures to secure their future.</p>		
			<p>An assessment of impacts and risks to BES will be conducted for the area of influence including protected forested areas and wetlands within the plantation as well as sensitive HCV areas across the rest of the concession. Risks presented by alien and invasive species and hunting by workers will be included.</p>		
			<p>The impact assessment will specifically address the activities of small holders and their impacts on HCV forest in the concession (including the 'forest reserve').</p>		
			<p>The Biodiversity & Ecosystem Services Impact Assessment (BESIA) will include a determination of the prevailing conditions and describe actions that LAC will take to mitigate negative impacts on HCV habitat, enhance biodiversity and avoid disruption of ecosystem services. The BESIA will guide a programme for protection of biodiversity resources (such as an offset) as well as monitoring of environmental performance.</p>		
			<p>The BESIA will include specific determinations of Critical Habitat and High Conservation Value (HCV) areas as defined by the PS6 and FSC.</p>		
			<p>The BESIA will assess the residual impact following application of a structured mitigation hierarchy and</p>		

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			determine if the need for an offset is justified.		
			The BESIA shall be conducted by a qualified specialist.		
1.3	Environmental and Social Management System	LAC has an EMP to guide HSE management. LAC has not developed a comprehensive ESMS to cover all environmental and social issues. Attention to E&S management is required.	<p>LAC will consolidate policies, plans and procedures into a comprehensive ESMS and obtain certification of the ESMS under ISO 14001:2002.</p> <p>The ESMS will cover:</p> <ul style="list-style-type: none"> • Company's environmental and social policy • Management organisation • Legal and other requirements • Training requirements (including worker and Contractor training) • Monitoring programme • Reporting programme <p>The ESMS will incorporate the requirements of applicable regulations and permits (including the EIA Certificate). It shall contain the following specific plans and procedures that will provide detailed work instructions:</p> <ul style="list-style-type: none"> • Stakeholder Engagement Plan (including a grievance procedure) • Community Health and Safety Management Plan • Security Management Plan • Worker Health and Safety Policy and Management Plan • Integrated Water Management Plan • Fertiliser (and Crop Nutrient) Management Plan • Soil Erosion Control Plan • Integrated Pest Management Plan • Waste Management Plan • Hazardous Material Management Plan • Pesticide Management Plan • Emergency Response Plan 	<p>a) ESMS acceptable to IFC</p> <p>b) Third-party certification of ESMS</p>	<p>a) By November 2016</p> <p>b) Within 2 years of completion of ESMS</p>

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			<ul style="list-style-type: none"> Biodiversity Management Plan Environmental and Social Monitoring Plan Chance Finds Procedure <p>LAC will ensure that staff resourcing for implementation and operation of the ESMS is adequate.</p> <p>LAC will ensure that the ESMS is implemented through a comprehensive disclosure and training programme.</p>		
1.4	Environmental and Social Management Plans	LAC's ESMS needs to incorporate the specific requirements of the IFC PS	<p>LAC will verify that the ESMS addresses the relevant requirements of the IFC Performance Standards. The ESMS will incorporate at minimum the following as well as any other gaps identified:</p> <ul style="list-style-type: none"> Management of social and biodiversity impacts and risks (especially in relation to any future expansion and also regarding small holders/outgrowers supply chain risks) in addition to HSE Process for evaluating and updating legal obligations Environmental and social impact and risk assessment plan (including process for determining area of influence) Resettlement Action Plan (dealing with compensation processes) for any future expansion Management of change procedure <p>LAC will ensure that staff resourcing for implementation of the plans is adequate.</p>	ESMS acceptable to IFC	By November 2016
1.5	Permits	LAC does not have a systematic plan for management of permits.	Company will take immediate action to have EIA Certificate renewed. LAC will develop a process for identifying legal obligations and monitoring	a) Verification of EIA permit renewal	a) By December 2015

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
		Some permits have expired.	compliance on a regular basis.	b) Permit and obligations management process acceptable to IFC	b) By December 2016
1.6	Stakeholder Engagement Plan	LAC does not have a systematic plan for on-going engagement with communities across the wider concession.	<p>LAC will develop and implement a Stakeholder Engagement Plan (SEP) incorporating consultation and disclosure procedures that comply with national law, Company's policies and procedures and IFC Performance Standard 1.</p> <p>The plan will include:</p> <ul style="list-style-type: none"> • Description of regulations and requirements • Resources and responsibilities • Identification and prioritization of key stakeholder groups • Summary of previous consultations (with copies of agreement, minutes of meetings) and overview of key issues • Strategy, timetable and tools for information sharing and consultation • Grievance mechanism • Monitoring, recording and reporting requirements <p>The SEP will be disclosed and communicated to communities across the wider concession.</p>	<p>a) Outline of Stakeholder Engagement Plan acceptable to IFC</p> <p>b) Stakeholder Engagement Plan with schedule of on-going activities and demonstration of disclosure acceptable to IFC</p>	<p>a) By September 2015</p> <p>b) By December 2015</p>
1.7	Community Development	LAC should develop a plan for sharing benefits with communities across the wider concession building upon its current initiatives.	The Company should develop a plan for community development. The programme should outline programmes and initiatives based on community needs and consistent with LAC's sustainability goals and objectives. The plan should align with national and regional development plans where possible.	<p>a) Outline of Community Development Plan acceptable to IFC</p> <p>b) Community Development Plan with schedule of on-going activities and demonstration of disclosure acceptable to IFC</p>	<p>a) By September 2015</p> <p>b) By December 2015</p>

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
1.8	Health and Safety Management	LAC does not have resources dedicated to management of worker health and safety.	LAC will appoint a Health and Safety, Manager with the appropriate skills and training to specifically manage and monitor issues associated with worker health and safety.	Demonstration of qualifications acceptable to IFC and letter of appointment	By November 2015
1.9	Community Engagement Management	LAC does not have resources dedicated to engagement on issues related to the communities across the wider concession area.	LAC will appoint a Community Liaison Officer with the appropriate skills and training to manage and monitor all issues associated with community engagement. The CLO will be responsible for developing the stakeholder engagement and community development strategy and plans and plan implementation.	Demonstration of qualifications acceptable to IFC and letter of appointment	By November 2015
2	Performance Standard 2				
2.1	Worker Housing	LAC provided worker housing is in the process of being upgraded.	LAC will continue the programme of upgrading worker housing to ensure that all qualified workers have suitable living accommodations. Worker housing should be built and maintained to internationally recognized standard such as <i>Workers' Accommodation: Processes and Standards (IFC and the EBRD, 2009)</i> .	<p>a) Report on test of potable water at worker housing</p> <p>b) Plan for worker housing upgrade programme acceptable to IFC including housing inventory, conformance with IFC standard, and schedule.</p> <p>c) Report on completion of worker housing upgrade programme acceptable to IFC</p>	<p>a) By November 2015</p> <p>b) By December 2015</p> <p>c) By December 2018</p>
2.2	Accidents and Injuries	Rates of road accidents and worker injuries, including incident at processing plant, indicate that additional attention to worker health and safety systems is required.	LAC will conduct a programme of safety awareness and training specifically related to worker safety and road safety. LAC will conduct detailed monitoring of worker and road accidents on an on-going basis to detect trends and to determine whether interventions are required.	Demonstration of safety system, awareness and training activities acceptable to IFC	By December 2015

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
2.3	Supply Chain	Contractors and out growers need to adhere to LAC's worker health and safety requirements.	LAC will require that contractors are legally bound to adhere to LAC health and safety and environmental and social protection requirements. LAC will also put in place measures to ensure that out growers comply with the company's standards on health and safety, and biodiversity conservation.	Demonstration that contract process is in place and is being used acceptable to IFC.	By March 2016
3 Performance Standard 3					
3.1	Hazardous Material Management	Storage vessels, especially fuel storage, are in some cases old. Containment systems in some case are inadequate in terms of size.	LAC will conduct a detailed assessment of all hazardous material storage areas to ensure that ensure that storage containers as well as spill containment and loss response systems are adequate. LAC will test large fuel tanks for integrity if leakage is suspected.	Report on storage assessment acceptable to IFC	By April 2016
4 Performance Standard 4					
4.1	Community Health and Safety	LAC does not have a documented assessment or plan for addressing impacts and risks to community health and safety. However main issues are likely to be traffic, workers health and safety (since many community individuals work on the plantation).	LAC will develop a formal Community Health and Safety Management Plan that identifies risks and puts in place appropriate mitigation.	Community Health and Safety Plan acceptable to IFC	See Item 1.4
4.2	Ecosystem Services	No assessment of plantation impacts on ecosystems services in relation to reserved forests and swamp/ wetland vegetation on the wider concession. The forest areas on the wider concession are being degraded by out growers. LAC does not manage	LAC will contract a qualified specialist to engage communities and carry out a focussed survey of ecosystems services covering provisioning, regulating, supportive and cultural ecosystem services (on the plantation and across the wider concession). The study will determine areas of importance, dependence of communities and prioritisation of services. The assessment of ecosystem services will be based on extensive consultation with communities, and meet with their approval.	Inclusion of ecosystem services in the BESIA (see 1.2) and BMP (see 6.2)	See Item 1.2

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
		forest conversion on the wider concession.	The ecosystem services survey is to be incorporated into the BESIA with mitigation actions and monitoring measures incorporated into the Biodiversity Management Plan (BMP).		
5 Performance Standard 5					
5.1	Resettlement and Livelihood Restoration Planning and Implementation	In 2006 LAC commenced planning for an expansion programme within its concession boundary. This was met with opposition for the communities and resulted in a fatality and disruption of operations temporarily. The expansion plans are now on hold	<p>LAC will carry out an assessment of how the commencement of planning for expansion in 2006 was carried out including impacts. If required, develop a Corrective Action Plan to address any outstanding issues. Implementation of corrective actions should be monitored for three years.</p> <p>LAC will upgrade their Land Acquisition and Resettlement Policy Framework (RPF) and procedure for any future expansion. The RPF and procedure should incorporate the requirements of Liberia laws and regulations as well as the IFC Performance Standards.</p>	<p>a) Resettlement baseline report acceptable to IFC</p> <p>b) Report on the assessment of the 2007 expansion process (as well as any other land take since) and Corrective Action Plan as required acceptable to IFC</p> <p>c) Resettlement monitoring report</p> <p>d) Land Acquisition and Resettlement Policy Framework and procedure acceptable to IFC</p>	<p>a) By September 2015</p> <p>b) By November 2015 and implementation as per the plan.</p> <p>c) Annually for three years from implementation</p> <p>d) By September 2015</p>
6 Performance Standard 6					
6.1	Protection and Conservation of Biodiversity	Good stewardship of biodiversity values associated with the LAC on the plantation is good. However there is no control of land use and forest conversion on the wider concession area.	<p>LAC will map and formerly set aside natural areas within their plantation and the wider concession and protect them from future development associated with LAC activities (especially those of out growers).</p> <p>LAC will clarify their boundaries in agreement with local communities, demarcate and map these boundaries accurately.</p> <p>LAC will put in place and enforce protection measures to control illegal and unsustainable exploitation of flora and fauna in areas designated for</p>	<p>An accurate map of the concession and internal protected areas approved by communities and local authorities.</p> <p>Commitment from LAC to protect at least 10% of HCV areas on the wider concession.</p>	See Item 1.2

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			<p>forest conservation across the wider concession.</p> <p>At least 10% of HCV land within the wider concession will be set aside for conservation. LAC will collaborate with a conservation NGO to ensure long term conservation of the area in a manner that meets the BBOP principles.</p>		
6.2	Management of Biodiversity	There is no overall plan to address management of biodiversity resources.	<p>LAC will develop and approve a comprehensive Biodiversity and Ecosystem Services Management Plan (BMP) to guide long-term management and monitoring of biodiversity and natural resources providing ecosystem services. The document will incorporate the applicable requirements of the IFC Performance Standards (PS6 in particular) and relevant requirements of the FSC. It will address management of biodiversity across the wider concession in addition to areas on the plantation.</p> <p>The BMP will be developed from a baseline understanding of BES, mapping of habitats, findings of critical habitat and HCV assessments and the BESIA.</p> <p>The BMP will set objectives, outline the risks, guide implementation of management and monitoring actions and outline review, validation and reporting processes.</p> <p>The BMP will specify personnel, costings, timeframes and monitoring indicators and must address the following specific elements:</p> <ul style="list-style-type: none"> • Set aside and conservation at least 10% of the HCV land on the wider concession; • Sustainable management of biodiversity and ecosystem services; • Measures for the control of illegal and unsustainable activities; • Incorporate a plan for the control of alien and invasive species; 	BMP acceptable to IFC	See Item 1.2

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			<ul style="list-style-type: none"> • Demonstrate No Net Loss / Net Positive Impact of key biodiversity components in accordance with the requirements for natural and critical habitats based on the IFC PS6, focused primarily on the avoidance of important biodiversity areas; • Requirements and necessary actions for legal compliance with regard to rare, threatened, protected and CITES listed species. 		
6.3	Competent Professionals	There are no ecologists employed to monitor and implement any biodiversity actions.	A competent ecologist with experience in the management of BES and implementation of a BMP is required.	An ecologist is appointed	By November 2015
6.4	Protected areas and internationally recognised areas	LAC small holder support does lead to impacts to protected areas.	<p>Engage conservation authorities or groups to explore means for collaborative protection of the forest reserve in the wider concession.</p> <p>Support the development of management plans for the forest reserves and KBAs.</p>	Signed agreement with conservation authority or group with plan for improved conservation of the protected and internationally recognised areas.	By June 2016
6.5	Sustainable Management of Living Natural Resources	There is no independent certification of the LAC natural forests or plantation	<p>The FSC standards for natural forest and plantations based on a time-bound action plan need to be met through implementation of many of the actions in this document.</p> <p>An application for certification needs to be prepared and submitted.</p>	Necessary preparations are implemented and an application for FSC certification is submitted.	By April 2017
8	Performance Standard 8				
8.1	Cultural Heritage	Sacred forests and burial areas have been set aside with full community access. However there is no a map showing where these areas are located. No new planting is planned for now.	<p>Map and describe the cultural value of the reserved forests, graves and other culturally important areas. This work should be carried out by a qualified specialist.</p> <p>Develop a management plan in consultation with the communities to protect these areas, setting out roles and responsibilities for LAC and the community and</p>	Cultural Resources Management Plan acceptable to IFC	By April 2016

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
			monitoring to assess the effectiveness of the measures.		
			Include a process for the location and protection of cultural sites as part of any expansion plans.		
FSC Principle 1					
9.1	Boundaries	The boundaries of the concession are clarified, demarcated and mapped.	See 6.1 above		
9.2	Compliance	Specific legal aspects related to transportation and trade of forest products are not mentioned in the legal register as recommended under this Principle.	LAC will incorporate laws and regulations pertaining to transport and trade of forest products into its register of legal obligations and track compliance.	Legal register updated to include aspects related to transportation and trade of forest products	By May 2016
FSC Principle 2					
10.1	Worker Rights	Managers do not have an up to date working knowledge of all applicable international conventions and that copies of the eight ILO Core Labour Conventions are maintained.	LAC will ensure that managers have an up to date working knowledge of all applicable international conventions and that copies of the ILO Core Labour Conventions are maintained.	Training and Eight ILO Core Labour Conventions are maintained	By May 2016
10.2	Gender Equity	Women are working for the company. LAC has some specific measures in place but no specified targets to promote gender equity through training opportunities, management activities processes, equality of engagement and awarding of contracts.	LAC will put in place targets to promote gender equity and additional measures through training opportunities, management activities processes, equality of engagement and awarding of contracts.	Training and Eight ILO Core Labour Conventions are maintained	By May 2016
FSC Principle 4					

Index	Title	Issue	Action	Completion Indicator	Suggested Timing
		<ul style="list-style-type: none"> Stakeholder engagement Local Development Plans 	These aspects are covered under Performance Standard 1		
<i>FSC Principles 5, 6, 7, 8, 9 and 10</i>					
		<ul style="list-style-type: none"> Conservation of Biological Diversity HCV Assessments Safeguards for rare threatened and endangered species Control of illegal activities Management Plan requirements ESMS Performance Targets Monitoring, review and disclosure requirements Management of alien species 	These aspects are covered in the BESIA and BMP (see 1.2 and 6.2 above)		

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