SUSTAINABILITY REPORT 2019

Taking a lead in sustainable forestry
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About this report

This Woodbois Sustainability Report provides an overview of our company and operations throughout the 2019 fiscal year (ending 31 December 2019). It allows us to share useful information, enhance transparency and compile data relating to the economic, environmental and social impacts of our operations. It also includes a materiality analysis, which enables us to identify the most relevant issues that affect Woodbois via the input of external and internal stakeholders.

Designed to be read by Woodbois employees, suppliers, customers, investors and any other interested parties and stakeholders, the report also highlights the link between our business values and the ways in which our operations contribute to achieving the United Nations Sustainable Development Goals.

The report references the GRI Standards for sustainability reporting and puts forth a detailed assessment based on the environmental, social and governance (ESG) criteria. All disclosures made in this report are governed by the AIM regulation on reporting. Information on economic indicators provided in this report is therefore restricted and we advise investors and other stakeholders to consult the financial statements available on our website:

[woodbois.com/investors](http://woodbois.com/investors)

We hope you find this report informative and encourage you to share your feedback, thoughts and views with us via email:

[ilene.hardy@woodbois.com](mailto:ilene.hardy@woodbois.com)
"The only realistic way to conserve our forests is to apply sustainable forest management practices."

— Rainforest Alliance
Woodbois produces, processes, manufactures and distributes sustainable African hardwoods and hardwood products to customers around the world. Originally founded in 2004 by two DLH Group ex-employees, Woodbois is listed on the AIM section of the London Stock Exchange, one of the world’s leading growth markets for small and mid cap companies. Our trading team is based in Copenhagen, with African operations in the Ivory Coast and Gabon, including a network of over 100 suppliers.

Woodbois manages and operates approximately one million acres of natural forest concessions in Gabon and Mozambique, all of which are managed sustainably, ethically and competently. We have production facilities in both countries.

Woodbois is actively contributing to the global shift towards adopting socially responsible business models and proving that what’s good for the environment is also good for business. Our group has developed a sustainability strategy to define our core priorities and commitments, which we can use to align our actions with the SPOTT (Sustainability Policy Transparency Toolkit) and the UN Sustainable Development Goals (SDGs). Together, these serve as a blueprint for peace and prosperity for both the planet and its people, now and in the future.

Our mission is to be the leading producer and global supplier of sustainable African hardwoods and hardwood products, the leading supplier of internationally sourced timber materials to the rapidly growing African construction sector, and to contribute to long-term economic and social development in all of the markets in which we operate.
Organisational structure

Woodbois’ organisational structure reflects our operations and geographies.

Our production, processing and manufacturing operations are based in Gabon (Woodbois Gabon) and Mozambique (Argento Mozambique). Woodbois International, the group’s trading company, is based in Denmark.

According to the Rainforest Alliance, “sustainable forestry needs to be interpreted as a balance between the needs of the environment, wildlife and forest communities and the generation of new incomes from the production and sales of timber and other forest products while conserving the forest for future generations.”
**Employee statistics**

- Total: 349
  - Female: 66 (19%)
  - Male: 283 (81%)

**Clients served in 2019**

- 103

**Products**

Sustainable hardwood products (lumber, veneer, plywood) manufactured at our own facilities or sourced from vetted and sustainably compliant third-party suppliers.

**Predominant species**

- Okoume
- Padouk
- Okan

**International presence & countries of operations**

- **UK**: Office
- **Denmark**: Global trading headquarters
- **Ivory Coast**: African trading office
- **Gabon**: 95,000 hectares of natural forestry concessions on 20-year renewable licenses located within 70 km of sawmill and veneer factory
- **Mozambique**: 310,000 hectares of natural forestry concessions on 25 to 50-year renewable licences
- **Mauritius**: Operational headquarters for Treasury, Forestry and Trading
- **South Africa**: Office (finance function)
Woodbois’ vertically integrated value chain

**Vertical integration**
100% of the wood harvested is processed locally

**Transparency**
Every single tree has an identification number and can be tracked through a GPS code

**100% Caring for protected species**
0% of the trees harvested are listed as protected or endangered

Woodbois caters to customer specifications, including the last steps of the value chain, by delivering high quality, internally and externally produced timber and timber products.
As a company on the front line of sustainable forest management in Africa, Woodbois is proof of the concept that what's good for communities and the environment is also good for business. Over the course of 2019 we were able to continue expanding our commercial operations and make a social impact through valuable employment and training opportunities, all while maintaining processes and operations developed with sustainability in mind.

One of the goals of the previous Woodbois Sustainability Report was to demonstrate how our company aligns with the standards and best practices put forth by the Sustainability Policy Transparency Toolkit (SPOTT). We are proud to say that as of July 2019, Woodbois now ranks 7th on SPOTT’s Environmental, Social and Governance (ESG) policy and transparency assessment for the global timber and pulp sector. This is a great achievement, and one we hope to build on in this report.

The success of Woodbois’ SPOTT assessment has inspired us to perform a materiality assessment in this report, which serves to identify the issues that are most relevant to our company in the context of sustainable forestry. Moreover, by identifying and addressing key issues, we can have an even greater impact when it comes to supporting the United Nations Sustainable Development Goals. So while this report looks back on 2019, our approach will ultimately position us to continue learning and growing as a company throughout 2020 and beyond.

Looking back at some of the highlights of 2019, we made major progress at our new veneer factory in Gabon, where we provided employees with the up-skilling and training necessary for efficient and safe production. Moreover, we retooled our sawmill in Gabon to improve production efficiency and invested in kilns powered by waste to dry timber. We also continued to work closely with our local suppliers, sharing best practices to support their environmental performance.

Moving forward, Woodbois will continue to prioritise sustainability and further empower the communities in which we operate. Continuous learning and improving on our part will be key. I would like to thank the entire Woodbois team for contributing to this report and hope that it can serve as a catalyst for partnerships with new stakeholders who are aligned with our vision for sustainable forest management.

Yours sincerely,

Paul Dolan
Chief Executive Officer

“We are proud to say that as of July 2019, Woodbois now ranks 7th on SPOTT’s Environmental, Social and Governance (ESG) policy and transparency assessment for the global timber and pulp sector.”
2019 Year in brief

- 45% total revenue growth versus 2018
- 100% of our third-party timber supply is traceable
- 57 ha of degraded land restored in Mozambique
- $19.5m total revenues
- #7 Ranked 7th on SPOTT’s ESG policy and transparency assessment for timber and pulp
- 400,000 ha of forestry concessions in Gabon and Mozambique
Global megatrends

As investors and end customers become increasingly concerned about the impact of climate change, they’re turning to value-driven businesses that share their concerns and are taking action to challenge traditional business models. Companies are facing more scrutiny and being held accountable for their business practices. In this context, we have identified the following megatrends impacting our business.

1. Climate change
Climate change poses risks to business and society, affecting the availability of resources as well as global health and tourism, and causing environmental disasters and increased inequalities.

2. Environmental, social and governance (ESG)
ESG is becoming a priority among investors and pension fund managers, who are now considering the impact of the companies in their portfolios.

3. Urbanisation
The world is becoming increasingly urban and experiencing significant demographic shifts.

4. Conscious consumerism
Consumers want to make positive decisions throughout the buying process, to balance some of consumerism’s negative environmental and social impacts. Businesses must keep up with growing demands for ethical behaviour and transparency in everything from employee rights and gender discrimination to the supply chain.

5. Purpose
In today’s business climate, profit cannot be the only reason for a company to exist. Purpose should be a market differentiator and the driver for employees to succeed.

6. New partnerships
Private entities, governments and NGOs need to partner to overcome major challenges and encourage positive impact.

Impacts on the forest sector

- Climate change is affecting forests worldwide, yet these landscapes remain essential for products, energy, fresh water provisioning and, most importantly, carbon storage.
- As urban areas and energy demands continue to grow, healthy forests are required to satisfy increased global needs.
- Technological innovations such as blockchain can help monitor forests and trace the flow of wood and derived products to store shelves. Other technological innovations, such as the automation of manufacturing processes, could affect the quantity and nature of available jobs.
- In rural areas, forestry businesses can play a role in upholding and respecting human rights throughout their operations.
SUSTAINABILITY AT WOODBOIS
Materiality analysis

Materiality analysis is an exercise that identifies a company’s critical environmental, social and governance (ESG) issues. It engages with internal and external stakeholders to build a full and accurate picture of the issues and then uses these insights to define the core priorities for the business, guiding both strategy and communication.

Our analysis used the following steps:
1. Identify and prioritise the relevant issues
2. Identify internal and external stakeholders
3. Design a materiality survey
4. Launch the survey and start collecting insights
5. Identify the critical issues and develop a materiality matrix
6. Define a sustainability strategy based on material priorities
7. Set long- and short-term KPIs and improvement goals

As a result of this process, the most important issues have been identified and are shown in the Woodbois 2019 materiality matrix:

- **Environment**
- **Social capital**
- **Human capital**
- **Business model and innovation**
- **Leadership and governance**

**STAKEHOLDERS**

- **Financial assistance**
- **Soil & water safety**
- **Energy usage**
- **Greenhouse gas emissions**

**WOODBOIS**

- **Legal harvesting**
- **Developing local economies**
- **Health & safety at work**
- **Protection of land**
- **Climate change mitigation through sustainable forest management**
- **Training & education**
- **Wages & benefits**
- **Economic value generated & distributed**
- **Equal rights & conflict resolution**
- **Sustainable & high quality products**
- **Efficient use of resources**

**GLOBAL REPORTING INITIATIVES**

Material issues are aspects that reflect the organisation’s significant economic, environmental and social impacts, or substantively influence the assessments and decisions of stakeholders.

**SASB**

Financially material issues are the issues that are reasonably likely to impact the financial condition or operating performance of a company and therefore are most important to investors.
Stakeholders engagement

Throughout 2019, we engaged with investors and high-level representatives from international organisations, local governments, heads of local communities and international experts. We also initiated discussions with local and international institutions and organisations such as the World Business Council For Sustainable Development.

In collaboration with Woodbois, MBA students from Smurfit Business School have recently completed the Forestry Traceability Assessment Final Report to identify points to consider when reviewing or creating a forestry traceability system, with specific reference to the African context. A Traceability Assessment Guide (TAG) was created to consolidate the lessons of the paper into a step-by-step process for identifying, defining and evaluating traceability criteria relevant to Woodbois. The report refers to third-party requirements, both mandatory legal regulatory compliance and voluntary certification schemes.

As a responsible business, we regularly engage with our suppliers to make sure that we share the same policies and commitment towards increasing transparency in our operations. We also regularly engage with our employees, collecting their feedback to help us create a positive, safe and healthy work environment that provides opportunities for development and growth. The remote communities where we operate are deeply dependent on forests; understanding their needs, supporting their development and helping local causes is core to our business.

Woodbois has recently partnered with the Congo Basin Forest Partnership, a non-profit initiative set up to help improve the management of the Congo Basin tropical forest area. Woodbois will work alongside other like-minded organisations to exchange and foster ideas to better manage this unique arboreal region.

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Traceability is a clear understanding of a supply chain from start to finish, including all parts, processes, actors and stakeholders. When the entire supply chain is visible, a company can ensure every element is aligned to its values and commitments.
Sustainability strategy

Sustainable forestry has tremendous potential to contribute to circular economies while increasing individual and state revenues in Africa. However, this opportunity depends on several key factors: how the forest industry is governed; how forests are managed; adding value by producing end-products locally, rather than shipping to produce elsewhere; and the need to promote intra-African trade in forest products. As an operator in a very fragile industry, environment and region, Woodbois is committed to running its business in a way that takes these concerns into account.

Understanding where we can make the biggest impact, and respecting what matters most to our stakeholders, has been the first step in defining our sustainability priorities and formulating our sustainability strategy.

The recently published Forest Sector SDG roadmap as well as the SPOTT framework have been used as references to define our strategy and commitment towards sustainable forestry. In line with our sustainability strategy and goals we are committed to environmental, social and governance (ESG) best practice.

We believe this strategy will support Woodbois in reaching sustainable long-term growth, while helping the African economy to step up the value chain.

Our approach to sustainability is stated in our sustainable forestry policy, available on the Woodbois website.
A hundred years ago, there were one-and-a-half billion people on Earth. Now, over six billion crowd our fragile planet. But even so, there are still places barely touched by humanity.”

— David Attenborough
Forest industry & circular economy

The forest industry is a prime example of a circular economy:

- Wood has excellent insulating qualities; used as a construction material, it can reduce overall energy consumption.
- Wood waste can be recycled, reused and finally burned at the end of its useful life.
- Wood is natural and renewable, with all parts of a tree usable as products and energy or nutrients for the soil.
- The forest industry's carbon footprint is quite small, with much of the energy used generated on site by renewable wood residues.
- Forest products are long living and store carbon when used in structures; shorter living products such as paper and packaging are recyclable. Long-lived products can be reused or reconfigured, and used as energy at the end of their useful life.
Aligning our activities to the United Nations Sustainable Development Goals

Achieving the UN Sustainable Development Goals (SDGs) by 2030 will largely depend on implementing a circular economy; addressing climate change by keeping products and materials in use; using renewable resources; and regenerating and sustainably managing natural systems.

The development of the forest sector can present a solution to greenhouse gas (GHG) emissions. Sustainably-sourced wood is a cost effective and potentially renewable source of energy, supplying a big share of global heat. The forest industry has the potential to provide much of its own renewable energy, while products made from sustainable wood could replace non-sustainable products.

When it comes to engaging with the SDGs, our goal is to drive the sustainable development of Africa while embracing the continent’s vision of moving towards higher-value-adding activities, creating new and better job opportunities in secure work environments where skills development and equal opportunities are encouraged.

We have chosen the SDGs 7, 8, 9, 12, 13, 15 and 17 as core priorities for Woodbois, and 1, 4 and 5 as supportive ones.
### Sustainable Development Goals & Targets

<table>
<thead>
<tr>
<th>SDG</th>
<th>Targets</th>
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<tbody>
<tr>
<td>7.2</td>
<td>By 2030, increase substantially the share of renewable energy in the global energy mix</td>
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<tr>
<td>7.b</td>
<td>By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and landlocked developing countries, in accordance with their respective programmes of support</td>
</tr>
<tr>
<td>8.2</td>
<td>Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</td>
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<tr>
<td>8.4</td>
<td>Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead</td>
</tr>
<tr>
<td>8.8</td>
<td>Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</td>
</tr>
<tr>
<td>9.2</td>
<td>Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries</td>
</tr>
<tr>
<td>9.4</td>
<td>By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</td>
</tr>
<tr>
<td>9.a</td>
<td>Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States</td>
</tr>
<tr>
<td>12.2</td>
<td>By 2030, achieve the sustainable management and efficient use of natural resources</td>
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<tr>
<td>12.5</td>
<td>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</td>
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<tr>
<td>12.a</td>
<td>Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</td>
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<tr>
<td>13.1</td>
<td>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</td>
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<tr>
<td>15.2</td>
<td>By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</td>
</tr>
<tr>
<td>15.5</td>
<td>Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species</td>
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<tr>
<td>15.7</td>
<td>Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products</td>
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<tr>
<td>15.8</td>
<td>By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species</td>
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<tr>
<td>17.7</td>
<td>Promote the development, transfer, dissemination and diffusing of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</td>
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<tr>
<td>17.11</td>
<td>Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020</td>
</tr>
<tr>
<td>17.16</td>
<td>Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</td>
</tr>
<tr>
<td>17.17</td>
<td>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</td>
</tr>
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**SDG** | **Targets**
---|---
1.2 | By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
4.4 | By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
4.a | Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
5.1 | End all forms of discrimination against all women and girls everywhere
GOOD Governance

Good governance is the foundation of a sustainable corporate growth strategy. Woodbois has, as much as possible, adopted the principles of the Quoted Companies Alliance (QCA) Corporate Governance Code.

Our commitment

Woodbois is committed to ethical and fair conduct, as well as the prohibition of corruption, including bribery and fraud. The company strives to uphold these commitments by implementing the corporate best practices outlined in the Sustainability Policy Transparency Toolkit (SPOTT), and adhering to definitions and guidelines published by leading international organisations.

Our company believes that protecting whistleblowers is integral to safeguarding public interest, promoting a culture of accountability and integrity in both private and public institutions, and encouraging individuals to report corruption, misconduct and fraud. We believe that a person raising concerns should be supported and protected against reprisals. Woodbois will not tolerate the victimisation of an employee who has raised a concern, or any adverse treatment of an employee as a result of raising a concern. Moreover, we conduct due diligence before establishing new business relationships with suppliers (our due diligence process is described in this report’s Responsible production and trading section).

Woodbois systematically informs third parties of our policies so they are aware of our standards and expectations. We terminate partnerships or avoid them altogether if third-party companies cannot guarantee acceptable standards for wood procurement, which are verified by our legality audits.
OUR IMPACT

The economic, environmental and social impacts of our operations are a direct result of our sustainability strategy. Firstly, this strategy acts as a starting point to turn challenges into opportunities, and, secondly, holds us accountable to the communities in which we operate, the natural environments we manage, and the stakeholders, investors and employees we work with each day.

By aligning the Woodbois sustainability strategy with the SDGs, we aim to generate both short- and long-term value while operating responsibly and transparently. The following sections will provide an overview of the implementation of our sustainability strategy and the impact it generated on our strategic pillars:

- ECONOMIC GROWTH
- SUSTAINABLE USE OF OUR FORESTS
- PRODUCTION AND TRADING
- PEOPLE

Specific GRIs have been measured in order to track impact over time.

Our team

Leading the way in aligning our sustainability strategy with the SDGs is Hadi Ghossein, who oversees Woodbois’ sustainability practices on a day-to-day basis, and Rui Pereira, who serves as Sustainability Manager for our operations in Mozambique.

Hadi Ghossein
Deputy Chairman and Board Member responsible for Sustainability

Rui Pereira,
ESG Manager
Economic growth

Core SDGs:

- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Ensure sustainable consumption and production patterns
Economic growth

The economic growth of our business and the communities and geographies where we operate are the fundamental elements of our operations. We cannot drive a responsible business without healthy economic growth, and healthy growth cannot happen without the personal and professional development of our employees, as well as adequate salaries to support their families and drive the growth of their local communities. Last but not least, our work needs to drive the growth of African countries, which represent a large potential market for many businesses operating in different industries.

Woodbois’ operations generate value for the countries in which we operate, creating skilled jobs and supporting the sustainable use of resources in line with local government priorities. The communities we work in are typically quite remote and many are subsistence economies. As such, our continued presence and work in these communities are determining factors in their ability to evolve and grow economically.

Our vertically-integrated value chain ensures that 100% of Woodbois’ products are processed in Africa, elevating productivity, creating new opportunities for skills development, advancing local processes, and ultimately bringing these countries international exposure through the export of locally produced products, not just raw materials.

Woodbois’ growth contributes to the fight against poverty and inequality, while bringing innovation and infrastructure to the industry and responsibly using the land and its resources to minimise environmental impact.

Investments

In 2019, Woodbois invested $5,052,492 in new infrastructure and equipment. We installed brand new kilns at the sawmill in Gabon to bring the processing in-house.

We also dramatically expanded our sawmill, laying new foundations and expanding the infrastructure already in place. New, more efficient generators were installed and two brand new bandsaws were brought in, plus additional sawmill equipment.
## Our facilities

### ASSET OVERVIEW

<table>
<thead>
<tr>
<th>PRODUCTION ASSETS</th>
<th>CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GABON</strong></td>
<td></td>
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</tbody>
</table>
| SAWMILL & KILN    | Sawmill - 2,000 m³ per month  
                   | Kilns - 2,000 m³ per month |
| VENEER FACTORY    | 1,500 m³ per month             |
| **MOZAMBIQUE**    |          |
| SAWMILL           | 1,000 m³ per month             |

### Woodbois’ operations in Mozambique
Woodbois’ operations in Mozambique are located in Bairro de Merrerre, Posto Administrativo de Nakire, Zona de Namiconha, Cidade de Nampula, Mozambique.

Coordinates: 1°52'19.0"S 11°01'22.4"E

### Woodbois’ Gabon facilities
Woodbois’ Gabon facilities are located in Mouila, a small rural community 400km from the capital city. We are the largest formal employer and offer local people skilled jobs with valuable development opportunities.

Coordinates: 15°09'25.8"S 39°11'13.8"E
Woodbois value chain in Gabon

Woodbois has established infrastructure to capture a significant part of the value chain in Gabon.

Trading

Woodbois responsibly sources and trades products from several international, mainly African, countries. The chart below shows the list of countries we source from.
$19.5m revenues generated

45% growth over FY18

$5.1m investment in new infrastructure & equipment

$0 financial assistance from governments
Sustainable use of our forests

**CORE SDGs:**

13. **Climate action**
   - Take urgent action to combat climate change and its impacts

15. **Life on land**
   - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Our commitment

Woodbois is committed to responsible and ethical forestry. We aim to enhance the benefits healthy forests bring to our ecosystems, while recognising the subsistence needs and customary rights of local communities and indigenous peoples. This includes:

- Protecting forest areas against deforestation, degradation and conversion for unauthorised or illegal resource use, settlement and other prohibited activities.
- Restoration of non-compliant deforestation and conversion.
- Implementing a landscape-level approach to preserving animal habitats and biodiversity.
- Permitting no hunting, or permitting sustainable hunting and fishing only.

Deforestation and forest degradation create an estimated 17% of global GHG emissions.

Our forest management and responsible sourcing practices have a direct impact on SDG 15, and on our ability to preserve the forest environment while supplying wood and wood products in the long term. Poor and aggressive management practices could affect the potential of the lands where we operate, reducing the positive impact on local communities in terms of resources and job opportunities.

Sustainable forest management practices ➔ healthy forests ➔ more resources and job opportunities.
Forest and climate change

Sustainable forest management plays a double role in climate change. Firstly, forests absorb carbon dioxide from the atmosphere and transform it into biomass via photosynthesis. Secondly, sustainably-managed forests play a critical role in addressing the environmental impacts of droughts, floods, storms and forest fires, all of which are expected to intensify as climate change progresses.

According to the FAO, the strong relationship between forests and climate implies that a dramatic change in one will influence the other. By pursuing sustainable forest management, Woodbois aims to help reduce the negative effects of climate change on forests and forest-dependent people, while at the same time ensuring that forests can fulfil their key role in mitigating climate change.

In particular, our forests are responsibly managed in order to reduce deforestation and degradation. We harvest a deliberately limited amount of wood and follow a 23-year rotation plan to make sure harvested trees can maximise their carbon absorption. Lastly, by responsibly producing wood we offer an alternative to less sustainable products.

Nature-based solutions provide up to 37% of the emission reductions needed by 2030 to keep global temperature increases under 2°C - 30% more than previously estimated."

*Proceedings of the National Academy of Sciences*

Woodbois is constantly monitoring climate change and has identified a list of specific parameters to measure over time, including:

- **Temperatures**: any increase could impact the local flora and fauna dynamics.
- **Rainfall**: significant changes could lead to flooding and soil saturation. In addition, rainfall changes may have an impact on the removal of timber from forest areas.

**Our commitment**

Woodbois is committed to developing a complete climate change risk assessment. This includes identifying climate-related risks that are relevant to the company, and proposing measures that should be made at the forest management unit level in Gabon.

Woodbois is also committed to developing a Natural Capital Assessment based on the protocol provided by the Natural Capital Coalition. We are engaging with consultants who can help us perform more detailed HCV assessments and establish the ecological, social or cultural values of our forests.
Forest management & plans

All of Woodbois’ forest management plans have been approved by local governments following preliminary community consultations and approval processes, and are strictly followed.

**HARVESTING PLANS:**
Following a 23-year rotation cycle, Woodbois is allowed to harvest a section of its total concession area for 3 years. After these 3 years, the same area cannot be touched for 20 years to ensure forest regrowth.

**FOREST INVENTORY:**
To ensure selective cutting of commercial species, we carefully quantify and locate exploitable forest resources, with particular emphasis on social aspects as well as protecting natural biodiversity. Each of our trees is tagged and geo-monitored so we can actively track tree species, volume and the quality of what we cut.

**LOGGING ACTIVITIES PLAN:**
Vital to minimise the impact of roads.

**WATER USAGE**

**FOREST CONSERVATION:**
Areas not in production are protected by Woodbois from illegal logging activities or other uses, such as agriculture.

Forest management plans allow us to track how many cubic metres of timber have been extracted, while monitoring the impact our operations have on the environment and ensuring we operate responsibly.

This map shows Woodbois’ management plan in Gabon for 2019. A primary forest has an estimated 500-1,000 trees per hectare. Woodbois currently cuts an average of 1.0 tree/ha.
Fighting against deforestation

Woodbois' commitment against deforestation manifests in three main actions: we harvest less trees than allowed by management plans; our Continuous Cover Forestry (CCF) approach; and our 23-year rotation plan, ensuring the regrowth of harvested forest. We also work closely with governments and local communities to address illegal activities, helping to ensure that forests are protected and their productive capacity is optimised in the long term. In 2019, Woodbois began using Global Forest Watch, an online platform that provides data and tools for monitoring forests. By taking data from various satellites, Global Forest Watch can give real-time information on forest fires and other potential deforestation situations. We will continue to use Global Forest Watch to monitor activity in our concession areas.

Woodbois strictly follows both national and international regulations and standards for flora and fauna protection (CITES, IUCN) and commits to zero conversion of natural forests. In 2019, 4% of our concession area in Gabon was subject to illegal and non-compliant deforestation. As well as restoring the damaged areas, Woodbois worked with Gabon's Ministry of Forests to hold accountable those responsible. We remain committed to restoration projects for areas affected by non-compliant deforestation and aim to partner with other companies to develop such projects in Gabon and Mozambique. We also plan to engage local communities in educational sessions on the sustainable use of forest resources, and to create awareness of the role that forests play locally and globally.

To avoid unsustainable and non-compliant use of forest resources, Woodbois donates a significant amount of processed timber to local communities. This is all sawn timber, conveniently cut in different sizes to suit a range of needs.

Our commitment

Woodbois is committed to:
- Best management practices for soils (we do not degrade or erode, or use chemicals).
- Reduced-impact logging.
- Zero burning in the forest.
- Protecting natural waterways through buffer zones.

Woodbois doesn't use chemicals in any forestry, sawmill or veneer operations, including pesticides and chemical fertilisers (i.e. World Health Organisation Class 1A and 1B pesticides or chemicals listed under the Stockholm or Rotterdam Conventions), chlorine and chlorine compounds. To capture and dispose of pests, we use an integrated management approach with non-chemical devices.

Continuous Cover Forestry (CCF) is a management option in which canopy cover is maintained continuously, soil is never exposed, and clearfelling is avoided in areas greater than 0.25 ha or more than two tree heights' wide.

“A landscape approach to halting deforestation entails working across sectors and beyond the scale of individual farms, forest management units and protected areas to secure food, fibre and energy production, improvements in livelihoods and ecosystem conservation.”
- WWF
Firefighting

At Woodbois, we believe the best approach to reducing the risk of wildfires is preventative firefighting. Our proactive three-pronged approach - effective weed control, firebreak construction and ring-hoed trees - drastically reduces fuel loads prior to the dry season. By engaging local communities to identify potential hot spots, we ensure fires are kept to a minimum. Our preventative approach is extremely effective.

Woodbois’ firefighting crews and equipment also protect our sawmill and veneer factories. Firefighting units are organised to identify and extinguish small fires before they can grow larger.

Minimising the impact of logging roads

The dense, compact surface of logging roads prevents rainwater from soaking in, causing soil erosion that can carry fertile topsoil away from forests and into streams, polluting water resources and making it difficult for harvested forests to regenerate.

Woodbois minimises the impact of logging roads by basing main tracks, wherever possible, on existing roads and elephant paths, and avoiding secondary roads unless absolutely necessary. Our forestry management plan creates new roads efficiently and carefully, with infrastructure dimensions reduced to the minimum possible while adhering to safety and sunlight rules. Watercourse crossings are constructed without raising the water level, which could potentially lead to flooding upstream and the destruction of forest. Bridges and other structures are planned and constructed according to varying seasonal flows.

Crucially, harvesting only takes place along carefully laid out skid trails. After harvesting, skid trails are rehabilitated to avoid permanent soil compaction and roads are closed to prevent poaching and illegal settlements. In just a few months, skid trails and harvesting gaps are overgrown by tree regeneration, while roads disappear after a few years due to the natural regeneration of pioneer tree species. Woodbois is committed to continuing to use best-in-class practices to minimise the impact of logging on the surrounding environment.
Forestry operations in Gabon and Mozambique

- **405,815 ha** natural forest concession
- **337,460 ha** operational forest
- **16,233 ha** conservation area
- **0** hotspots/fires in FMUs in Gabon
- **2** Forestry Management Units (FMU)*
- No introduction of non-native or invasive species

Woodbois works closely with local law enforcements to ensure the protection of its forests.

In 2019, Woodbois operated in less than 2% of its concessions, approximately 7,483 ha.

*Forest management plans available for all FMUs
Operations in Gabon

- Woodbois holds eight Forest Permits in central Gabon in the province of Ngounié, north-east and south-east of the community of Mouila.
- The management plans, approved by the administration in charge of waters and forests, define the harvesting plan for the areas.
- The inventory plan determines the stocks of harvestable timber and their location; how to track and mark trees to be harvested or protected; and how to establish the route of potential roads.
- The inventory is recorded by systematic sampling.
- The counting operation consists of identifying the species of trees; measuring diameter; numbering trees via the placing of a plate; geolocating each tree via GPS; and assessing the quality of all applicable trees that have reached the minimum diameter size for harvesting.
- The harvesting plan for 2019 covers a total area of 3,642 ha. The most common tree species are Ilomba (Pycnanthus angolensis), Ebiara (Berlinia bracteosa), Dabema (Piptadeniastrum africanum), Mahogany (Khaya ivorensis), Ovang-Kol (Guibourtia ehie) and Okoumé (Aucoumea klaineana). We are also allowed to harvest from the 2018 management plan.
Reforestation projects in Mozambique

The objective of Woodbois’ Reforestation Projects in Mozambique is to rehabilitate degraded land - after its abandonment by local farmers using slash-and-burn - by planting native species. As the table shows, thousands of trees have already been planted, with many more to be planted in 2020.

The current espacement is 10m x 10m, equating to 100 trees per hectare. The Projects’ management is investigating the option of planting trees closer together, so that canopy closure is achieved at a much faster rate and competition from weeds is reduced or even eliminated.

### Species planted

- **Pterocarpus angolensis** – Umbila / Kiaat
- **Afzelia quanzensis** – Chanfuta / Pod Mahogany
- **Milletia stuhlmannii** – Jambirre / Panga Panga / Zebra wood
- **Khaya Nyasica** (Umbaua or East African Mahogany)

### Team

- **Ivan Muir**, COO, Project Leader
- **Rui Perreira**, Sustainability Manager responsible for Stakeholder Consultation and field activities such as nursery construction, seedling establishment and planting.

Each site has field workers, including three full-time employees. They work in the nursery; prepare and plant new sites; perform maintenance and weeding; prepare fire belts and carry out fire suppression.
Planting process

1. The areas of abandoned land to be reforested are identified.
2. The selected areas are cleared of grassy vegetation and weeds.
3. A planting pit is prepared.
4. Trees are placed at each pit, the planting bags are removed and the trees carefully planted to avoid any J-rooting.

Firefighting

Fires are the biggest risk to any forestry project. The Reforestation Projects’ primary firefighting objective is to reduce the fuel load via effective weed control and grass removal. Before the high-risk dry season starts, firebreaks are constructed around each project area. Firefighting equipment and crew to protect the trees are also essential. To date, all fires in danger of reaching new plantings have been successfully tackled and the planted areas have not had a single fire.

Work plan 2020

As Woodbois’ commercial harvesting activities expand to the rest of the concessions, our reforestation activities will expand. This year, the Reforestation Projects’ objective is to plant 8,292 trees. As the table on page 35 shows, this is a significant increase on past plantings. Senior management, in particular Woodbois’ CEO, Paul Dolan, have placed much greater emphasis on reforestation, and the reforestation manager has been tasked with planting and maintaining 140 ha of land with approximately 14,000 trees by the end of 2020.
Responsible production & trading

CORE SDGs:

7. AFFORDABLE & RELIABLE ENERGY
   Ensure access to affordable, reliable, sustainable and modern energy for all

9. INDUSTRY, INFRASTRUCTURE & INFRASTRUCTURE
   Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

12. RESPONSIBLE CONSUMPTION & PRODUCTION
   Ensure sustainable consumption and production patterns
Production metrics

- **34,361 m³** volumes of exotic hardwoods (total volume of logs harvested)
- **12,717 m³** volume of lumber produced (included veneer production)
- **4.59 m³/ha** selective harvesting
- **1,573 tonnes** biomass used to produce energy
- **1,640 tonnes** wood made available to the local community
- **0** chemicals & pesticides
2.263 tCO₂e
CO₂* production direct (Scope 1)
GHG emissions for use of fuels

92.84 tCO₂e
CO₂* production direct (Scope 1) GHG emissions from on-site biomass incineration

0.07 tCO₂*/m³ logs
GHG emissions intensity

0.18 tCO₂*/m³ lumber
GHG emissions intensity

0.89 GJ HHV/m³ logs
intensity used

30,455 GJ HHV
total energy consumption
(from diesel and petrol)

*UK Government GHG Conversion Factors for Company Reporting 2018 equal to 2.69 Kg CO₂ eq. Diesel assumed to be 100% mineral diesel, petrol assumed to be 100% mineral petrol, biomass assumed to be wood chips.
Woodbois is committed to reducing our GHG emissions intensity by 20% in the next 5 years, taking 2018 as the baseline.

Carbon emissions

Woodbois is committed to responsibly emitting and reducing our use of fossil fuels and subsequent GHG emissions, as well as reducing water and electricity use and intensity. We are investing in new assets to improve our fuel efficiency and reduce GHG emissions. Overall, our aim is to largely offset our carbon emissions via the efficient management of our forest operations.

2019 carbon footprint

Our 2019 greenhouse gas inventory was carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, and uses emission factors from the UK Government GHG Conversion Factors for Company Reporting (2019).

Emissions are calculated in carbon dioxide equivalents (CO2e) and include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perflurocarbons, sulphur hexafluoride and nitrogen trifluoride. Unless stated otherwise, all data covers the reporting year ending 31 December 2019.

Scope 1 emissions include those that Woodbois has full operational control over in Gabon and Mozambique, such as emissions from stationary sources (e.g. wood biomass) and from our company-owned vehicle fleet. As we produce all our own energy on site, there are no Scope 2 emissions to report.

With Scope 3 emissions, we fully understand the importance of reporting these in order to have the complete picture of our total climate impact and to more effectively develop a carbon reduction strategy that includes all our emission sources. Therefore, we are working to identify the most important carbon-intensive elements in our supply chain and the primary data needed for us to begin Scope 3 reporting.

Our carbon analysis from 2019 shows that there was an increase in fuel consumption and consequently GHG emissions. However, this is related to a change in operations which has led to us performing activities in-house rather than outsourcing them. We believe this will allow us to further reduce emissions in the long-term since they are now under our direct control. In 2019, we invested $5,052,492 in new infrastructure and equipment to improve the output and efficiency of our buildings and operations. We will continue to improve our data collection and monitoring so that we have more reliable data and can identify further areas where we can make reductions.

Waste management

Woodbois does not use chemicals or pesticides in its operations, including when managing waste. Wood waste is carefully dealt with: firstly, all neighbouring villages are given timber offcuts. We then use the remaining wood waste as biofuel for the veneer factory and kilning operations. 1,573 tonnes of wood waste has been used to produce energy and 1,640 tonnes of downgraded wood from our concessions has been made available to local communities.

Our commitment

Within the next ten years Woodbois is committed to:
- Gaining FSC certification for 100% of our FMUs.
- Sourcing only wood/wood fibre that meets FSC Controlled Wood requirements.
- 100% third-party verification for FMUs.
- Sourcing only wood/wood fibre that is in legal compliance, as verified by a third party.
Responsible trading & sourcing

39,598 m³
timber traded (including our own production)

42
sawmills providing third-party timber supplies

100%
of our third-party supply is traceable

29%
of our suppliers are third-party verified

Due diligence process

Woodbois only sources forest products from partners who have succeeded in passing a due diligence process for legal and responsible forest product sourcing. To work with any supplier of timber, Woodbois requires information and documentation regarding the source of the timber including tree species, wood origin and compliance with national laws and regulations.

1- Suppliers

Since 2013, Woodbois has run a due diligence process inspired by EUTR/ FLEGT, which includes a checklist of documents required for screening. This process is done at the beginning of each year for existing suppliers and at the start of any collaboration with new suppliers.

2- Shipment

Documents required:
- Bill of Lading (BL) from the shipping company.
- CITES certificate if necessary (created by Woodbois using supplier export codes).
- Movement certificate (EUR1 for EU trade; Certificate of Origin if shipment is anywhere else in the world).
- Act of Merchandise Transit (Circulation de Merchandise).
- Phytosanitary certificate.

3- Buyers

Buyers sometimes provide their own supply chain mapping to ensure responsible timber purchases.
Traceability & transparency

To confirm that none of the wood traded by Woodbois is on the CITES species list, our traceability process allows us to track products across their entire journey, from the forest to manufacturing and final export.

We trace both our raw material and processed timber back to the country of harvest. Any timber handled by Woodbois in any form requires a certificate of origin; neither ourselves nor our logistics providers or customers will handle timber that does not have a certificate of origin identifying its country of harvest.

Woodbois is actively investigating ways to enhance our current traceability system and implement improvements. Our goal is to not only meet but where possible exceed current best practice principles, particularly in the African regions in which we operate.

In collaboration with South Africa-based WorkPool, we’re continuing to develop software for our trading and operations teams that will allow us to collect all trading-related data, from inputting a simple sales or supplier inquiry all the way through to issuing invoices. This software will allow us to quickly identify any supplier with out-of-date documentation, so we can eliminate them from our supply chain until their paperwork has been renewed.

Woodbois aims to be at the forefront of technological developments changing the face of sustainable forest management. We’re also currently collaborating with Diginex, a financial services and blockchain technology company, building a blockchain-based solution to help companies and investors manage ESG company risks, making sustainability reporting more transparent, secure and immediate.

Now launched in an inception phase, the Diginex Trust platform has been used by the Woodbois executive team for monitoring and validation of the company’s 2019 ESG disclosures in line with the Global Reporting Initiative (GRI) Standards. Based on the success of utilising Diginex Trust for our corporate governance procedures, Woodbois will work with Diginex to build a proprietary version of the tool to enhance the traceability of our timber products by leveraging the platform’s multi-party and data provenance functionality.

Woodbois is delighted to pioneer the application of blockchain technology for this purpose with Diginex as a trusted technology provider. We believe that the combined strengths of both companies can help raise the bar in commodity traceability.
Forestry traceability assessment

The Traceability Assessment Guide (TAG) created by Smurfit Business School in collaboration with Woodbois is reported below.

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<th>Method/Source</th>
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<td>Knowledge Management</td>
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<tr>
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<td></td>
<td>Identify feedback and control method</td>
<td>Internal consultation</td>
<td>Manual review, digital record, communication plan, relationship management</td>
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<tr>
<td>Design Considerations</td>
<td>Operating parameters, tolerances and alerts</td>
<td>Technical review</td>
<td>Target outputs with minimum and maximum deviation tolerances, and live-alerts</td>
</tr>
<tr>
<td></td>
<td>Universal file formats</td>
<td>Technical review</td>
<td>Ability of other software or users to view outputs (e.g. MS Office vs iWork)</td>
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<td></td>
<td>User experience</td>
<td>Technical review</td>
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<td></td>
<td>Training</td>
<td>Technical review</td>
<td>Complexity, user interface, simplicity to communicate, intuitiveness</td>
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<td></td>
<td>Integration with other systems</td>
<td>Technical review</td>
<td>Compatibility with other systems (e.g. API, desktop vs mobile), and ease of deployment</td>
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<tr>
<td></td>
<td>Reporting</td>
<td>Technical review</td>
<td>Ability to create customisable reports in a usable and presentable format</td>
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<td>Cost of adjustment</td>
<td>Technical review</td>
<td>Ability to adapt to new requirements without incurring prohibitive cost</td>
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<tr>
<td></td>
<td>Ease of adjustment</td>
<td>Technical review</td>
<td>Level of adjustment to the system possible without developer input</td>
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<td>Data integrity</td>
<td>Technical review</td>
<td>User activity logging and method by which data is protected from retroactive manipulation</td>
</tr>
<tr>
<td></td>
<td>Data security</td>
<td>Technical review</td>
<td>Method by which data is stored and transferred (e.g., cloud, blockchain, internal server)</td>
</tr>
<tr>
<td></td>
<td>Localisation</td>
<td>Technical review</td>
<td>Language, currency, units of measurement, date format</td>
</tr>
</tbody>
</table>

- Data created by UCD Michael Smurfit Graduate Business School
People

**CORE SDGs:**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

**SUPPORTIVE SDGS:**

End poverty in all its forms everywhere.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Achieve gender equality and empower all women and girls.
Our people

349 employees

66 women (19%)

Woodbois pays 49% above the local minimum wage (28% in 2018)

$17,284 investment in health & safety equipment

13% of board members were women in 2019

36% of non-board senior managers were women in 2019

283 men (81%)
Our commitment

Woodbois is committed to:

- Respecting human rights including the rights of indigenous and local communities.
- Gender inclusion i.e. supporting the inclusion of women across forestry operations.
- Providing essential community services and facilities.
- Respecting worker and labour rights for both full-time and contract employees, including the right to decent work and freedom of association.
- Preventing employment and occupation-related discrimination based on gender.
- Ensuring ethical conduct and fighting corruption.

With the ambition to become a market leader, Woodbois has continued to recruit high-quality personnel and train its staff to the highest standards.

Aligning to international best practices

As a socially responsible company, Woodbois aligns to international best practices, such as the Fundamental ILO Core Conventions, ILO Code of Practice Safety and Health in Forestry Work, the UN Declaration on the Rights of Indigenous Peoples, and the United Nations Declaration on Human Rights. We are committed to extending these international best practices to all of our sourcing and suppliers.

Inclusion

Woodbois pays female employees the equivalent of 81% of a male employee’s salary in Gabon and Mozambique, which is above the national average. (Source: Gender Gap Africa). Woodbois continues to be committed to reducing the gender pay gap.

The employment opportunities we bring to a region are some of the most fundamental and positive social impacts associated with Woodbois’ strategic growth objective. As such, Woodbois is committed to supporting the inclusion of women across all our forestry operations. With women comprising 19% of our workforce and 33% of senior management, it is a priority to instill strong policies and programmes that empower women.

Our company is an equal opportunity employer, encouraging skills development through a number of channels. Eliminating discrimination starts with dismantling barriers and ensuring equality of access to training. We are committed to preventing employment and occupation-related discrimination based on gender, and believe this is an essential prerequisite for building resilient and socially-minded economies.
Engaging with local communities

**Our commitment**

- Enabling sustainable use of non-timber forest products (NTFPs) by local communities.
- Free Prior and Informed Consent (FPIC) and the inclusion of Indigenous Peoples.

In 2019, Woodbois donated 600 m³ of lumber to the villages of Mboukou and Saint-Martin. We also provided 10,500 litres of diesel to the villages in our harvesting area.

We strive to look after our employees, their families and the communities in which they live. Our teams are actively engaged in community consultations to ensure we respect local customs and our contributions have meaningful value (FPIC procedure reported in the Annex). This commitment extends to respecting legal and traditional land rights; for example, our forestry concessions are a direct result of community consultations. Local stakeholders help designate and map agricultural land for local use, dedicate areas for specific crops and provide education and information related to the hunting seasons. In some cases, we have established contractual agreements with communities to ensure we respect and align with local needs and customs.

To support the local social aspect of our concessions in Gabon, Woodbois is financially contributing to the development of the communities close to where the company operates: villages Saint-Martin and Mboukou.

**Over the last five years, Woodbois has financed projects of collective interest in the areas of:**
- Healthcare
- Education
- Agriculture, farming and fishing
- Road infrastructures
- Water supply
- Forestry management
- Activities to generate revenue
The library at Saint Gabriel has been rebuilt.

Providing books for the Saint Gabriel library

Woodbois Gabon, with shareholder support and in collaboration with Bibliothèques Sans Frontières (BSF) and Humanitaire et Environment (Humen), a local not-for-profit organisation, is delivering more than 500 academic books to Collège Saint Gabriel in Mouila, Gabon. The collaboration will support Saint Gabriel College’s plan to develop the school’s first library into a centre for documentation and information (CDI), benefiting over 300 students aged 12-18. The consortium will also equip the library with an internet connection and computers, while Woodbois Gabon has created library furniture by recycling wood scraps from the sawmill. Through this initiative, Woodbois Gabon is proud to contribute to the skills development of Mouila’s younger generation.
Health and safety

Woodbois takes health and safety seriously. Workplace injuries are more than just days of lost work; we understand injuries can result in significant human costs that can affect the employee, their family and loved ones. Woodbois has invested significantly in best practices, safety equipment and training to embed and consistently communicate a strong culture of safety. Local workers at all our forestry operations are trained to safely operate working machinery and sawmill equipment, and taught to drive and maintain tractors, trucks and other vehicles. In 2019, Woodbois provided various training opportunities for employees in Gabon. We trained a team of 15 employees operating our dryers and boilers; trained 8 saw operators and 2 veneer machine operators; and facilitated workshops to teach employees how to use packing and sorting equipment. In total 38 people were trained. Each training lasted between 2 weeks and 1 month. We also held regular safety meetings to reinforce our rules and protocols surrounding safety in the workplace. We are regularly updating our safety procedures to strengthen staff training and prevent accidents before they happen.

In 2019:
- $17,283 was invested in protective equipment
- No work-related fatalities were recorded
- 12 total injuries in the workplace
- 4.5% total recordable injury frequency rate (TRIFR)

Grievances

Woodbois has an established company-wide grievance framework that is accessible to both internal and external stakeholders. It is our policy to ensure that all employees have access to procedures to help deal with any workplace grievances fairly and without unreasonable delay. This policy applies to all employees regardless of length of service and can be found on the Woodbois website.

The chart below outlines our process for how we address local community grievances:

- A grievance hearing takes place between all representative leaders of the community at a special sitting attended by a senior management representative of our company
- The grievance is settled and agreed upon, taking stakeholder perspectives into account
- Community service project created to address grievance and best help the whole community
- The company conducts a thoughtful follow-up of issues addressed and projects implemented with the community

These grievances could range from potential land issues to community conflicts.
**Whistleblowing procedures**

- Employee becomes aware of any malpractice, and immediately reports it to their Line Manager.

- The Line Manager notifies the Group Compliance Office (the Chief Financial Officer will act as Woodbois’ Group Compliance Officer).

- The Line Manager is responsible for initially investigating all matters reported to them, in a prompt, confidential and sensitive manner.

- The Line Manager provides formal feedback to the employee and Group Compliance Officer of any investigation conducted and the resulting actions taken.

- If the employee feels the matter has not been resolved to their satisfaction, they can raise their concerns directly with the Group Compliance Officer.

- In instances where the employee does not feel comfortable reporting a potential malpractice to their Line Manager, they are encouraged to raise any concerns directly with the Group Compliance Officer, the Chairperson of the Audit Committee or the Company Secretary, any of whom will investigate the matter promptly, confidentially and sensitively.

- The whistleblower will usually be invited to attend an investigation meeting to discuss their concerns.

- The Group Compliance Officer will provide formal feedback to the employee and Audit Committee of the investigation, and resulting actions will be taken.
## ESG indicators

<table>
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<th>GRI indicators</th>
<th>Description</th>
<th>Unit</th>
<th>2019</th>
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<td>GRI 102-1</td>
<td>Name of the organization.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 102-2</td>
<td>Activities, brands, products and services. a. A description of the organization's activities. b. Primary brands, products and services, including an explanation of any products or services that are banned in certain markets.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 102-3</td>
<td>Location of the organization's headquarters.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 102-4</td>
<td>Location of operations. a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 102-5</td>
<td>Ownership and legal form. a. Nature of ownership and legal form.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 102-7</td>
<td>Scale of the organization. i. Total number of employees.</td>
<td>Number</td>
<td>349</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of men.</td>
<td>Number</td>
<td>283</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of women.</td>
<td>Number</td>
<td>66</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. % of women.</td>
<td>%</td>
<td>19%</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. % of men.</td>
<td>%</td>
<td>81%</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of people in senior manager positions.</td>
<td>Number</td>
<td>10.5</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of women in senior manager positions.</td>
<td>Number</td>
<td>3.5</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Board members.</td>
<td>Number</td>
<td>6.50</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Women in board positions.</td>
<td>Number</td>
<td>1.00</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. % of women in board positions.</td>
<td>%</td>
<td>15%</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. % of women in senior management positions.</td>
<td>%</td>
<td>33%</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of permanent employees working in the production facilities in Gabon and Mozambique.</td>
<td>Number</td>
<td>86</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of fixed-term and seasonal employees working in the production facilities in Gabon and Mozambique.</td>
<td>Number</td>
<td>174</td>
</tr>
<tr>
<td>GRI 102-8</td>
<td>Information on employees and other workers. a. Total number of seasonal employees.</td>
<td>no</td>
<td></td>
</tr>
<tr>
<td>GRI 102-14</td>
<td>Statement from senior decision-maker. a. A statement from the most senior decision-maker of the organization (such as CEO, chair or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</td>
<td>Page</td>
<td>page 9</td>
</tr>
<tr>
<td>GRI 102-20</td>
<td>Executive-level responsibility for economic, environmental and social topics. a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics. b. Whether post holders report directly to the highest governance body.</td>
<td>Page</td>
<td>page 21</td>
</tr>
<tr>
<td>GRI 102-47</td>
<td>List of material topics. a. A list of the material topics identified in the process for defining report content.</td>
<td>Page</td>
<td>page 13</td>
</tr>
<tr>
<td>GRI 102-50</td>
<td>Reporting period.</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>GRI 201-1</td>
<td>Direct economic value generated and distributed. i. Direct economic value generated: revenues.</td>
<td>US$</td>
<td>$19,541,000</td>
</tr>
<tr>
<td>GRI 201-1</td>
<td>Direct economic value generated and distributed. Economic growth versus previous year.</td>
<td>%</td>
<td>45%</td>
</tr>
<tr>
<td>GRI 202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage (average % above minimum wage).</td>
<td>%</td>
<td>49%</td>
</tr>
<tr>
<td>GRI 203-1</td>
<td>Infrastructure investments and services supported.</td>
<td>US$</td>
<td>$5,052,492.00</td>
</tr>
<tr>
<td>GRI 203-1</td>
<td>Infrastructure investments and services supported. a. Extent of development of significant infrastructure investments and services supported.</td>
<td>Page</td>
<td>page 23</td>
</tr>
<tr>
<td>GRI indicators</td>
<td>Description</td>
<td>Unit</td>
<td>2019</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------</td>
<td>--------------</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy consumption within the organization. Diesel consumption on the ground and in processing facilities.</td>
<td>LTS</td>
<td>839,836</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy consumption within the organization. Diesel consumption on the ground and in processing facilities.</td>
<td>GJ HHV</td>
<td>30,150</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy consumption within the organization. Petrol consumption on the ground and in processing facilities.</td>
<td>LTS</td>
<td>8,481</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy consumption within the organization. Petrol consumption on the ground and in processing facilities.</td>
<td>GJ HHV</td>
<td>304</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy consumption within the organization. Total energy consumption from fuels (diesel, petrol).</td>
<td>GJ HHV</td>
<td>30,455</td>
</tr>
<tr>
<td>GRI 302-1</td>
<td>Energy intensity. Total energy (fuels and electricity) ratio per final production (logs).</td>
<td>GJ HHV/m³</td>
<td>0.89</td>
</tr>
<tr>
<td>GRI 304-1</td>
<td>Total forest land.</td>
<td>ha</td>
<td>405,816.00</td>
</tr>
<tr>
<td>GRI 304-1</td>
<td>Operational forest land (forest management plans).</td>
<td>ha</td>
<td>337,459.50</td>
</tr>
<tr>
<td>GRI 304-1</td>
<td>Area with actual harvesting.</td>
<td>ha</td>
<td>7,483.00</td>
</tr>
<tr>
<td>GRI 304-1</td>
<td>Area dedicated to conservation.</td>
<td>ha</td>
<td>16,232.60</td>
</tr>
<tr>
<td>GRI 304-1</td>
<td>Shared community, conservation and multi-use.</td>
<td>ha</td>
<td>44,639.80</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Construction of new manufacturing plants.</td>
<td>Number</td>
<td>9</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Use of current manufacturing plants.</td>
<td>Number</td>
<td>3</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Introduction of non-native or invasive species.</td>
<td>Number</td>
<td>0</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Volume of logs harvested.</td>
<td>m³</td>
<td>34,361.00</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Harvesting intensity ratio per hectare.</td>
<td>m³/ha</td>
<td>4.59</td>
</tr>
<tr>
<td>GRI 304-2</td>
<td>Volume of lumber produced (including veneer production).</td>
<td>m³</td>
<td>12,717</td>
</tr>
<tr>
<td>GRI 304-3</td>
<td>Habitats protected or restored (Mozambique).</td>
<td>ha</td>
<td>57</td>
</tr>
<tr>
<td>GRI 304-3</td>
<td>Restoration of degraded land per hectares (Gabon).</td>
<td>%</td>
<td>4% of the concessions.</td>
</tr>
<tr>
<td>GRI 304-4</td>
<td>IUCN Red List species and national conservation list species with habitats in areas affected by operations. Flora.</td>
<td>Number</td>
<td>12</td>
</tr>
<tr>
<td>GRI 304-4</td>
<td>IUCN Red List species and national conservation list species with habitats in areas affected by operations. Fauna.</td>
<td>Number</td>
<td>11</td>
</tr>
<tr>
<td>GRI 304-4</td>
<td>National conservation list species on the concession in Gabon. Flora.</td>
<td>Number</td>
<td>5</td>
</tr>
<tr>
<td>GRI 304-4</td>
<td>National conservation list species on the concession in Gabon. Fauna.</td>
<td>Number</td>
<td>10</td>
</tr>
<tr>
<td>GRI 305-1</td>
<td>Direct (Scope 1) GHG emissions for use of fuels.</td>
<td>tCO₂e</td>
<td>2276.89</td>
</tr>
<tr>
<td>GRI 305-1</td>
<td>Other indirect (Scope 1) GHG emissions: on-site biomass incineration.</td>
<td>tCO₂e</td>
<td>92.84</td>
</tr>
<tr>
<td>GRI 305-4</td>
<td>Total GHG emissions intensity.</td>
<td>tCO₂e/m³ logs</td>
<td>0.07</td>
</tr>
<tr>
<td>GRI 305-4</td>
<td>Total GHG emissions intensity.</td>
<td>tCO₂e/m³ lumber</td>
<td>0.18</td>
</tr>
<tr>
<td>GRI 306-2</td>
<td>Recovered downgraded wood provided to the community.</td>
<td>Tonnes</td>
<td>1640</td>
</tr>
<tr>
<td>GRI 306-2</td>
<td>Biomass converted into energy.</td>
<td>Tonnes</td>
<td>1573</td>
</tr>
<tr>
<td>GRI 402-1</td>
<td>Minimum notice periods regarding operational changes.</td>
<td>Number in weeks</td>
<td>Mozambique: 4 weeks for permanent and fixed-term employees. Gabon: 8.6 weeks for permanent and 2 weeks for fixed-term employees.</td>
</tr>
<tr>
<td>GRI 403-9</td>
<td>Work-related injuries (Gabon and Mozambique).</td>
<td>Number</td>
<td>12</td>
</tr>
<tr>
<td>GRI 403-9</td>
<td>Work-related fatalities (Gabon and Mozambique).</td>
<td>Number</td>
<td>0</td>
</tr>
<tr>
<td>GRI 404-1</td>
<td>Total hours of training per year (Gabon).</td>
<td>Hours</td>
<td>2140</td>
</tr>
<tr>
<td>GRI 404-1</td>
<td>Average hours of training per year employee (Gabon).</td>
<td>Hours</td>
<td>2.8</td>
</tr>
</tbody>
</table>
ANNEXES

FPIC Procedure

When Woodbois opens up a new area of forest to be harvested, the company follows an internal FPIC (Free Prior and Informed Consent) procedure to ensure that locals are properly informed and that their concerns and needs are taken into account in the context of the prospective operation.

- Having been present in Gabon for over 20 years, the company is well known among the local communities in which we operate, allowing us to easily identify local communities that may be present in our area of operation.

- The company has strong relationships with local communities, typically meeting local leaders every two months to update them on our activities as well as address concerns or questions surrounding our operations. These are documented and followed up.

- Our Operations Manager actively meets local community leaders and representatives. She also makes sure that any agreements or concerns that may have been highlighted are actively followed up on by specific members of the operations teams on the ground.

- The disclosures reported in the table are GRI referenced.
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Alternative Investment Market (AIM)  
http://www.londonstockexchange.com/companies-and-advisors/aim/aim/aim.htm

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https://pfbc-cbfp.org/home.html

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https://www.cites.org/

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https://ec.europa.eu/environment/forests/timber_regulation.htm

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Unece  

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https://docs.wbcsd.org/2019/07/WBCSD_Forest_Sector_SDG_Roadmap.pdf