



Communication on ESG Progress 2022

The COVID-19 pandemic has shown us how devastating and life-threatening a cross-border impact can be. The twin climate and biodiversity crises are no different.

As INTERHOLCO, we know well. We are foresters, working in the North of the Republic of Congo.

Congo's Sangha region is hosting some of the last populations of gorillas, chimpanzees and forest elephants in an area around the size of Belgium, where two national parks with a combined size of 1,8 million hectares and INTERHOLCO's forest with a size of 1,16 million hectares stretch side by side.

Implementing the principles of Forest Stewardship Council® certification (FSC® C022952) helps INTERHOLCO deliver on its commitment to protect biodiversity, i.e. all natural ecosystems and wildlife. Satellite monitoring confirms that responsible actions were implemented, as no more than 0.09% of natural forest was lost in 2021 in the Sangha Department, where INTERHOLCO's forest is located.

Our certified wood products are deforestation free. A claim that we are proud of and a reality that customers have the right to expect.

At INTERHOLCO, we believe the world needs healthy and sustainably managed forests. Forests that grow and stay as forests.

For more than 950 employees, this means job opportunities, health care for their families as well as the ability to acquire skills and develop.

For 6,000 local communities and Indigenous Peoples, 'healthy' means the ability to continue living in and from natural forests, exercising their traditional rights and retaining their identity.

For 10,000 inhabitants from the village of Ngombé, this equals infrastructure, access to our local hospital, library, clean drinking water and school availability. Managing an entire landscape responsibly is a much needed and effective solution to tackle climate change, biodiversity protection, rural development and economic growth. By doing so, we contribute to the UN Sustainable Development Goals.

Then, there is also our 'second forest'. The wood we produce, is 'our second forest'. This forest is in urban cities and communities all over the world.

The flags are up: forests must be placed at the top of the international agenda, and action, no longer delayed, if we want to survive on this planet.

Certified hardwood 'Made in Africa' empowers consumers and investors to co-create the much-needed change.

The ecological functionality for water, climate and biodiversity can be preserved. Good governance makes this possible and certification plays a key role in it.

INTERHOLCO is committed to and upholds the 10 Principles of the United Nations Global Compact focusing on human rights, labour, environment and anti-corruption as well as the OECD Guidelines for multinational enterprises.

Year 2021 paid off, yielding a wealth of results – not least, financial success. INTERHOLCO's synergistic work with employees, B2B customers, investors, specifiers and visionaries positively reaffirms 'Sustainable Hardwood Made in Africa' as the go-to solution for people, climate and planet – on markets and beyond.

Exceptional employee engagement

The COVID-19 prevention and mitigation strategy that INTERHOLCO put in place together with the relevant authorities turned into a success. Our deepest gratitude goes to all employees, for going beyond the call of duty during complex times.



*'Women against
COVID'*

Employees and their families
on the frontline, women in
particular.

Early in 2020, concerned that Covid might take a severe turn in the Republic of Congo, INTERHOLCO was the only forest company in the Congo Basin to launch an international fundraiser to secure life-saving equipment (including oxygen ventilators) for its production site, serving around 16,000 people in one of Congo's most landlocked areas. Together, aid agencies, private investors, NGOs, importers and customers raised a 150,000 EUR solidarity fund ([UN SDG 17](#)).

Overcoming delivery bottlenecks with healthy prices

Despite the disruptive consequences the world faced over the past 18 months, major international economies wishing to build back better, started to show a distinct preference for wood over other construction materials ([UN SDG 11](#)). The steep rise in wood demand, coupled

with port congestion and container scarcity, did result in limited handling capacity, with delayed deliveries. This was partly compensated by strong prices.

Leaders in keeping forests as forests...

The FSC^{®1} forest management (FM) and Chain of Custody (CoC) certificates were successfully renewed further to the positive outcome of the audits. In 2021, INTERHOLCO continued to lead 100 forest companies worldwide, in SPOTT's transparency assessment² of more than 170 ESG indicators – an exercise led by the conservation NGO Zoological Society of London (ZSL).

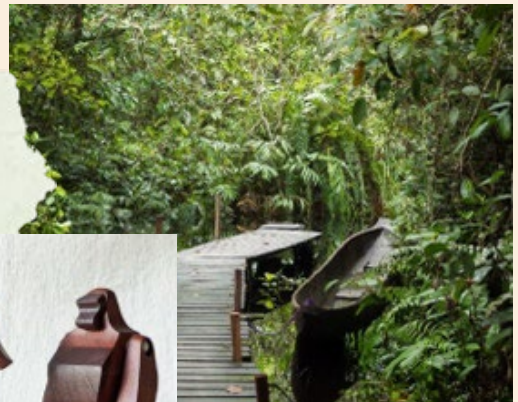
At the UN Climate Change "Conference of the Parties" in Glasgow (COP26), INTERHOLCO brought together government and private sector representatives of the Republic of Congo, showing how "Sustainable Hardwood Made in Africa" is best positioned to co-create solutions for people, planet, and climate (UN SDG [11](#), [12](#), [13](#), [15](#), [16](#) and [17](#)).

Also in 2021, our sustainability report 'An Alliance culture to safeguard Africa's forests' was '*best in the world*' in the forestry category and second best for Switzerland. This one-of-a-kind recognition was awarded by the Hållbar Foundation based in Alfred Nobel's home in Karlskoga (Sweden).

'Forest Dwellers'

[Objects of art, FSC^{®*} certified wood from our forest concession.](#)

*FSC[®] C022952



...and beyond

With his 'Forest dwellers' project made from our FSC-certified hardwood, British architect Tom Wilson won the 'Conversations on climate change' competition launched by Dezeen and the UK Trade Federation, as a means to inspire climate-conscious customer choices ([UN SDG 13](#)).

Industrial expansion of our facilities in Congo resumed in 2021 ([UN SDG 9](#)), despite the global congestion and travel restrictions. Cooperation agreements with local experts allowed the refurbishment of a malfunctioning water station in the village of Ngombé as a means to provide clean and affordable drinking water to a population of about 10,000 inhabitants ([UN SDG 6](#)), avoiding water-borne illnesses ([UN SDG 3](#)). The company secured electricity and water supply

¹ FSC[®] C022952.

² SPOTT is a free, online platform assessing commodity producers, processors and traders on their public disclosure regarding their organisation, policies, and practices related to environmental, social and governance (ESG) issues.

([UN SDG 12](#), [UN SDG 17](#)) to the state medical centre. The state school in the village of Ngombé, attended by 1,300 pupils aged 6 to 11, underwent rehabilitation work ([UN SDG 4](#)) with new sanitary blocks being added, in the interest of hygiene and safety ([UN SDG 3](#)), for girls in particular ([UN SDG 5](#)). Ongoing development across INTERHOLCO highlighted the need to attract and retain more qualified talent ([UN SDG 8](#)) to ensure INTERHOLCO delivers on key projects.

A transition is underway

INTERHOLCO will continue to advance Congo's ecological transition ([UN SDG 13](#)), preferring river- and rail- over road-transport. Work to boost infrastructure conditions is in the pipeline ([UN SDG 12](#)). Talks with government authorities on clean energy supply to our production site from the nearby Liouesso hydro-electric facility ([UN SDG 7](#)) will continue, as will discussion on production sharing, following the new Forestry Law promulgated in 2020.

This year, INTERHOLCO turns 60. As a company, INTERHOLCO is 60 years young, because we are not tired of learning. One thing we cherish: working together with forests can serve as a 'role-model', that can be replicated in many different forests in the world, especially in tropical areas.

Baar, 25/05/22

Ulrich Grauert



CEO