



1962-2022

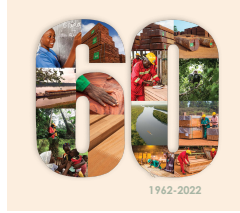


YEARS SHAPING THE FUTURE

SUSTAINABILITY REPORT 2022

Best in
the World
HALLBARS
SUSTAINABILITY
REPORTS AWARDS
2022





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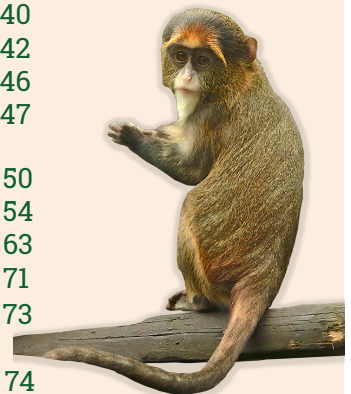
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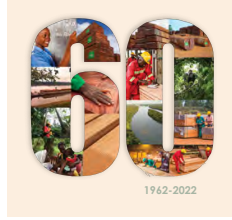
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LIST OF ABBREVIATIONS

APN African Parks Network

ATIBT International Technical Tropical Timber Association

CFA franc or XAF Official currency of the member states of the Central African Economic and Monetary Community (CEMAC), including Cameroon, the Central African Republic, Chad, Equatorial Guinea, Gabon and the Republic of the Congo

CIRAD Agricultural Research Centre for International Development

CLIP Free, prior and informed consent

CLPA Local communities and indigenous peoples

DRC Democratic Republic of the Congo

EFI European Forest Institute

EITI Extractive Industries Transparency Initiative

ESG Environmental, social and governance (ESG) criteria are the 3 main factors for measuring the sustainability and ethical impact of an investment in a company or economic area

ETTF European Tropical Timber Federation

EU European Union

EUR Currency used in the European Union

EUTR European Union Timber Regulation

FAO Food and Agriculture Organisation of the United Nations

FLEGT Forest Law Enforcement, Governance and Trade

FMU Forest Management Unit

FSC® Forest Stewardship Council®¹

GRI Global Reporting Initiative

Ha Hectare

HCV High conservation value

HSE Environment, health and safety²

IFO Forestry Industry of Ouesso

ILO International Labour Organisation

ITTO International Tropical Timber Organization

LCC Logistique Congo Cameroun

M Million

NGO Non-governmental organisation

OKNP Odzala-Kokoua National Park

PAFC Pan-African Forest Certification

PEFC™ Programme for the Endorsement of Forest Certification³

RoC Republic of the Congo

SDG Sustainable development goals (of the United Nations)

SFM Sustainable forest management

SPOTT Sustainability Policy Transparency Toolkit

STTC Sustainable Tropical Timber Coalition

UNDP United Nations Development Programme

UNECA United Nations Economic Commission for Africa

UNEP United Nations Environment Programme

UNFF United Nations Forum on Forests

UNICEF United Nations Children's Fund

USD American dollar (currency of the United States of America)

WHO World Health Organisation

WRI World Resources Institute

¹ FSC® License C022952

² HSE is an area of technical expertise controlling aspects related to occupational risks within a company in order to lead to an integrated management system.

³ PEFC License/15-31-0084



NOTES ON THIS REPORT

This report covers INTERHOLCO's operations for the period 2020-2021 (financial year ending 31 December 2021). Data for 2014-2016 are incorporated into the 2017-2021 data in the Appendices in order to identify existing trends. This report contains data for wholly-owned enterprises and subsidiaries, but excludes suppliers of goods and services, unless otherwise specified. The next INTERHOLCO sustainability report is planned for 2024.

INTERHOLCO's *modus operandi* is structured around an **environmental landscape**, a **social landscape**, an **economic landscape** and a **regulatory landscape**.

In the absence of a single frame of reference capable of incorporating all these landscapes, our 2022 Sustainability Report presents the aspects that INTERHOLCO has measured in each landscape according to the 10 Principles of the UN Global Compact focusing on **human rights, labour, the environment and anti-corruption**; the Sustainable Development Goals of the United Nations (SDG); Pope Francis' encyclical *Laudato Si'*, which focuses on safeguarding the Earth, our common home; the handbook "Vocation of the Business Leader: A Reflection", targeting business leaders seeking to integrate their faith into their work; the FAO's analysis on "The State of the World's Forests 2020"; the voluntary guidelines drawn up by the EFI and the FAO "Making forest concessions in the tropics work to achieve the 2030 Agenda"; the FAO "Global Forest Resources Assessment"; the reflections and proposals for the formulation and implementation of strategies for the development of the forestry industry in the Congo Basin, contained in the FAO white paper; the principles and standards of FSC® environmental certification; PEFC™ certification standards including the PAFC initiative being developed in the Congo Basin; the laws in force in Cameroon, the Republic

of the Congo and Switzerland - in particular, compliance with the forestry laws of the Republic of Congo, based on the indicators developed by the EITI; the Conclusions of the Council and of the Governments of the Member States sitting in the Council on the Communication on Stepping Up EU Action to Protect and Restore the World's Forests; the European Union Timber Regulation (EUTR) as part of the FLEGT initiative; the statistics published by the Independent Market Monitoring Unit of the FLEGT scheme as well as those published by the ITTO. Also, the social-environmental reporting standards established by the Global Reporting Initiative (GRI); this report is not externally audited, although select data may have been. In fact, this report is in accordance with the GRI Standards from 2016 (Core option). Then, we have taken in due consideration the official Tropical Timber Nomenclature, updated by ATIBT; data from Global Forest Watch; the monitoring platform developed by the World Resources Institute (WRI) with state-of-the-art technology; and, of course, the environmental, social and governance transparency indicators at the heart of the SPOTT 2021 and 2022 assessment, an initiative spearheaded by the British NGO Zoological Society of London, designed to gain a better understanding of the ESG performance of 100 timber and cellulose companies operating in the tropics.

In order to make reading this report easier, we have adopted the same colour code as in our 2017 and 2020 Sustainability reports, i.e.:

pink --> **social landscape**
green --> **environmental landscape**
blue --> **economic landscape**
brown --> **regulatory landscape**

YEARS SHAPING THE FUTURE

EDITORIAL

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.



Ulrich GRAUERT, INTERHOLCO CEO

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).

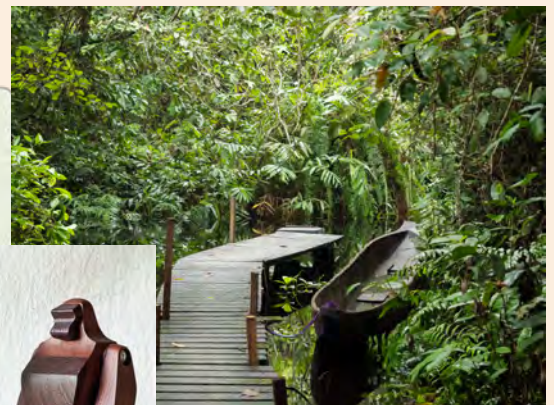
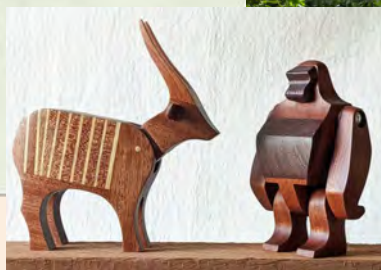
At the UN Climate Change "Conference of the Parties" in Glasgow (COP26), INTERHOLCO brought together government and private sector representatives of the Republic of Congo, showing how "Sustainable Hardwood Made in Africa" is best positioned to co-create solutions for people, planet, and climate (UN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

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.

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 ([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

INTERHOLCO'S TREE



IFO
Production
Republic of Congo



IHC Bahrain
Sales
Bahrain



LCC
Logistics
Cameroon



IHC Belgium
Stock, sales
Belgium



IHC
Headquarters, sales
Switzerland



COMPANY OVERVIEW

ORGANIZATIONAL PROFILE

GRI 102:
General disclosures
Core option

**102-1 Name of the
organization**

INTERHOLCO AG

**102-2 Activities,
brands, products,
and services**

Based in Baar (Canton of Zug, Switzerland), INTERHOLCO AG (INTERHOLCO) is a Swiss holding company founded in 1962 which works in the international timber trade by harvesting and processing hardwood products sourced from forests managed in an ecologically, socially and financially responsible manner.

**a. A description of
the organization's
activities**

INTERHOLCO is committed to sustainable forest management in Africa and consistently implements this approach. The tropical hardwood harvested by INTERHOLCO is certified according to the principles and criteria of the Forest Stewardship Council® (FSC® C022952). With an annual turnover in excess of EUR60 million (2021 data) and more than 1'300 workers (2021 data, including contractors), INTERHOLCO is one of the world's leading suppliers of sustainable hardwood and handles the entire supply chain, from harvesting wood in sustainably managed forests to industrial processing in Africa (Republic of the Congo) and delivery to more than 55 countries worldwide through its Cameroon-based subsidiary company, Logistique Congo Cameroun (LCC). Through its subsidiary company, Industrie Forestière de Ouesso (IFO), INTERHOLCO manages a 1.16 million hectare (11'600 km²) FSC-certified forest concession (Ngombe FMU, Brazzaville, Republic of the Congo). Products include logs, sawn timber, laminated timber scantlings as well as kiln-dried and planed goods in more than 20 wood species. INTERHOLCO is committed to sustainable wood harvesting in Africa because, as a naturally regenerating commodity, it improves the livelihoods of people in the local region, benefits the forest and protects the precious wildlife. INTERHOLCO thus makes an active contribution to protecting the climate. INTERHOLCO sees itself as a forest company that aims to protect forests and their unique biodiversity in the long term, generating value and thus creating job opportunities, which in turn drives regional development.

[IHC-Info-sheet](#)



b. Primary brands, products, and services, including an explanation of any products or services

Producing and selling logs, lumber and laminated scantlings, INTERHOLCO is one of the world's leading suppliers of « SUSTAINABLE HARDWOOD, MADE IN AFRICA », high quality timber products in a variety of species, predominantly from Africa. INTERHOLCO owns the product as well as the whole production process, from forest inventory and harvesting, primary and secondary processing, wholesale, all the way to distribution and certification.

Managing natural forests, i.e. a resource that is of crucial importance for the Congo as well as for our climate, biodiversity, health and life on this planet, INTERHOLCO takes into account the requirements of all the stakeholders concerned including, but not limited to, company shareholders. This marks a transition from a vision of "shareholder value" to that of "stakeholder value". The vision as conceived by INTERHOLCO is to make "SUSTAINABLE HARDWOOD, MADE IN AFRICA" no longer a simple product derived from forests, but a forest of solutions.

This translates into giving value to natural forests, promoting social equity and building the future with a renewable, recyclable, sustainable, traceable material which is carbon positive: "SUSTAINABLE HARDWOOD, MADE IN AFRICA", a material capable of improving living conditions and keeping the functions of natural ecosystems intact. In order to respond to the concerns of employees, local communities, Indigenous Peoples, trade associations, importers, B2B customers, journalists, international organizations and donors, independent auditors are required to regularly verify on the ground that the results of the procedures put in place are in line with safeguarding criteria. Based on ecologically, socially and economically responsible forest management, INTERHOLCO timber products are subject to the Control Union standard « Timber Legality Verification » (TLV) and/or certified in accordance with the principles and standards of FSC, the highest sustainability requirements currently available.

[IHC-Info-sheet](#)

102-3 Location of headquarters

Neuhofstrasse 25, 6340 Baar, Canton of Zug, Switzerland. Headquarters refers to an organization's administrative center, from which it is controlled or directed.

[IHC-Info-sheet](#)

102-4 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.

Since 1962: Baar, Switzerland/Canton of Zug: Interholco AG, holding company (headquarters, sales, trading). Since its founding in 1962, INTERHOLCO has combined advanced industrial processes with a commitment to people and nature. This involves protecting the forests where we work and the wildlife they harbour. Our global sales network, trading and administration/financial activities are managed by around 25 members of staff.

Since 1999: Ngombe/Ouessou, Republic of the Congo: Industrie Forestière de Ouesso (IFO), production of logs, sawn timber, laminated wood scantlings, planed goods, decking (a main sawmill, a lamination and planing mill, a heavy timber mill and large kiln facilities). In 1999, INTERHOLCO took over SCBO, a state-run company at the time, which had been founded in 1985. Today the entire value-creation chain is FSC-certified. IFO currently manages 1.16 million hectares (11'600 km²) sustainably, in the North of the Republic of the Congo. About 950 local workers (2021 data) carry out the following activities: forest management and wood harvesting, industrial processing at nearby facilities, running a hospital for employees and the local population, managing a library for the local population, running schools (including for Indigenous children), providing clean drinking water, supplying electricity, protecting animals against poaching and, logistics. More than 85% of the timber harvested is turned into sawn timber and premium products at a nearby facility. IFO's products made up about 84% of INTERHOLCO's total turnover in 2021.

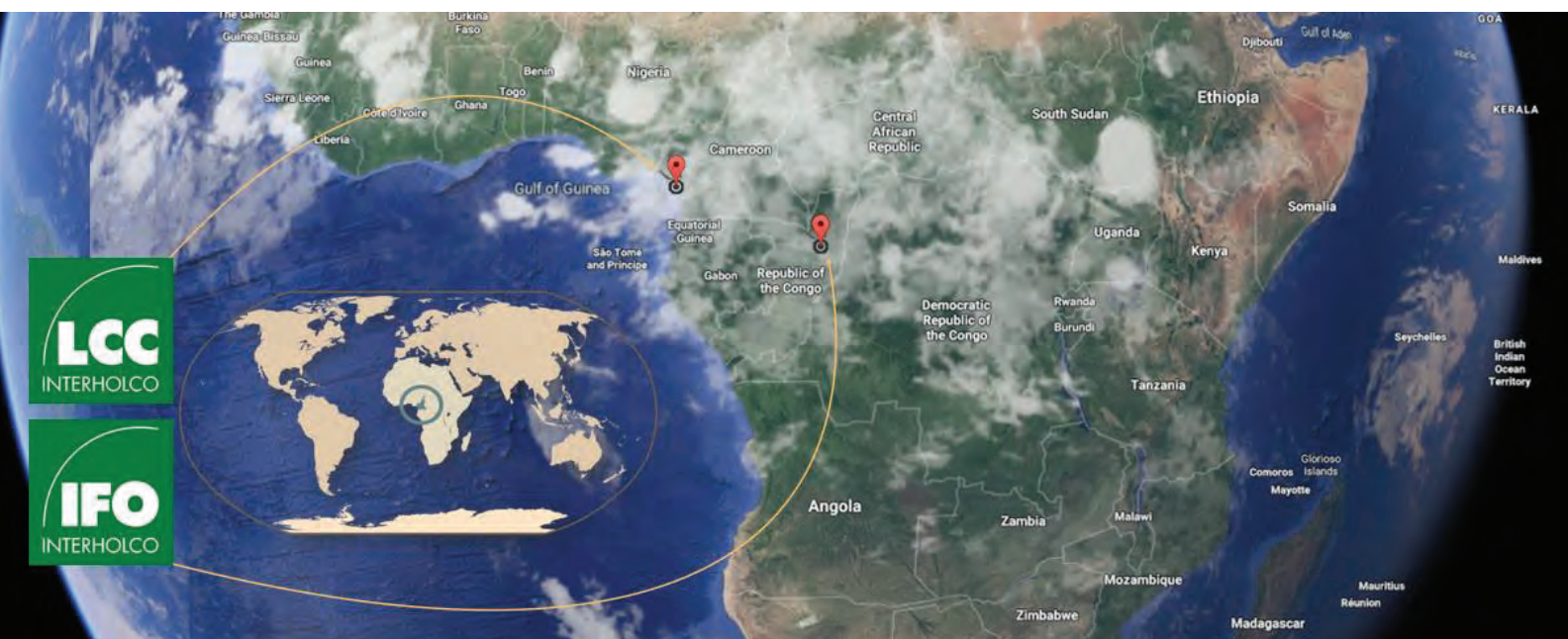
Since 2002: Douala, Cameroon: Logistique Congo Cameroun (LCC). Founded in 2002 by INTERHOLCO, LCC handles logistics for IFO and other INTERHOLCO suppliers in Central Africa, with approx. 15 employees (2021). Established relationships with international carriers make it possible to deliver high-quality hardwood to over 400 customers in more than 40 countries.

Since 2008: Erembodegem, Belgium: INTERHOLCO-Belgium (warehouse, sales). In 2008, INTERHOLCO took over a timber company in Belgium (COPLAC) and continued to operate it under the name of INTERHOLCO-Belgium. With 8 members of staff, this facility is used as storage and distribution centre of a wide selection of wood products

[IHC-Info-sheet](#)

traded in Europe. The majority of wood is sourced primarily from the USA, Europe and Africa. The facility also handles services such as consultancy, sales, procurement and wood processing.

Since 2014: Amwai Island, Bahrain: INTERHOLCO MIDDLE EAST. Managed by a single sales representative, this office, set up by INTERHOLCO in 2014, is a strategic gateway for customers in the Middle East, North Africa all the way to Central Asia.



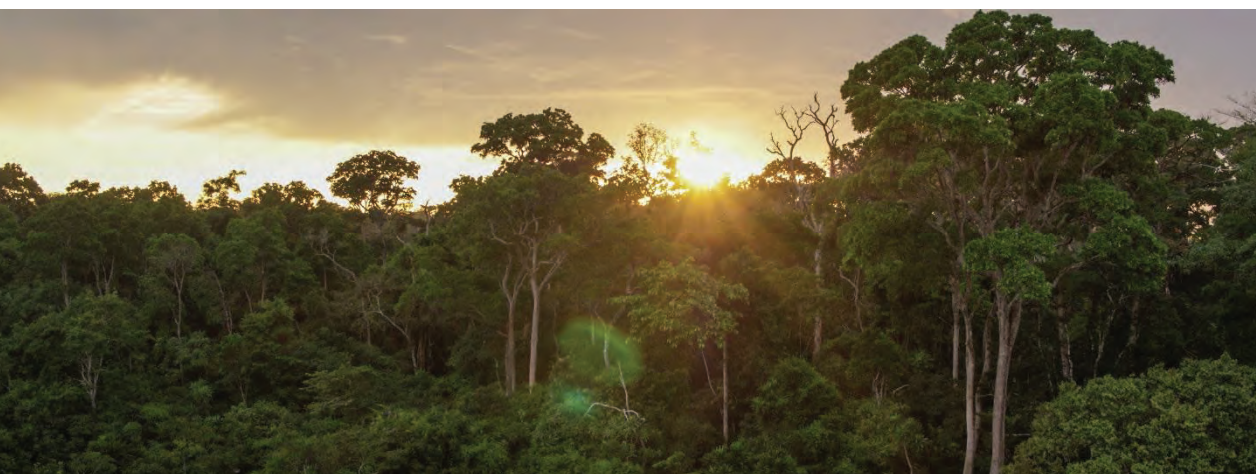
Depending on the country of harvest, INTERHOLCO's wood suppliers are based in the following countries: Cameroon, Côte d'Ivoire, Gabon, Ghana, Central African Republic (south-western zone), Democratic Republic of Congo (northwestern and central zone), Republic of Congo, Canada and the United States.

Timber from Europe represents a minority (<2% of the total volume); the traders from whom INTERHOLCO obtains its wood supplies are based in Austria, Belgium, France and Germany. The list of INTERHOLCO's most important suppliers as at May 2021 may be consulted here: https://interholco.com/images/pdfs/SupplierList-Interholco_202105.pdf. The map of the company's Ngombe concession, managed by IFO, is hosted on WRI Global Forest Watch, the Forest Atlas, and is also published in the company's Forest Management Plan summary.

[IHC-FAQ](#)

[IHC-Supplier-list](#)

[IHC-Management-Plan-Summary](#)



[fsc/audit-report](#)

globalforestwatch.org/republic-of-the-congo

In addition to three processing sawmills, large kiln facilities, a lamination and planing mill, INTERHOLCO manages an FSC-certified 1.1 million ha forest concession in the Republic of Congo (Brazzaville).

[IHC-Info-sheet](#)

	The sawmill site hosting the workshops where wood is processed and transformed is managed by Interholco's subsidiary IFO (Industrie Forestière de Ouesso) and is visible on Google maps: https://goo.gl/maps/ya2DbXPG7y7oovh8A	IHC-Info-sheet goo.gl/maps/IFO
102-5 Nature of ownership and legal form	Public limited company ('AG')	IHC-Info-sheet
102-6 Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	INTERHOLCO serves an international B2B clientele ranging from importers to industrial end-users in more than 40 countries across very different markets. Among the main target groups are importers, public procurers and end consumers. Whilst Asia remains a major player for timber from Africa, the United States and countries in the European Union, including public procurers in the UK, Germany, Denmark, France and the Netherlands, are key consumers that prefer timber that is managed responsibly, in other words in a climate-friendly way, respecting the rights of resident populations and excluding any possible degradation or deforestation.	IHC-Info-sheet IHC-ALLIANCE
102-7 Scale of the organization a. Scale of the organization, including: i. Total number of employees ii. Total number of operations iii. Net sales (for private sector organizations) or net revenues (for public sector organizations)	 1,354 including contractors. For comprehensive details, please see in conjunction with indicator 102-4 (above). Please see in our Facts & Figures, under 'Economic Landscape': https://interholco.com/images/pdfs/EN-INTERHOLCO-Facts-and-Figures-2021-2014.pdf	IHC-Facts-and-Figures-2014-2021 IHC-Facts-and-Figures-2014-2021 IHC-Facts-and-Figures-2014-2021
102-8 Information on employees and other workers	Please see in our Facts & Figures, under 'Economic Landscape': https://interholco.com/images/pdfs/EN-INTERHOLCO-Facts-and-Figures-2021-2014.pdf No women in the senior management team in 2021. Senior management team is defined as a group of higher level executives within a company (normally five to twenty people).	IHC-Facts-and-Figures-2014-2021
b. Total number of employees by employment contract (permanent and temporary), by region	960 employees in 2021 at IFO, IHC and LCC (excluding sub-contractors). All employees on continuing contracts, except 6 temporary contracts at IFO in year 2020. INTERHOLCO excludes gender related discrimination with regards to employment. INTERHOLCO supports women employees by giving equal training opportunities and providing mechanisms to report harassment. Indigenous women are included by the company's social team that ensures women are involved in local consultations, FPIC processes and benefit sharing.	IHC-Facts-and-Figures-2014-2021 IHC-FAQ IHC-Responsible-Forestry-and-Procurement-Policy

d. Description of the nature and scale of work performed by workers who are not employees	INTERHOLCO is committed to ILO core labour requirements (please see in conjunction with GRI indicator 102-41 for more details). As a general rule, INTERHOLCO also ensures that the suppliers with whom the company collaborates act in accordance with its commitments and values. When signing a contract, the supplier must confirm that they comply with INTERHOLCO's Responsible forestry and procurement policy. Subcontractors working on the IFO site are also instructed through training courses provided in local languages as to what measures must be taken. Before a contract is signed with INTERHOLCO, the supplier's premises are inspected in order to ensure that it has already implemented the same commitments as INTERHOLCO. With more than 50 years of experience in Africa, INTERHOLCO knows which suppliers must be excluded as a matter of principle. Suppliers are assessed by means of interviews and checks at the nearest FMU. INTERHOLCO's assessment tool is a compliance audit model certified by Control Union that meets the Due Diligence requirements of the EUTR. It aims to verify the compliance of suppliers with the same commitments and principles of INTERHOLCO on the ground. The criteria are derived from the Control Union TLV standard. During the period covered by this report, any major discrepancies with subcontractors or suppliers were remedied or the cooperation was discontinued.	IHC-Supplier-list IHC-Supplier-commitments IHC-ILO fsc/audit-report IHC-Responsible-Forestry-and-Procurement-Policy
a. Total number of employees by employment contract (permanent and temporary), by gender	960 employees in 2021 at IFO, IHC and LCC, 50 of whom women, mostly on continuing contracts.	IHC-Facts-and-Figures-2014-2021
c. Total number of employees by employment type (full-time and part-time), by gender	50 women out of 960 employees, i.e. 5.2% as of 2021. According to ILO's 'Global wage report 2020-2021: Wages and minimum wages in COVID time', the Republic of Congo has a minimum wage of 90,000 XAF per month. This figure, however, reflects the wage of public administration workers. The guaranteed interprofessional minimum wage (in French, SMIG i.e. salaire minimum interprofessionnel garanti) is set by decree. It is 50,400 XAF (77 EUR) per month since 24 December 2008. The starting (=minimum) salary for all Congo-based employees at IFO is 173 EUR/month, which is 210% higher than the average entry-level wage for workers of a private sector forestry company in the Republic of Congo (82 EUR/month, already higher than SMIG), as disclosed in our Facts & Figures. In 2021, LegalSource auditors verified that IFO wages were not only compliant with, but also exceeded, sector-specific regulations. INTERHOLCO is committed to paying all workers a living wage, including sub-contractors, in all countries of operations. Ratios of living wage and minimum wage (as paid by company) in each country are available on this link: https://interholco.com/images/pdfs/IHC-Sustainability-Rep-2022/INTERHOLCO-Commitment-to-Living-Wage.pdf	IHC-Facts-and-Figures-2014-2021 <i>available online on:</i> ilo.org/Global-wage-report-2021 economie.gouv.cg/Les_obligations_sociales_des_entreprises IHC-LegalSource IHC-Living-Wage

MADE
IN
AFRICA



e. Any significant variations in the numbers reported in Disclosures 102-8 - a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries)	No significant variations to report, unless otherwise specified.	
f. An explanation of how the data have been compiled , including any assumptions made	Please refer to the notes in the Appendices as well as notes in our Facts and Figures. In 2021, INTERHOLCO had some 20 timber suppliers and payments were made to suppliers in Cameroon and the Republic of Congo. For the exact location of suppliers, please refer to GRI indicator 102-4 (above). In 2021, 93% of the wood purchased by INTERHOLCO was verified as legal by a third party. In terms of responsible management, 88% of the wood sold by IHC was FSC certified. The remaining 6% of non-certified wood was subject to field verification by internal auditors. The last 1% came from low-risk countries and/or EU countries (Germany, Austria, Belgium and France) already subject to due diligence.	IHC-Facts-and-Figures-2014-2021 IHC-Responsible-Forestry-and-Procurement-Policy IHC-FAQ
102-9 A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	In high-risk areas, INTERHOLCO only buys wood produced directly by the supplier or that can be traced back to the forest of origin, through traceability certification or field audits. All the wood that is processed in the sawmills of INTERHOLCO's subsidiary IFO (Industrie Forestière de Ouesso) in the Republic of Congo, comes from the forest managed by IFO. In order to meet customer demand, INTERHOLCO is able to source wood from suppliers, which is not, however, processed either by IFO or at IFO. Suppliers commit to respecting the same commitments and principles observed by INTERHOLCO (included in the contract between INTERHOLCO and suppliers), as well as INTERHOLCO's Code of Conduct, including with respect to deforestation. In order to minimise any risk related to deforestation, degradation of watercourses or peatlands, the data available on the Global Forest Watch (GFW) and Open Timber Portal, based on satellite images of the forests of origin, complements the findings recorded during the audits. This monitoring is done on an annual basis for third-party suppliers; for the Ngombe forest, managed by INTERHOLCO's subsidiary IFO, a permanent subscription to the GFW alert tool allows for continuous monitoring.	IHC-TLV IHC-Facts-and-Figures-2014-2021 IHC-Trust
102-10 Significant changes to the organization and its supply chain	As of January 2021, 30% of INTERHOLCO shares were sold to FORSET Group. As of August 2021, INTERHOLCO's Swiss headquarters moved to a new address in Baar, namely, Neuuhofstrasse 25, 6340 Baar.	

102-11 Precautionary Principle or approach

INTERHOLCO ensures integrity of the forest by adopting and implementing the 'Precautionary Principle' - i.e. the forest is managed and timber is harvested only selectively, where the ecological and social impacts can be anticipated and monitored and forest management activities cause only temporary, reversible impacts, but no medium or long term or irreversible changes to the natural capital, i.e. the forest ecosystem.

The entire forest area managed by INTERHOLCO in the Republic of the Congo comprises approximately 1.16 million hectares (11'600 km²). Forest protection and management is carried out according to a detailed inventory. Our forest inventory includes biodiversity and livelihood and lifestyles of the local population and Indigenous Peoples inhabiting the forest. The full inventory sets the basis for our management plan. The plan is developed at the beginning of the concession period and the details are integrated with many subsequent adjustments. Employees belonging to the Indigenous Peoples are also involved in this process.

The entire forest area was mapped at the beginning of the concession period. The forest survey recorded not only the various forest ecosystems, habitats in particular need of protection, number of different tree species, timber volume and composition of the forest, but also what the local population and Indigenous Peoples living in and from the forest require for their livelihood. Combined with satellite and aerial photographs, the result was a mapped inventory of the entire forest area for which INTERHOLCO has a concession. This mapped inventory sets the basis for the identification of ecologically and socially important and sensitive areas which were identified and set aside from harvesting. 27% of the forest area (310'000 hectares) was thus selected for conservation and protection (sensitive forest types and areas of particular significance to the local population and Indigenous Peoples and their way of life). Acting as efficient carbon sinks, all peatlands (280,000 ha) are under protection and therefore untouched by harvesting. In addition, 4% of the forest area (roughly 50'000 hectares) was set aside for community development. Subsequently, it was planned to harvest the remaining forest area. For INTERHOLCO, it was crucial to employ a precautionary approach to managing the forest, with no exceptions. As part of its commitment to the Precautionary Principle (see above), INTERHOLCO and the Republic of Congo have increased the minimum diameter for trees scheduled for harvesting in the forest management plan (thus largely improving regeneration potentials) and set a maximum diameter, so that the biggest and oldest trees remain in the forest for their ecological and patrimonial value. With a team of over 35 members of the eco-guard unit (2021 data) working together with external experts and international organisations as well as the neighbouring Odzala Kokua National Park, poaching is prevented as much as possible, and, endangered animals are protected. Studies carried out by conservation NGO Wildlife Conservation Society (WCS), published by Science Advances and the International Union for Conservation of Nature (IUCN) in 2018 and 2016, respectively, confirmed that gorillas and forest elephants in particular are well protected in the forests managed by INTERHOLCO. The studies also showed that the number and distribution of the animals remained stable beyond the observation period. This is an important indication that animal protection is working effectively. Forest elephants are by nature on the move, wandering between our forest concession, the forest at large and the neighbouring Odzala Kokua National Park, easily covering up to 80 and 100 kilometres. The last step in this detailed planning of forest management activities is the mapping and marking of temporary forest roads, skid trails, as well as landing, storage and loading sites. There are public roads throughout the forest concession, which were built by the State decades ago and which are still maintained. Checkpoints on every road or forest track check vehicles, day and night. Poaching is closely monitored in cooperation with the local authorities. More than 35 members of the eco-guard unit (2021 data) monitor the forest area in order to prevent poaching. All of the roads are patrolled by eco-guards who are financed by INTERHOLCO and assigned by the local authorities. Unauthorised access to the forest, illegal settlement, poaching and illegal logging can thus be monitored and prevented. INTERHOLCO finances the work of the eco-guards with the proceeds from timber harvesting. The eco-guards are meant to

[IHC-Management-Plan-Summary](#)

[IHC-FAQ](#)

[Researchgate/Gorilla-article](#)

[IHC-Linking-the-Environmental-and-Social-Landscape](#)

[Science.org/Gorilla-article](#)

protect the animals in the forest. Because they are armed, they are subject to the local administration's authority. The eco-guards are instructed to prevent poaching and bushmeat trade, that is, hunting wildlife not for one's own supply. These rules are consistently and successfully implemented, even though some may not meet the full approval of the local people. Protected species may not be hunted. Checks are regularly performed along the roads and forest tracks and access to the forest concession is closely monitored.

The state's law enforcing eco-guards control the Ngombe forest protecting it from poaching and illegal tree harvesting.



102-12 External initiatives

In 2021, INTERHOLCO joined a whole new venture aimed at reconciling biodiversity conservation and local socioeconomic development in the Northern Congo forest basin. Through dialogue and partnerships, local people and village communities are going to be increasingly involved in forest management, through the Northern Congo Forest Landscape Project financed by French development agency AFD:

<https://www.afd.fr/en/actualites/northern-congo-protecting-forests-help-local-residents>

Also in 2021, a similar approach with a distinct focus on biodiversity protection was kicked off by INTERHOLCO together with WWF, within the framework of the Forests Forward project, covering the North of the Republic of Congo:

<https://explorer.land/p/project/ifo/>

Early in 2021, INTERHOLCO supplied FSC-certified wood to one of the winners of Dezeen and UK Timber Federation's contest 'Conversations on Climate Change', to inspire consumers to make climate conscious choices via responsibly sourced wood:

https://www.buildingcentre.co.uk/whats_on/conversations-about-climate-change-the-virtual-exhibition

At the United Nations Conference on climate COP26, held in November 2021, INTERHOLCO brought together the Republic of Congo and private sector, showing an audience exceeding 200 participants how Sustainable Hardwood Made in Africa is best positioned to co-create solutions for people, planet and climate:

<https://www.forstpraxis.de/cop26-erhaltung-der-waelder-zentralafrikas/>

For a list of externally-developed economic, environmental and social charters, principles, or other initiatives to which INTERHOLCO subscribes, or which it endorses, please check the IHC web site on the Initiatives page:

<https://www.interholco.com/en/about-us/initiatives>

as well as They say about us page:

<https://www.interholco.com/en/media-news/they-say-about-us>

interholco.com/initiatives

afd.fr/northern-congo

forestsforward.panda.org/

fao.org/news-details/

[IHC-COP26-press-release](https://ihc-cop26-press-release)

interholco.com/they-say-about-us

102-13
Membership of
associations

INTERHOLCO is member of multiple industry schemes such as FSC, STTC, ATIBT or other external initiatives, such as CBFP, to reduce negative environmental or social outcomes associated with timber and pulp production.

[FSC membership page](#)

[European STTC/](#)

[Members/College- CBFP](#)

[ATIBT membership-
Interholco](#)

[interholco.com
initiatives](#)



The mark of
responsible forestry
FSC® C022952

STRATEGY

102-14 **Statement
of the CEO**

Please find INTERHOLCO's CEO statement on p. 5 of this report.

[IHC-EDITO-60-years](#)



The sustainability dimension of our work is populated with a broad range of actors, with whom we engage, partner and exchange.

VALUES DRIVE VALUE

For Interholco, 'values drive value'.

We turn our values into **economic**, **social** and **environmental** value.

As individuals and together, we believe in our values. As a private business, we turn our commitment to values into **economic**, **social** and **environmental** value.

Our commitment makes us turn the challenges of our times into solutions and opportunities.

That dedication is our licence to turn values into value, making lasting *change* through *progress* and *growth*.



Values at Interholco

Sustainability

Our commitment to Sustainability inspires and drives us to holistically and equitably integrate the **social**, **environmental** and **economic** dimensions into our business.

Growth

We leverage economic growth to give tangible value to the forest, so that high-value forest areas are protected and conserved in the long-run for generations to come.

Traceability

We are proud to know where our products and services come from. We guarantee traceability of all our products and services. The high standards we apply reflect our commitment to demanding markets and to earning trust in our brand.

Together

We enjoy acting together with our employees, our suppliers, architects and public officials as well as customers, to run a **socially**, **environmentally** and **economically** sustainable business.

Transparency

We are transparent, and share what we do with our constituents, by putting a face to what we say and by matching our words with what we do.

Openness

We are open to and appreciate ideas, advice, inputs and criticism to improve internally and externally, in every aspect. Controversy, lively debate and active exchange inspire us, drive us forward and motivate us to act.

Responsible industrial model

We drive a responsible industrial model, by adding value to the Congo Basin's natural forest. We process wood into high performance, quality products, so they **provide a solution to our customer needs** at the same time securing **social benefits** and **environmental safeguards**.

Leadership

We are committed to best practice and leadership. We strive to set an example for **environmental safeguards**, **social benefits**, and **economic viability and innovation** through the way we engage with our teams and their communities, the way we collaborate with partners and stakeholders, and through innovative high-quality products, and tailor-made customer service and value creation.

Trust

We work towards a culture of trust, within our teams and with our business-partners and customers.

Respect

We share the respect for each other, for our workers, their families and the communities they live in: for the people living in and around the forests we manage; for Free Prior and Informed Consent (FPIC) and the inclusion of Indigenous Peoples; for the industry we work with and for our customers and business partners, as well as for the forest and its biological diversity, and the environment at large.

Quality

We have quality at the heart of all we do. From the products we supply, the documents we deliver, the human interactions within our teams and their communities, to our professionalism with customers and reliability with business partners.

Growth



Sustainability

Our commitment to Sustainability inspires and drives us to holistically and equitably integrate the **social** **environmental** and **economic** dimensions into our business.

Transparency



Traceability



Together



Openness



**Responsible
industrial model**



Leadership



Trust



Respect



Quality



STRATEGY

102-15 Key impacts, risks, and opportunities

For an overview of key impacts and future outlook, please refer to the Statement of the CEO (p. 5 to p. 8) in this report.

For this specific indicator, you may also refer to our Sustainability Report 2020. Please see, in particular, the following chapter 'From Shareholder value to Stakeholder value' (p. 20 to p. 37). Neither our process or risks and opportunities have changed, since.

IHC-ALLIANCE

ETHICS AND INTEGRITY

102-16 Values, principles, standards, and norms of behavior

For Interholco, 'values drive value'. We turn our values and commitments into economic, social and environmental value (as individuals, together and as a private business). Our commitment makes us turn the challenges of our times into solutions and opportunities. That dedication is our licence to turn values into value, making lasting change through progress and growth. For the full list of our values, please see our web site:

<https://interholco.com/en/about-us/values>

Respect of rule of law and regulation, compliance with legality and trade standards are key. Good governance not only helps maintain trust in our company, team and products, but it also reduces risk to our business and customers. Our Code of Conduct is a living document, open to suggestions and taking into account the different contexts in which we operate.

INTERHOLCO found the UN Global Compact's 10 Commitments to be concise guiding principles to frame our Code of Conduct.

INTERHOLCO's Code of Conduct has been approved at the Executive Board and Board of Directors levels (since 2015: Group Advisory Board and Supervisory Board, respectively). The Code of Conduct is a dynamic document that is reviewed to include constructive suggestions collected from all employees and stakeholders. The Code of Conduct is divided into 4 sections, all of equal importance: 1. Responsible Procurement; 2. Rights of People; 3. Corporate Governance; and, 4. Environment, Health and Safety. The Code of Conduct (available in English and French on Interholco's web site) is to be signed by all new employees. Regular trainings are given, including in one or more of the local languages spoken in the Republic of Congo.

INTERHOLCO reports its own commitment to Fundamental ILO Conventions or Free and Fair Labour Principles as part of its

Responsible forest management and procurement policy available on its web site. Also, INTERHOLCO applies it to all its suppliers.

INTERHOLCO has developed detailed procedures, taking into account the ILO guidelines on health and safety in forestry work. INTERHOLCO has consequently introduced an integrated HSE management system inspired by internationally recognised standards, such as ISO 9001 for quality, OHSAS 18001 (equivalent to ISO 45001) for health and safety and ISO 14001 for environmental management.

Good governance procedures include respect of our anti-corruption and bribery policy as well as strict follow-up of our tax payments to government, reviewed by Interholco's Management. Its standards align with the Business Coalition for Good Governance (BCGG) and the Guidelines for multinational enterprises developed by the Organisation for Economic Co-operation and Development (OECD). For more details on anti-corruption and bribery as implemented by INTERHOLCO, please see in conjunction with GRI indicator 205-2 (below).

Payments to government covering all operations are available on the Facts and Figures page, under Figures and Financials / Economic Landscape and, for IFO in particular, specific information on forest tax payments is provided on the Regulatory Landscape page and on the Open Timber Portal. Since 2016, INTERHOLCO has been participating in the reports compiled by the Extractive Industries Transparency Initiative (EITI) in the Republic of the Congo. Within the scope of the report, an external and independent firm records and analyses all substantial payments made to the government by companies in the oil, forestry and mining sectors. The report also publishes the revenues from these companies declared by the state and identifies any discrepancies.

Respect for our ethics and Code of Conduct also means that employees

interholco.com/values

interholco.com/governance

interholco.com/regulatory-landscape

[IHC-Facts-and-Figures-2014-2021](#)

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

[IHC-Anti-Bribery](#)

are encouraged to give feedback and report any deviations via our Grievance mechanism. We expect not only our personnel but also our suppliers to uphold our standards, through our Responsible Procurement policy. Interholco's process to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements is described in more detail in conjunction with GRI 102-8. The trust in our brand allows us to contribute to the United Nations Sustainable Development Goals (SDG). For a description of Interholco's contribution, please see p. 116 of 'An alliance culture to safeguard Africa's forests', Interholco's Sustainability Report 2020: <https://interholco.com/images/pdfs/lr-INTERHOLCO-Rapport-de-durabilite2020.pdf>

IHC-ALLIANCE



Geivie N'guimbi (wearing the uniform of the IEO SocialTeam), showing forest inhabitants how to use GIS technology for forest mapping.

102-17
**Mechanisms for
advice and
concerns about
ethics**

As an equal opportunity employer, INTERHOLCO's Senior Management is committed to ensuring the necessary flexibility to enable employees to access jobs, retain them and develop within the company, regardless of their social or ethnic origin, gender, place of birth, religious belief, disability, etc.

For instance, the design, supervision and implementation of training, monitoring and control activities within the company is assigned to employees and/or consultants, men and women alike, both in Africa and Europe, in a manner consistent with the company's equal opportunity policy.

INTERHOLCO is committed to ensuring that employees, suppliers, clients and other stakeholders can easily report practices or actions believed to be inappropriate or illegal. In order to ensure that complaints are handled properly and resolved promptly while always meeting our employees and stakeholders interests, INTERHOLCO has set up a grievance mechanism. A grievance or complaint means any expression of dissatisfaction raised by any employee or stakeholder of Interholco.

[interholco.com/
governance](https://interholco.com/governance)

IHC-FSC-Monitoring

[IHC-Facts-and-Figures-
2014-2021](#)

<https://bit.ly/IHC-FAQ>

Effective complaint handling offers practical benefits to us in order to improve the quality of our operations. This is covered in more detail in conjunction with GRI 102-16 as well as on the Grievance Mechanism tab of the Governance page (Interholco's web site):
<https://interholco.com/en/about-us/governance>
 INTERHOLCO disclosed the details of complaints and grievances in its FSC monitoring report of Ngombe's forest concession:
https://interholco.com/images/pdfs/IFO_81-v1_UFA-Ngombe-Monitoring-2019_20-May-2021.pdf
 Other figures are available on the Facts and Figures web page, under 'Social landscape'.

interholco.com/governance

[IHC-FSC-Monitoring](#)

[IHC-Facts-and-Figures-2014-2021](#)

GOVERNANCE

102-18

Governance structure

a. Governance structure of the organization, including committees of the highest

The adoption and maintenance of high ethical standards is a core value and INTERHOLCO is strongly committed to preventing criminal or unethical behaviour. For more details, please see under GRI 102-16 (above).

interholco.com/governance

interholco.com/values

b. Committees responsible for decision-making on economic, environmental, and social topics.

The committee responsible for decision-making on economic, environmental, and social topics across all companies related to INTERHOLCO is the INTERHOLCO Management with advice from INTERHOLCO Head of Sustainability and its Board of Directors.

[IHC-Anti-Bribery](#)

interholco.com/governance

interholco.com/team

STAKEHOLDER ENGAGEMENT

102-40 List of stakeholder groups

INTERHOLCO's stakeholder groups include internal stakeholders, such as employees and their families and communities, and external stakeholders: B2B customers and suppliers, trade unions, civil society and the local population, private sector actors, States and political authorities, the financial sector, scientists, the press, shareholders, industry associations, trade federations, donors, international organizations, NGOs and finally, the end consumer who makes the decision to purchase sustainable and certified TIMBER materials. See the full list on p. 19 to p. 37 of 'An Alliance culture to safeguard Africa's forests', INTERHOLCO's Sustainability Report 2020:
<https://interholco.com/images/pdfs/lr-INTERHOLCO-Rapport-de-durabilite2020.pdf>
 as well as on the Initiatives page of INTERHOLCO's web site:
<https://interholco.com/en/about-us/initiatives>

[IHC-ALLIANCE](#)

interholco.com/initiatives

102-41 Collective bargaining agreements

Through the new FSC Chain of Custody standard and the FSC policy of association (FSC-STD-40-004_V3-1; FSC-POL-01-004) as well as the PEFC Chain of Custody Standard (PEFC ST 2002:2013), INTERHOLCO is committed to respect the Fundamental ILO Conventions or Free and Fair Labour Principles. This commitment entails respect of all workers' rights and extends to sub-contractors. INTERHOLCO's commitment to respect all workers' rights is externally verified via regular on-site audits. Valid legal documents on labour regulations are available on Open Timber Portal. In 2021, INTERHOLCO provided IFO staff representatives with a copy of all labour regulations in the Republic of Congo, to enable all workers to access labour policies.

opentimberportal.org/ifo

[IHC-ILO](#)



Despite the disruptive effects of COVID-19 on the global economy and the unforeseen investment mobilised by INTERHOLCO as part of its prevention and mitigation strategy in the Republic of Congo, in 2021, 100% of IFO employees were paid above not only the local minimum wage established by law, but also above the living wage. More details are disclosed in conjunction with GRI indicator 102-8, above. In Belgium and Switzerland, a few INTERHOLCO employees, mainly in administrative roles, benefitted from the short-time work programme put in place by the Swiss Confederation and/or Belgium during the general lockdown imposed in 2020.

[IHC-Facts-and-Figures-2014-2021](#)

[ilo.org/Global-wage-report-2021](https://www.ilo.org/Global-wage-report-2021)

102-42 Identifying and selecting stakeholders

INTERHOLCO is a transparent organisation working together with all stakeholders in the countries where it operates, as well as international stakeholders. This includes the government of the countries where it operates, local, regional and international scientists and universities, environmental groups, human rights organisations, social institutions, other companies, journalists and the media and a large number of interested experts (*for the full list of stakeholder groups please see in conjunction with GRI 102-40*).

Transparency, close partners and even critical stakeholders help INTERHOLCO to keep improving.

Working in the Congo Basin means, first and foremost, working with local actors. It involves embracing the diversity in needs, expectations and priorities as well as local conditions. To find, develop and implement solutions, we need to look at the wider landscape and, we need to connect all people involved. Effectively we are not working only within a bio-geographic and environmental landscape, with its intricate biodiversity linkages, but in a social landscape with all its complexities and an economic landscape with its interactive linkages to local, regional and global markets.

On 25 September 2015, the United Nations adopted a set of 17 Sustainable Development Goals.

The Sustainable Development Goals are truly global goals, addressing the North and the South, involving all sectors of industry and business, and calling on all groups of societies from Indigenous Peoples and local communities to international organizations and NGOs.

Obviously, the solutions to the challenges tropical forests are facing cannot be found within the forestry sector alone.

Our team as well as customers and stakeholders help us understand

[IHC-FAQ](#)

[IHC-ALLIANCE](#)

[IHC-Sustainability-Report-2017](#)

issues beyond our business and inspire our management approach to respond to the development of policies, norms, standards, international agreements and anything else that converges in a regulatory landscape, towards landscapes in which people enjoy social well-being, environmental resources are safeguarded and economic business is viable and sustainable.



INTERHOLCO CEO Ulrich Grauert (far right), after his key-note speech at UN COP26 in Glasgow.

102-43 Approach to stakeholder engagement

INTERHOLCO goes through a genuine process of reflection and checks the effectiveness of its internal procedures, determining priorities at a strategy level in order to respond to the most urgent issues, identified or raised by internal and external stakeholders with whom INTERHOLCO is in contact in its daily operations. All of this work is carried out as part of an ALLIANCE with internal and external stakeholders. This ALLIANCE allows INTERHOLCO to be involved in multi-stakeholder partnerships to mobilise and share knowledge, expertise, technology and financial resources. This sharing of know-how thus enriches INTERHOLCO's method of operation, turning challenges into opportunities and paving the way for new solutions at local, regional and international levels. As far as employees in Cameroon (LCC) and the Republic of the Congo (IFO) are concerned, regular exchange takes place between department heads and teams, as well as between staff representatives / trade unions (in IFO), the IFO social team and management. Questions also arise during staff training courses, allowing the effectiveness of the procedures to be verified "on the ground". In this way, any solutions and adjustments that must be made can be adapted to the reality on the ground. Special mention should be made of the grievance mechanism, which enables all employees, as well as external stakeholders like local communities and Indigenous Peoples, to bring to the attention of the management, in a secure and/or anonymous manner and at any time, any actual or potential problem that must be resolved in terms of compliance with state laws or the Code of Conduct.

In order to take into account the expectations and concerns of the more than 16,000 inhabitants (comprising local population and Indigenous Peoples), in particular, in villages directly affected by the annual harvesting activities, IFO has adopted the concept of 'Free, Prior and Informed Consent (FPIC)' as defined by the United Nations Permanent Forum on Indigenous Issues, as adopted by the International Labor Organization (ILO) and as operationalised by FSC. FPIC was developed by the international community to protect the cultural integrity, livelihoods and rights, including customary and traditional rights of Indigenous Peoples and Local Communities, including the right to self-determination of Indigenous Peoples. The interactions that IFO's social team carries out with the local communities and Indigenous Peoples as

[fsc/audit-report](#)

[IHC-Linking-the-Environmental-and-Social-Landscape](#)

[IHC-COP26-press-release](#)

part of the FPIC procedure are described in detail in IFO's audit report from 2021. Accordingly, IFO is able to "maintain a relationship of trust, regular and long-standing with all the neighboring communities. IFO regularly makes presentations on several topics in the villages.

IFO clearly presents the impacts of its operations to the locals, and through a participatory mapping exercise, identifies the elements to be protected in the community's land. Topics covered also include the process of FSC certification, what is free and prior informed consent (FPIC) and the right of Indigenous Peoples to refuse to consent. IFO specifies that a refusal is not the end of the process but an opportunity to continue negotiating." Throughout 2020 and 2021, INTERHOLCO's sales teams were in constant rapport with B2B customers, participating in events and key market fairs abroad, where COVID-19 restrictions allowed and providing events were not cancelled, as was nevertheless the case for Dubai Wood Show and Carrefour International du Bois. The former, though, took a hybrid format in 2021, at least allowing for some exchange. Online formats remained, by far, the preferred way of holding international events, fora and conferences throughout 2021.

IHC-Carrefour2022



Teams and Zoom became the most attended venues, worldwide, including for technical (UN Global Compact) and marketing focus groups (FSC, ATIBT) as well as industry think tanks (with ATIBT), regularly attended by INTERHOLCO representatives. One advantage of the 'hybrid' format of meetings was the ability to liaise with many more

stakeholders in a much more effective way: time-, cost- and emission-wise. In 2021, life cycle and environmental analyses (LCEA) targeting INTERHOLCO's products in the framework of the THEMIS and DRYADES project led by ATIBT responded to the need to satisfy specific demands and expectations of end consumers and relevant authorities on the European Union market. The LCEA will be audited and finalised in 2022. Towards the end of 2021, the United Nations Conference of the Parties on climate also known as COP26 provided INTERHOLCO's CEO, Head of Sustainability and investors the chance to have a meeting of minds with more than 200 participants, physically, in Glasgow (UK), as well as, online. Stakeholders spanned government representatives, civil society and NGOs, international organizations, architects, donors, all the way to students.

**102-44 Key topics
and concerns
raised, including:**

**i. how the
organization has
responded to
those key topics
and concerns,
including through
its reporting;**

This report details the way in which INTERHOLCO responded to key topics and concerns throughout 2021. For a short overview of the salient impacts and future outlook, please refer to the Editorial.

INTERHOLCO's modus operandi is structured around an environmental landscape, a social landscape, an economic landscape and a regulatory landscape. In 2021, the Swedish Hållbar Foundation awarded INTERHOLCO's Sustainability Report 2020, 'An alliance culture to safeguard Africa's forests', 'Best in the world' in the forest management category and 'second best' amongst all sustainability reports published in Switzerland.

The annual FSC Forest Management and Chain of Custody (CoC) audits and the PEFC CoC audit were successful, confirming the correct implementation of their respective standards.

Also usefully insightful as it covers the full ESG spectrum, is SPOTT's 2021 transparency assessment of ESG performance of 100 timber and pulp and paper companies active in the tropics, including INTERHOLCO. In 2021, our company scored first in the world for the fifth time in a row. The SPOTT 2021 assessment is uniquely articulated around 176 indicators against 10 major categories, covering the main topics that are material to INTERHOLCO. It is solely based on publicly available sources that must be available online at the time of reporting. For each indicator, SPOTT specifies assessment criteria and boundaries. With analytical finesse, SPOTT addresses INTERHOLCO's disclosures regarding:

- Organisation: operations, assets and management structure;
- Policy: policies, commitments and processes to guide operations and practices on the ground;
- Practice: activities undertaken to actively progress towards targets, and implement policies and commitments on the ground.

SPOTT also distinguishes disclosures that are externally verified from those that are self-reported. The SPOTT assessment is led by British conservation NGO Zoological Society of London (ZSL) with UK and Norwegian funding.

Since 2016, INTERHOLCO has been participating in the reports compiled by the Extractive Industries Transparency Initiative (EITI) in the Republic of the Congo to demonstrate transparency, specifically in IFO's management of the tax and legal framework. Within the scope of the EITI report, an external and independent firm records and analyses all substantial payments made to the government by companies in the oil, forestry and mining sectors. The report also publishes the revenues from these companies declared by the state and identifies any discrepancies.

Finally, a press review of INTERHOLCO's ability to respond to a variety of key topics which matter to both INTERHOLCO and stakeholders spanning end consumers, B2B customers, NGOs, governments, local communities and Indigenous Peoples, investors, shareholders, industry associations, donors and international organizations, is available on this link: <https://interholco.com/en/media-news/they-say-about-us>

[IHC-Best-in-the-World](#)

[IHC-ALLIANCE](#)

spott.org/timber-pulp/interholco/

[fsc/audit-report](#)

eiti.org/Congo-report-2019

interholco.com/they-say-about-us

See the full list on p. 19 to p. 37 of 'An Alliance culture to safeguard Africa's forests', INTERHOLCO's Sustainability Report 2020:

IHC-ALLIANCE

ii. the stakeholder groups that raised each of the key topics and concerns.

Details of select partnerships with key stakeholders are available on the Initiatives page of INTERHOLCO's web site:

<https://interholco.com/en/about-us/initiatives>

The report content draws upon the outcomes of stakeholder engagement processes used by INTERHOLCO in its ongoing activities across social, environmental and economic landscapes, and as required by the legal and institutional framework, i.e. the regulatory landscape, in which it operates. When it comes to defining material topics, INTERHOLCO has taken into account the expectations and concerns expressed by:

1. Stakeholders specifically invested in the organization, such as employees and shareholders.
2. Stakeholders such as workers who are not employees, suppliers, local communities, vulnerable groups, and civil society.
3. Peers and competitors.
4. Others.

'Others' include:

- Laws, regulations, international agreements (including, but not limited to, the Forestry Code of the Republic of Congo; compliance with the forestry laws of the Republic of Congo, based on the indicators developed by the EITI; the European Union Timber Regulation; the Fundamental ILO Conventions; the Convention on Biological diversity; the Paris Accord), or voluntary agreements (such as, the United Nations Sustainable Development Goals; the 10 Principles of the United Nations Global Compact; the voluntary guidelines "Making forest concessions in the tropics work to achieve the 2030 Agenda" jointly drawn up by the EFI and the FAO; FSC certification; PEFC Chain of Custody) of strategic significance to INTERHOLCO.

- People with recognized expertise, or expert bodies with recognized credentials, who publish sound investigation (NGOs and press, including critical voices) and reports (such as ATIBT, ITTO, STTC, UNDP, UNECA, UNEP, UNICEF, WHO, WRI). The former also includes SPOTT's technical advisory groups (i.e. independent advisors, environmental auditors, financial groups, investors, banks).

interholco.com/initiatives

REPORTING PRACTICE

102-45 Entities included in the consolidated financial statements

This report contains data for wholly owned enterprises and subsidiaries: IFO, IHC (including IHC Belgium and IHC Middle East) and LCC. The report excludes suppliers of goods and services, unless otherwise specified.

102-46 Defining report content and topic Boundaries

The ALLIANCE culture and the measurement of value created over time have enabled INTERHOLCO to implement solutions to improve its operations and efficiency. These solutions were identified on the basis of the questions, needs, challenges and aspirations (i.e. the material topics) that INTERHOLCO collected from stakeholders between 2019 and 2021, across the wide sustainability context in which INTERHOLCO operates, namely, an environmental landscape, a social landscape, an economic landscape and a regulatory landscape.

For a comprehensive list of the topics addressed by INTERHOLCO in 2021, please refer to SPOTT's 2021 ESG transparency assessment of INTERHOLCO, as described in conjunction with GRI 102-44 (above), as well as the CEO message (Editorial, p.5 to p. 8). Those include:

- INTERHOLCO's strategy and the concerns expressed directly by stakeholders.
- Broader societal expectations, linked to INTERHOLCO's ability to influence *upstream* entities, such as suppliers, or *downstream* entities, such as B2B customers.
- The expectations expressed in national, regional and international standards and agreements with which INTERHOLCO is expected to comply (legal requirements) or to which INTERHOLCO commits on a voluntary basis (voluntary certification and exercises).

bit.ly/IHC-ALLIANCE

spott.org/timber-pulp/interholco

	INTERHOLCO has in fact transformed the experience of stakeholders into a genuine management tool, capable of delivering solutions. The criteria used to identify solutions were relevance, availability of quantifiable data across social, environmental and economic landscapes and applicability to SFM and/or to the development of policies, norms, standards, international agreements and anything else that converges in a regulatory landscape. In order to identify boundaries, i.e. to which extent INTERHOLCO causes impacts and where impacts occur in the wide sustainability context in which INTERHOLCO operates, and for the sake of completeness, decisions were informed by data drawn from reports, studies, survey and statistics by reputable, credible sources, such as United Nations agencies, most of which are available online. This overview is supplemented by an outline of the UN's Sustainable Development Goals (SDGs), to which the solutions chosen by INTERHOLCO make a tangible contribution. The list of material topics has not undergone any substantial changes since INTERHOLCO's previous Sustainability Report 2020; please refer to chapter 'From shareholder value to stakeholder value' on p. 20 to p. 37:	IHC-ALLIANCE
102-47 List of material topics	The list of topics that INTERHOLCO has identified as material may also be found in SPOTT's ESG transparency assessment 2021 targeting the timber and pulp and paper sector. This is described in more detail in conjunction with GRI 102-44 (above). SPOTT currently assesses 100 timber companies active in the tropics, including INTERHOLCO, against more than 170 indicators across 10 categories: https://www.spott.org/timber-pulp/interholco/	spott.org/timber-pulp/interholco/
102-48 Restatements of information	INTERHOLCO has appointed Mr. Tom van Loon as Head of Sustainability. Where information has been revised, this is indicated in the notes to the Appendices.	interholco.com/working-across-landscapes
102-49 Changes in reporting	There are no significant changes in the list of material topics and topic boundaries compared to previous sustainability reports.	
102-50 Reporting period	This report covers INTERHOLCO's operations for the period 2020-2021 (financial year ending 31 December 2021). Data for 2014-2019 are incorporated to 2020-2021 data in the Appendices in order to identify and evaluate progress on existing trends as well as setting objectives and targets.	IHC-Facts-and-Figures-2014-2021
102-51 Date of most recent report	INTERHOLCO's most recent Sustainability Report is from 2020: 'An alliance culture to safeguard Africa's forests', publicly available online in English: https://bit.ly/IHC-ALLIANCE and French: https://bit.ly/IHC-Alliance	IHC-ALLIANCE IHC-Alliance
102-52 Reporting cycle	The reporting cycle is once every 2 years (2020 and 2021 for this report, 2022 and 2023 will be in the next 2024 report).	
102-53 Contact point for questions regarding the report	INTERHOLCO welcomes feedback as an opportunity to ameliorate its <i>modus operandi</i>. Any questions, suggestions or comments on this report can be addressed to: Ms. Tullia Baldassarri Höger von Högersthal, Communication and Marketing Manager (Tullia.Baldassarri@interholco.com).	

102-54 Claims of reporting in accordance with the GRI Standards either:

- i. 'This report has been prepared in accordance with the GRI Standards: Core option';
- ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.

INTERHOLCO has been following guidelines of the GRI in its sustainability reporting since 2017. This 2022 Report has been prepared in accordance with the GRI Standards from 2016 (Core option) and relevant elements of the G4 Financial Services Sector Supplement. Our report also includes some information from the Comprehensive option in addition to other elements, in particular the 17 UN SDGs, the 10 Principles of the UN Global Compact, the OECD Guidelines for multinational enterprises and the 10 SPOTT assessment categories (2021 assessment), which record the ESG performance of 100 timber and pulp and paper companies in the tropics, including INTERHOLCO. Please find this claim in the 'Notes on this report' on p. 3 and in the GRI Content Index in the Appendices, on p. 90.

spott.org/timber-pulp/interholco/

102-55 GRI content index

Please find the GRI Content Index in the Appendices, on p. 90.



Bird's eye view of IFO's wood processing site along the Sangha river, Republic of Congo.

102-56 External assurance

INTERHOLCO's Sustainability Report 2022 has not been externally assured. Nevertheless, some content/figures have been subject to external audit, as part of (i) financial reporting legal obligations (annual financial audit of all companies); (ii) legality / Due Diligence verification (annual LegalSource audit at IFO, Republic of Congo, latest in November 2021; Control Union TLV audit for INTERHOLCO's procurement and sales, latest in May 2022); and/or (iii) external verification of voluntary socio-environmental certification (annual FSC Forest Management and CoC Audit at IFO, Republic of Congo, latest in November 2021).

[IHC-LegalSource](#)

[IHC-TLV](#)

A FOREST OF SOLUTIONS



SOCIAL

LANDSCAPE

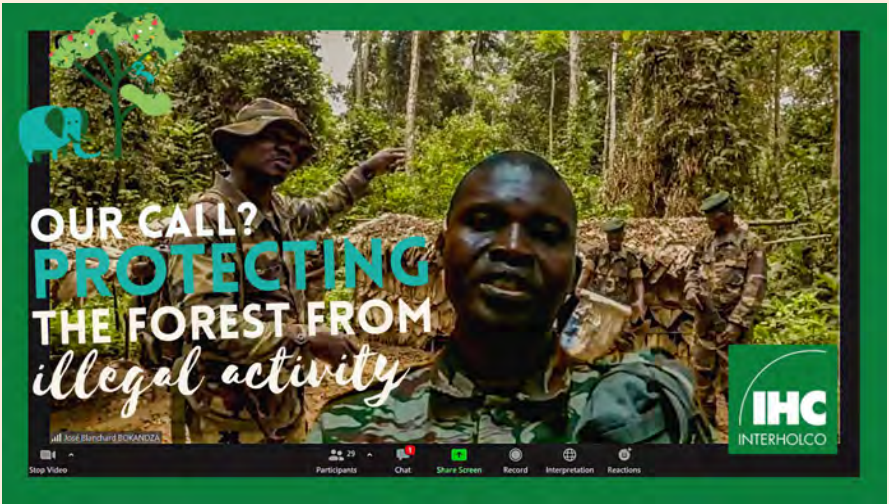
Giving value to the source:
our people



ENVIRONMENTAL

LANDSCAPE

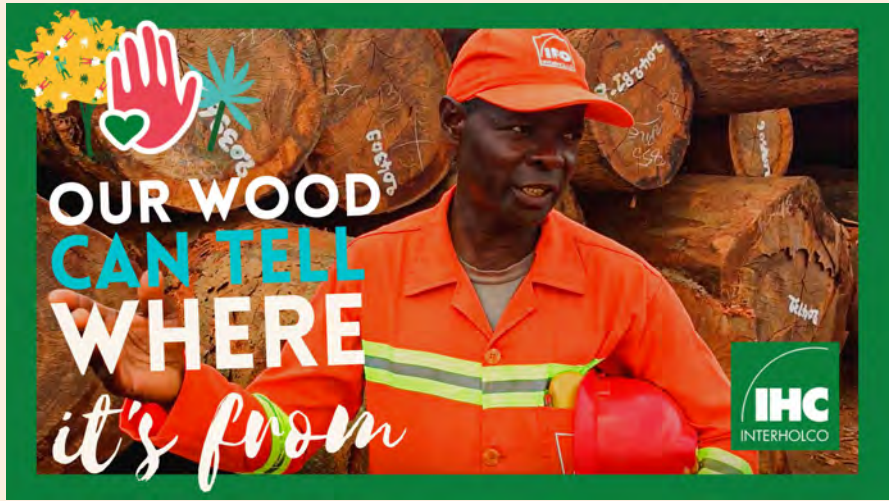
Giving value to the Congo
Basin, the world's
second largest rainforest



ECONOMIC

LANDSCAPE

Giving value to "Made in Africa"
timber products



ECONOMIC PERFORMANCE

GRI 201:
Economic
Performance201-1 Direct
economic value
generated and
distributed

The financial figures for GRI indicator 201-1 and EC1 cover the INTERHOLCO group, including its subsidiaries IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Economic Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Value created	Unit of measure	2021	Scope
Net Revenue	1,000 EUR	64,762	IHC
Operating costs	1,000 EUR	41,610	
Wages and employee benefits (including pension plan)	1,000 EUR	12,861	
Payments to providers of capital	1,000 EUR	1,903	
Expenses to Government (taxes, etc.)	1,000 EUR	6,436	

Supplément
sectoriel du G4
pour les
services
financiers

EC1 Va

EC1 Valeur
économique
directe générée et
distribuée -
investissements
pour les
communautés

Value created	Unit of measure	2021	Scope
Community investment, health, safety and forest management and environment protection	1,000 EUR	1,688	IHC
including: Social, Security, Health, Housing, Community Development	1,000 EUR	1,245	
Forest management (capitalized)	1,000 EUR	443	
Economic value retained	1,000 EUR	264	
Profit of the period (IFRS)	1,000 EUR	682	

GRI 103:
Management
Approach103-1 Explanation
of the material
topic and its
Boundary

In the Republic of Congo, INTERHOLCO is an important actor, driving local development and growth. Especially in the Sangha department located in the remote North of the country, one of the most landlocked areas, the economic opportunities, employment and investment INTERHOLCO provides are essential for local communities, Indigenous Peoples and rural development.

'Total community investments' refers to actual expenditures in the reporting period, not commitments.

Payments to the government of the Republic of Congo (harvesting tax, surface tax, social payments, environmental payments, etc.) are analysed in more detail in the EITI (Extractive Industries Transparency Initiative) Congo reports; at the time of writing this report, the EITI Congo 2020 report is being finalised for publication in 2022.

The economic value of INTERHOLCO is focused on providing benefit to its stakeholders (shareholders, employees, government, local population, society/climate). Generating most of its revenue in international markets, INTERHOLCO is able to invest its revenue mostly in the Republic of Congo. The vast majority of personnel is locally employed in the Republic of Congo. Employees receive wages and enjoy insurances and benefits which exceed those legally prescribed, and those foreseen by the Republic of Congo's forest and agricultural sector agreement.

[IHC-against-COVID](#)

103-2 The management approach and its components

Through FSC certification of its responsible forest management, INTERHOLCO is committed to provide essential community services and facilities. Progress on this commitment is subject to comprehensive legality compliance and socio-environmental audits taking place on a yearly basis.

Early in 2020, concerned that Covid might take a severe turn in the Republic of Congo, INTERHOLCO launched an international fundraising initiative aiming 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, employees, aid agencies, private investors, NGOs, importers and customers raised a 150,000 EUR solidarity fund (UN SDG 17).

bvrio.com/COVID-19-impact-on-the-forest-sector



103-3 Evaluation of the management approach

In 2020 and 2021, entry level wage levels at IFO continued to exceed the national minimum wage. INTERHOLCO was able to retain all employees, even with the pandemic.

Community investment took several forms, in order to respond to an unforeseen, unprecedented challenge. This aspect is developed in conjunction with GRI 203-1 and GRI 203-2.

Despite the disruptive consequences the world faced in 2020 and 2021, major international economies wishing to build back better started to show a distinct preference for wood over other construction materials (UN SDG 11). Pandemic restrictions occasioned delivery delays of cargo towards customers, particularly in 2020. The steep rise in wood demand over the following months, coupled with port congestion and container scarcity, did result in limited handling capacity, with delayed deliveries. This was partly compensated by strong prices.

Industrial expansion of our facilities in Congo resumed in 2021 (UN SDG 9), despite the global congestion and travel restrictions.

Please see 'Economic Landscape', procurement budget spent on local suppliers: [IHC-Facts-and-Figures-2014-2021](#)

fair-and-precious.org/coping-with-covid-

[IHC-h2o-2022](#)

MARKET PRESENCE

GRI 202:
Market
Presence202-1 Ratios of
standard entry
level wage by
gender compared
to local minimum
wage202-2 Proportion
of senior
management hired
from the local
community

Data for GRI indicator 202-1 and 202-2 cover IFO (Rep. of Congo) and IFO and LCC (Cameroon), respectively. For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Employees	Unit of measure	2021	Scope
Market presence			IFO & LCC
Country minimum wage (Republic of Congo)	EUR	82	
Entry level wage (IFO)			
Men	EUR	173	
Women	EUR	173	
% of local minimum wage	%	210%	
Proportion of senior management hired from the local community**	%	59%	
*** Full-time employees born in RoC (IFOs) in Cameroon (LCC) or in another African country with the legal right to reside there indefinitely whose status meets the criteria specified on p. 92 of the Sustainability Report 2020.			
	No.	17	
Total number of senior managers**	No.	29	

GRI 103:
Management
Approach103-1 Explanation
of the material
topic and its
Boundary

INTERHOLCO owns wood production from the forest (harvesting) to industrial processing (high quality wood products) all the way to quality certification (of engineered products, such as finger-jointed laminated scantlings) and distribution to B2B customers (transport to port) across Europe, Central Africa, the Middle East and South-East Asia. We define significant locations of operations as: 1) all wood production facilities and 2) offices with employee populations equal to or, greater than, 100 as of 31 December 2021. IFO has therefore been selected as 'significant location of operations' as the vast majority of workers across INTERHOLCO are employed at IFO.

Entry level wages paid by IFO, compared to national minimum wages, show the competitiveness of INTERHOLCO's wages and provide information relevant for assessing the effect of wages on the local labour market in the Republic of Congo. In this context, 'senior managers' and 'local' refers to, respectively, full-time employees born in the Republic of Congo (IFO), in Cameroon (LCC) or in another African country with the legal right to reside there indefinitely whose status meets the following criteria: (1) independence and flexibility in organising work schedules; (2) relatively autonomous decision-making; (3) total remuneration among the highest ranking employees of IFO or LCC; and (4) effective membership of a management body: supervisory board, management committee, etc.

Further comparing this information by gender is a measure of INTERHOLCO's progress on the commitment to equal opportunity in the workplace.

103-2 The
management
approach and its
components

INTERHOLCO reports its commitment to Fundamental ILO Conventions, including the commitment to provide business/work opportunities for local communities and to pay at least minimum wage in its Responsible Forestry and Procurement Policy (p. 2, available online); through the FSC Policy for Association (FSC-POL-01-004, available online) and the PEFC International Chain of Custody Standard (PEFC ST 2002:2013, also online). INTERHOLCO reports its commitment to eliminate gender

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

related discrimination with regards to employment in its Responsible Forestry and Procurement Policy. INTERHOLCO's commitments also apply to all suppliers (*ibidem*).

INTERHOLCO regularly speaks to the local population, with particular priority being given to new job openings in the company. Local candidates are given priority for job opportunities. Indigenous and non-Indigenous employees often work together in teams, which means they can share their specialist and traditional knowledge. This exchange of expertise can include the use of modern tools (GPS, cartography, machinery) as well as how to recognise plants and trees and how to read animal tracks.

IHC-PEFC-Certificate



IHC offers a competitive salary compared to national minimum wages.

103-3 Evaluation of the management approach

Looking at the global context, ILO reports that, in the four years preceding the COVID-19 pandemic (2016–19), global wage growth fluctuated between 1.6 and 2.2 per cent; when China is excluded from the sample, real wage growth in those four years fluctuated at a lower level, between 0.9 and 1.6 per cent. In the first half of 2020, as a result of the COVID-19 crisis, a downward pressure on the level or growth rate of average wages was observed in two thirds of the countries for which recent data are available; in other countries average wages increased, largely artificially as a reflection of the substantial job losses among lower-paid workers. The impacts of the crisis on total wages have fallen differently on men and women, the latter being disproportionately affected. Overall, the crisis disproportionately affected lower-paid workers, thereby increasing wage inequalities.

[ilo.org/Global-wage-report-2021](https://www.ilo.org/Global-wage-report-2021)

IHC-Facts-and-Figures-2014-2021

Despite the disruptive effects of COVID-19 on the global economy and the unforeseen investment mobilised by INTERHOLCO as part of its prevention and mitigation strategy in the Republic of Congo, in 2021 and 2020, 100% of IFO employees continued to be paid above the national minimum wage, including women, young workers, workers with lower education and workers with dependent children. For more information on wages not only at IFO but across all countries of operations, please refer to GRI indicator 102-8 (above).

In addition, when some employees reported a lack of access to all laws and regulations in the context of labour law, IFO transmitted all policy documents and procedures relating to labour, employment and social security rights to staff representatives in order to overcome the difficulty. This piece of information is externally verified through the FSC audit which IFO passed in 2021.

[fsc/audit-report](#)

INDIRECT ECONOMIC IMPACTS

GRI 203:
Indirect
Economic
Impacts

G4FS1

203-1
In infrastructure
investments and
services supported

Data for GRI indicator 203-1 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)

Community engagement		Unit of measure	2021	Scope
Indirect economic impacts				
Consultations at the Centre Medico-Social de Ngombé		No.	13.962	IFO
Patients at the IFO hospital (28 beds)		No.	869,0	
Live births per year		No.	368,0	
Birth mortality at CMS (1st year) <i>(compared to national rate of 5%)</i>		No.	1%	
Vaccinations per year		No.	2.109	
Provision of drinking water for Ngombé inhabitants and industry		m3 (1000 l)	90.976	
Electricity provided for Ngombé inhabitants		KWh	1.742,6	
Impacts on communities				
Total grievances filed through formal grievance mechanism		No.	6	
of which, filed and resolved		No.	6	

G4FS2

203-2 Significant
in direct economic
impacts

Data for GRI indicator 203-2 cover IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Economic Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)

Value created		Unit of measure	2021	Scope
Local suppliers (Cameroon and Republic of Congo)				IFO, LCC
Procurement budget spent on local suppliers 26		1.000 EUR	28.540	
in % of total		%	93%	



Value created	Unit of measure	2021	Scope
IFO (IHC's subsidiary) (cat. 1 above)	%	84%	IHC
Total 3rd party suppliers	%	16%	
Direct suppliers from high risk countries: wood supply from own forests or in partnership, verified by 3rd party or via internal audit (cat. 1-3 above)	%	13%	
Indirect suppliers from high risk countries: verified by 3rd party or via internal audit (ca. 1-3 above)	%	1,8%	
Indirect suppliers from low risk countries, including in the EU: verified via due diligence system (cat. 4-5 above)	%	1,3%	

Over time, INTERHOLCO's presence has attracted an estimated 10,000 people to the village of Ngombe, located in the Sangha department, in the North of the Republic of Congo. Job creation, vocational training and access to quality basic services have enabled INTERHOLCO to open up the village of Ngombe, located more than 900 km from the capital, Brazzaville.

Based on a survey carried out in 2019, 79% of the population is under 35 years of age; 98% are of local origin whilst 2% come from other countries; more than 1200 people work for IFO (2021 data) including sub-contractors and an estimated 7,500 people have rights linked to the company. Around 6,000 Indigenous Peoples live in and from the forest that IFO manages on behalf of the Congolese State.

According to one estimate, there are about 50 million Indigenous Peoples in Africa. Estimates suggest that 8% of the total Congolese population is made up of Indigenous Peoples, representing about 400,000 people. Most Indigenous communities (often known as Baka) live in the North of Congo (in the Likouala and Sangha departments) and represent a very vulnerable segment of the population that is particularly exposed to food insecurity, malnutrition and poverty. Indigenous Peoples depend on the natural environment for income and food, including hunting, gathering and rainfed agriculture.

Their livelihoods and food security are therefore very sensitive to climatic changes. According to a survey of Baka residing in Cameroon, when there is a dispute between an Indigenous person and a Bantu, the law that is applied is in keeping with Bantu custom, and this is not without its difficulties. In 2011, the Republic of Congo became the first country in Africa to adopt a law that specifically promotes and protects the rights of Indigenous Peoples.

However, the relationship between local communities (often referred to as 'Bantu') and Indigenous Peoples is based on unequal economic alliances centred on specific activities such as farming or hunting. These relationships often favour the economic interests of local communities over those of Indigenous Peoples. Indigenous women have even fewer economic opportunities and are therefore even more vulnerable than Indigenous men.

In the African countries from which INTERHOLCO procures timber, conducting ecological and social impact studies is not just a commitment, but a legal obligation.

These obligations extend, of course, to INTERHOLCO's suppliers, who are required to observe the same Code of Conduct and commitments as INTERHOLCO by signing a contract with INTERHOLCO, including compliance with the legal framework, both nationally and internationally.

voaafrique.com/Peuples-autochtones-du-Cameroun

ilo.org/Indigenous-and-tribal-peoples

un.org/Peuples-autochtones-en-Afrique

wikipedia.org/FPIC

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

103-2 The management approach and its components

INTERHOLCO is committed to provide essential community services and facilities as well as to enable sustainable use of non-timber forest products (NTFPs) by local communities. INTERHOLCO invests in development of local rural infrastructure (e.g. security, housing, schools, health care service, medical centres, delivering clean drinking water and supplying power). By investing in developing infrastructure and guaranteeing access to basic services, including schools, a medical and social centre, a library, housing, access to drinking water and electricity, INTERHOLCO supports the sale of materials and the provision of the corresponding services.

Prior to the COVID-19 outbreak in the Republic of Congo, this contributed to developing a local and sub-regional market. Due to its geographical proximity to fragile and war-afflicted countries, by the end of 2016, the Republic of Congo was hosting 54,000 refugees and asylum seekers, mostly from the DRC, Central African Republic and Rwanda. The shops in the village of Ngombe, where IFO is headquartered, are run by Rwandan, Cameroonian and Congolese (DRC) traders who have found their vocation in the services they provide to the local community: hairdressing salons, where clients choose their hair style with the help of a tablet, cafés and restaurants, nightclubs, a market, sewing workshops, grocery shops, small shops, several churches and mosques, hardware shops, card or telephone credit card dealers and more.

During the COVID-19 time (2020-ongoing), the Congolese government considered the woodworking industry as an essential activity, which allowed IFO to continue operating. This made all the difference for the local workforce, their families and communities as well as Indigenous Peoples whilst large portions of the population in other parts of the country went unemployed, at least temporarily, when they did not lose their jobs altogether, out of lockdowns and the spread of the infection causing business bankruptcy and market disruption.

With a resident population of 16,000, including Indigenous Peoples living in the Ngombe forest, INTERHOLCO supports and uses FPIC (free, prior and informed consent). FPIC was developed by the international community with the aim of protecting the cultural integrity, livelihoods and rights (including customary and traditional rights) of Indigenous Peoples and local communities and, above all, the right of Indigenous Peoples to self-determination. In the interest of establishing respectful and as amicable as possible relations with the Indigenous and local population, INTERHOLCO has set up a so-called Social Team at IFO. The IFO Social Team includes women and employees from the Indigenous Peoples, who can communicate fluently in the local and Indigenous dialects and languages. This is crucial in order to avoid misunderstandings. In order to ensure all of the local people have the same right to participate in consultations, meetings are initially held together and, later in separate gender-specific groups. The Indigenous and Bantu populations are moreover consulted separately. All of the villages in the forest area are visited on a regular basis in order to exchange information and/or work together on projects.

INTERHOLCO has a due diligence system that includes a form to gather information on many aspects of the supplier and products, a method for assessing legality, traceability and sustainability risks, ensuring compliance with company policies, and identifying mitigation measures. INTERHOLCO's risk analysis/due diligence system includes the criteria which may lead to the exclusion of the suppliers, and its procurement policies specifies the steps taken and timeframes for action. For non negligible risk supplies, certification is used or field audits done to check compliance and arrive at negligible risk and compliance with our Responsible Forestry and Procurement Policy. 100% of direct and indirect suppliers MUST be verified to be compliant with sourcing policies before signing a contract with INTERHOLCO.

INTERHOLCO discloses its management approach to tax and payments to governments through its tax policy and code of conduct.

[fsc/audit-report](#)

[IHC-Linking-the-Environmental-and-Social-Landscape](#)

interholco.com/governance

[IHC-Supplier-due-diligence](#)

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

103-3 Evaluation of the management approach

IHC-FAQ

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, customers and employees raised a 150,000 EUR solidarity fund (UN SDG 17). Although some in the local workforce were eventually infected, there have been no Covid-related fatalities, to date. INTERHOLCO secured electricity and water supply (UN SDG 12, UN SDG 17) to the state medical centre located in the village of Ngombe. Cooperation agreements with local experts allowed the refurbishment of a malfunctioning water station in the village of Ngombe 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 state school in the village of Ngombe, 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).

Moreover, in 2021 INTERHOLCO was able to invest (i) more than 93% of its expenditure at local and sub-regional levels, specifically in services (e.g. local suppliers, transport, etc.) and supplies (e.g. fuel, spare parts, food, etc.); and (ii) over 44% of its annual turnover towards local providers of services (e.g. transport, etc.) and supplies (e.g. fuel, spare parts, food, etc.).

INTERHOLCO regularly conducts community needs assessments involving the villages in which harvesting activities are carried out. More than 260 meetings took place over the course of 2021, as verified by audits on the ground. Dialogue with the local communities is integral to Free, Prior and Informed Consent (FPIC) and allows to determine the need for infrastructure and other services. Implementing FPIC, the Social Team makes sure that, women receive the same information as men. In addition, women are consulted with and they make their decisions in the same way as men. Women (Bantu and Indigenous) are as involved as men.



In order to overcome any possible obstacles, women first express themselves in a women's group, where other women listen to them, i.e. those from the Social Team. Taking note of the needs and expectations of the women of the village, the Social Team ensures that no woman is left out. FPIC also grants women, Indigenous and Bantu, equal access to funding for individual projects, with the agreement of the community. INTERHOLCO does not only implement these guidelines, but actually develops them further. In doing so, we work closely with independent international institutions and human rights organisations. In 2021, 100% of the grievances presented by the local communities and Indigenous Peoples were resolved.

One, in particular, made reference to IFO refusing to act on a demand received from the village of Moyoye to restart water pumping from a borehole.

External verification established that, the borehole was being built by the State as part of the "Water for all" project; IFO could not intervene on a State drilling without an authorization from the competent authority.

In 2020 and 2019, about 10 minor non conformities were issued during field audits. All open non conformities were solved within specific deadlines for active suppliers. At one supplier, procurement was not started as non conformities had not yet been solved.

In 2021, 100% of suppliers were found to be compliant with sourcing commitments via yearly field audit. Unsolved non-conformities with sourcing commitments led to a halt in procurement for one supplier.

PROCUREMENT PRACTICES

GRI 204: Procurement Practices

204-1 Proportion of spending on local suppliers

Data for GRI indicator 204-1 (already disclosed above, as part of the GRI Financial Sector supplement) cover IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Economic Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)

Value created		Unit of measure	2021	Scope
 	Local suppliers (Cameroon and Republic of Congo)			IFO, LCC
	Procurement budget spent on local suppliers 26	1.000 EUR	28.540	
	in % of total	%	93%	

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

All the wood that is processed in the sawmills of INTERHOLCO's subsidiary IFO (Industrie Forestière de Ouesso) in the Republic of Congo, comes from the forest IFO manages on behalf of the Congolese State. In order to meet customer demand, INTERHOLCO is able to source wood from suppliers, which is not, however, processed either by IFO or at IFO. Suppliers commit to respecting the same commitments and principles observed by INTERHOLCO (included in the contract between INTERHOLCO and suppliers), as well as INTERHOLCO's Code of Conduct, including with respect to deforestation. To this end, INTERHOLCO conducts 2nd or 3rd party supplier audits. In 2020 to 2021, no suppliers were involved in deforestation activities. The wood that INTERHOLCO sources comes from natural forests only (not from plantations that may have potentially induced deforestation). Depending on the country of harvest, INTERHOLCO's wood suppliers are based in the following countries: Cameroon, Côte d'Ivoire, Gabon, Ghana, Central African Republic (south-western zone), Democratic Republic of Congo (northwestern and central zone), Republic of Congo, Canada and the United States.

Timber from Europe represents a minority (<2% of the total volume); the traders from whom INTERHOLCO obtains its wood supplies are based in Austria, Belgium, France and Germany. The list of INTERHOLCO's most important suppliers as at May 2021 may be consulted online.

[IHC-FAQ](#)

[IHC-Supplier-due-diligence](#)

[IHC-Supplier-list](#)

103-2 The management approach and its components

INTERHOLCO is committed to source only wood/wood fibre that meets FSC Controlled Wood and/or PEFC Controlled Sources requirements.

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

103-3 Evaluation of the management approach

INTERHOLCO has a time-bound plan since 2019 to source only wood/wood fibre that is in legal compliance verified by a third party within 10 years. Examples of legality or Due Diligence verification systems include LegalSource (Preferred by Nature), OLB (Bureau Veritas), Timber Legality Verification (Control Union) and SFM standards like FSC and PEFC. At the time of reporting, 88% of INTERHOLCO's wood supply is FSC certified. The process used to prioritise, assess and/or engage suppliers on compliance with company's policy and/or legal requirements is described in more detail in conjunction with GRI indicators 203-1 and 203-2 (above). In 2021, INTERHOLCO invested over 44% of its annual turnover towards local providers of services (e.g. transport, etc.) and supplies (e.g. fuel, spare parts, food, etc.). In 2021, nearly 99% of the suppliers from whom INTERHOLCO sourced wood were based in Central Africa, with as little as 1,2% of suppliers from the EU. 'Local' thus refers to providers and suppliers mainly based in Central Africa. 84% of the wood sourced was from IFO.

[IHC-LegalSource](#)

[IHC-Facts-and-Figures-2014-2021](#)



Marking our wood products allows for identification of the supply, all the way to the forest of origin. This is known as traceability.

ANTI-CORRUPTION

GRI 205: Anti-corruption

205-2 Communication and training about anti-corruption policies and procedures

Data for GRI indicator 205-2 cover the INTERHOLCO group, including its subsidiaries IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Health and safety

	Unit of measure	2021	Scope
Anti-corruption policies and procedures training			IFO, IHC, LCC
Total employees trained	No.	960	
Affected employees trained 2	No.	29	

**GRI 103:
Management
Approach**

**103-1 Explanation
of the material
topic and its
Boundary**

Communication and training build the internal and external awareness and the necessary capacity to combat corruption. INTERHOLCO's Code of Conduct and Anti-bribery and corruption policy are communicated and apply to, the entire workforce as well as 100% of suppliers and 100% of business partners. The policy explicitly addresses payments, gifts and donations, charitable donations and political contributions. In order to encourage integrity across business practice, INTERHOLCO regularly holds trainings across all locations of operations for all new employees as well as regular (i.e. annual) refresher trainings for "affected personnel", i.e. members of staff who may have a higher risk of incidents of corruption, illegal logging and forced labour. Key positions include any staff member in procurement (including procurement for production), and any staff member in sales, finance and human resources. Trainings do not only target employees but also the IFO eco-guards, who are State officers of the Republic of Congo, who patrol the IFO forest concession against poaching and illegal settlement.

INTERHOLCO fights against corruption proactively, by working with regional and international partners, such as, Basel Institute on Governance, the Business Coalition Against Corruption (BCAC), certification bodies, NGOs such as Cercle des droits de l'homme et de développement, FSC and swisspeace. Striving to encourage industry transparency, INTERHOLCO participates in the Extractive Industries Transparency Initiative (EITI) for tax payments to the Republic of Congo (see below for more details). In addition, INTERHOLCO provides all valid legal documents on legal registration to Open Timber Portal, a transparency platform led by the World Resources Institute (WRI).

interholco.com/governance

[IHC-Anti-Bribery](#)

[IHC-Tax](#)

eiti.org/Congo-report-2019

opentimberportal.org/ifo

With regard to anti-corruption measures, a strict 'zero tolerance' policy is applied. IHC, IFO and LCC employees in risky positions, such as procurement and production purchasing staff, sales staff, staff in logistics/transport and staff in the areas of finance and human resources, receive regular training on an annual basis.

INTERHOLCO also ensures that new staff members who have joined the teams are immediately instructed on the procedures to be followed. These training sessions, delivered by expert consultants (internal and external), are based on concrete cases from the industry and take into account the legislation and specificities of the countries where the employees are based. Clear instructions are provided, for example, specifying the maximum value of business gifts that may be accepted or granted to any of the company's partners or customers, in order to avoid any deviation from the Code of Conduct. During the courses, the trainer encourages employees to share experiences and engage in a participatory 'role-playing' approach. This approach makes it possible to update the procedure and enrich the training with new cases from the field. Its objective is to answer questions and remove doubts about situations that lend themselves to multiple interpretations.

All company staff (IHC, IFO and LCC) are required by internal policy to immediately inform their managers of any failure, actual or potential, in the handling of a case. At the same time, all employees are required by the Code of Conduct to report actual or potential breaches, including corruption. To this end, INTERHOLCO's Senior Management has validated a complaint resolution mechanism, i.e. a secure 'Grievance mechanism and integrity line' allowing all staff and third parties to easily report breaches, intended or not, to its anti-bribery and corruption policy. Where legally permitted, the complainant may remain anonymous. The grievance is handled confidentially. In select locations, grievances that are received orally are recorded in writing and acknowledged by the relevant complainant. INTERHOLCO does not tolerate any form of retaliation, harassment or intimidation of staff by others as a result of raising concerns in good faith.

Since 2016, INTERHOLCO has been participating in the reports compiled by the EITI in the Republic of the Congo. Within the scope of the EITI report, an external and independent firm records and analyses all substantial payments made to the government by companies in the oil, forestry and mining sectors. The report also publishes the revenues from these companies declared by the state and identifies any discrepancies.

As a general rule, INTERHOLCO also ensures that the suppliers with which the Company collaborates act in accordance with its commitments and values. INTERHOLCO's assessment tool is a

interholco.com/governance

[IHC-Anti-Bribery](#)

**103-2 The
management
approach and its
components**

compliance audit model certified by Control Union that meets the Due Diligence requirements of the EUTR. It aims to verify the compliance of suppliers with the same commitments and principles of INTERHOLCO on the ground. The criteria are derived from the Control Union TLV standard.



'Conservation is only possible if we have a good relationship with the communities,' says José Blanchard BOKANDZA, IFO's Eco-guard coordinator.

103-3 Evaluation of the management approach

In 2021, 100% of affected employees received communication and training on an anti-corruption, across all operations.

Mr Roch N'ZOBO, Director of Congolese NGO CDHD (Cercle des droits de l'homme et de développement), continued to act as training facilitator at IFO, explaining how human rights must be protected and the importance of not yielding to violent behaviour. During training workshops, it is made clear that INTERHOLCO has zero-tolerance for abuse of authority, discrimination or corruption; with breaches having disciplinary and, if applicable, legal consequences.

In 2021, 14 eco-guards took part in the training course facilitated by CDHD, in addition to management staff and members of IFO's social team. External verification established that the local communities and Indigenous Peoples residing in the vicinity of IFO acknowledged that the approach of IFO eco-guards was collaborative and had ameliorated, also as a consequence of Mr. José Blanchard Bokandza joining in 2018 as new eco-guard coordinator. On the other hand, in 2020 NEPCon auditors recorded an extortion attempt: members of two communities reported clashes as a result of visits carried out by the eco-guards working in the neighbouring Odzala-Kokoua National Park (PNOK).

The attempt occurred, when PNOK eco-guards showed up in a village without any mission order and seized wild pigs, establishing a 'fine' that should be paid by the villagers if they wished to retrieve their animals. Sensitization trainings with PNOK eco-guards are recent, following an agreement IFO signed in 2020 with African Parks, the international NGO that runs the park on behalf of the Congolese State.

Concerning tax payments, in 2020, an interested party wondered about the differences between the amounts paid by IFO and those declared as received by the Ministry of Forest Economy (MEF) in the reports of the Extractive Industries Transparency Initiative (EITI) 2016 and 2017. The list of payments provided to the EITI in 2016, the first year of IFO's involvement, had not been audited due to tight deadlines. In 2017 and 2018 however, an accounting audit by PWC specifically covered IFO's payments to the government, in order to provide audited figures to the EITI for its report.

IHC-Friends-of-the-forest-2

CDHD-formations

fsc/audit-report

WATER AND EFFLUENTS

GRI 303: Water
and Effluents
2018303-3 Water
withdrawal

Data for GRI indicator 303-3 cover IFO (Rep. of Congo).
For full data spanning 2014-2021, please see our 'Facts and Figures'
under Environmental Landscape (Appendices).

IHC-Facts-and-Figures-
2014-2021



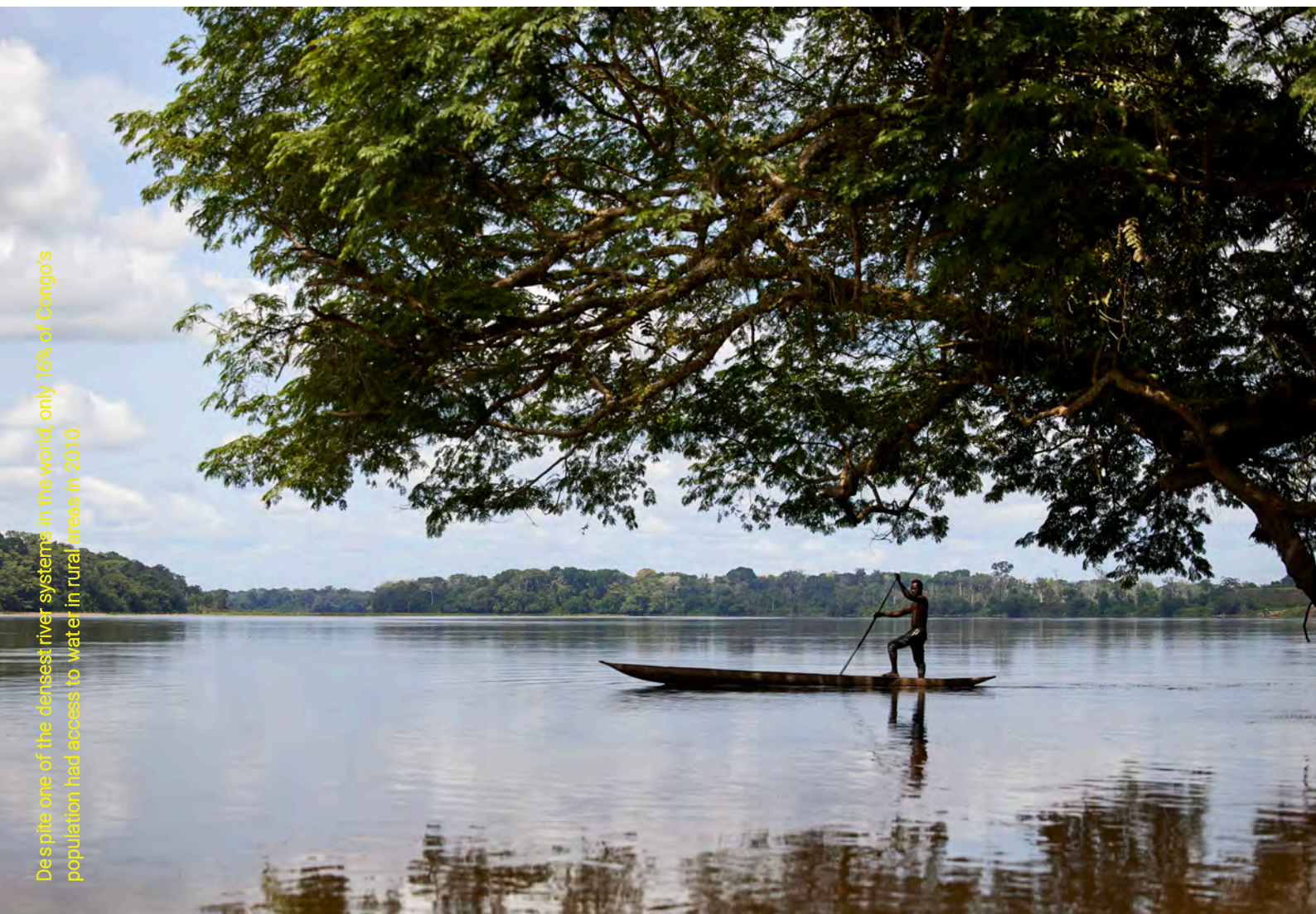
Impacts	Unit of measure	2021	Scope
Water and soil			
Total drinking and industry water withdrawal			IFO
Water from the Sangha river	m ³ (1000 l)	90.980	
No. of rainwater samples discharged from the industrial site, not in compliance with the EU standard (weekly controls)	Nb.	0	

GRI 103:
Management
Approach103-1 Explanation
of the material
topic and its
Boundary

Despite one of the densest river systems in the world and abundant rainfall, in the Republic of Congo only 47% of the population had access to drinking water in urban areas in 2005 and 16% in rural areas in 2010. According to a report by the Global Water Partnership, the Republic of Congo lacks "infrastructure for production (factories, pumping stations, etc.), treatment (chemicals in particular), storage (water towers), distribution (pipelines, standpipes) and marketing (taps)". Today, access to water is mainly through informal networks, notably by means of private boreholes.

observers.france24.com/
congo-eau

Despite one of the densest river systems in the world, only 16% of Congo's population had access to water in rural areas in 2010.



The Congolese state set itself the challenge of providing access to drinking water to 90% of the rural Congolese population through the "Water for All" initiative, launched in 2013. The project led to building water infrastructure in the village of Ngombe, as well, that is, where IFO workers are based. Over time, the project found itself confronted with poor maintenance of the facilities once the state funds had run out: faulty taps provoking technical malfunctions, theft of the solar panels, etc.



In 2021, IFO provided financial support to allow local experts to refurbish Ngombe's state water station.

In 2020 and 2021, the COVID19 pandemic accelerated much-needed action to provide the state hospital in the village of Ngombe with electricity and clean drinking water supply, as a means to avoid water-borne illnesses (UN SDG 3).

103-2 The management approach and its components

Water quality refers to the physical, chemical, biological, and taste-related characteristics of water. It is a measure of water suitability for a given purpose or function, including its use as a human right. Water quality standards help uphold water quality in order to protect ecosystems, wildlife, and human health and welfare, and can be based on water properties, such as temperature or pH value.

With regard to waste water (domestic, rainwater and industrial) treatment, INTERHOLCO's subsidiary which manages the Ngombe Forest Management Unit in the Republic of Congo, IFO, checks that there is no pollution before the water is discharged into the natural environment, in order to prevent the risk of damaging the environment. The company carries out daily water analyses, including acidity/basicity ($6.5 \text{ pH} < x < 9 \text{ pH}$). IFO also carries out regular analyses of its waste water, in particular BOD / COD (Biological Demand / Chemical Oxygen Demand, maximum 25 mg/liter), an indicator to check the presence of organic contaminants in water. In the absence of a specific reference framework in the Republic of Congo standards, IFO uses those set by the European Union.

[IHC-FSC-Monitoring](#)

[IHC-FAQ](#)

Also, INTERHOLCO's approach to water treatment and disposal practices aim to avoid health or safety risks to workers, other people, or natural ecosystems. In line with FSC Principles and criteria, INTERHOLCO excludes buffer zones around water courses from harvest activities in the Ngombe forest concession. Integrated Pest Management is, for the natural forest concession, naturally occurring. In fact, no pesticides or fertilizers are used in forest management, as the Ngombe forest concession is a natural forest.

[fsc/audit-report](#)

In the IFO industrial facilities where wood is processed, INTERHOLCO commits to (i) no use of World Health Organisation (WHO) Class 1A and 1B pesticides; and (ii) no use of chemicals listed under the Stockholm Convention and Rotterdam Convention. These commitments extend to suppliers. In the sawmill, a small quantity of fungicides is used to treat the wood, with products that are compliant with the FSC Pesticides Policies and based on an Environmental Impact assessment and Integrated Pest Management analysis.

High conservation value forest areas that are protected, as verified by independent auditors, include those that (i) provide basic services of nature in critical situations (e.g. watershed protection, erosion control) as well as (ii) peatlands. Acting as efficient carbon sinks, all wetlands, which might be peatlands (280,000 ha) in the forest concession managed by IFO are under protection and therefore untouched by harvesting. In addition, in the Annual Harvesting Areas, the company further sets aside for conservation purposes buffer areas around (saline) bays, ponds, swamps and rivers.

Waterways in Congo represent a communication network and transport corridor, sometimes the only way to enter land that is otherwise impossible to access owing to lack of roads.



103-3 Evaluation of the management approach

In 2021, implementation of IFO's commitment to protect natural waterways through buffer zones was externally verified. The watercourses were protected by a buffer zone on both sides, the width of which varied according to the size of the watercourse to protect. This typically ranges from a buffer zone of 15m on either side for a stream less than 2m-wide to 50m on either side for a river larger than 10m. Additional buffer zones are protected around lakes, in particular those important for wildlife, salines or so called 'Bais' and other areas. On average, more than 10% of the annual harvesting area is put into conservation, in addition to the protection and conservation areas already set by the Forest Management plan.

The average price for a 1.5-litre bottle of water in the Republic of the Congo is 0.77 EUR. Ensuring free access to safe drinking water significantly reduces costs for households and decreases the environmental impact of plastic bottles. INTERHOLCO wanted to supply the 10,000 inhabitants of Ngombe with clean, drinking water every day via 8 fountains, facilitating access to safe water for everyone, including the most deprived. Each fountain is managed by a female resident of Ngombe, who receives a uniform and a salary from the company. Residents are encouraged to use the wells between certain hours, which are indicated on a sign on each well. The aim is to avoid any wastage of a precious resource. In 2020, during the COVID19 pandemic, INTERHOLCO mobilised funding to restore the functionality of the 'Water for All' water pumps in the village of Ngombe. In addition, clean, drinking water and electricity were once again delivered to the state hospital which was also refurbished, as agreed with the local authorities, and transformed into an intensive care unit, with the necessary equipment: medicines, drugs, oxygen ventilators, infrared thermometers, electronic screens to monitor patients' vital functions, etc.

The rehabilitation of the 'Water for All' water pumps in the village of Ngombe led to less water being withdrawn from the Sangha river in 2021 for drinking and industry use, with water withdrawal being 25% lower than 2014 values. Regular analyses of the various parameters of drinking water and waste-water showed that in 2021, the values remained below the thresholds set by European standards. Toilets in the employees' camp are linked to septic tanks and cesspools to avoid pollution.

In 2021, Legal Source auditors noted efficient waste management in general and the existence of collaboration contracts with approved structures for the recovery of non-biodegradable waste (UTA company). Please see <https://interholco.com/images/pdfs/IHC-Sustainability-Rep-2022/Annex2-LegalSource-audit-report-IFO-2021.pdf> in particular, on p. 47, under 3.3.2 Requirements for environmental monitoring shall be observed.

FSC's new standard for the Republic of Congo entails that the sanitary conditions of employees and their families meet the standards referred to in the legislation in force. In 2020, on site visits established that the public health and hygienic conditions of Mont Nabemba hostel, managed by the Ngombe village committee, were not adequate. In 2021, pursuant to article 83 of the labour code of the Republic of Congo, the company dislodged all workers housed in the facility, ordering its destruction; endowing them with a housing allowance to occupy decent houses in another district.

The company cares about customer safety, too. At the time of writing this report, INTERHOLCO's finger-jointed laminated scantlings (a product line entirely produced at and by IFO, in the Republic of Congo) are undergoing quality certification according to the Dutch standard for the building and construction sector known as, KOMO. The certification verifies health, safety, suitability and durability of the products, whilst quality assuring the production process itself.

[IHC-FAQ](#)

[fair-and-precious.org
coping-with-covid](https://fair-and-precious.org/coping-with-covid)

[IHC-Management-Plan-
Summary](#)

[IHC-LegalSource](#)

BIODIVERSITY

The African pygmy kingfisher (*Alcedo pygmaea*) is a small insectivorous kingfisher found in the Afrotropics, mostly in woodland habitats.



GRI 304:
Biodiversity

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Data for GRI indicator 304-1 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Environmental Landscape (Appendices).

[IHC-Management-Plan-Summary](#)

[IHC-Info-sheet](#)

[IHC-Facts-and-Figures-2014-2021](#)



Biodiversity	Unit of measure	2021	Scope
Protected areas and areas of high biodiversity value 10 Total forest concession area	Ha	1.159.643	IFO
Production area as per Management Plan	Ha	801.716	
Protection area	Ha	220.000	
Conservation area	Ha	88.000	
Community development area	Ha	48.500	
Production area (percentage of total forest surface)	%	69%	
Protection and Conservation area (percentage of total forest surface)	%	27%	
Community development area (percentage of total forest surface)	%	4%	

AN ALLIANCE CULTURE



The Ngombe forest management unit (FMU) is located in the north of the Republic of Congo, in the Sangha department, between latitudes 0°27' and 1°48' North and longitudes 15°20' and 16°38' East.

The Ngombe FMU straddles the districts of Mokéko and Pikounda. It is part of the Northern Forest Sector, Zone II (Sangha). It is surrounded by the Odzala-Kokoua National Park (West) and the Ntokou-Pikounda National Park (South), by FMUs allocated to the neighbouring CIB forest concession to the East, by the Tala-Tala forest concession to the North-West and has a northern boundary constituted by the Ngoko River, which forms the border with Cameroon.

The Ngombe FMU (11,600 km²) is separated from the neighbouring Odzala-Kokoua National Park (13,500 km²) by the N2 highway, and links the north of the country to the capital, Brazzaville. The Ntokou-Pikounda National Park (4,572 km²) is located to the south-east of the Ngombe concession. Combined, the two parks and the Ngombe concession cover an area of more than 2.96 million hectares (29,672 km²) - roughly equivalent to the size of Belgium (30,700 km²).

Through its subsidiary company, Industrie Forestière de Ouessou (IFO), INTERHOLCO manages a 1.16 million hectare (11'600 km²) FSC-certified forest concession (Ngombe FMU, Brazzaville, Republic of the Congo). Products include logs, sawn timber, laminated timber scantlings as well as kiln-dried and planed goods in more than 20 wood species. IFO comprises a main sawmill, a lamination and planing mill, a heavy timber mill and large kiln facilities. Today the entire value-creation chain is FSC-certified.

Given the extraordinary ecological and social characteristics of the Ngombe forest, INTERHOLCO set aside and permanently excluded from forestry activities over 300'000 hectares (app. 27% of the concession) of the ecologically most important sites for biodiversity conservation. In addition, almost 50'000 hectares (app. 4% of the concession) were reserved for community development, such as community activities, agriculture and animal husbandry. INTERHOLCO has thus reserved app. 350'000 forest hectares (31% of the forest concession), which are not part of the production area for the entire duration of forest management validity and rotation of 30 years. Together with both national parks bordering on the Ngombe forest concession, this brings the portion of strictly protected forest to over 70% in an area app. the size of Belgium – i.e. effectively, only less than 30% is designated as production forest and used economically to support biodiversity maintenance and social development.

Conservation area and HCV area cover a total of 308,000 ha. The area of Intact Forest Landscape was 532,000 ha in 2017. All peatlands (280,000 ha) are under protection and therefore untouched by harvesting. In addition, in the Annual Harvesting Areas, the company further sets aside for conservation purposes (saline) bays, ponds, swamps and rivers. In the 2019 and 2020 Harvesting Areas, for example, an additional surface of about 3'000 hectares, bordering the Odzala-Kokoua National Park, has been put under conservation. App. 800'000 hectares (69%) of the Ngombe forest concession are classified as production forest. The forest is progressively divided into 30 forest management blocks of app. 27'000 hectares each. This reflects the 30-year rotation cycle that INTERHOLCO follows based on its Forest Management Plan (FMP) - i.e. one forest management block for each year of the duration of the forest management plan. Each forest management block is managed for timber harvest for only one year; then access is blocked again; natural regeneration takes over and the forest remains undisturbed for 30 years.

IHC-Management-Plan-Summary

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304-2 Significant impacts of activities, products, and services on biodiversity

Areas of impact are not limited to areas that are formally protected and include consideration of impacts on buffer zones, as well as formally designated areas of special importance or sensitivity. Clearly, the validation and monetisation of 10 mining permits, all of which had been granted by the Ministry of Mining in the Ngombe forest management unit over the past few years, is incompatible with sustainable forest management. INTERHOLCO had brought the issue of mining permits to the attention of the ministries concerned, in particular the Ministry of Mining and the Ministry of Forest Economy. In 2020, only two permits remained. In June 2020, IFO presented a formal request to cancel the permit allowing the artisanal exploration of gold. The request won the approval of the relevant authorities, who recognised that the activity would be incompatible with forest management and therefore decided to cancel the permit. The only other existing permit, namely for diamond prospection, expired in July 2021 and no longer poses any threat.

As far as pollution is concerned, please refer to the disclosure in conjunction with GRI indicator 303-3 (above). In 2021, nothing other than small oil spills occurred in the Ngombe forest concession. All waste and oil is collected at the base camp and sent back to IFO's industrial site, where it is treated, re-used or sent to approved waste collection plants (in Pointe Noire).

In 2021, no specific invasive species have been observed (*Marantaceae* and *Zingiberaceae* herbs are naturally invading some areas, but harvest can have a positive impact on forest regeneration, as scientifically demonstrated), nor any significant reduction in species. All tree species are managed to be maintained, or only decline in case of natural replacement in certain areas (forest succession).

No irreversible impacts or changes outside small variations were recorded in 2021, aside from only limited and temporary impact of forest harvesting (roads, skid trails, logging gaps), thanks to reduced impact logging practices. No conversion to non-forest land-use in the permanent forest area (production, protection and conservation areas) and no large scale conversion in the rural development area, either. For details on deforestation and/or ecosystem conversion since 2014, please see our Facts&Figures:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-Facts-and-Figures-2021-2014.pdf>

FSC audit reports that include externally verified monitoring information on the implementation of the Ngombe concessions's Forest Management Plan are available online. In addition, INTERHOLCO published an FSC monitoring report, available online, which includes a detailed account of socio-environmental impacts in the Ngombe forest concession and IFO's compliance with the regulatory framework.

The harvest volume varies from 5 m³ to 10 m³ per hectare within each annual harvest block. As only one block of 27'000 hectares on average is harvested each year, the average annual harvest rate in the total production forest of about 800'000 hectares is ca. 0.25 m³ per hectare. This harvesting rate is far lower in INTERHOLCO's forest and forests in the Congo Basin than in other forestry operations worldwide – i.e. the sustainable average annual harvest in temperate forests in Europe is app. 4-7 m³ per hectare.

Thanks to satellite analysis conducted in nearly real time by Global Forest Watch, INTERHOLCO can state that, during 2020, sustainable forest management, as implemented by its subsidiary IFO in the Unité Forestière d'Aménagement Ngombe, located in the Sangha department (Google maps: <https://goo.gl/maps/ya2DbXPG7y7oovh8A>), had a deforestation rate of 2.57 kha, equal to 0% forest loss (external verification). Data was drawn from Global Forest Watch (GFW) on 18 May 2021. Although data on concession areas are only accessible to registered GFW users, very low forest loss rates can still be observed at the Sangha department level. In 2020, GFW reports that as little as 7.22 kha, or 0.13% forest loss, took place in the entire Sangha department where IFO is located.

Suppliers must commit to respecting the same commitments and principles observed by INTERHOLCO (included in the contract between INTERHOLCO and suppliers), as well as INTERHOLCO's Code of Conduct, including with respect to deforestation. To this end, INTERHOLCO conducts 2nd or 3rd party supplier audits. In 2020 and 2021, no suppliers were involved in deforestation activities. The wood that INTERHOLCO sources comes from natural forests only (not from

[IHC-Facts-and-Figures-2014-2021](#)

goo.gl/maps/ifo

gfw.global/Sangha

plantations that may have potentially induced deforestation). For more information on suppliers and their screening, please see the disclosures reported in conjunction with GRI 102-4, GRI 102-8, GRI 102-9, GRI 102-11 and GRI 102-16 (above).



Western lowland gorilla mother with baby. Animals migrate freely across the Ngombe forest and neighbouring national parks.

304-3 Habitats protected or restored

Data for GRI indicator 304-3 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Environmental Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Biodiversity	Unit of measure	2021	Scope
Habitats protected or restored Size of concerned area	Ha	308.000	IFO

The Ngombe forest concession managed by INTERHOLCO covers approximately 1.16 million hectares (11'600 km²) of natural – but not undisturbed – forest. In fact, Indigenous Peoples and local communities have been living in and from forests, and using, managing and shaping forests for their livelihood for thousands of years. Bantu populations likely arrived in the region within the last 2000 years, whereas Indigenous Peoples, hunter and gatherer groups have been present for as long as 40,000 years. Today an estimated 16'000 people live in and from the Ngombe forest. INTERHOLCO carried out extensive scientific research feeding into its Forest Management Plan (FMP). It took INTERHOLCO over five years to develop its FMP, based on an inventory of the forest and detailed studies on tree species composition, flora and fauna as well as socio-economic and social- and environmental impact studies on the livelihoods, rights and needs of the local communities and Indigenous Peoples living throughout the Ngombe forest. Forest management planning is kept up to date through on-site visits, monitoring studies and detailed survey in forest management blocks and permanent sample plots. Representatives of the local communities

[IHC-LegalSource](#)

[IHC-Management-Plan-Summary](#)

and Indigenous Peoples are closely involved in these processes. It is important that the livelihoods, cultures, rights and needs of the Indigenous Peoples (e.g. Mbendzélé, BaNgombe, Mikaya ethnic groups) and local Bantu peoples and communities are respected and that these peoples can live a self-determined life. Local and Indigenous Peoples' rights to their culture, traditional way of living and livelihoods, including using the forest for hunting, fishing and gathering food, are protected by law. The concept of Free Prior Informed Consent (FPIC, see above) forms the basis for INTERHOLCO's respectful, inclusive, fair and equitable relations with local communities and Indigenous Peoples. The Ngombe concession of INTERHOLCO is situated in the Congo Basin, and acts as a natural forest bridge between the Odzala-Kokoua National Park and the Ntokou-Pikounda National Park, two National Parks with an extremely high value. Together, the Ntokou-Pikounda National Park and INTERHOLCO concession host an estimated 80'000 Western lowland gorillas, i.e. over 20% of the world population and 60% of the gorilla population is present in the Republic of Congo. In addition, natural forests in the North of Congo are home to approximately 25% of the total remaining forest elephant population and a broad variety of rare and threatened wildlife species. Surveys carried out by Wildlife Conservation Society (WCS) in 2007 and 2014 and studies by a Ph.D. researcher supported by World Wide Fund for Nature (WWF) in 2021 confirmed that gorillas and forest elephants are effectively protected in the Ngombe forest concession. WCS found that the numbers and distribution of animals remained stable over the observation period. Gorillas and forest elephants move freely between the Ngombe forest concession and neighbouring national parks. Anti-poaching units (i.e. eco-guards) work under the authority of the local administration. Together with INTERHOLCO's security personnel, they receive regular training, including specific training on human rights. During training, it is made clear that there is zero-tolerance for abuse of authority, breaches of human rights, discrimination or corruption and that breaches have disciplinary and, if applicable, legal consequences. In 2021, LegalSource auditors verified that fire monitoring and management is effectively in place at IFO, in compliance with 3.3.4. Environmental requirements related to forest management and plantation establishment such as legal requirements for road construction, management of watercourses, use of fire, use of chemicals, fuel use and storage, limitations of conversion etc. shall be adhered to, as well as 3.4.1 Occupational health and safety requirements shall be observed by all personnel involved in forest management/harvesting activities. Please see on p. 48 (*feu*) and p. 49 (*incendie*) of the audit report. INTERHOLCO communicates transparently on fires and, as part of its prevention and warning policy, relies on satellite images from the Global Forest Watch (GFW/WRI) public tool. Between May 2020 and May 2021, the GFW fire alert level was 'normal' in our forest concession, located in the Sangha department; only smaller fires took place, mostly linked to bordering agriculture. This tool makes it possible for INTERHOLCO to monitor supplier compliance with the company's forest protection commitments, as provided for in its Responsible Forestry and Procurement Policy. Based on supplier interviews, field audit reports or data disclosed by GFW/GRI, during 2020 and 2021 no significant fires or deforestation were recorded in forests managed by INTERHOLCO suppliers (other than slash-and-burn agriculture in areas designated for this purpose).

[IHC-LegalSource](#)

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

INTERHOLCO's highest priority is to ensure that timber harvesting and transportation only has a minimal impact on the environment, with no permanent or irreversible changes to the services that the forest provides. The Republic of Congo is a member of various international environmental and forestry bodies and has participated in several conferences related to sustainable forest management. The country has ratified most of the international protocols and conventions relating to the protection of the environment and nature: the Convention on Biological Diversity (1992), CITES, the RAMSAR Convention (1996).

**GRI 103:
Management
Approach**

**103-1 Explanation
of the material
topic and its
Boundary**

The main documents setting out the legal conditions for the management and use of production forests and framing the preparation of the Ngombe FMU Management Plan are "Law 16/2000 of 20 November 2000 on the Forestry Code" and "Decree n° 2002-437 of 31 December Decree No. 2002-437 of 31 December 2002" outlining the conditions for the management and use of forests in application of Law 16/2000. The legal framework concerning the environment is provided by the "Law n°003/91 of 03/04/1991 on the protection of the environment". With regard to wildlife management, the "Law 37/2008 of 28/11/2008 on wildlife and protected areas" is applicable.

After INTERHOLCO's Management Plan was approved, a new forestry code was published in 2020 (Law 33-3030 of 8 July 2020 on the Forestry Code). In addition, INTERHOLCO has chosen to adopt FSC Principles and criteria, the most demanding socio-environmental standards currently available, to make sure the forest is protected and safeguarded from irreversible change.

[economie.gouv.cg/
Loi-du-20-juillet-2020](http://economie.gouv.cg/Loi-du-20-juillet-2020)

[IHC-Management-Plan-Summary](#)



An Indigenous lady collecting leaves in the Ngombe forest. Biodiversity is closely intertwined with the ability of forest inhabitants to maintain their identity, life-styles and traditions.

**103-2 The
management
approach and its
components**

INTERHOLCO's strategy for implementing its Biodiversity Policy and biodiversity protection commitment is a blend of elements related to the prevention, management, and remediation of damage to natural habitats resulting from the organization's activities.

Accordingly, INTERHOLCO has adopted the most rigorous standards and approaches for the management of the Ngombe forest concession. The concept of 'Critical Habitats' as endorsed by the International Finance Corporation (IFC) as well as the concept of 'High Conservation Values (HCV)' as promoted and enforced by the Forest Stewardship Council (FSC) and the HCV Resource Network apply – i.e. forest conservation values are treated and managed as 'Critical Habitats' and 'High Conservation Values'. Neither concept rules out forest

[IHC-Biodiversity-Policy-and-Targets](#)

[IHC-Linking-the-Environmental-and-Social-Landscape](#)

management. Rather, both require that forest management measures do not endanger, compromise or irreversibly change forest biodiversity. Coexistence of conservation and adding economic value is important. For full details on INTERHOLCO's Biodiversity Policy and related time-bound targets, please see:

[IHC-Biodiversity-Policy-and-Targets](#)

Monitoring which activities are taking place in both protected areas and areas of high biodiversity value outside protected areas makes it possible for INTERHOLCO to reduce the risks of direct and indirect impacts. It also makes it possible to manage impacts on biodiversity, avoiding mismanagement. To this end, INTERHOLCO is member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with timber.



A changing climate affects the rain regime, making river transport increasingly difficult.

103-3 Evaluation of the management approach

Under the concession agreement with the government of the Republic of Congo, INTERHOLCO is required to secure the forest area against unauthorised access and illegal use – i.e. unauthorised settlement, illegal logging, poaching, bushmeat trade, etc. INTERHOLCO currently finances a team of 39 state guards to protect wildlife, including forest elephants and Western lowland gorillas, against poaching. These 'Anti-Poaching Units' (in French, Unités de Surveillance et Lutte Anti-Braconnage, or USLAB) are managed by the Agence Congolaise de la faune et des aires protégées (ACFAP, or Congolese Agency for Wildlife and Protected Areas). Together with ACFAP, INTERHOLCO manages the ecosystems linking the Ngombe forest with the Odzala-Kokoua National Park and the Ntokou-Pikounda National Park, to ensure that wildlife and biodiversity throughout the whole area are protected against illegal activity (e.g. poaching, illegal logging, etc.) and irreversible change. In 2021, INTERHOLCO joined a whole new venture aimed at reconciling biodiversity conservation and local socioeconomic development in the Northern Congo forest basin. Through dialogue and partnerships, local people and village communities are going to be increasingly involved in forest management, through the Northern Congo Forest Landscape Project financed by French development agency AFD. A similar approach with a distinct focus on biodiversity protection is carried out by INTERHOLCO together with WWF, within the framework of the Forests Forward project, covering the North of the Republic of Congo.

In 2021, IFO participated in a biodiversity study showing higher wildlife population concentration in FSC-certified than in non FSC-certified concessions in Central Africa. The study has been submitted to several scientific journals and is being peer-reviewed at the time of writing this report. INTERHOLCO has identified species of conservation concern (e.g. rare, threatened, endangered), referencing an appropriate system of classification (e.g. IUCN Red List, national red list, CITES) and information is available in its annual FSC monitoring report. Biodiversity and social considerations are integrated into analytical tools, such as environmental site impact assessments, satellite monitoring and on site surveys. For outcomes of the surveys carried out by WCS in 2007 and 2014, please see the disclosures in conjunction with GRI 102-11 (above). The resources needed for a full survey, initially foreseen in 2020, were diverted to respond to the COVID19 pandemic. In 2019, IFO

[IHC-FAQ](#)

[IHC-Biodiversity-Policy-and-Targets](#)

[IHC-Friends-of-the-forest-1](#)

afd.fr/northern-congo-project

wwf/forests-forward/IFO

[IHC-FSC-Monitoring](#)

as part of the Dynafor project, installed a botanical trail system on 400 ha to study the dynamics and growth of commercial tree species. In 2020 the activity was put on hold due to restrictions caused by the COVID 19 pandemic and activities resumed at the end of 2020. The 400 ha of forest have been inventoried in 2021 and a selection of species will be measured and monitored.

The Ngombe Forest Management Unit (FMU) that the company manages in the Republic of Congo is part of the Greenhouse Gas Emissions Reduction Programme (ERP), which targets the Sangha and Likouala departments, in collaboration with the 'Forest Carbon Partnership Facility (FCPF)'. Carbon (CO₂) and other greenhouse gas (GHG) emissions, are minimal thanks to a set of techniques known as, Reduced Impact Logging (RIL), also an FSC-compliant measure. Thanks to the growth of young trees and natural regeneration, RIL allows for an almost complete reconstitution of the forest and carbon stock, 10 to 20 years after harvesting. Greenhouse gas (GHG) emissions are estimated, on average, at 5% of the carbon/GHG stored in the biomass of the Annual Harvesting Area, which means that annual emissions are only 0.1% of the carbon stored in the biomass of the Ngombe FMU concession. Aside from biogenic emissions, linked to the forest biomass, INTERHOLCO has calculated the direct and indirect emissions resulting from the activities of its subsidiary IFO, including indirect transport emissions up to the clients' countries. These emissions are always below the CO₂ stored in the wood product, hence the advantage of using wood over other products. Even if the RIL GHG emissions are minimal in the forest, INTERHOLCO is committed to reducing GHG emissions (Greenhouse Gases/GHG) in the forest per m³ of wood produced by 10% by 2025, compared to the Reference Emission Level that the ERP will calculate and that is being developed by TNC. For non-biogenic emissions (hydrocarbons, electric power...) during forest production, wood processing and national and international transport, INTERHOLCO is committed to reducing emissions per m³ of wood produced by 5% by 2025.

EMISSIONS



Of the world's three largest tropical rainforests, only Congo has enough standing forest left to remain a strong net carbon sink

GRI 305:
Emissions305-1 Direct
(Scope 1) GHG
emissions

Data for GRI indicator 305-1 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Environmental Landscape (Appendices).

INTERHOLCO's FSC-certified landbank in the Republic of Congo is verified to benefit from multiple examples of minimising impacts of logging roads and other reduced impact logging practices. Examples include: planning roads and skid trails to minimise disturbance, access controls and barriers, closure after logging operations, planning of log landings to reduce unnecessary openings and soil disturbance, low skid trail density.

[IHC-Facts-and-Figures-2014-2021](#)



Greenhouse gas emissions	Unit of measure	2021	Scope
Gasoline (forest mostly) 16	tCO ₂	141	IFO
Diesel Forest production & Forest transport 17	tCO ₂	7.369	
Diesel Sawmill / production plant 18	tCO ₂	8.945	
total non-renewable fuel - tCO ₂ eq. emissions	tCO ₂	16.455	
tCO ₂ emissions/m ³ lumber 19 (forest and sawmill production)	tCO ₂	0,27	
% of Carbon (CO ₂ eq.) stored in wood 20	%	25%	
tCO ₂ emissions/tonne of lumber (with 0.70 t KD wood/ m3)	tCO ₂ eq./t KD wood	0,39	
net emissions (stock based on CO ₂ in wood, with 1.52 tCO ₂ / t wood KD)	tCO ₂ eq./t KD wood	-1,13	
tCO ₂ emissions/m ³ logs 21 (forest production) ²¹	tCO ₂	0,036	
% of Carbon (CO ₂ eq.) stored in wood 20	%	3%	
tCO ₂ emissions/tonne of logs (with 0.70 t KD wood/ m3)	tCO ₂ eq./t KD wood	0,05	
net emissions (stock based on CO ₂ in wood, with 1.52 tCO ₂ / t wood KD)	tCO ₂ eq./t KD wood	-1,47	

IFO opens forest tracks in a limited area only to collect wood. Once harvest is over, tracks are closed and access blocked.



305-2 Energy in direct (Scope 2) GHG emissions

Timber is the only renewable building material present in abundant quantities on the planet. Provided, of course, that it is harvested in a responsible manner that ensures the sustainability of forest areas. Timber is part of the dry sector and requires only solar energy in order to be produced. It is also the only material that emits no CO₂ as it is produced, unlike concrete, aluminum and materials made from hydrocarbons. Timber is therefore one of the materials that we will have to rely on in the future. Global population growth and urbanisation are driving a growing need for housing in cities. It is a challenge that is inseparable from the fight against global warming. This is because construction and the built environment today account for 20% of greenhouse gas (GHG) emissions according to the Intergovernmental Panel on Climate Change (IPCC).

GHG emissions from hydrocarbons (fossil, nonrenewable fuels) during the production and transport of timber are lower than the levels of greenhouse gases (CO₂ in particular) stored in the timber product. Timber is therefore the only material that can be produced with no net GHG emissions.

IPCC was set up in 1988 to provide detailed assessments of the state of scientific, technical and socio-economic knowledge on climate change, its causes, potential impacts and coping strategies:

ipcc.ch/about



The carbon stored in INTERHOLCO's flagship "SUSTAINABLE HARDWOOD, MADE IN AFRICA" product amounts to 1.545 kg CO₂/kg of timber dried to 12% moisture content (KD).

Emissions of GHGs, in particular CO₂, for the production and transport of sawn timber amount to:

- Forest production: 0.15 kg CO₂/kg timber (or 10% of the CO₂ stored in the wood);
- Processing at the factory: 0.23 kg CO₂/kg timber (or 15% of the CO₂ stored in the wood);
- Overland transport: 0.26 kg CO₂/kg timber (or 17% of the CO₂ stored in the wood);
- Sea transport: 0.54 kg CO₂/kg timber (or 35% of the CO₂ stored in the wood).

The total emissions (production, processing, transport to the port of destination) for the harvested timber amount to 1.2 kg CO₂/kg timber or 77% of the CO₂ stored in the wood.

Therefore, when the product arrives at the port of destination it has net emissions of -0.33 kg CO₂/kg of timber (23% of the CO₂ stored in the wood has not been emitted, no significant change with 2019 where it was 22%).

Biogenetic emissions (in the forest) have not been included because monitoring in the permanent plots has shown that the carbon stock is being replenished by tree growth and natural regeneration.



Unlike concrete, aluminium and materials made from hydrocarbons, wood does not emit CO₂ as it is produced.

305-3 Other in direct (Scope 3) GHG emissions

Data for GRI indicator 305-3 and 305-4 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Environmental Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Greenhouse gas emissions	Unit of measure	2021	Scope
Energy indirect greenhouse gas (GHG) emissions (Scope 3) - Transport	tCO ₂		IFO
Terrestrial transport 22	tCO ₂	15.291	
Sea cargo transport 23	tCO ₂	31.769	

305-4 GHG emissions intensity

INTERHOLCO reports the total CO₂ emissions per m³ lumber (0.83 tCO₂/m³) and per m³ logs (0.60 tCO₂/m³) for 2021.

[IHC-Facts-and-Figures-2014-2021](#)



As a general rule, 1 m³ of wood contains one tonne of CO₂ = 350 l of petrol.

305-5 Reduction of GHG emissions

Even if the EFIR's GHG emissions (Greenhouse Gases/GHG) are minimal in the forest, INTERHOLCO is committed to reducing GHG emissions in the forest per m³ of wood produced by 10% by 2025, compared to the Reference Emission Level that the ERP will calculate. For non-biogenic emissions (hydrocarbons, electric power...) during forest production, wood processing and national and international transport, INTERHOLCO is committed to reducing emissions per m³ of wood produced by 5% by 2025.

On average, 30% of the wood produced by INTERHOLCO is shipped through the Sangha, or 22,000 m³ per year. It would take the equivalent of more than 1,000 trucks to transport the same volumes by road, not to mention the significant disadvantages in terms of impact on infrastructure and pollution.

INTERHOLCO's share of inland waterway transport increased from 7% to 30% between 2017 and 2020.

Between 2018 and 2020, INTERHOLCO also increased from 3% to 82% the volume of wood transported from Brazzaville to Pointe-Noire using the Chemin de Fer Congo-Océan (CFCO) railway line, covering a 500 km distance.

Since 2020, all logs and containers transported on the Sangha River are reloaded in Brazzaville to Pointe-Noire by rail, which further reduces environmental impact.

Knowing that one wagon of conventional lumber is equivalent to 2.5 trucks, the objective is to increase the share of rail transport, in order to limit our environmental impact as much as possible.

Managing logistics with dynamism and professionalism allows us to make the right choices by linking cost control and CO₂ impact. That is why INTERHOLCO is focusing on intermodal transport, more specifically on a river-rail alliance.

A monitoring/evaluation/validation (MEV) is done by INTERHOLCO and in 2019, a reduction of emissions from land transport in Congo of more than 10% has been achieved compared to 2018, thanks to an increase in transport by the river. In 2020 and 2021, despite the COVID-19 pandemic, activity in the woodworking sector, considered as an essential economic activity by the Congolese government, did not come to a halt. On the other hand, occasional illness of truck or barge drivers, coupled to limited train activity, port congestion and container scarcity, resulted in limited handling capacity, with delayed deliveries accounting for an overall emission reduction from terrestrial and sea cargo transport compared to 2019 levels (-3% and -10% reduction, respectively).

IHC-FAQ

IHC-transport

**GRI 103:
Management
Approach**

**103-1 Explanation
of the material
topic and its
Boundary**

Carbon dioxide or CO₂ is only the second largest contributor to the greenhouse effect, after water vapour. Human activity, particularly through the burning of fossil fuels, contributes to their concentration in the atmosphere. It has been estimated that replacing conventional construction materials with wood could remove 0.5-1 gigatonnes of CO₂ from the atmosphere, and save up to 31% of global CO₂ emissions. With 8% overall CO₂ emissions, if concrete were a country, it would be the largest emitter in the world, after China and the United States. According to the European Forest Institute, every tonne of wood used in place of a tonne of concrete reduces CO₂ emissions by 2.1 tonnes over the product's life cycle.

In 2017, scientists and NGOs revealed that the peatlands of Congo's Central Basin form the largest carbon reserve in the tropics, and are capable of sequestering 30 gigatonnes of carbon, equivalent to 15 to 20 years of the United States' CO₂ emissions. These peatlands, the largest in the world, are considered by the United Nations to be an essential ecological priority. Protecting forests and peatlands is so crucial for the world's climate that the Central African Forest Initiative (CAFI) has signed a 65 USD million agreement with the Republic of Congo.

[Royalsociety.org/
greenhouse-gas-removal](https://royalsocietypublishing.org/journal/rsos/1031031)

efi.int/wood-construction

[Sciencedaily/Congo-
peatlands](https://www.sciencedaily.com/news/earth-science/2017/05/170517010000.htm)

INTERHOLCO'S BIODIVERSITY OBJECTIVES

1. **Contribute to the protection of a vast landscape including two national parks** (Odzala-Kokoua and Ntokou-Pikounda) **in addition to the Ngombé FMU** in national planning, development mechanisms and poverty reduction strategies.
2. **Minimise temporary impacts on the forest through improved sustainable harvesting** in accordance with recognised scientific principles, known as 'Reduced Impact Logging (RIL)'.
3. **Ensure the maintenance and recovery of all terrestrial and freshwater ecosystems and related services**, in particular **natural forests and wetlands**, including peatlands.

PRIORITY TARGET

Maintain a long-term 'zero deforestation' **rate** from here to 2030 and beyond **and align with the ER-P Nord Congo (Emission Reduction Programme Sangha Likouala)** to ensure impacts on all natural ecosystems in the **Ngombe forest** are minimal and only temporary, **with** 10% reduction in biogenic CO₂ emissions **attained** by 2025 **and** 5% reduction per m³ of wood produced of nonbiogenic emissions (**hydrocarbons, electric power...**) also by 2025.

103-2 The management approach and its components

In line with its Biodiversity Policy, biodiversity protection commitment and targets, INTERHOLCO adopts sustainable forestry in order to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in the Republic of Congo and in all countries. A crucial indicator is the ability to maintain a 'zero deforestation' rate in the Ngombe forest concession that the company manages. 'Sustainable' means that wood is harvested selectively and the forest is allowed sufficient time to regenerate. Valuable forest areas will thus be protected for generations to come. This way, we protect the tropical forest which is important for the global climate and contribute to environmental protection. Used in building construction or furniture design, wood itself stocks carbon. Unlike wood, plastic, aluminum and concrete production requires large quantities of fossil fuel. Through FSC certification, INTERHOLCO is committed to best management practices for soils and peat and to reduced impact logging (EFIR). These commitments also apply to 100% of wood suppliers. Even if the EFIR's GHG emissions are minimal in the forest, INTERHOLCO is committed to reducing GHG emissions (Greenhouse Gases/GHG) in the forest per m³ of wood produced by 10% by 2025, compared to the Reference Emission Level that the ERP will calculate. A reduction in road width has already been implemented starting from 2019, other measures are in progress. For non-biogenic emissions (hydrocarbons, electric power...) during forest production, wood processing and national and international transport, INTERHOLCO is committed to reducing emissions per m³ of wood produced by 5% by 2025.

[IHC-Biodiversity-Policy-and-Targets](#)

[IHC-FAQ](#)

4. Conserve vital habitats and protected species.
5. Provide increased support to government actions to combat poaching and trafficking of protected species.
6. Mobilise resources, including financial resources, to support sustainable forest management.

PRIORITY TARGET

From here to 2030, maintain vital habitats and population of protected wildlife and plant species in the concession area.



103-3 Evaluation of the management approach

A study published together with the Natural Capital Coalition shows how sustainable forest management (which INTERHOLCO verifies via FSC certification) not only reduces CO₂ emissions but also safeguards the natural ability of tropical ecosystems to regenerate and retain their natural integrity. Permanent sample plots in INTERHOLCO's forest concession and other studies show that carbon returns to its natural level between just 10 and 20 years after timber is harvested. As a consequence, there are no negative, long-term impacts. In addition, INTERHOLCO set aside 27% of the concession (308,000 ha), almost one third of the total surface, for conservation (see our publicly accessible forest management plan). Acting as efficient carbon sinks, all peatlands (280,000 ha) are under protection and therefore untouched by harvesting. Moreover, in the Annual Harvesting Areas, the company further sets aside for conservation purposes (saline) bays, ponds, swamps and rivers. In the 2019 and 2020 Harvesting Areas, an additional surface of about 5'000 hectares, bordering the OdzalaKokoua National Park, has been put under conservation. The Ngombe Forest Management Unit (FMU) that the company manages in the Republic of Congo is part of the Greenhouse Gas Emissions Reduction Programme (ERP), which targets the Sangha and Likouala departments, in collaboration with the 'Forest Carbon Partnership Facility (FCPF)'. Carbon (CO₂) and greenhouse gas (GHG) emissions are Greenhouse Effect (GHG), are minimal thanks to a set of techniques known as, Reduced Impact Forest Harvesting (EFIR, an FSC-compliant measure). Thanks to the growth of young stems and natural regeneration, EFIR allows for an almost complete reconstitution of the forest and carbon stock, 10 to 20 years after harvesting. Greenhouse gas (GHG) emissions are estimated, on average, at 5% of the carbon/GES stored in the biomass of the Annual Harvesting Area, which means that annual emissions are only 0.1% of the carbon/GES stored in the biomass of the Ngombe FMU concession. Aside from biogenic emissions, linked to the forest biomass, INTERHOLCO has calculated the direct and indirect emissions resulting from the activities of its subsidiary IFO, including indirect transport emissions up to the clients' countries. These emissions are always below the CO₂ stored in the wood product, hence the advantage of using wood over other products. As methodology to calculate GHG emissions, INTERHOLCO uses emission factors from UK DEFRA and US EPA; the IPCC, 2006 Guidelines for National GHG Inventories; World Resources Institute (2015) GHG Protocol tool for mobile combustion. INTERHOLCO communicates transparently on fires and, as part of its prevention and warning policy, relies on satellite images from the Global Forest Watch (GFW/WRI) public tool. Minor fires were recorded in 300 ha of the Ngombe forest management unit in 2019-2020. Between May 2020 and May 2021, the GFW fire alert level was 'normal' in our forest concession, located in the Sangha department. This tool makes it possible for INTERHOLCO to monitor supplier compliance with the company's forest protection commitments, as provided for in its Responsible Forestry and Procurement Policy. Based on supplier interviews, field audit reports or data disclosed by GFW/GRI, during 2021 no fires were recorded in forests managed by INTERHOLCO suppliers (other than slash-and-burn agriculture in areas designated for this purpose).

[IHC-FAQ](#)

[forestcarbonpartnership/
carbon](#)

[IHC-Facts-and-Figures-
2014-2021](#)

[IHC-Management-Plan-
Summary](#)

[IHC-Responsible-Forestry-
and-Procurement-Policy](#)

ENVIRONMENTAL COMPLIANCE

GRI 307:
Environmental
Compliance

307-1 Non-compliance with environmental laws and regulations

Data for GRI indicator 307-1 and 419-1 cover the INTERHOLCO group, including its subsidiaries IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Economic Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)

GRI 419:
Socioeconomic
Compliance

419-1 Non-compliance with laws and regulations in the social and economic area



Value created	Unit of measure	2021	Scope
Suppliers screened in high risk regions (1.-3. below)			IHC
total number of suppliers (including new suppliers)	No.	20	
of which externally verified / audited for legality (1.-2. below)	No.	14	
of which internally verified / audited for legality (3 below)	No.	6	
total number of mills	No.	21	
total number of forests	No.	62	
New suppliers screened	No.	4	
3rd party suppliers from low risk regions (4.-5. below)			
Total number of suppliers (including new suppliers)	No.	19	
% of compliance* of all 3rd party suppliers with the responsible procurement policy of the company All suppliers verified via a certified due diligence process including field audit of high risk suppliers (1.-5. below)	%	100	

GRI 103:
Management
Approach

103-1 Explanation of the material topic and its Boundary

In the context of INTERHOLCO's approach to sustainability, the environmental landscape encompasses the natural forest that INTERHOLCO manages, INTERHOLCO's impacts on living and non-living natural systems, including land, air, water, and ecosystems. INTERHOLCO discloses information on environmental compliance, i.e. compliance with environmental laws and/or regulations (GRI 307-1) as well as socio-economic compliance (GRI 419) which relates to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labour issues, such as workplace discrimination, among others. This includes compliance with international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations; and, other instruments addressing environmental and socio-economic sustainability, such as voluntary guidelines, voluntary certification, voluntary transparency initiatives and assessments. Because impacts are understood as direct and indirect, compliance extends to 100% of INTERHOLCO's suppliers and is verified via on site inspections as a *conditio sine qua non* prior to signing a contract.

103-2 The management approach and its components

One combined explanation is offered with reference to indicator GRI 307-1 and GRI 419 as both topics are relevant for INTERHOLCO and the company uses the same approach for managing both.

INTERHOLCO complies with the specific laws and regulations in the social and economic landscape of the Republic of Congo (national, sub-national, regional, and local regulations). To establish a responsible forest management practice, giving internal and external stakeholders proof of internal processes and decisions, INTERHOLCO undergoes voluntary verification by a recognised third party (Control Union, NepCon Legal Source). Sustainability at INTERHOLCO is the responsibility of a Head of Sustainability who develops, revises and updates INTERHOLCO's Biodiversity Policy, INTERHOLCO's Responsible Forestry and Procurement Policy along with sustainability procedures across all business locations. In the African countries from which INTERHOLCO procures timber, conducting ecological and social impact studies (such as, SEIAs) is not just a commitment, but a legal obligation. These obligations extend, of course, to INTERHOLCO's suppliers, who are required to observe the same Code of Conduct and commitments as INTERHOLCO by signing a contract with INTERHOLCO, including compliance with the legal framework, both nationally and internationally.

As per its sustainability policy, INTERHOLCO is committed to source only wood/wood fibre that meets FSC Controlled Wood and/or PEFC Controlled Sources requirements; to human rights; to respect Indigenous and local communities' rights as well as legal and customary land tenure rights; to implement Free, Prior and Informed Consent (FPIC); to enable sustainable use of non-timber forest products (NTFPs) by local communities; to provide essential community services and facilities; to provide business/work opportunities for local communities; to Fundamental ILO Conventions or Free and Fair Labour Principles; to respect all workers' rights; to eliminate gender related discrimination with regards to employment; to pay at least minimum wage; to address occupational health and safety; to ethical conduct and prohibition of corruption.

INTERHOLCO undergoes a legality audit on an annual basis. In 2021, for the first time, INTERHOLCO published a consolidated annual report, externally audited to certify the quality of its internal control processes. INTERHOLCO has a responsible forest management and procurement policy that covers multiple dimensions of sustainability across all company's operations. The policy covers both social and environmental issues. INTERHOLCO's Code of Conduct and Responsible Forestry and Procurement Policy apply to all suppliers and include specific commitments to international declarations, conventions, and treaties covered in key instruments of the Organisation for Economic Co-operation and Development.

[IHC-Biodiversity-Policy-and-Targets](#)

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

<https://bit.ly/IHC-ILO>

103-3 Evaluation of the management approach

Independent auditors inspect INTERHOLCO every year to ensure its practices adhere to and comply with international standards (FSC®, PEFC™, EU Timber Regulation, legality). The FSC Principles and Criteria were drawn up in consensus by leading environmental organisations, social actors and private sector companies. The audit results are publicly accessible. The FSC standards and certification system for forests and wood products are widespread in Europe and around the world.

In 2021, INTERHOLCO was involved in 0 (zero) cases or disputes as regards environmental (GRI indicator 307-1) or socio-economic compliance (GRI indicator 419-1). In 2021, independent audits of the socio-environmental and economic approach had a successful outcome, leading to renewed NepCon Legal Source certification (NepCon is now called, Preferred by Nature), FSC® Forest Management and PEFC™ Chain-of-Custody certification.

INTERHOLCO's Social and environmental impact assessments (SEIAs)

and associated management and monitoring plans are available online. At the time of writing this report, all valid legal documents on use rights, forest management, timber harvesting, impact assessments, population rights, labour regulations, legal registration, and taxes, fees and royalties are publicly available online, on Open Timber Portal.

Also in 2021, INTERHOLCO verified supplier compliance as described in conjunction with the following GRI indicators: 102-8, 102-9, 203-2, 204-1, 205-2, 304-1, 304-2, etc.



When wood products reach the port of delivery, their marking allows for identification of the supply, all the way to the forest of origin (traceability).

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 308:
Supplier
Environmental
Assessment

308-1 New
suppliers that were
screened using
environmental
criteria

Please see under GRI 307-1 (above).

GRI 103:
Management
Approach

103-1 Explanation
of the material
topic and its
Boundary

INTERHOLCO submits 100% of suppliers to due diligence processes for environmental (and socio-economic) impacts well before signing a contract.

Once a contract has been signed, INTERHOLCO mitigates impacts by continuing to carry out on site inspections, as well as via ongoing collaboration with suppliers.

For a detailed description, please refer to information provided in conjunction with GRI 102-9 (above).

103-2 The management approach and its components

Due diligence is initiated as early as possible in the development of a new relationship with a supplier in order to prevent impacts already at the stage of structuring contracts or other agreements. For a detailed description, please refer to information provided in conjunction with GRI 102-9 (above).

[IHC-Supplier-due-diligence](#)

[IHC-Supplier-commitments](#)

103-3 Evaluation of the management approach

For a detailed description, please refer to information provided in conjunction with GRI 102-9 (above).

Supplier due diligence verifies compliance with key socio-environmental commitments as a prerequisite for signing a contract



OCCUPATIONAL HEALTH AND SAFETY

GRI 403: Occupational Health and Safety 2018

403-9 Work-related injuries

Data for GRI indicator 403-9 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices).

[IHC-Facts-and-Figures-2014-2021](#)



Health and safety	Unit of measure	2021	Scope
Health and safety total injuries at work (excluding first-aid injuries; accidents without temporary leave)	No.	230	IFO
Work-related fatalities 1a		1	
Injuries with temporary leave of > 4 days		53	
Injuries with temporary leave of ≤ 4 days		176	
Incidence rate per 100 workers 1b (injuries with temporary leave of > 4 days)		5,8	

**GRI 103:
Management
Approach**

**103-1 Explanation
of the material
topic and its
Boundary**

According to the ILO, forestry continues to be one of the most hazardous industrial sectors in most countries, with a high risk of occupational accidents, both in frequency and severity.

ilo.org/safety-in-forestry

**103-2 The
management
approach and its
components**

INTERHOLCO is committed to Fundamental ILO Conventions or Free and Fair Labour Principle as well as to ILO code of good practice on safety and health in forestry work. Both commitments apply to 100% of INTERHOLCO's suppliers.

An integrated HSE management system is in place to ensure that more than 1,000 workers are safe, in line with international standards. Subcontractors working on the site are also instructed through training courses provided in local languages as to what measures must be taken. INTERHOLCO has implemented strict measures about safety at work. A new HSE manager with a background in the oil industry has been recruited for his skills and command of French and Lingala.

After drawing up a risk analysis, the HSE manager worked in close consultation with INTERHOLCO to develop detailed procedures, taking into account the ILO guidelines on health and safety in forestry work. INTERHOLCO has consequently introduced an integrated HSE management system inspired by internationally recognised standards: ISO 9001 for quality, OHSAS 18001 (equivalent to ISO 45001) for health and safety and ISO 14001 for environmental management. HSE procedures target the entire production site, both in the forest and in the processing workshops. Reminder sessions are aimed at employees and subcontractors to ensure that they are properly informed of the risks associated with their activity and trained in the necessary precautions to be taken to avoid accidents and harm to health. Safety is achieved through prevention, from differentiating between different types of waste collection to the separation of pedestrian roads from those used by heavy machinery, without neglecting to make the roads safe with appropriate signposting. Consistent investments have made it possible to purchase protective clothing adapted to the risks entailed by various activities, such as equipment that can protect against fire, Personnel protective equipment (PPE) to prevent accidents and injuries. The stocks are reviewed on a regular basis to check their status and that they are functioning properly; a monitoring system is in place. About 30 rescuers, organised in two teams, are ready to respond at any time of the day or night. Mobile or satellite phones are available to issue alerts anywhere in the operation sites, especially in case of fire. The continuous training of rescue workers also includes theoretical sessions, in addition to practical exercises that simulate emergencies. In the forest, the training sessions are held before the start of regular daily activities. The head of Environment, Social Affairs and Certification, the head of HSE and the head of Operations regularly reiterate all safety criteria. For on the job specific trainings, also Lingala is used, chosen from among the official languages spoken in RoC because of its status as a "lingua franca" and because all local staff learn it from birth. Its use ensures that processes are better understood, as not all employees have the same grasp of the French language. Questions put to the teams on specific examples allow the employees to obtain clear answers and to correct any misunderstandings as part of a learning process. At the end of the training, the teams receive laminated summary sheets, which can be used as reference materials.

A first aid kit is present in each vehicle and in each work unit - its contents are adapted to avoid the risks associated with particular activities. Each item is recorded in a list, basic instructions are given on how to use the medicines provided, and regular checks by the HSE manager ensure that products are replaced. The staff in the mechanical workshop and garage at the production site ensure on a daily basis that the entire fleet, including heavy machinery and vehicles, is kept in good working order with the necessary safety conditions. As regards risk prevention, inspections are being extended to the village of Ngombe, where INTERHOLCO is building housing for employees. Teams of first-aid workers visit the site once a week, without prior notice, to check on the state of cleanliness of the houses. Awareness-raising about the risk of fires is also carried out in villages before the start of the dry season in order to significantly reduce the threat of forest fires.

[IHC-ILO](#)

[IHC-ALLIANCE](#)

[IHC-ILO](#)



Fire prevention training includes a theoretical part, on top of practical simulations.

103-3 Evaluation of the management approach

In 2021, the incidence rate of work-related accidents was 13% lower than in 2020. IFO closely monitors the causes of any accidents, including fatalities occurring among subcontractors. That was the case in 2020, with 2 fatalities during harvesting, owing to the undergrowth density in open *Marantaceae* forests. With an average score of 91% in 2020 (87% in 2019), harvesting techniques were in line with the requirements of the impact control. The main cause of the accidents seems to be that the escape routes were very difficult to make and not long enough, not compliant with the felling procedure.

Corrective actions were taken to minimise the risks, including by adding staff, strengthening controls and additional training. As a result of the general increase in work-related accidents, compared to 2018, INTERHOLCO carried out an analysis and corrective actions have been taken. Some of the corrective actions were being implemented since 2019 and were also in place in 2021, when 1 fatality regrettably took place.

For a comprehensive list of HSE measures which were implemented by IFO in 2021, please refer to p. 48 of our LegalSource audit report:

<https://interholco.com/images/pdfs/IHC-Sustainability-Rep-2022/Annex2-LegalSource-audit-report-IFO-2021.pdf> - please see in particular

3.4.1 Occupational health and safety requirements shall be observed by all personal involved in forest management/harvesting activities.

LegalSource auditors verified that provision of personal protective equipment (EPI in French) to IFO workers according to their category/nature of work was not only free (please see in conjunction with 3.4.2 Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the Organisation on p. 49), but also that workers received proper instructions and were trained thereon at IFO (please see on p. 49, under 3.4.1 Occupational

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IHC-LegalSource

health and safety requirements shall be observed by all personal involved in forest management/harvesting activities) in 2021. For an evaluation of the management approach as regards forest fires, please see under GRI indicator 304-3 (below).

TRAINING AND EDUCATION

GRI 404: Training and Education

404-1 Average hours of training per year per employee



Data for GRI indicator 404-1 cover the INTERHOLCO group, including its subsidiaries IFO (Rep. of Congo) and LCC (Cameroon). For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices).

[IHC-Facts-Figures-
and-2014-2021](#)

Health and safety	Unit of measure	2021	Scope
Training			
Total trainings	No.	3,040	IFO, IHC, LCC
Average number of trainings per employee	No.	3,2	
By level			
<i>Managers</i>	No.	0,8	
<i>Blue-collar workers</i>	No.	4,2	
<i>Administration</i>	No.	0,3	

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

One of INTERHOLCO's objectives is to create equitable job opportunities by providing skills training for staff across the group, particularly those living in remote areas, such as those working with its subsidiary IFO in the Sangha department, one of the most landlocked regions of the Republic of Congo.

There is a significant deficit in the Republic of the Congo in the field of vocational and skills training. Companies cannot find enough trained personnel in different aspects of the forestry, timber and wildlife sectors. INTERHOLCO invests in industrial development and the company's growth. Investment aims to develop employees' skills through targeted training, with equal attention paid to industrial infrastructure (repairing or purchasing more efficient machinery, acquiring new skills to improve motivation and performance) and social infrastructure (medical and social centres, schools, libraries, water purification, construction of buildings and housing, wildlife protection, etc.).

By 'training', INTERHOLCO refers to (i) all types of vocational training and instruction; (ii) paid educational leave provided by an organization for its employees; (iii) training or education pursued externally and paid for in whole or in part by an organization; and (iv) training on specific topics. INTERHOLCO has not included in its 'training' calculations on-site coaching by supervisors. Some types of training target specific categories of employees, known as 'affected employees'. 'Affected personnel' refers to members of staff who may be exposed to problems such as corruption, illegal logging and forced labour. Key positions include any staff member in procurement (including procurement for production), and any staff member in sales, finance and human resources.

A training session in IFO's meeting room. Staff from the mechanical workshop are being instructed on how to repair damaged vehicles to ensure operational safety at all times.



103-2 The management approach and its components

INTERHOLCO works with local and international NGOs, local communities and Indigenous Peoples and the government to prevent and manage conflicts.

In collaboration with swisspeace, a recognised independent human rights organisation based in Switzerland, we have established a due diligence process (Conflict Sensitivity Due Diligence Manual (CSDD)). This is taken as the basis for our activities and is successfully put into practice by our Social Team and our partners on the ground. It also includes, among other things, a grievance mechanism (see the IHC website for details).

The human rights and wildlife protection training courses that INTERHOLCO organises in the Republic of the Congo with conservation and human rights NGOs present opportunities to remind people of the importance of the respect due to local populations. The training reminds ecoguards and security personnel that INTERHOLCO has a procedure for intervening in local villages that observes a zero tolerance policy for any lack of respect for human rights and that any possible abuse can result in criminal charges.

INTERHOLCO does not only provide training courses focusing on compliance with regulations at work (anti-corruption, Code of Conduct, HSE, human rights, certification), but also professional training to gain confidence in people capable of evolving within the company. These courses are designed to develop skills that allow apprentices to be hired and employees to move up to a higher category.

Human rights training for eco-guards (USLAB unit) and security personnel (external organization employing unarmed local personnel) Training can cover issues such as the use of force, inhuman or degrading treatment or discrimination, or identification and registering. Mr. José Blanchard BOKANDZA heads the USLAB (French acronym standing for 'Surveillance and Anti-Poaching Unit'), acting as coordinator of 39 law-enforcing eco-guards (2021 data) that patrol the forest managed by INTERHOLCO through its subsidiary IFO, in the Northern part of the Republic of Congo. IFO's management and environmental

IHC-Peace

unit maintain close links with Mr. Bokandza, providing him with technical assistance and any information collected in the field that may prove useful in carrying out USLAB missions. The establishment of USLAB is provided for in the agreements signed by INTERHOLCO with the Congolese state. The state is responsible for the sovereign missions of territorial surveillance and the fight against poaching. USLAB agents are made available to IFO by the Ministry of Forest Economy and report directly to Agence Congolaise de la faune et des aires protégées (ACFAP, or Congolese Agency for Wildlife and Protected Areas). IFO is responsible for the proper logistical functioning of the USLAB.

103-3 Evaluation of the management approach

Anti-bribery and corruption training is based on real life-case scenarios. Questions that arise during staff training courses focussing on new skills, safety at work and anti-corruption allow the effectiveness of the procedures to be verified 'on the ground'. In this way, any solutions and adjustments that must be made can be adapted to the reality on the ground.

INTERHOLCO signed a goodwill agreement with the African Parks Network (APN) managing the neighbouring Odzala Kokoua National Park, just opposite the Ngombe forest. This agreement primarily aims to improve the fight against poaching and bolster law enforcement on the outskirts of Odzala Kokoua National Park (PNOK), with a particular focus on respect for human rights.

In order to prevent conflict arising from different practices being adopted by PNOK ecoguards versus IFO ecoguards, joint human rights for IFO and PNOK ecoguards are being held on an annual basis.

INTERHOLCO also learns from the experience of other stakeholders. In recent years, the social NGO Survival International has denounced the abuses committed against Indigenous Peoples by ecoguards acting within the framework of a WWF project. The WWF's experience has led INTERHOLCO to work even more closely with Congolese NGO CDHD on new training courses.

CDHD Director Roch N'ZOBO acts as training facilitator, explaining how human rights must be protected and the importance of not yielding to violent behaviour. In 2021, 14 eco-guards took part in the training course facilitated by CDHD, in addition to management staff and members of IFO's social team. The training workshop is also linked to corruption offenses, as described in more detail in conjunction with indicator GRI 205-2 (above). A summary of the training modules is available on INTERHOLCO's web site.

In addition, CDHD conducts village surveys through its support and monitoring activities. This makes it possible to grasp the state of play with regard to respect for human rights and the rights of Indigenous Peoples.

When an interested party wondered about the differences between the amounts paid by IFO and those declared as received by the Republic of Congo's Ministry of Forest Economy (MEF) in the reports of the Extractive Industries Transparency Initiative (EITI) 2016 and 2017, NEPCong auditors were able to verify that IFO's financial reports are audited annually. In 2020, NEPCong auditors found that the list of payments provided to the EITI in 2016, the first year of IFO's involvement, had not been audited due to tight deadlines. In 2017 and 2018 however, an accounting audit by PWC specifically covered IFO's payments to the government, in order to provide audited figures to the EITI for its report. Please see our FSC audit report, in particular, on p. 12, under P.1 Respect of the law:

In 2021, INTERHOLCO's subsidiary IFO passed the LegalSource legality verification successfully. The auditors established that IFO fulfilled requirements in relation to all obligatory taxes, fees and/or royalty payments associated with maintaining the legal right to harvest and permitted harvesting volumes.

In the interest of transparency, IFO continues to participate in the EITI Congo report, publishing volumes of wood harvested, processed and exported as well as payments to government.

interholco.com/training/human-rights (in French)

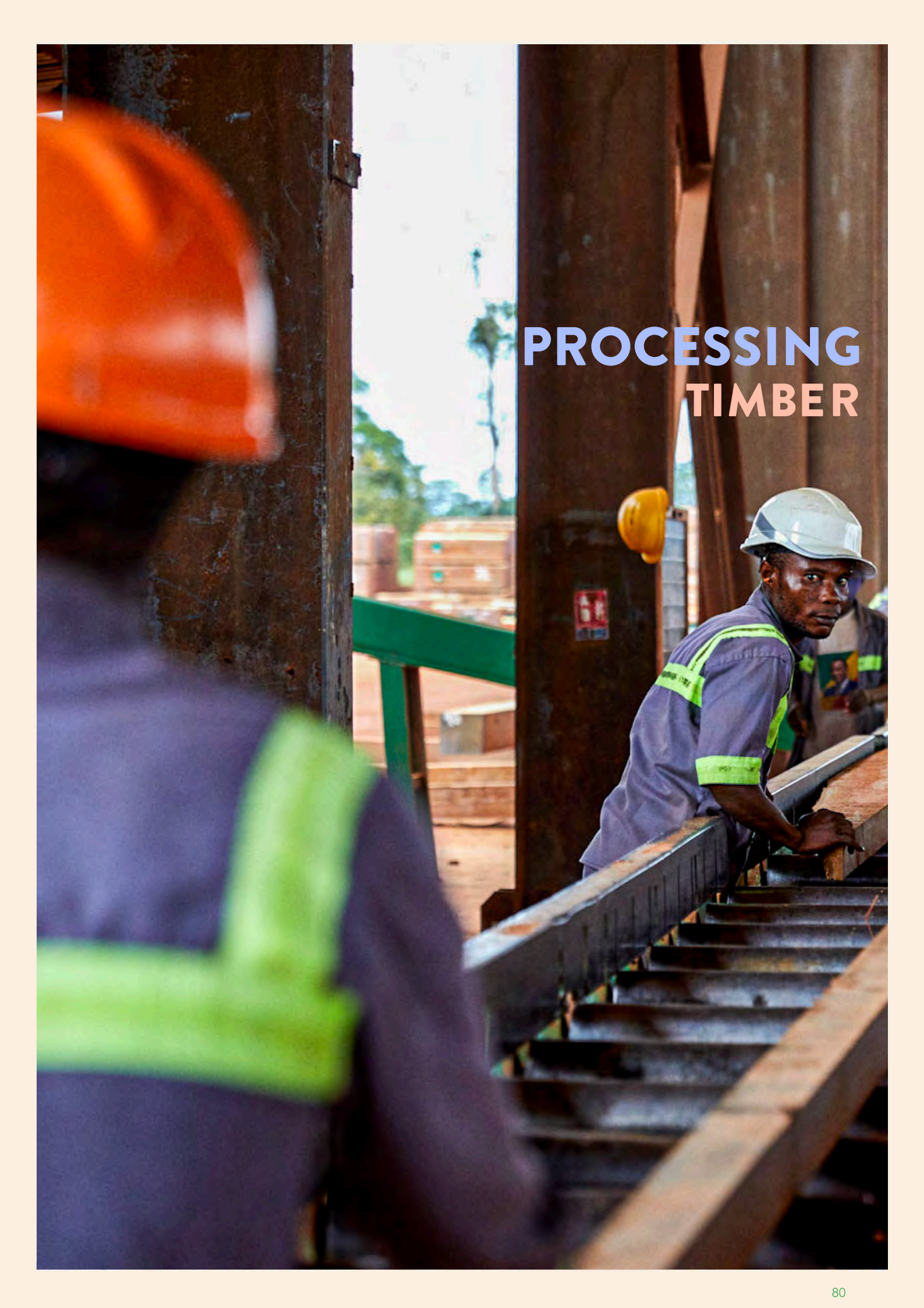
interholco.com/training/eco-guards (in French)

interholco.com/training/anti-poaching (in French)

interholco.com/training/best-practice (in French)

[fsc/audit-report](https://fsc.org/audit-report)

[IHC-LegalSource](https://ihc-legalsource.com)



PROCESSING TIMBER

SECURITY PRACTICES

GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Covered in conjunction with GRI indicator 404-1, above.
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Covered in conjunction with GRI indicator 404-1, above.
	103-2 The management approach and its components	Covered in conjunction with GRI indicator 404-1, above.
	103-3 Evaluation of the management approach	Covered in conjunction with GRI indicator 404-1, above.

RIGHTS OF INDIGENOUS PEOPLES

GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of Indigenous Peoples	Data for GRI indicator 411-1 cover IFO (Rep. of Congo). For full data spanning 2014-2021, please see our 'Facts and Figures' under Social Landscape (Appendices)
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[IHC-Facts-Figures-and-2014-2021](#)



Community engagement	Unit of measure	2021	Scope
Impacts on communities			IFO
Total grievances filed through formal grievance mechanism	No.	6	
of which, filed and resolved	No.	6	

GRI 103:
Management Approach

103-1 Explanation of the material topic and its Boundary

Estimates suggest that 8% of the total Congolese population is made up of Indigenous Peoples, representing about 400,000 people. Most Indigenous communities (often known as Baka) live in northern Congo (in the Likouala and Sangha departments) and represent a very vulnerable segment of the population that is particularly exposed to food insecurity, malnutrition and poverty. Indigenous Peoples depend on the natural environment for income and food, including hunting, gathering and rainfed agriculture. Their livelihoods and food security are therefore very sensitive to climatic changes. In 2011, the Republic of Congo became the first country in Africa to adopt a law that specifically promotes and protects the rights of Indigenous Peoples, Law No. 5-2011 of 25 February 2011 on the advancement and protection of Indigenous Peoples. However, the relationship between local communities (often referred to as 'Bantu') and Indigenous Peoples is based on unequal economic alliances centred on specific activities such as farming or hunting. These relationships often favour the economic interests of local communities over those of Indigenous Peoples. Indigenous women are therefore even more vulnerable than Indigenous men.

voaafrique.com/Peuples-autochtones-du-Cameroun



FORESTS

SAFEGUARDING



103-2 The management approach and its components

The inventory of the Ngombe forest where IFO is active includes biodiversity and livelihood and lifestyles of the local population and Indigenous Peoples inhabiting the forest. The full inventory sets the basis for our management plan. The plan is developed at the beginning of the concession period and the details are integrated with many subsequent adjustments. Employees belonging to the Indigenous Peoples are also involved in this process. A description of FPIC as implemented at IFO by INTERHOLCO may be found in conjunction with indicator GRI 203-2, above.

In the African countries from which INTERHOLCO procures timber, conducting ecological and social impact studies is not just a commitment, but a legal obligation. These obligations extend, of course, to INTERHOLCO's suppliers, who are required to observe the same Code of Conduct and commitments as INTERHOLCO by signing a contract with INTERHOLCO, including compliance with the legal framework, both nationally and internationally.

[IHC-Management-Plan-Summary](#)

ilo.org/Indigenous-and-Tribal-Peoples-Convention

fsc.org/FPIC

103-3 Evaluation of the management approach

In 2021, in the midst of the COVID-19 pandemic, the social team reached 85 villages out of 85, compared to 48 villages in 2019. The team was able to involve 6,669 people in the consultations, an integral part of the FPIC (free prior and informed consent) procedure. This process allowed villages to have their say and take decisions regarding the tree harvesting activities that INTERHOLCO would carry out in 2022, as per its Forest Management Plan. Also in 2021, more than 260 meetings were held.

All grievances recorded by Indigenous Peoples occurring in 2021 were filed, resolved and compensation offered, at the time of writing this report. Details of the incidents are found in INTERHOLCO's FSC Monitoring Report, available online.

HUMAN RIGHTS ASSESSMENT

GRI 412: Human Rights Assessment

412-1 Operations that have been subject to human rights reviews or impact assessments

Reported on in conjunction with indicator GRI indicator 404-3 as well as GRI indicator 411-1, above.

412-2 Employee training on human rights policies or procedures

Reported on in conjunction with GRI indicator 404-3, above.

**GRI 103:
Management
Approach**
**103-1 Explanation
of the material
topic and its
Boundary**

Reported on in conjunction with GRI indicator 404-3, above.

**103-2 The
management
approach and its
components**

Reported on in conjunction with GRI indicator 404-3, above.

**103-3 Evaluation
of the
management
approach**

Reported on in conjunction with GRI indicator 404-3, above.

LOCAL COMMUNITIES
**GRI 413: Local
Communities**
**413-1 Operations
with local
community
engagement,
impact
assessments, and
development
program**

Data for GRI indicator 413-1 cover IFO (Rep. of Congo).
For full data spanning 2014-2021, please see our 'Facts and Figures'
under Social Landscape (Appendices)
For further details on this specific aspect, please see in conjunction with
GRI indicator 203-2, 203-2 and 411-1 (above).

[IHC-Facts-and-Figures-
2014-2021](#)



Community engagement	Unit of measure	2021	Scope
Impacts on communities			IFO
Total grievances filed through formal grievance mechanism	No.	6	
of which, filed and resolved	No.	6	
Community engagement and participatory approach			
Projects based on local communities' needs ³ <i>*follow-up to previous year</i>	No.	6	
% of local operations	%	100%	
meetings with the communities and indigenous people			
Total number of villages	No.	85	
Villages where meetings were held	No.	85	
Meetings	No.	265	
People participating	No.	6,669	
Indigenous	No.	3,793	
Local (Bantou)	No.	2,876	
Women	No.	4,387	
Men	No.	2,282	
Number of pupils in the school for indigenous people (Ngombé)	No.	133	
Number of visitors/readers in the library (Ngombé)	No.	9,962	

In 2020, IFO provided access to clean, drinking water to the forest communities living in the village of Mokagna.

413-2 Operations with significant actual and potential negative impacts on local communities

Please see from p. 65 through p. 71 of 'A culture of alliance to safeguard Africa's forests', INTERHOLCO's Sustainability Report 2020.

IHC-ALLIANCE



In 2021, IFO gave 1,300 pupils of Ngombe's public school access to clean water. More projects are in the pipeline.

GRI 103: Management Approach

103-1 Explanation of the material topic and its Boundary

The Ngombe forest concession managed by INTERHOLCO covers approximately 1.16 million hectares (11'600 km²) of natural – but not undisturbed – forest. In fact, Indigenous Peoples and local communities have been living in and from forests, and using, managing and shaping forests for their livelihood for thousands of years. Bantu populations likely arrived in the region within the last 2000 years, whereas Indigenous Peoples, hunter and gatherer groups have been present for as long as 40,000 years. Today an estimated 16'000 people live in and from the Ngombe forest. It is important that the livelihoods, cultures, rights and needs of Indigenous Baka (e.g. Mbendzélé, BaNgombe, Mikaya ethnic groups) and local Bantu peoples and communities are respected and that these peoples can live a self-determined life. Local and Indigenous Peoples' rights to their culture, traditional way of living and livelihoods, including using the forest for hunting, fishing and gathering food, are protected by law.



Forest communities have been living in symbiosis with the forest for thousands of years; their identity depends on it.

103-2 The management approach and its components

Impact assessments are carried out for all operations:

- 85 villages in the forest concession and about 10 villages affected by annual harvesting;
- Asocio-economic study (2004) and a social impact assessment (2008) were carried out for the entire forest management unit (FMU);
- "Participatory mapping" is carried out prior to the annual harvest and all sites of particular importance to the communities are identified;
- All the villages are informed of the social & environmental impacts and mitigation measures put in place.

A consultation platform with 25 village representatives and all the relevant stakeholders (including local government and NGO representatives) takes place once or twice a year.

Social and environmental impact assessments (SEIAs) are available in the forest management plan of Ngombe concession and the associated management and monitoring plans are available in the monitoring plan of the Ngombe concession of the company, however only the management plan is externally verified by Forêt Ressources Management. For details on SEIAs and how these are a legal obligation for suppliers as well, please see in conjunction with indicators GRI 102-9, GRI 203-2 and GRI 411-1.

To establish and maintain amicable relations with Indigenous Peoples and local communities, INTERHOLCO set up a Social Team which includes employees from Indigenous Peoples and local communities, able to communicate fluently in the local and Indigenous dialects and languages. The Social Team is critical to not only inform about, consult on and agree forest management activities, but also to identify, map and maintain sites of particular social significance to the communities, such as fruit trees, trees providing other products (honey, caterpillars...), storage areas, medicinal plants, sacred sites, fishing waters and hunting grounds. In addition, consultations are held on social infrastructure projects, e.g. building and maintaining housing and schools, hospitals and medical services, provision of drinking water and power supply. Members of the INTERHOLCO Social Team attended over the past years various training sessions, including at the 'Centre of Social Excellence', supported by the Earthworm Foundation, formerly known as The Forest Trust. In collaboration with swisspeace, a recognised, independent, international human rights organization, INTERHOLCO developed a Conflict Sensitivity Due Diligence (CSDD) process and manual and a grievance mechanism which is open to Indigenous Peoples, local communities and other stakeholders.

Moreover, INTERHOLCO collaborates closely with independent Congolese human rights organizations, such as Centre des Droits de l'Homme et de Développement (CDHD), etc.

In the Republic of Congo, INTERHOLCO is an important actor, driving local development and growth. Especially in the remote North of the country the economic opportunities, employment and investment INTERHOLCO provides are essential for the local and Indigenous communities and rural development.

[IHC-Management-Plan-Summary](#)

[IHC-FAQ](#)

[IHC-Peace](#)

103-3 Evaluation of the management approach

For further details on the management approach and its evaluation, please see in conjunction with topic-specific GRI indicators 102-8, 102-15, 102-16, 102-43, as well as topic-specific disclosures in conjunction with GRI indicator 203: Indirect Economic Impacts, GRI 301: Materials, GRI 302: Energy, GRI 303: Water and Effluents, GRI 304: Biodiversity, GRI 305: Emissions, GRI 403: Occupational Health and Safety, GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor, GRI 410: Security Practices, GRI 411: Rights of Indigenous Peoples, and GRI 416: Customer Health and Safety.

SUPPLIER SOCIAL ASSESSMENT, SOCIO-ECONOMIC COMPLIANCE

GRI 414:
Supplier Social
Assessment414-1 New
suppliers that were
screened using
social criteria

For a comprehensive description of INTERHOLCO's due diligence process and screening of suppliers, please see information disclosed in conjunction with the following GRI indicators: 102-8, 102-9, 102-16, 102-40, 102-44, 102-46, 201-4, 202-2, 203-2, 204-1, 205-2, 303-3, 304-2, 304-3, 305-1, 307-1, 403-9, 404-1, 411-1, 412-1 and 413-1, above, as well as in the INTERHOLCO 'Responsible Forestry and Procurement Policy' on the Environmental Landscape page of the INTERHOLCO web site, under 'Our environmental protection reports and procedures'.

[IHC-Facts-and-Figures-2014-2021](#)

[interholco.com/
environmental-landscape](https://interholco.com/environmental-landscape)

[IHC-Responsible-Forestry-and-Procurement-Policy](#)



Fishing is an alternative source of key nutrients for forest inhabitants, hence the importance of maintaining water courses free from pollutants.

GRI 103:
Management
Approach103-1 Explanation
of the material
topic and its
Boundary

In addition to ecological principles, INTERHOLCO also considers social values to be very important. This includes ensuring the self-sufficiency of the Indigenous and local peoples, by making sure they can hunt, gather and fish in the forest concession. This is important for the Indigenous Peoples for more than just the purpose of finding food. It is also a central component of their traditional way of life and is thus of vital importance for their cultural integrity and a self-determined life. These interests are also protected by law (Wildlife Act, Indigenous Peoples Act). These obligations extend, of course, to INTERHOLCO's suppliers.

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

[interholco.com/regulatory-
landscape](https://interholco.com/regulatory-landscape)

103-2 The management approach and its components

INTERHOLCO's suppliers are required to observe the same Code of Conduct and commitments as INTERHOLCO by signing a contract with INTERHOLCO, including compliance with the legal framework, both nationally and internationally. INTERHOLCO's due diligence system covers all socio-environmental safeguards, commitments and principles, as upheld by INTERHOLCO and included in its Responsible Forestry and Procurement Policy.

For a comprehensive description of INTERHOLCO's due diligence process and screening of suppliers, please see information disclosed in conjunction with the following indicators: GRI 102-8, 102-9, 102-16, 102-40, 102-44, 102-46, 201-4, 202-2, 203-2, 204-1, 205-2, 303-3, 304-2, 304-3, 305-1, 307-1, 403-9, 404-1, 411-1, 412-1 and 413-1, above, as well as in the INTERHOLCO 'Responsible Forestry and Procurement Policy' on the Regulatory Landscape page of the INTERHOLCO web site, under 'Our due diligence in procuring legal timber'.

Our Due Diligence System is certified by Control Union (Timber Legality Verification): <https://bit.ly/IHC-TLV>

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

interholco.com/regulatory-landscape

[IHC-TLV](#)

103-3 Evaluation of the management approach

Since 2006, INTERHOLCO has operated a system for the verification of the legality of its wood products. The system comprises a due diligence process to audit the legality of procurement sources and progressively increase the volume of 3rd party legality verified and sustainability certified timber sources. As a matter of principle, we decided to avoid controversial sources (based on the Controlled Wood and Controlled sources categories).

Currently, about 92% of Interholco's wood products sourced are 3rd party verified and about 88% are FSC certified.

In addition, our goal is to progressively increase procurement of certified timber (FSC and PEFC) and, for non-negligible risk areas, to procure only 3rd party legality verified or certified timber within 10 years.

[IHC-Responsible-Forestry-and-Procurement-Policy](#)

interholco.com/regulatory-landscape

[IHC-EUTR-Lacey](#)



Forest inhabitants have the right to use part of the forest concession for their livelihoods.

APPENDICES





GRI

CONTENT INDEX

INTERHOLCO has been following guidelines of the GRI in its sustainability reports since 2017. This 2022 Report has been drafted **in accordance with the GRI Standards from 2016 (Core option)** and relevant elements of the G4 Financial Services Sector Supplement. Our report also includes some information from the **Comprehensive option** in addition to other elements, in particular **the 17 UN SDGs, the 10 Principles of the UN Global Compact and the 10 SPOTT assessment categories**, which record the ESG performance of 100 companies in the timber sector, including INTERHOLCO. The complete list of elements taken into consideration while drafting this 2022 Report is available in the "Notes on this Report" section, on p. 3.

LIST OF CONTENT ISSUED BY THE GLOBAL REPORTING INITIATIVE (GRI)

GENERAL DISCLOSURES

GRI STANDARD CORE OPTION	GRI CODE	INDICATOR NAME
Regulatory Organisational profile	GRI 102-1	Name of the organisation
	GRI 102-2	Activities, brands, products, and services
	GRI 102-3	Location of headquarters
	GRI 102-4	Location of operations
	GRI 102-5	Ownership and legal form
	GRI 102-6	Markets served
	GRI 102-7	Scale of the organization
	GRI 102-8	Information on employees and other workers
	GRI 102-9	Supply chain
	GRI 102-10	Significant changes to the organization and its supply chain
	GRI 102-11	Precautionary Principle or approach
	GRI 102-12	External initiatives
	GRI 102-13	Membership of associations



	PAGE, LINK OR COMMENT
	p. 10-11
	p. 11
	p. 11-12
	p. 13
	p. 13
	p. 13; Facts and Figures - Social landscape: https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 13; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 15; https://bit.ly/IHC-Responsible-Forestry-and-Procurement-Policy ; https://bit.ly/IHC-Facts-and-Figures-2014-2021 ; https://bit.ly/IHC-FAQ
	p. 15
	p. 17-18; https://bit.ly/IHC-FAQ
	p. 18-19; https://interholco.com/en/about-us/initiatives ; https://interholco.com/en/media-news/they-say-about-us



INTERHOLCO LANDSCAPE / GRI STANDARD	GRI CODE	INDICATOR NAME
Regulatory Strategy	GRI 102-14	Statement from senior decision-maker
	GRI 102-15	Key impacts, risks, and opportunities*
Regulatory Ethics and integrity	GRI 102-16	Values, principles, standards, and norms of behaviour
	GRI 102-17	Mechanisms for advice and concerns about ethics*
Regulatory Governance	GRI 102-18	Governance structure
Regulatory Stakeholder engagement	GRI 102-40	List of stakeholder groups
	GRI 102-41	Collective bargaining agreements
	GRI 102-42	Identifying and selecting stakeholders
	GRI 102-43	Approach to stakeholder engagement
	GRI 102-44	Key topics and concerns raised
Regulatory Reporting practice	GRI 102-45	Entities included in the consolidated financial statements
	GRI 102-46	Defining report content and topic Boundaries
	GRI 102-47	List of material topics
	GRI 102-48	Restatements of information
	GRI 102-49	Changes in reporting
	GRI 102-50	Reporting period
	GRI 102-51	Date of most recent report
	GRI 102-52	Reporting cycle
	GRI 102-53	Contact point for questions regarding the report
	GRI 102-54	Claims of reporting in accordance with the GRI Standards
	GRI 102-55	GRI content index
	GRI 102-56	External assurance

*Comprehensive option



	PAGE, LINK OR COMMENT
	Editorial p. 5-8
	p. 26
	p. 26 https://interholco.com/en/about-us/values https://interholco.com/en/about-us/governance
	p. 28 https://interholco.com/en/about-us/governance
	p. 28 https://interholco.com/en/about-us/initiatives
	p. 28-29; Facts and Figures- Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 29-30 https://interholco.com/en/about-us/initiatives
	p. 30-32
	p. 32-33
	Notes on this report p. 2 ; p. 33; Facts and Figures - Economic landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Editorial p. 5-8, p. 33-34
	p. 34; the relevant issues, both in this section and throughout the report, are highlighted using the colour code specified in the Notes on this Report on p. 2.
	Where information has been revised, this is indicated in the notes to our Facts and Figures : https://bit.ly/IHC-Facts-and-Figures-2014-2021 .
	There have been no substantial changes to the list of relevant issues or their scope.
	p. 34
	p. 34
	p. 34
	Please see on the back cover
	p. 35; GRI Content Index p. 90
	GRI Content Index p. 90
	p. 35



SPECIFIC PIECES OF INFORMATION		
INTERHOLCO LANDSCAPE / GRI STANDARD	GRI CODE	INDICATOR NAME
Regulatory Management approach	GRI 103-1	Explanation of the material topic and its Boundary
	GRI 103-2	The management approach and its components
	GRI 103-3	Evaluation of the management approach
Economic, Social Economic performance	GRI 201-1	Direct economic value generated and distributed
	G4FS-EC1	Direct economic value generated and distributed – investment in local communities
Economic, Social Indirect economic impacts	GRI 203-2	Significant indirect economic impacts
Economic, Social Local communities	GRI 413-1	Operations with local community engagement, impact assessments, and development programs
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities
Economic, Social, Environmental, Regulatory - Supplier environmental assessment	GRI 308-1	New suppliers that were screened using environmental criteria
Economic, Social, Regulatory Supplier social assessment	GRI 414-1	New suppliers that were screened using social criteria
Economic, Social, Environmental Procurement practices	GRI 204-1	Proportion of spending on local suppliers
Economic, Social - GRI G4 G4 sectoral supplement for financial services	FP 1	Percentage of timber purchased from suppliers in compliance with the company's procurement policy
	FP 2	Percentage of purchased volume verified as in accordance with credible, internationally recognized responsible production standards
Environmental - Water and effluents	GRI 303-3	Water withdrawal
Environmental Biodiversity	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	GRI 304-2	Significant impacts of activities, products, and services on biodiversity
	GRI 304-3	Habitats protected or restored



	PAGE, LINK OR COMMENT
	Each issue, as well as the applicable scope and the selected managerial approach and relevant evaluation, is presented in detail via GRI indicator 103-1, 103-2 and 103.3 Our policies, procedures, guidelines and key performance indicators are reviewed each year to ensure relevance and in order to identify necessary improvements.
	p. 38-39 Facts and Figures - Economic landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 42-46; Facts and Figures - Economic landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021 See EITI Report 2019: https://eiti.org/sites/default/files/attachments/itie_congo_2019_version_finale.pdf
	p. 84-86 Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Facts and Figures - Economic landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021 https://www.interholco.com/en/about-us/facts-and-figures ; See also our Responsible Sourcing Policy https://interholco.com/images/pdfs/20200928-IHC-forestryandprocurement.pdf and the Annex for compliance audits https://interholco.com/images/pdfs/Annexe-IHC_32-03_Approvisionnement_responsable_modele_evaluation.pdf - our due diligence process is certified by ControlUnion.
	p. 50-53; Facts and Figures - Environmental landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 54-59; Facts and Figures - Environmental landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Facts and Figures - Environmental landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	p. 59-63; Facts and Figures - Environmental landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021



INTERHOLCO LANDSCAPE / GRI STANDARD	GRI CODE	INDICATOR NAME
Environmental Emissions	GRI 305-1	Direct (Scope 1) GHG emissions
	GRI 305-2	Energy indirect (Scope 2) GHG emissions
	GRI 305-3	Other indirect (Scope 3) GHG emissions
	GRI 305-4	GHG emissions intensity
	GRI 305-5	Reduction of GHG emissions
Environmental, Regulatory Environmental compliance	GRI 307-1	Non-compliance with environmental laws and regulations
Social, Economic Market presence	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage
	GRI 202-2	Proportion of senior management hired from the local community
Social, Economic Indirect economic impacts	GRI 203-1	Infrastructure investments and services supported
Social, Economic Anti-corruption	GRI 205-2	Communication and training about anti-corruption policies and procedures
Social Occupational health and safety	GRI 403-9	Work-related injuries
Social Training and education	GRI 404-1	Average hours of training per year per employee
Social Security practices	GRI 410-1	Security personnel trained in human rights policies or procedures
Social, Regulatory Rights of indigenous peoples	GRI 411-1	Incidents of violations involving rights of indigenous peoples
Social, Regulatory Human rights assessment	GRI 412-1	Operations that have been subject to human rights reviews or impact assessments
	GRI 412-2	Employee training on human rights policies or procedures
Social Local communities	GRI 413-1	Operations with local community engagement, impact assessments, and development programs
Social, Regulatory Socioeconomic compliance	GRI 419-1	Non-compliance with laws and regulations in the social and economic area



	PAGE, LINK OR COMMENT
	p. 63-67 Facts and Figures - Environmental landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021 https://bit.ly/IHC-FAQ
	NepCon Legal Source certification, FSC® FM certification available on the website https://interholco.com/en/sustainability/environmental-landscape under "Our environmental protection certificates"
	p. 40-42 Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Editorial p. 6-8 ; p. 42-46; p. 51-53; p. 75
	p. 47-49; see also https://bit.ly/IHC-FAQ
	p. 74-77 Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021 ; see also https://bit.ly/IHC-FAQ
	p. 81; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	NepCon Legal Source certification, FSC® FM certification available on the website: https://interholco.com/en/sustainability/environmental-landscape under "Our environmental protection certificates"
	p. 81-83, 44-45, 60, 72 (<i>activities involving the local community</i>); p. 60, 72, 78-79, 81, 83-84, 86 (<i>human rights training</i>); Appendices - Social landscape; as well as https://bit.ly/IHC-FAQ pp. 12-26, 28-29 (<i>human rights; local communities and Indigenous peoples</i>)
	NepCon Legal Source certification, FSC® FM, Control Union TLV due diligence compliance available on the INTERHOLCO website





LINKS ACROSS LANDSCAPES

<https://bit.ly/IHC-against-COVID>
<https://bit.ly/IHC-ALLIANCE>
<https://bit.ly/IHC-Anti-Bribery>
<https://bit.ly/IHC-Best-in-the-World>
<https://bit.ly/IHC-Biodiversity-Policy-and-Targets>
<https://bit.ly/IHC-Carrefour2022>
<https://bit.ly/IHC-COP26-press-release>
<https://bit.ly/IHC-EDITO-60-years>
<https://bit.ly/IHC-EUTR-Lacey>
<https://bit.ly/IHC-Facts-and-Figures-2014-2021>
<https://bit.ly/IHC-FAQ>
<https://bit.ly/IHC-Friends-of-the-forest-1>
<https://bit.ly/IHC-Friends-of-the-forest-2>
<https://bit.ly/IHC-FSC-Monitoring>
<https://bit.ly/IHC-h2o-2022>
<https://bit.ly/IHC-ILO>
<https://bit.ly/IHC-Info-sheet>
<https://bit.ly/IHC-Join-us-against-COVID-19>
<https://bit.ly/IHC-LegalSource>
<https://bit.ly/IHC-Linking-the-Environmental-and-Social-Landscape>
<https://bit.ly/IHC-Living-Wage>
<https://bit.ly/IHC-Management-Plan-Summary>
<https://bit.ly/IHC-Peace>
<https://bit.ly/IHC-Responsible-Forestry-and-Procurement-Policy>
<https://bit.ly/IHC-Supplier-commitments>
<https://bit.ly/IHC-Supplier-due-diligence>
<https://bit.ly/IHC-Supplier-list>
<https://bit.ly/IHC-Sustainability-Report-2017>
<https://bit.ly/IHC-Tax>
<https://bit.ly/IHC-TLV>
<https://bit.ly/IHC-Trust>

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<https://interholco.com/en/sustainability/working-across-landscapes>
<https://interholco.com/en/sustainability/environmental-landscape>
<https://interholco.com/en/sustainability/regulatory-landscape>



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)		
GOALS	NAME OF THE GOAL	PAGE, LINK OR COMMENT
	No poverty	p. 54-63; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Zero hunger	p. 54-63; p. 18, 36, 43, 60, 81, 85; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Good health and well-being	p. 6, 8, 26, 29, 31, 41, 42, 44, 67, 75, 76, 78
	Quality education	p. 8, 45, 85
	Gender equality	p. 13-14, 37, 43-45, 81; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Clean water and sanitation	p. 8; 45; 51
	Affordable and clean energy	p. 65, 69; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
	Decent work and economic growth	p. 14, 26, 28, 29, 30, 33, 40-41, 75, 83
	Industry, innovation and infrastructure	p. 5-88
	Reduced inequality	p. 13, 30-31, 44-45, 60, 72, 83
	Sustainable cities and communities	p. 6-7, 53
	Responsible consumption and production	p. 5-8, 53, 58-60, 70-75, 83, 86-88
	Climate action	p. 17-18, 54-63, 63-73
	Life below water	p. 51
	Life on land	p. 59-63, 72, 78-79, 81, 83-84, 86
	Peace and justice strong institutions	p. 5, 6, 26, 47-48
	Partnerships to achieve the Goal	Editorial, p. 5-8; p. 18-19, 28-32

Find out more about the Sustainable Development Goals at <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT		
PRINCIPLES	NAME OF PRINCIPLE	PAGE, LINK OR COMMENT
P1	Businesses should support and respect the protection of internationally proclaimed human rights	https://bit.ly/IHC-Responsible-Forestry-and-Procurement-Policy
P2	Make sure that they are not complicit in human rights abuses	
P3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p. 28-29; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021
P4	The elimination of all forms of forced and compulsory labour	https://bit.ly/IHC-ILO https://bit.ly/IHC-Responsible-Forestry-and-Procurement-Policy
P5	The effective abolition of child labour	
P6	The elimination of discrimination in respect of employment and occupation	
P7	Businesses should support a precautionary approach to environmental challenges	p. 17-18 https://bit.ly/IHC-Biodiversity-Policy-and-Targets
P8	Undertake initiatives to promote greater environmental responsibility	p. 50-73 https://interholco.com/en/about-us/initiatives
P9	Encourage the development and diffusion of environmentally friendly technologies	p. 50-73
P10	Businesses should work against corruption in all its forms, including extortion and bribery	p. 47-50; Facts and Figures - Social landscape : https://bit.ly/IHC-Facts-and-Figures-2014-2021 https://bit.ly/IHC-Anti-Bribery



THE TEN CATEGORIES OF SPOTT ASSESSMENT WITH REGARD TO ESG PERFORMANCE AMONG COMPANIES IN THE TIMBER INDUSTRY

INDICATORS	NAME OF THE CATEGORY IN ENGLISH	PAGE, LINK OR COMMENT
from 1 to 12	Sustainability policy and leadership	https://www.spott.org/timber-pulp/interholco/
from 13 to 41	Landbank, maps and traceability	
from 42 to 50	Certification standards	
from 51 to 70	Deforestation and biodiversity	
from 71 to 81	HCV, HCS and impact assessments	
from 82 to 101	Soils, fire and GHGs	
from 102 to 122	Water, chemical and waste management	
from 123 to 158	Community, land and labour rights	
from 159 to 166	Smallholders and suppliers	
from 167 to 175	Governance and grievances	

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Tullia Baldassarri Höger von Högersthal

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except on p. 7, 'Forest dwellers' © Tom
Wilson and dugout canoe in the Congo
Basin © Mark Gately

NOTES



A series of 20 horizontal green lines, evenly spaced, providing a template for writing notes.







1962-2022



This year, INTERHOLCO turns 60. 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.



Ulrich Grauert, INTERHOLCO CEO

**If you have any questions, suggestions
and/or comments relating to
this report, please contact:**

Tullia Baldassarri Höger von Högersthal
Communication and Marketing Manager

Tullia.Baldassarri@interholco.com

INTERHOLCO AG

Neuhofstrasse 25 - 6340 Baar, Switzerland

Tel.: +41 41 7670303

info@interholco.com

