



HOUTEXPLOITATIE EN VERWERKINGSONDERNEMING SOEKHOE EN ZONEN N.V.

EXPLOITATION PLAN 2021/2022, Summary

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Exploitation Plan 2021-2022

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1 PURPOSE

The purpose of the Exploitation Plan (EP) is twofold: first, to ensure that the aspects of the current planning are aligned with Annual Operation Plans (AOP); second, to ensure that the Forest Management Enterprise's (FME) management plans and associated documents are in conformance with FSC standards. (FSC-STD-SUR-01-2020)

This Exploitation Plan therefore provides, as appropriate, updated data and maps; additional information; and links to associated FME documents where these contain the necessary substance to meet the FSC standard requirement.

2 MISSION AND VISION

Mission

The sustainable use of the forest and processing of the obtained round wood with an optimal yield, good quality and the trading of the products, both nationally and internationally.

Vision

To be an example for Surinamese wood companies by doing sustainable forest management and efficient wood processing with good quality by adapting processing techniques, training, and waste management.

3 MANAGEMENT OBJECTIVES

The general management objectives of the FME are: (P7.1)

1. To harvest the forest at an optimum level such that all business, social, environmental and technical considerations are addressed. The Company will follow the aspects of the standard. All management activities will perform mindful of environmental and social impact and the economic beneficiaries and policies.
Harvesting will perform on existing (open) and on new kapvaks. Preparation of new kapvaks will be based on de 100 % inventory, according to the SFIS System of SBB. The borders of the kapvaks will be indicated.
Only selected trees will be cut. The feller will keep a felling record sheet with all the felling data.
Road maintenance and construction will be planned. Transportation of logs from the concession will take place after payment of the retribution to de Government.
Signboards will be placed on relevant places.

2. To provide a safe working environment aligned with the principles of occupational health and safety (OSH), and to provide employees with competitive wages, basic social amenities and competency-based training. (Annex B, training topics)
3. To produce sufficient quantity of high-quality timber to meet the requirements of its local processing plants, the domestic markets and its overseas customers.

4 LAND TENURE STATUS AND FOREST DESCRIPTION

The land tenure status, timber resource, environmental conditions, land use, socio-economic conditions and adjacent land-use are described in the FME's EP, AOP 2022, Environmental and Social Impact Assessment (ESIA) and High Conservation Value Forest (HCVF) report.

5 EXPLOITATION PLAN AND ALLOWABLE ANNUAL CUT

The management and silvicultural system employed is based on the CELOS MANAGEMENT SYSTEM (CMS) developed in Suriname. It is a system that is based on natural cycles and the ecology of the forest and utilizes the timber resource while maintaining the forest ecosystem. It is a polycyclic selective harvesting regime utilizing the principles of Reduced Impact Logging (RIL)

The long-term harvest plan has been updated since the production of the original exploitation plan. In order to ensure sustainability, the harvest plan has been extended to 20 years¹. The concept of annual compartments has been revised to maintain flexibility in operations and to be able to respond to market demands, other land-uses and seasonal weather patterns. Therefore, a kapvak grid is preferred to compartment within which harvest kapvaks are planned on an annual basis (or even updated during the planning cycle and presented in plan annexes). The Annual Operational Plan for PP8 is now in force as of 2021 during which earlier kapvaks will be completed and new kapvaks inventorized and harvested (see Exhibit 13-1).

The current net operable area of the concession is 18.926 ha (after reduction for the mining area (406 ha) and the 2 biodiversity reserve (1436 ha), 80% IFL zone (952 ha). Using the FME maximum allowed cut of 25 m³/ha this gives a total productive capacity of 383.890 m³ over the whole harvest cycle or approximately 14.000 m³/yr. over the 20-year cycle.

¹ The FME proposes a 20 year cutting cycle which is preferable for planning purposes as it coincides with the term of the concession agreement (renewable phases of 10 years). This maximum sustainable yield of 25 m³ will be pro-rated to 20 m³

Currently there is no regulatory annual area restriction and at an average expected production of 15 m³/ha² based on historic production, forest composition and current markets, theoretically a total of 18 kapvaks would be suggested per year to meet the maximum annual allowable cut. The real amount will depend on de market demand and work circumstances.

In PP8 on the remaining not completed kapvaks (16) the harvesting will proceed. In addition to these, 7 new kapvaks from # 106 to 112 are planned for PP8. On 2 kapvaks # 102 and 103 inventory has been conducted and inventory data is in process (see Exhibit 6-9).

6 MEASURES FOR IDENTIFYING AND PROTECTING ENDANGERED SPECIES

Measures for identifying and protecting rare, threatened or endangered (RTE) species are described in the FME's ESIA (Environmental and Social Impact Assessment)

Two biodiversity reserve areas have been set up. One in the east of the concession covers an area of 986 ha and consists primarily of white sand savanna forest which represents an unusual forest type over the whole concession and supports a unique flora and fauna. Even though two kapvaks are scheduled for future felling within this area the reserve will be protected by a 50 m buffer and the integrity of the reserve will be maintained and protected from logging or other forestry or non-forestry activities.

A second area (covering 450 ha) has been set up for preservation along the southern boundary of the concession bordering the Forest Service Reserve of Tibiti Soela which encompasses an area of High Conservation Value Forest ³ identified by the company.

The total area identified as biodiversity reserves is 1,436 ha or 6.6% of the gross concession area (see Exhibit 13-2). Biodiversity area boundaries are recognizable cut open and signs are placed at all road crossings.

² This number is variable, depending on forest composition of the relevant kapvaks, weather conditions and market demands.

³ See the company HCVF Report for reference

7 ENVIRONMENTAL SAFEGUARDS AND FOREST PROTECTION PLAN

Environmental safeguards and forest protection (conservation) are described in the FME's ESIA and HCVF report.

8 HCVF UPDATE

A full HCVF assessment was conducted in 2014. This document is updated (2022) on relevant items to the HCVF and revisits the outcome of the application of criteria and refines the definition and geographical extent of HCV's.

Although in Principle 9 of the FSC interim guidelines for Suriname a lot of emphasis is placed on communities, it appears that there are no communities or villages in the concession and its immediate vicinity. The nearest village is about 15 km from the western concession border and these villagers have no identifiable connection to our concession. There is so far no evidence that these or other villagers use the forest of company

PSP's are being established throughout the concession to monitor natural and post-harvest tree growths, detect any biodiversity and ecological changes as a result of forest management and prescribe appropriate management and silvicultural measures to ensure sustainable yield, regeneration and ecological status of the harvested forest. Biannual monitoring of the PSP program assesses establishment of PSP's, adherence to protocols and adequacy of data analysis.

Forest types in 424a with area, proportional coverage and PSP allocation (2021)

Vegetation Type	± area (ha)	% area	Planned PSP's	PSP's
			Actual biodiversity zones (2021)	
Mesophytic High Dryland Forest	14,770	68	14 (9)	9
Creek Forest/Mixed swamp	5,864	27	5 (3)	3
Open Savanna/Savanna Forest	1,086	5	1	1
TOTAL	21,720	100	20	13

9 INTACT FOREST LANDSCAPES

9.1 Definition

Intact Forest Landscape (IFL) (for more information visit:

<http://wcslivinglandscapes.com/WhatWeDo/LandscapeSpeciesAnalysis/tabid/3737/Default.aspx>)

is defined as a territory within today's global extent of forest cover which contains forest and non-forest ecosystems minimally influenced and disturbed by human economic activity, with an area of at least 500 km² (50,000 ha) and a minimal width of 10 km (measured as the diameter of a circle that is entirely inscribed within the boundaries of the territory).

According to Global Forest Watch maps Suriname is one of several countries where IFL exists. In the company's concession 424A, an area of 1190 ha exist as IFL.

<http://www.globalforestwatch.org/>

10 TRAINING PLAN

The training plan will focus on building awareness, knowledge and skills with delivery approach tailored to the objectives and target recipients. Training delivery will be based on the company's protocols and operating procedures

The precise timing of training is flexible depending on available resources and trainers.

Exhibit 10- 1 FSC training plan for 2021/2022

Target Staff	Training	Topics	Delivery
All staff (CoC + FME)	FSC Principles (Awareness)	<ul style="list-style-type: none"> ➤ FSC Principles, Relevant Laws and regulations ➤ Health & Safety ➤ Usage of Safety Gear ➤ Gender Equality ➤ Dispute Resolution 	Internal
Forest operators, fellers and helpers	Stump height ⁴ at felling (Knowledge /Skills)	<ul style="list-style-type: none"> ➤ Decision making for the felling height. ➤ Safety felling ➤ Efficient felling 	Internal
Sawmill	CoC Procedure (Awareness)	<ul style="list-style-type: none"> ➤ Monitoring and Awareness 	Internal
Sawmill supervisor/ Forest supervisor/ Forest operator.	First Aid (Awareness)	<ul style="list-style-type: none"> ➤ Basic EHBO 	Internal ⁵
Management/Office Administration	Laws and Regulations (Awareness)	<ul style="list-style-type: none"> ➤ Relevant Laws and Regulations⁶ 	Internal
Sawmill	(Awareness)	<ul style="list-style-type: none"> ➤ Use of safety gear ➤ Use of fire extinguisher ➤ Checkup machinery ➤ Machine Maintenance ➤ Cleaning up spills of waste materials 	Internal
	FSC Overall	<ul style="list-style-type: none"> ➤ Health and Safety ➤ FSC-procedure ➤ Covid Protocol 	

⁴ See SBB letter, regarding stump height

⁵ It is not possible to have external training provided due to the Covid pandemic. That is why training courses are provided internally.

⁶ ILO Core Labour Conventions, Forest Law, Labour Law

Sawmill	Refreshment Health and Safety + PPE, Maintenance	<ul style="list-style-type: none"> ➤ PPE Use ➤ Machine Maintenance 	Internal
Forest operators and helpers	RIL(Reduced Impact Logging) (Knowledge/Skills)	<ul style="list-style-type: none"> ➤ Reduced Impact Logging (theory) ➤ Skidding ➤ Directional Felling ➤ Chainsaw safety ➤ Skid trail Alignment and construction ➤ Road maintenance 	Internal
Sawmill	Refreshment FSC Principles (Awareness)	<ul style="list-style-type: none"> ➤ FSC Principles, Relevant Laws and regulations ➤ Health & Safety ➤ Usage of Safety Gear ➤ Gender Equality ➤ Dispute Resolution 	Internal
Forest operators and helpers	Oil spill/ Old iron scrap	<ul style="list-style-type: none"> ➤ Environmental impact oil spill ➤ Oil area ➤ Management old iron scrap 	Internal
Sawmill	CoC procedure, PPE, Health and Safety, FSC Procedure	<ul style="list-style-type: none"> ➤ Monitoring and Awareness ➤ Health and Safety ➤ PPE use ➤ FSC procedure 	Internal

11 GENERAL MONITORING

Measures for monitoring the forest are described in the FME's Monitoring Program and periodic monitoring reports are available in separate documents held in the FME office.

12 MAPS

Maps indicating boundaries, forest types, production areas and infrastructure are contained in the EP and AOP. Updated maps showing the current kapvaks, HCVF, IFL and PSP's are included in Exhibits 12-1 to 12-4. Hard copies of up-to-date maps (including inventory maps) are held in the company's offices.

Exhibit 12- 1 Updated Harvest Map

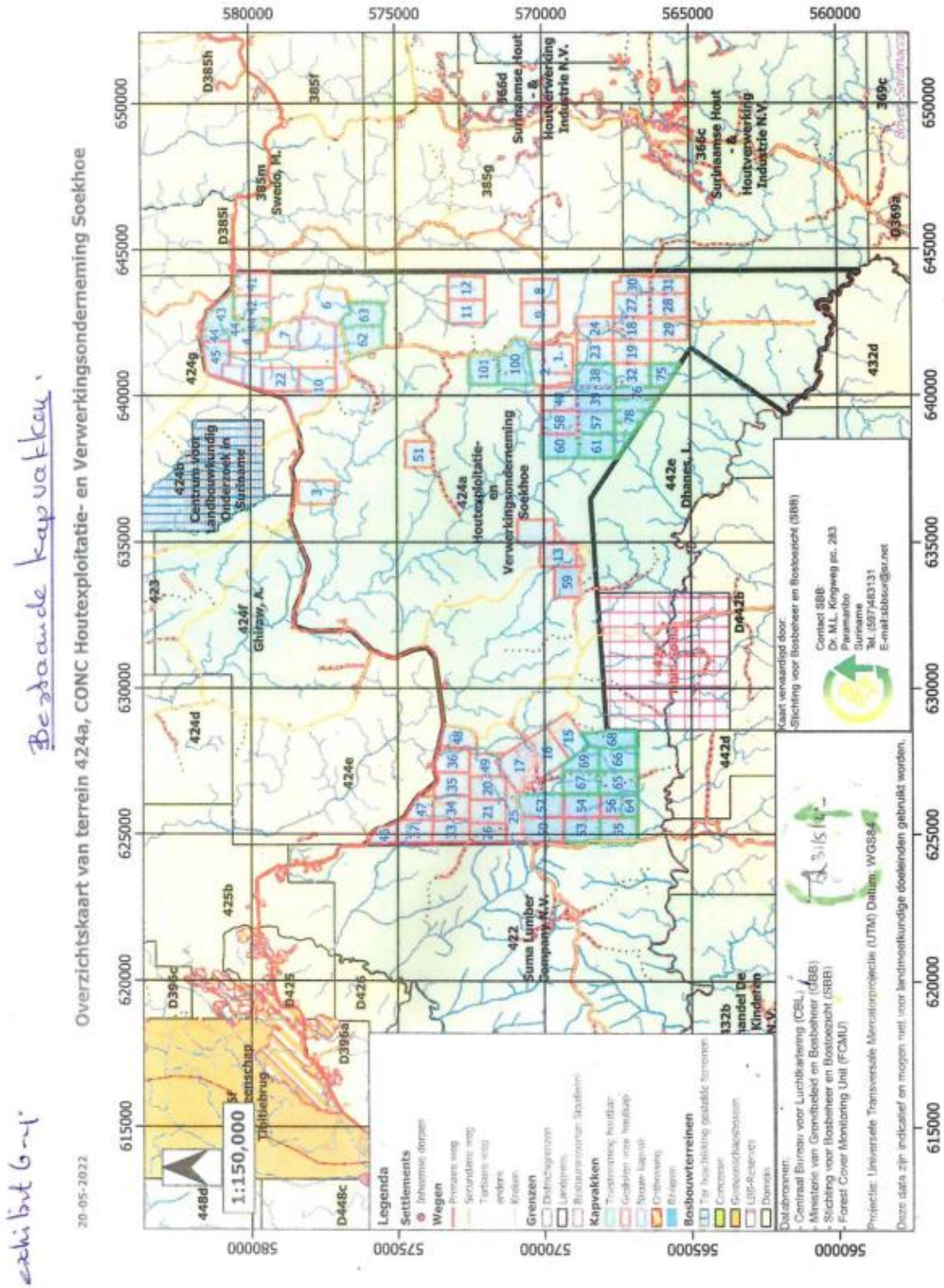


Exhibit 12- 2 Concession map indicating PSP's

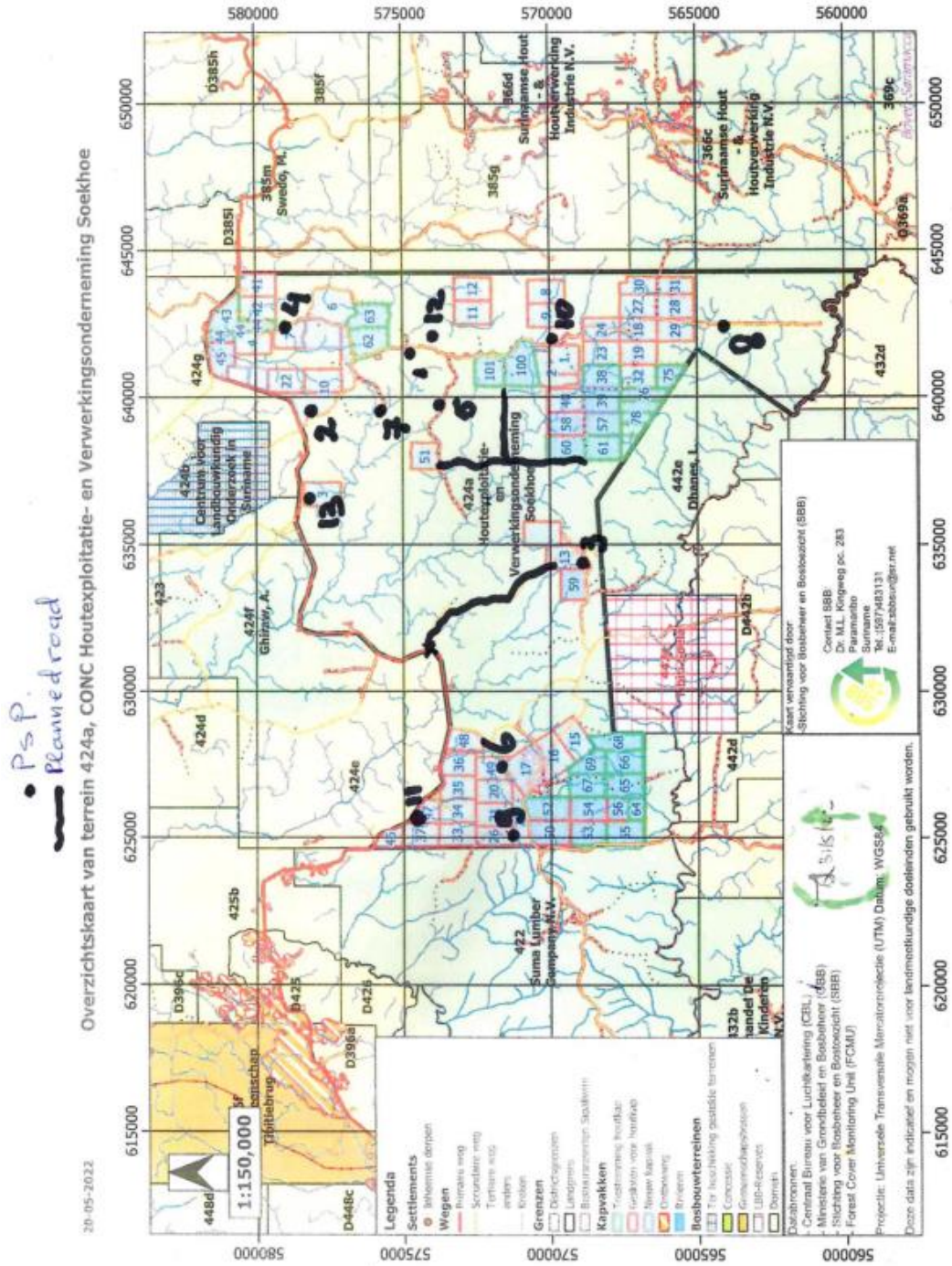


Exhibit 12- 3 Concession map indicating IFL (blue shade)

