“Surely we have a responsibility to leave for future generations a planet that is healthy and habitable by all species”

SIR DAVID ATTENBOROUGH
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About this Report

This Woodbois Sustainability Report provides an overview of our company and its operations throughout the 2018 fiscal year (ending 31 December 2018). It aims to be informative, enhance transparency, and provide data relating to the economic, environmental and social impacts of our operations. Targeted at our employees, suppliers, customers, investors and any other interested parties and stakeholders, the report also serves to establish a clear link between the values driving our business and the ways in which our operations contribute to achieving the United Nations Sustainable Development Goals (SDGs).

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:

https://www.woodbois.com/investors

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

ilene.hardy@woodbois.com
Establishing Woodbois among the global leaders in sustainable forest management and ensuring that we have a positive socio-economic impact on the communities in which we operate are central to our vision, and we’re proud to report that 2018 was a year filled with progress in these areas. Through our operations we are actively responding to the global need to redefine how natural resources are managed, and we’re providing valuable employment and production opportunities that contribute to the ambition of having Africa step-up the value chain.

As we continued to develop our strategy over the course of 2018, a decision was made to adopt the Woodbois Ltd name to account for the fact that we are now focused solely on building the best in-class forestry and timber-trading platform. This sustainability report reflects that focus, and includes relevant facts and figures pertaining to the economic, social and environmental impacts of our work within this industry.

Of all the progress we made in 2018, the completion of our veneer factory in Gabon stands out as the key highlight. Not only will it provide new quality jobs, it will also give employees an opportunity to learn new skills. Moreover, we’ve also put significant time and effort into developing new technologies addressing two key areas: tracking data and simplifying internal processes; and achieving next-level transparency by empowering end customers with the ability to track goods through the entire supply chain. There’s still work to be done on this front but when all is said and done we hope to have something powerful enough to change the face of forest management on an international scale.

Moving forward, sustainability remains our top-of-mind consideration when it comes to decision-making, and the United Nations Sustainable Development Goals are integral to the commitment Woodbois is built upon. I would like to thank the entire Woodbois team for contributing to the development of this report. I hope you enjoy reading it and that it inspires you to engage with us, as we encourage partnerships with new stakeholders supporting our vision.

Yours sincerely,
Paul Dolan
Chief Executive Officer
Full integration of Woodbois to extend business reach in West Africa

282 Total number of employees

290 containers of own production sawn timber shipped

100% of our 3rd-party timber supply is traceable

22% women

2018 Year in brief

New Sawmill in Mozambique to improve the finished quality of sawn lumber

QCA Adoption of the Quoted Companies Alliance (QCA) Corporate Governance Code

$4m additional funds allocated to business’ trading arm

>1 million acres of sustainably managed forests

Partnered with University College Dublin’s Smurfit Business School to research traceability and sustainability in the forestry sector

Enhanced advanced processes through new machinery to increase output and improve workflow at our Veneer factory in Gabon
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.
Corporate Snapshot

Woodbois Limited, a company listed on the AIM section of the London Stock Exchange, is a leading producer, processor and manufacturer of sustainable African hardwoods and hardwood products supplied to a global customer base.

Together with substantial, newly-equipped manufacturing facilities in both East and West Africa, the Woodbois Group manages and operates approximately one million acres of natural forest concessions in Gabon and Mozambique, all of which are managed sustainably, ethically and competently.

Woodbois also supplies industrial timber and timber products into Africa, and is a trusted supplier of diverse, internationally sourced sustainable timber and timber products to customers around the world.

Woodbois is actively contributing to the global shift towards socially responsible companies proving that what’s good for the environment is also good for business. Our group has developed a set of commitments to align our actions with the UN Sustainable Development Goals, which serve as a blueprint for peace and prosperity for people and the planet, now and in the future.

Woodbois Organisational Structure
Employee Statistics

Women

61 (22%)

Men

221 (78%)

Total

282

33% of board members were female in 2018

36% of non-board senior managers were female in 2018

International Clients

UK: Office

Denmark: Global trading headquarters

Côte d’Ivoire: African trading office

Gabon: 95,000 hectares of 20-year concessions located within 70 km of Sawmills and Veneer factory

Mozambique: 310,000 hectares of natural forestry concessions on 50-year renewable licenses

Mauritius: Operational headquarters for Treasury, Forestry and Trading

South Africa: Office (finance function)

International Presence & Countries of Operations

WOODBOIS | SUSTAINABILITY REPORT 2018

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Products

Woodbois’ products, whether manufactured at our own facilities or sourced from vetted and sustainably compliant third-party suppliers, are all carefully graded and prepared to exact dimensions and specifications.

**Veneer**

Okoume and Ilomba veneers from 0.5mm – 10mm are produced on high-quality Italian Cremona peeling machinery with quality carefully monitored by our highly experienced production team.

Used in the production of high-quality plywood for the construction and boat-building industries.

**Lumber**

More than 50 species of timber processed with precise modern machinery, air dried or kiln dried, carefully graded into FAS or AIC quality and supplied in random measurements or cut exactly to customer specifications.

Used for a wide variety of purposes, including doors, windows and frames, decking, flooring, housing construction, railway sleepers, cabinet making, furniture and high-end interior finishes.

**Plywood**

Composing strong, impact-resistant boards of between 5 and 9 sheets using non-carcinogenic, low formaldehyde-emitting glue systems.

Principally used within Africa for concrete shuttering.
Woodbois’ Commitments

Sustainable, Responsible & Ethical Forestry
- Protecting forest areas from illegal activities
- Preserving animal habitats and biodiversity
- Sustainably managing the use of Non-Timber Forest Products (NTFPs)
- Reducing impact of logging by utilising best-in-class practices
- Employing best management practices for soil
- Traceability
- Zero conversion of natural forest

Responsible Production
- Minimising emissions and impacts of fossil fuel and GHGs
- Protecting natural waterways through buffer zones
- Prohibiting the use of chemical fertilisers or pesticides in our concessions
- Improving water quality

Quality
- Ensuring the quality of products, processes, business relationships and customer service

Development
- Offering personal and professional development opportunities
- Supporting the African economy in stepping-up the value chain

Human Rights & Equality
- Supporting the inclusion of women across forestry operations
- Providing essential community services and facilities
- Respecting worker and labour rights
- Preventing employment and occupation-related discrimination based on gender
- Addressing health and safety at work
- Ensuring ethical conduct and fighting corruption

Woodbois will continue to conduct social and environmental impact assessments on a regular basis in-line with business expansion.

Woodbois aims to take action on these commitments by implementing policies to account for them and using KPIs to track their evolution over time.
**Woodbois’ Vertically Integrated Value Chain**

**Forest operations**
- INBOUND LOGISTICS
- MANAGEMENT PLAN
- INVENTORY
- LOG HARVESTING
- DISTRIBUTION
- LOG-TRACKING

**Sawmill**
Mozambique | Gabon
- PLANKS PRODUCTION
- QUALITY CONTROLS
- PACKAGING

**Veneer factory**
Gabon
- VENEER SHEETS
- QUALITY CONTROLS
- PACKAGING

**Trading Business**
- QUALITY CONTROL
- LEGAL DOCUMENTATION
- TRANSPORT TO THE PORT
- SHIPPING AND TRANSPORT DOCUMENTATION
- INVOICING
- DELIVERY
- AFTER SALES CUSTOMER SERVICE

**CCF**
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.

**Waste Management**
- CCF
  - 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.

**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.

**Caring for Protected Species**
0% of the trees harvested are listed as protected
Woodbois aims to be at the forefront of technological developments changing the face of sustainable forest management. Currently, the company is working on two digital tools that will be tested and rolled-out in the coming years.

In collaboration with a South Africa-based software developer, the company is currently implementing software specifically designed for our trading and operations teams. It will be used to collect all data related to trading: from inputting a simple sales/supplier inquiry, all the way through to capturing traceability documentation. The goal is to allow us to better track and analyse data, as well as to ensure we are not missing any potential trades.

Our Traceable Supply Chain tool aims to establish a new level of transparency by way of blockchain technology. The supply chain tool will allow Woodbois to transfer its current traceability operations onto a digital platform that will collect and store product details and make them accessible to our clients.
Engaging with Stakeholders & Sustainable Development Goals

At Woodbois, we believe that in the near future the only companies engaging in forest management activities will be those doing so in an ethical and sustainable manner. There simply won't be room for anyone lagging behind. Companies are facing more scrutiny than ever from investors and end customers, who are becoming increasingly aware of the threats posed by climate change and are looking to engage with value-driven businesses that share their concerns and offer tangible solutions.

Woodbois welcomes this new paradigm, we have continued to align and engage with the Sustainable Development Goals, and are making use of the SDG Compass framework as a support tool. The framework provides guidance for companies on how to further align strategies, as well as measure and manage their contributions to the realisation of the SDGs.
Throughout 2018, we continued along our journey of consulting with stakeholders to identify expectations and key concerns. We engaged with investors and high-level representatives from international organisations – the African Development Bank, the World Bank, local governments, heads of local communities and international experts – and also initiated discussions with local and international institutions and organisations such as the New Partnership for Africa’s Development (NEPAD), Smurfit Business School, the UCD Centre for Sustainable Development Studies, and the World Economic Forum.

Smurfit Business School, in collaboration with Woodbois is currently writing a paper on “Traceability within the forestry industry”. The goal of the paper is to identify the key points that a forestry traceability system in Africa should consider, in order to be both fit for purpose and to get ahead of weaknesses in existing practices. The paper will make reference to third-party requirements, both regulatory compliance and voluntary certification schemes, which are optional.

When it comes to engaging with the SDGs, Woodbois is actively integrating sustainability across the value chain and strengthening its brand through value responsible and inclusive business practices. We are also encouraging the sustainable development of Africa while embracing the continent’s vision of moving towards higher-value adding activities. Ultimately, engaging with the communities we impact and engaging with the SDGs go hand-in-hand – the sustainable management of our forest concessions creates new job opportunities in secure work environments where skills development and equal opportunities are encouraged.

The Wedding Cake Model Applied to Woodbois’ Sustainability Strategy

The Wedding Cake Model first developed by the Stockholm Resilience Centre and reimagined by Johan Rockström to account for the argument that economies and societies should be seen as embedded parts of the biosphere, provides a clear visual representation of the ways in which Woodbois engages with the SDGs. This model challenges the traditional understanding that social, economic and ecological development should be regarded as separate parts. Instead, as Rockström argues, “We must transition toward a world logic where the economy serves society so that it evolves within the safe operating space of the planet.”

A high-level mapping of Woodbois’ value chain has been performed to identify areas with high likelihood of either negative or positive impacts on the issues that the SDGs represent.

We have chosen the Sustainable Development Goals 1, 2, 4, 5, 8, 9, 10, 12, 13, 15, 17 as focus priorities for Woodbois, which sets out a vision for ending poverty, hunger, inequality and protecting the earth’s natural resources.
“Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro enterprises to cooperatives to multinationals. We call on all businesses to apply their creativity and innovation to solving sustainable development challenges.”

- Article 67 agreed to by all 193 UN Member States
### SDG Sub Targets

In the text below we highlight the SDG sub targets mapped to our current work.

<table>
<thead>
<tr>
<th>SDG Sub Targets</th>
<th>Implement the 10-year framework of programmes on sustainable consumption and production</th>
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</thead>
<tbody>
<tr>
<td>12.1</td>
<td></td>
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<tr>
<td>12.2</td>
<td>Achieve the sustainable management and efficient use of natural resources</td>
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<td>12.4</td>
<td>Achieve the environmentally sound management of chemicals and all waste</td>
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<td>12.5</td>
<td>Reduce waste generation</td>
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<td>12.6</td>
<td>Encourage companies to adopt sustainable practices</td>
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<td>12.8</td>
<td>Drive awareness for sustainable development and lifestyle</td>
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<td>12.a</td>
<td>Support developing countries to move towards more sustainable patterns</td>
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<tr>
<td>13.b</td>
<td>Promote mechanisms for effective climate change related planning</td>
</tr>
<tr>
<td>15.1</td>
<td>Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests</td>
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<tr>
<td>15.2</td>
<td>Promote the implementation of sustainable management of all types of forests</td>
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<td>15.5</td>
<td>Take urgent and significant action to reduce the degradation of natural habitats</td>
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<td>15.7</td>
<td>Take urgent action to end poaching and trafficking of protected species</td>
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<td>15.b</td>
<td>Mobilise significant resources to finance sustainable forest management</td>
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<tr>
<td>15.c</td>
<td>Enhance global support for efforts to combat poaching and trafficking of protected species</td>
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<td>17.3</td>
<td>Mobilise additional financial resources for developing countries from multiple sources</td>
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<tr>
<td>17.7</td>
<td>Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries</td>
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<td>17.11</td>
<td>Significantly increase the exports of developing countries</td>
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<td>17.14</td>
<td>Enhance policy coherence for sustainable development</td>
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<td>17.15</td>
<td>Respect each country’s policy space and leadership to establish and implement policies for poverty eradication and sustainable development</td>
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<tr>
<td>17.16</td>
<td>Enhance the global partnership for sustainable development to support the achievement of the SDGs in all countries, with particular focus on developing countries</td>
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</table>
Our Impact

The economic, environmental and social impacts that stem from our operations are a direct result of our sustainability strategy, which Woodbois has developed to achieve a competitive advantage within our focus industry. Building, implementing and continuously developing a sustainability strategy helps differentiate Woodbois from other forest management companies who are simply adopting common sustainable practices, and most importantly, puts us in an ideal position to set new ambitious economic, environmental and social targets moving forward.

By aligning the Woodbois sustainability strategy with the SDGs and our company commitments, we are able to drive both short and long-term value, and operate with transparency. It serves as a starting point by which to turn challenges into opportunities, and holds us accountable to the communities in which we operate, the natural environments we manage, and the stakeholders, investors and employees we work with on a day-to-day basis.

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

The following sections will provide an overview of Woodbois’ economic, environmental and social impacts over 2018. Specific GRIs have been measured in order to track our economic, environmental and social performance.
Economic, Environmental and Social Impact: SDGs and GRI standards

<table>
<thead>
<tr>
<th>Impact</th>
<th>Our Focus Areas</th>
<th>SDG</th>
<th>Identified GRI Standards</th>
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<tbody>
<tr>
<td><strong>ECONOMIC</strong></td>
<td>• Developing local economies &lt;br&gt; • Sustainable and high quality products &lt;br&gt; • Economic value generated and distributed &lt;br&gt; • Climate change</td>
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<td>102-8</td>
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<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td>• Biodiversity &lt;br&gt; • Legal harvesting &lt;br&gt; • Protection of land &lt;br&gt; • Soil and water safety &lt;br&gt; • Energy usage &lt;br&gt; • Greenhouse gas emissions &lt;br&gt; • Efficient use of resources</td>
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<tr>
<td><strong>SOCIAL</strong></td>
<td>• Equal rights and conflict resolution &lt;br&gt; • Wages and benefits &lt;br&gt; • Training and education &lt;br&gt; • Health and safety at work &lt;br&gt; • Responsible sales and marketing</td>
<td></td>
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In recent years, a growing number of companies have adopted and implemented a broad range of sustainability practices, provoking a debate about the nature of sustainability and its long-term implications for organisations. Sustainability practices can be differentiated into:

**Common practice**

It may be a necessary condition for survival, but it cannot be a sufficient condition for building a competitive advantage.

**Strategic practice**

That generates a competitive advantage and therefore, results in above-average performance (i.e. ‘doing well by doing good’), giving companies the opportunity to occupy an unexploited or underexploited position by developing a unique and difficult-to-imitate strategy.

A recent study conducted by Ioannis Ioannou (London Business School) and George Serafeim (Harvard Business School) suggests that sustainability can be both a necessity and a differentiator, and that the adoption of strategic sustainability practices is significantly and positively associated with both return on capital and market valuation multiples. In contrast, the adoption of common sustainability practices is not associated with return on capital, but is positively associated with market valuation multiples. (Yes, Sustainability Can Be a Strategy. Ioannou and G. Serafeim, Harvard Business Review, Feb. 2019).

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**Sustainability, Strategy and Impact**

The progress we made over 2018 puts Woodbois in a favourable position to take advantage of important growth opportunities and continue to develop our policies and procedures now and in the coming years. Moreover, our work will continue to have a positive impact on the communities and natural environments we work in.”

- Hadi Ghossein, Deputy Chairman and Board Member responsible for Sustainability

I was delighted to be charged with the reforestation project in Mozambique in 2018. Our strategic sustainability practices, together with the technological tools Woodbois is developing to support our operations and challenge traditional forestry models, promise to establish our company as a leader in sustainable forest management with next-level transparency.”

- Rui Pereira, ESG Manager
Infrastructure Investments

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

The investments in equipment and production facilities made over the course of 2018 put us in a position to enhance processes and quality, while increasing output, improving workflow and creating new jobs. Major highlights in this regard include the completion of our veneer factory in Gabon, a newly equipped sawmill in Mozambique, which helps to strengthen the link between processing and manufacturing within our supply chain; and a number of new pieces of processing and transport equipment.

The investments made contribute directly to strengthening the integrated value chains we have built to ensure that 100% of Woodbois’ products are processed in Africa. Focusing on supporting Africa in its bid to step-up the value chain also means elevating productivity, creating new skills development opportunities, advancing local processes, and ultimately bringing these countries international exposure through the export of locally produced products, not just raw materials.

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

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

$13.5 m
Revenues generated

60%
Growth over FY17

0
Zero financial assistance from governments

Investment in HSE equipment:
Total
$29,119
$7,387 USD in Mozambique
$21,732 USD in Gabon

2
Management plans and environmental licences

Production Facilities:
2
Sawmills
1
Veneer Factory
Environmental Impact

The SDGs establish an important link between the global fight against poverty and the need to prioritise sustainable development. Woodbois is in a favourable position to drive responsible and ethical forestry, and to protect against deforestation and forest degradation, in the hope of enhancing the broader benefits healthy forests bring to our ecosystems.
Woodbois works closely with local law enforcements to ensure the protection of its forests.

In 2018, Woodbois operated in less than 2% of its concessions, approximately 7,483 ha.

### Forestry Logging and Primary Processing in Gabon and Mozambique

**Selective Harvesting** (average intensity following reduced logging practices)

- **Volume of Lumber Produced (Including Veneer production):** 14,713 m³

**Natural Forest Concession**

- **Volume of Lumber Produced (Including Veneer production):** 16,233 ha

**Logs of Exotic Hardwoods** (total volume of logs harvested)

- **Volume of Lumber Produced (Including Veneer production):** 44,115 m³

**Forestry Management Units (FMU)***

- **Volume of Lumber Produced (Including Veneer production):** 2

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**Operational Forest**

- 337,460 ha

**In Total**

- 405,816 ha

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**Operational Forest**

- 83%

**Conservation**

- 4%

**Community and Multi-Use**

- 11%

**Actual Harvesting Campaigns**

- 2%
Sustainable forest management is critical to addressing climate change. According to the International Union for Conservation (IUCN), forests play a major role in stabilising the climate: they regulate ecosystems, protect biodiversity, play an integral part in the carbon cycle, support livelihoods, and can help drive sustainable growth.

Forests sequester carbon dioxide from the atmosphere and transform it through photosynthesis. Through this process they accumulate large stocks of carbon in the form of woody biomass and in forest soils. In sustainably managed forests, the amount of carbon that can be released as a result of harvesting is equal to or smaller than the amount taken from the atmosphere, making forests ‘carbon-neutral’ or ‘carbon sinks’. Halting the loss and degradation of forest ecosystems and promoting their restoration have the potential to contribute over one-third of the total climate change mitigation that scientists say is required by 2030 to meet the objectives of the Paris Agreement.

“Restoring 350 million hectares of degraded land in line with the Bonn Challenge could sequester up to 1.7 gigatonnes of carbon dioxide equivalent annually.”

- IUCN on Forest and Climate Change
Environmental Metrics

2,757 GJ HHV
Intensity Used

1,556 tCO₂e
CO₂ Production Direct*

0.04 tCO₂/m³ logs
GHG Emissions Intensity*

3,034 tonnes
of Downgraded Wood Invested in Community Projects

608,643 litres
Total Energy Consumption (From Diesel & Petrol)

6,973 tonnes
Wood Waste to Produce Energy
On-site incinerated from wood production

0
Number of Hotspots/Fires in FMUs

0
Introduction of Non-Native or Invasive Species

0
Chemicals & Pesticides

Woodboid is committed to reducing GHG emissions intensity by 20% in the next 5 years

*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.
Protecting Land & Encouraging Responsible Land Use

All of Woodbois’ forest management plans have been approved by local governments following preliminary local community consultations and approval processes, and are strictly followed. To ensure forest regrowth, forestry concessions grant holders the right to harvest a sustainable level of timber from natural hardwood forests on a 20 to 30-year rotation cycle. Our management plans further aim to achieve a viable level of exploitation based on the selective cutting of commercially valuable species (forest inventory), with particular emphasis on social aspects as well as protecting natural biodiversity. Areas not in production are protected by Woodbois and are therefore not at risk of being exposed to illegal logging activities or cleared for other uses, such as agriculture. Woodbois’ qualified forestry teams ensure that our operations are run responsibly. Moreover, each of our trees is tagged and geo-monitored so we can actively track tree species, volume, and the quality of what we cut.

Over the past decades, large areas of tropical forests have been deforested and degraded. The main causes of this are increasing demand for commercial agricultural land, slash-and-burn subsistence farming, and illegal logging activities for fuel wood and timber. We are fully aware that illegal logging activities within tropical forests occur throughout Sub-Saharan Africa, which contribute to significant deforestation, loss of biodiversity, increased carbon emissions and conflicts within local communities. We work closely with local law enforcement agencies to address these issues and ensure that forests are protected.

Firefighting

At Woodbois, we believe the best approach to reducing the risk of wildfires is preventative firefighting. In Mozambique, 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 has proven to be extremely effective; Woodbois has never lost a single tree to fire in any of our project areas in Gabon. A preventative approach is in place in our production facilities in both Gabon and Mozambique.
Forestry Operations

How it Works

Forest management plans are developed in partnership with local communities and approved by local governments.

Harvesting plans are based on 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.

Forest inventory ensures selective cutting of commercial species, by quantifying and locating exploitable forest resources, and planning low-impact logging.

Woodbois protects non-operational forest areas from illegal activities.

Forest management plans are not just about trees, they encompass all resources on a given concession to reduce the impact of logging activities, including roads, water sources, and wildlife habitat.

Woodbois’ management plans allow us to track the impact we have on forests in terms of cubic metres of timber being extracted.

This map shows each tree as per our 2018 management plan in Gabon. In a primary forest there is estimated to be 500-1,000 trees per hectare. Woodbois currently cuts an average of 1.2 trees/ha.
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. Management plans for these forests have been approved by the administration in charge of waters and forests. In accordance with the legal framework in force, each annual harvesting plan is subject to a harvesting inventory and an annual plan of operation. The objective of the inventory plan is to determine the stocks of harvestable timber, their location, to track and mark trees to be harvested or protected, and to establish the route of potential roads. The inventory is realised by systematic sampling. The counting operation consists of identifying the species of trees, measuring their diameter, numbering them by placing a plate on them, geolocating each tree via GPS, and assessing the quality of all the harvestable trees that have reached the minimum tree diameter size for harvesting.

The harvesting plan for 2018 covers a total area of 3,446 ha where the most common tree species are Iolomba (Pycnanthus angolensis), Ebiara (Berlinia bracteosa), Dabema (Piptadeniastrum africanum), Mahogany (Khaya ivorensis), Ovang-Kol (Guibourtia ehie) and Okoumé (Aucoumea klaineana). The company is also allowed to harvest from the 2017 management plan.
Minimising the Impact of Logging Roads

Soil along logging roads and landing areas is more dense and compact with slower water infiltration than in the surrounding untouched areas of the forest (Langston A.S. Anderson University of Missouri), posing many environmental challenges because dense soil prevents rainwater from soaking in, which causes erosion. This erosion can carry fertile topsoil away from forests and into streams, polluting surface water resources and making it difficult for forests being logged to regenerate. These repercussions can last far longer than the logging itself.

For instance, one way in which Woodbois minimises the impact of logging roads is by following existing elephant paths. Additionally, Woodbois’ forestry management plan facilitates an efficient approach to road creation. Overall, the network of main tracks is based, where possible, on existing roads and the network of secondary roads is minimised. The dimensions of the road infrastructure are reduced to the minimum possible while keeping in mind the safety and sunlight rules. The watercourse crossings are constructed without raising the water level, which could potentially lead to flooding upstream and the destruction of the flooded forest area. In general, the construction of bridges is preferable to the installation of nozzles. The construction of structures will always be planned according to the most important flows that rivers could have during the rainy season.

Moreover, harvesting is only carried out along carefully laid out skid trails. After harvesting, skid trails are rehabilitated to avoid permanent soil compaction. Harvesting roads are closed to avoid poaching and illegal settlements. In just a few months, skid trails and harvesting gaps are overgrown by tree regeneration. Roads disappear after a few years due to natural regeneration of pioneer tree species. Woodbois is committed to continuing to use best-in-class practices to minimise the impact of our logging on the surrounding environment that we operate in.

Waste Management & Carbon Emissions

Incineration of biomass as a waste management measure serves as an opportunity for enhanced waste-to-energy solutions. On top of that, 3,034 tonnes of downgraded wood from our concessions have been recovered and invested into community projects. Woodbois directs its efforts to ensure that the management of our forest operations largely offsets our carbon emissions from industrial activities. As a company we are committed to responsibly emitting and reducing our use of fossil fuels and subsequent GHG emissions; investments in new assets are being made to improve fuel efficiency and reduce GHGs.

Woodbois currently does not use any chemicals or pesticides in its forestry, sawmill or veneer operations, and we are committed to minimising and limiting the use of such items in the future. Woodbois utilises an integrated pest management approach using non-chemical devices to capture and dispose of pests.

In alignment with our dedication to transparency and sustainability, Woodbois is committed to gaining FSC certification for 100% of our forests within the next ten years. In 2019, we started searching for trusted verification agents. We are also committed to conducting High Conservation Value assessments.
Case Study: Reforestation Project in Mozambique

Reforestation team in the Montara Forest
- Project overseen by Ivan Muir, COO and Rui Perreria, Sustainability Manager.
- Up to 20 people dedicated to reforestation at each site.

Concession areas: Madeiras SL and Montara Forests

Objective: To rehabilitate 40 ha of degraded land abandoned by slash and burn farmers

Species replanted:
- Pterocarpus angolensis – Umbila/Kiaat
- Afzelia quanzensis – Chanfuta/Pod Mahogany
- Milletia stuhlmannii – Jambire/Panga Panga/Zebra wood

Identification of areas for reforestation:
- Sufficiently degraded land
- Located close to a water source

Our approach:
- Engage and consult with village Chief and elders, then bring the discussion to the wider community once approved
- Identify and clear site, then construct a nursery and storage area
- Slash area and construct planting mounds
- Plant and water seeds in the nursery; transplant seedlings to planting mounds once they reach a suitable height and to coincide with the onset of rainy periods

Results:
- Uape area
  - Strong local community support
  - 40 ha planted in the first year
  - Nursery constructed and seedlings developed
- Montara Forest
  - Nursery constructed adjacent to the Molocue River
  - Chanfuta and Jambire seeds planted with a 97% survival rate

Woodbois’ long term reforestation plan:
- Reforest 30-40 ha per concession per year
- Rehabilitate the landscape to provide economic and environmental benefits for future generations
Responsible Trading

None of the wood traded by Woodbois is on the CITES species list. The company only sources forest products from partners that have succeeded in passing due diligence processes for legal and responsible forest product sourcing. We have established a traceability process that allows us to track products from the forest through manufacturing, to final export. Woodbois’ office runs a due diligence process chain of custody, which is inspired by EUTR/FLEGT and includes a checklist of documents required to screen existing suppliers at the beginning of each year and at the start of any collaboration with a new supplier. Moving forward, our sustainability efforts and reporting will cover our trading business division, with the objective of implementing an extensive responsible sourcing programme and piloting modern techniques. **Woodbois is committed to only source third party timber from FSC certified suppliers in the next 10 years.**

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**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.

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**2- Shipment**

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

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**3- Buyers**

- Buyers sometimes provide their own supply chain mapping to ensure responsible timber purchases.
- Woodbois follows the checklist requirements with each supplier to ensure compliance with client demands.

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* To work with any supplier of timber, Woodbois requires information and documentation regarding the source of the timber including tree species, origin of the wood, compliance with national laws and regulation. This is required for both new suppliers and existing suppliers which need to update the Company with documentation on a regular basis.

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**Woodbois has a process in place for the tracing of both raw material and the processed timber we supply back to the country of harvest. Any timber that the Company handles in any form, requires a certificate of origin identifying the country that timber was sourced from. Neither ourselves, nor our logistics providers or customers, will handle timber that does not have a certificate of origin identifying its country of harvest.**
Social Impact
We need economic growth, yes, but growth can be jobless, so a sustainable development framework for employment must include a job creation strategy.”

SHARAN BURROW
Aligning to International Best Practices

As a socially responsible company, Woodbois aligns to international best practices, like the standards set out by the SDGs, the Core 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. Woodbois is committed to extending these international best practices to all of our sourcing and suppliers.

Respecting All Workers’ Rights

232
Full-Time & Fixed-Term Employees

50
Seasonal Employees

61
Female Employees

128%
Woodbois pays above the local minimum wage

Woodbois pays female employees 91% of male’s salary in Gabon and Mozambique, which is above the national average. (Source - Gender Gap Africa).

Woodbois continues to commit to reducing the gender pay gap.
Inclusion

Women are the catalysts of communities. By empowering and championing women, we are investing in healthy and thriving communities.”

- Mona Bakri, Head of Sawmill and Veneer Operations – Mouila

Gender Inclusion and the Elimination of Gender Related Discrimination

Woodbois is committed to supporting the inclusion of women across all our forestry operations. With women comprising 22% of our workforce and 36% of our senior management, it is a priority to instill strong policies and programmes to empower women. We are also 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.

Woodbois believes that eliminating discrimination starts with dismantling barriers and ensuring equality in access to training. As a company we are committed to preventing gender based employment and occupation-related discrimination and we support the inclusion of women across forestry operations.

Woodbois believes workers’ rights include a large array of human rights, including the right to decent work, freedom of association, equal opportunity and protection against discrimination. We are committed to respecting workers’ rights; this includes all workers - both full-time and contract employees.

One of the most fundamental and positive social impacts associated with Woodbois’ strategic growth objective is the employment opportunity we bring to a region. Our company is an equal opportunity employer, allowing for skills development through a number of channels, with the objective of helping to alleviate poverty and improve food security.
Respecting Local Communities

We strive to look after our employees, their families, and the communities in which they live. That is why we, and our suppliers, are committed to Free Prior and Informed Consent (FPIC) and the inclusion of Indigenous Peoples. Our teams are actively engaged in community consultations to ensure we respect local customs and meaningfully contribute 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 helped designate and map agricultural land for local use, dedicate areas for specific crops, and provide education and information related to the hunting seasons. Our biodiversity, forestry inventory and social impact assessment covers 100% of operations and are consistently implemented with local community input. In some cases we have established contractual agreement with communities to ensure we are respecting and aligning with local needs and customs.

In order to promote the social aspect of the sustainable management of our concessions in Gabon, Woodbois is financially contributing to the development of the communities in proximity to where the company operates: Village Saint Martin and Village Mboukou. The financial contribution, based on the cubic metres of wood harvested is equal to 800 FCFA/m³.

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 revenues

Village Saint Martin

In 2018, Woodbois harvested 4,039 m³ and contributed approximately 5,533 USD. Since 2015, the Company has invested approximately 25,000 USD

Village Mboukou

From 2014 to December 2017, the Company has harvested 33,885 m³ and has also invested 46,311 USD
Investing in Local Communities

Supporting Community Building

The school library, an important hub for education in the local community, had fallen into disrepair. The local provincial governor requested help for the restoration of the building. Woodbois went a step further by restoring and repairing the facility.

Providing Medicine & Supplies

Woodbois donated medicine, brush cutters and restored a hydraulic pump for the Mboukouin community. We have also committed to purchasing educational materials to support the local public school.
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. From 2017 to 2018, we’ve increased our investment in protective equipment by 2.6. And we are regularly updating our safety procedures to strengthen staff training and prevent accidents before they happen.

No work-related fatalities
24 Total injuries in the workplace in 2018
7.6% TRIFR Incident rate

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 grievances relating to their employment 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:

- Local community formulates grievance
- Official letter from legally elected community leader
- 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
Good governance is foundational to a sustainable corporate growth strategy. In response to the recently revised AIM Rule 26, Woodbois has, as much as possible, adopted the principles of the Quoted Companies Alliance (QCA) Corporate Governance Code. The QCA is an independent membership organisation that champions the interests of small and mid-size quoted companies. The QCA Code helps companies put worthwhile, effective and flexible governance models into practice. It puts forth a set of ten principles to deliver growth in long-term shareholder value, and encompasses an efficient, effective and dynamic management framework complemented by effective communication and positive engagement between companies and stakeholders.

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 the definitions and guidelines put forth 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 (due diligence procedure reported in the Annex).

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.

Whistleblower Procedures:

- Employee becomes aware of any malpractice, and immediately reports it to their Line Manager.
- The Line Manager notifies Group Compliance Office (Chief Financial Officer will act as Woodbois’ Group Compliance Officer).
- The Line Manager is responsible for initially investigating all matters reported to them promptly, confidentially and sensitively.
- 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.
- They will provide formal feedback to the employee and Audit Committee of the investigation, and resulting actions will be taken.
### Annexes

#### Value drivers

<table>
<thead>
<tr>
<th>General Disclosures</th>
<th>Name</th>
<th>GRI 102-1</th>
<th>Name of the organisation</th>
<th>Unit</th>
<th>2018</th>
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<td>Woodbois Limited, is a holding company listed on the AIM section of the London Stock Exchange.</td>
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<td>Monetary value of financial assistance received from any government</td>
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<td>Market Presence</td>
<td>Entry level wage</td>
<td>GRI 202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage (simple average)</td>
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<td>Market Presence</td>
<td>Entry level wage</td>
<td>GRI 202-2</td>
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<td>Infrastructure investments</td>
<td>GRI 203-1</td>
<td>Extent of infrastructure investments and services supported</td>
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<td>Value drivers</td>
<td>GRI indicators</td>
<td>Unit</td>
<td>2018</td>
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<td>GRI 302-1 Renewable sources</td>
<td>Petrol consumption on the ground and in processing facilities</td>
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<td>GRI 302-1 Energy intensity</td>
<td>Total energy consumption from fuels (diesel, petrol)</td>
<td>GJ HHV</td>
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<td>GRI 302-3 Energy intensity</td>
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<tr>
<td>Biodiversity</td>
<td>GRI 304-2 Biodiversity</td>
<td>Volume of lumber produced (including Veneer production)</td>
<td>m³</td>
<td>14,713</td>
<td></td>
</tr>
<tr>
<td>Biodiversity</td>
<td>GRI 304-4 Biodiversity</td>
<td>IUCN Red list species on concessions</td>
<td>no</td>
<td>12 flora species 11 fauna species</td>
<td></td>
</tr>
<tr>
<td>Biodiversity</td>
<td>GRI 304-4 Biodiversity</td>
<td>National conservation list species on the concession in Gabon</td>
<td>no</td>
<td>5 flora species 10 fauna species</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>GRI 305-1 GHG emissions</td>
<td>Direct GHG emissions for use of fuels</td>
<td>tCO₂e</td>
<td>1,555.56</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>GRI 305-3 GHG emissions</td>
<td>Other indirect GHG emissions: on-site biomass incineration</td>
<td>tCO₂e</td>
<td>25.60</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>GRI 305-4 GHG emissions</td>
<td>GHG emissions intensity. Total tCO₂ emissions/m³ logs</td>
<td>tCO₂/m³ logs</td>
<td>0.04</td>
<td></td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>GRI 305-5 GHG emissions</td>
<td>GHG emissions intensity. Total tCO₂ emissions/m³ lumber</td>
<td>tCO₂/m³ lumber</td>
<td>0.11</td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>GRI 306-2 Waste</td>
<td>Recovered downgraded wood invested in community projects</td>
<td>Tonnes</td>
<td>3,034</td>
<td></td>
</tr>
<tr>
<td>Waste</td>
<td>GRI 306-2 Waste</td>
<td>On-site incinerated wood waste from wood production</td>
<td>Tonnes</td>
<td>6,973</td>
<td></td>
</tr>
<tr>
<td>Labour/management relationships</td>
<td>GRI 402-1 Notice period</td>
<td>Minimum number of weeks’ notice regarding operational changes</td>
<td>no in weeks</td>
<td>4 permanent and fixed-term. Forestry Mozambique 8.6 permanent and 2 fixed-term forestry Gabon</td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>GRI 403-1 Occupational health and safety</td>
<td>Recordable injuries and illness</td>
<td>no and gender</td>
<td>24 males</td>
<td></td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>GRI 403-1 Occupational health and safety</td>
<td>Fatalities</td>
<td>no</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Training and education</td>
<td>GRI 404-1 Training</td>
<td>Total hours of training per year</td>
<td>hours</td>
<td>298</td>
<td></td>
</tr>
<tr>
<td>Training and education</td>
<td>GRI 404-1 Training</td>
<td>Average hours of training per year per employees</td>
<td>hours</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Rights of indigenous peoples</td>
<td>GRI 411-1 Rights of indigenous peoples</td>
<td>Incidents of violations involving rights of indigenous peoples</td>
<td>no</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>GRI 413-1 Local Communities</td>
<td>Operations with local community engagement</td>
<td>%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>GRI 413-1 Local Communities</td>
<td>Environmental impact assessments</td>
<td>no</td>
<td>2 environmental studies</td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>GRI 413-1 Local Communities</td>
<td>Local community consultation process that include vulnerable groups</td>
<td>no</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>GRI 413-1 Local Communities</td>
<td>Works councils, OHS committees and other worker presentation bodies</td>
<td>%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Local Communities</td>
<td>GRI 413-1 Local Communities</td>
<td>Formal local community grievance processes</td>
<td></td>
<td>40</td>
<td></td>
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<tr>
<td>Marketing and labelling</td>
<td>GRI 417-1 Marketing and labelling</td>
<td>Requirements for product and service information and labelling</td>
<td></td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Marketing and labelling</td>
<td>GRI 417-2 Marketing and labelling</td>
<td>Incidents of non compliance concerning product and service information and labelling</td>
<td>no</td>
<td>0%</td>
<td></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.

- Identifying concerned locals and their representatives
  - 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 on.
  - 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.

- Inform the local community of the company’s plans, document any concerns or needs that the indigenous people have

- Implementation of local community needs within our projects. Regularly monitoring and evaluating agreements that are in place
Sources & Acronyms

Advisory, Conciliation and Arbitration Service (ACAS) http://www.acas.org.uk
African Development Bank (ADB) https://www.afdb.org
British Retail Consortium (BRC) https://www.cert-id.com/Certification-Programs/BRC-Certification.aspx
Continuous Cover Forestry (CCF) http://www.coford.ie/media/coford/content/publications/projectreports/cofordconnects/CCF.pdf
Eu Timber Regulation http://www.euflegt.efi.int/eutr
Forest Law Enforcement, Governance and Trade Action Plan of the European Union (FLEGT) http://www.euflegt.efi.int/home
Forest Stewardship Council (FSC) https://www.fsc-uk.org/preview.controlled-wood-factsheet.a-177.pdf
Food and Agriculture Organization of the United Nations (FAO) http://www.fao.org
Gender Gap Africa https://gendergap.africa
Global Reporting Initiative (GRI) https://www.globalreporting.org
Non Timber Forest Products (NTFP) http://www.fao.org/3/w7715e/w7715e07.htm
Paris Climate Conference (COP21) http://www.cop21paris.org/about/cop21
Quoted Companies Alliance (QCA) https://www.theqca.com
Sustainability Policy Transparency Toolkit (SPOTT) https://www.spott.org
Total Recordable Injury Frequency Rate (TRIFR) http://www.lausd-oehs.org/docs/Scorecard/OEHS_Incident_Rate_Calculation_Worksheet%20_032513.pdf
The International Union for Conservation of Nature (IUCN) https://www.iucn.org
United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD+) http://www.un-redd.org/
United Nation’s Sustainable Development Goals (SDGs) https://sustainabledevelopment.un.org
Organisation for Economic Co-operation and Development http://www.oecd.org/
Transparency International https://www.transparency.org/
UN Corruption Risk Assessment https://www.unglobalcompact.org/library/411
Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.”

BAN KI-MOON