



FORESTS CALL FOR INNOV ATION

SUSTAINABILITY REPORT 2024

Notes on this report

This document is the fourth Sustainability Report of INTERHOLCO, following those published in 2018, 2020 and 2022, all available for download on interholco.com/sustainability/working-across-landscapes.

INTERHOLCO has adopted the GRI standards of the Global Reporting Initiative in its sustainability reporting since 2017.

The 2020 and 2022 Sustainability Reports were drafted in accordance with the GRI Standards from 2016 (Core option). This is our first year reporting in accordance with the GRI 1: Foundation 2021 standards.

Reviewed and approved by INTERHOLCO's highest governance body, namely, INTERHOLCO's Senior Management, this Sustainability Report presents the outcomes of our stakeholder engagement processes in our activities across the **social**, **environmental** and **economic** landscape and as required by the legal and institutional framework, i.e. the **regulatory** landscape, in which the company operates.

INTERHOLCO is a signatory to the United Nations (UN) Global Compact and is keen to measure its contribution to the 17 UN Sustainable Development Goals (SDGs). As such, we seek to honour the highest sector-specific standards, starting from the [Universal Declaration of Human Rights](#), the [10 Principles of the UN Global Compact](#), the [UN Guiding Principles on Business and Human Rights](#), the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#), the [African Charter on Human and Peoples' Rights](#), [ILO's Declaration on the Fundamental Principles and Rights at Work](#) as well as the [ILO-IOE Child Labour Guidance Tool for Business](#).

The topics that are material to us coincide with the more than 180 ESG indicators that the SPOTT initiative, led by the British NGO Zoological Society of London with UK and Norwegian funding, continuously updates and develops with a wide range of stakeholders to assess the transparency of 100 timber and pulp companies¹ operating in the three tropical basins.

In order to make reading this report easier, we have adopted the same colour code as in our 2017, 2020 and 2022 Sustainability reports, i.e.:

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

¹ SPOTT is a project developed by the Business and Biodiversity programme of British NGO Zoological Society of London (ZSL). The SPOTT assessments follow three comprehensive frameworks of best practice indicators for palm oil, timber and pulp, and natural rubber companies. Each framework consists of detailed scoring criteria for more than 100 indicators divided across 10 categories.

ZSL has developed the SPOTT indicators in collaboration with [technical advisors](#) to ensure they are closely aligned with related initiatives including the [UN Sustainable Development Goals](#). SPOTT publishes information on [Company Selection Methodology](#), [External Verification](#) and [Assessment Scores](#).

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Abbreviations

ATIBT	Association Technique Internationale du Bois Tropical
CAFI	Central African Forest Initiative
CDHD	Cercle des Droits de l'Homme et de Développement
CEMAC	Economic Community of Central African States (in French)
CHP	Combine Heat and Power (Cogeneration)
CIFOR	Center for International Forest Research
CO ₂	Carbon dioxide
CSRD	Corporate Sustainability Reporting Directive
EIRR	Economic Internal Rate of Return
EITI	Extractive Industries Transparency Initiative
ES	Environmental (or Ecosystem) Services
ESG	Environment, Social and Governance ²
ESIA	Environmental and Social Impact Assessment
EUDR	European Union Deforestation Regulation
EUR, €	Euro
FAO	Food and Agriculture Organization of the United Nations
FDES	Environmental and health datasheet (in French)
FJ	Finger-jointed wood products (as in, FJ laminated scantlings)
FM	Forest Management
FMP	Forest Management Plan
FMU	Forest Management Unit
FPIC	Free, Prior and Informed Consent
FSC®	Forest Stewardship Council® ³
GDP	Gross Domestic Product
GHG	Greenhouse gas
ha	Hectare
HIV	Human Immunodeficiency Virus
HSE	Health, Safety and Environment ⁴
IFO	Industrie Forestière de Ouessou

² ESG criteria are the three main factors for measuring the sustainability of an investment in a company or economic area.

³ FSC® License C022952.

⁴ HSE is an area of technical expertise controlling aspects related to occupational risks.

IHC	Interholco
IT	Information technology
ITTO	International Tropical Timber Organization
LCC	Logistique Congo Cameroun
LKTS	Lesser-known timber species (also known as, promotional species)
MFM	Multiple-use Forest Management
NGO	Non-governmental Organization
OECD	Organisation for Economic Co-operation and Development
OTP	Open Timber Portal
PAFC™	Pan-African Forest Certification™ ⁵
PEFC™	Programme for the Endorsement of Forest Certification™ ⁶
%	Percent
RIL	Reduced Impact Logging
RIL-C	Reduced impact logging for Carbon
RoC	Republic of Congo
SAR	Special Administrative Region
SDG	Sustainable Development Goals
SEIA	Socio-environmental impact analysis
SFM	Sustainable Forest Management
SPOTT	Sustainability Policy Transparency Toolkit
tn	Trillion
TNC	The Nature Conservancy
UN	United Nations
UNOPS	United Nations Office for Project Services
USD, \$	United States dollar
VCS	Verified carbon standard
WACC	Weighted Average Cost of Capital
WASH	Water, sanitation and hygiene
WRI	World Resources Institute
WWF	World Wildlife Fund
XAF	Central African CFA Franc

⁵ PAFC™ License/SFM-898195.

⁶ PEFC™ License/15-31-0084.

OPENING UP TO INNOVATION

WILLIAM GILLEY





INNOVATION: OUR MOST RENEWABLE ENERGY

Message from our CEO on ESG Progress 2024

Forests are the backbone of life on Earth. They produce oxygen, regulate climate, store carbon, and provide essentials like water, food, and medicine. Yet, they face unprecedented threats. In Africa, biodiversity has dropped by 76% – one of the sharpest declines globally, according to WWF.

Forests have absorbed 50% of human-induced carbon emissions, acting as a buffer against climate change. But this natural defense is weakening. After 60 years in Central Africa's forests, we at INTERHOLCO have learned one key lesson: innovation is critical for resilience and sustainable progress.

Sustainable Value Creation

Our approach to forestry is highly selective: harvesting just 0.8 trees per hectare (fewer than one tree per football field). This model supports over 1,000 equitable jobs in Congo, where workers receive living wages comparable to those in Belgium.

We also ensure essential services for 19,000 people, including 3,000 Indigenous individuals. In Ngombé, where 11,000 people live, our company-run medical center provides healthcare—essential in a region where the nearest hospital is 400 km away.

Our sustainable harvesting supplies high-quality wood products “Made in Africa,” designed for long-term carbon storage. Each cubic meter of these products stores 24% net CO₂ over its lifespan, verified by external audits.

Circular Solutions: Waste to Value

We no longer discard by-products from wood processing. Instead, we have started to transform them into soil enhancers and materials that lock carbon away for up to 1,000 years. This circular approach minimizes waste while maximizing environmental benefits.

Protecting Biodiversity

FSC-certified forests play a critical role in biodiversity conservation. A 2024 study in *Nature* found that certified forests in Gabon and the Republic of Congo host 2.7 times more forest elephants and silverback gorillas than non-certified areas. Protecting biodiversity requires tailored, long-term strategies—each ecosystem and species is unique.

A Call to Action

Forests are vital to over half the global economy, yet investment in their protection remains inadequate. Agricultural expansion continues to drive deforestation and biodiversity loss.

As a UN Global Compact signatory, we try our best to prioritize long-term strategies for forests and biodiversity. Without sustained investment, terms like “forest-based solutions” risk becoming hollow buzzwords. Forests demand action—innovation must lead the way.



Ulrich Grauert

CEO, INTERHOLCO

INTRODUCING INTERHOLCO

The organisation and its reporting practices

2-1 Organisational details

Based in Baar (Neuhofstrasse 25, 6340 Baar, Canton of Zug, Switzerland), INTERHOLCO AG (INTERHOLCO) is a Swiss public limited ('AG') 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 economically responsible manner.

As of 31 December 2023, INTERHOLCO comprises four companies as described below,⁷ together with a representation office in Bahrain and an exclusive sales agency in China.



Swiss company Forset Group AG effectively holds INTERHOLCO's ownership.⁸

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) and, since 2024, of PAFC.TM

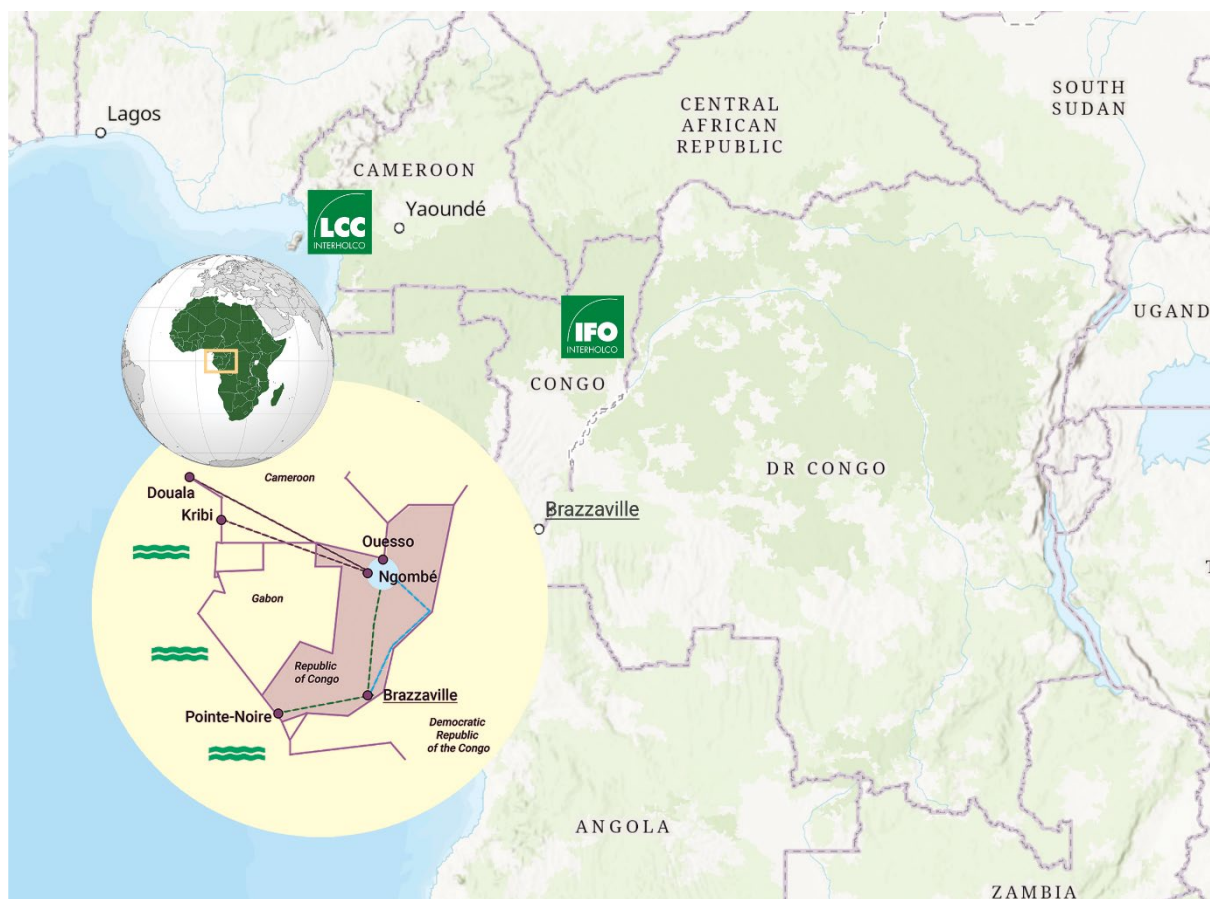
⁷ For more information, please see: [IHC-Info-sheet](#)

⁸ The news was announced on our website on 16 August 2024:

<https://interholco.com/en/media-news/news/405-sale-of-shares-between-shareholders>

2-2 Entities included in the organisation's sustainability reporting

Our sustainability reporting comprises that of INTERHOLCO (IHC)⁹ and that of its subsidiary companies, namely Industrie Forestière de Ouessou (IFO) and Logistique Congo Cameroun (LCC). Whenever information in this reporting is only applicable to IHC or IFO and/or LCC, this is stated explicitly in the respective disclosure text. The list of entities included in sustainability reporting is aligned with the financial report. The list of entities in INTERHOLCO's financial reporting is aligned with our sustainability reporting, namely INTERHOLCO, IFO and LCC.



2-3 Reporting period, frequency and contact point

Unless otherwise stated, our Sustainability Report 2024 covers activities carried out between 1 January 2023 and 31 December 2023. Any reference to 'us', 'we', 'our' or 'the company' in the context of this publication actually refers to, INTERHOLCO as an entity.

This report contains data for wholly owned companies and subsidiaries, excluding suppliers and service providers, unless otherwise specified. The next Interholco Sustainability Report is planned for 2026.

We hope you find this report to be informative. We would appreciate your input, feedback and views to Tullia Baldassarri Höger von Högersthal, INTERHOLCO Communication and Marketing manager: tullia.baldassarri@interholco.com

⁹ IHC includes INTERHOLCO AG and INTERHOLCO Belgium.

2-4 Restatements of information

Where information has been revised, this is indicated in the notes in the respective disclosures and/or Appendices.¹⁰

2-5 External assurance

The disclosures in our Sustainability Report are not subject to standalone external assurance. Limited information, though, is verified by external auditors.

Presented financial information has been prepared in accordance with IFRS, i.e. the financial information which may be found under 'Created Value' under Economic Landscape.¹¹ All annual accounts for IFO and LCC are subject to local audits. Our financial statements as included in our Annual Report pass an external audit.

Our process for Stakeholder engagement has been in place since 2012. It was revised in 2023, when it was updated in accordance with PAFC certification standards, largely based on ISO standards.¹²

IFO's participation in the EITI Congo 2021 report, emphasizes our commitment to implementing internal processes and contributing to anti-corruption measures, as highlighted in our Anti-Bribery and Corruption Policy.¹³ The EITI report follows the ISRS 4400 standard, ensuring reliability and transparency. Specifically, IFO is noted for having its forms signed and certified by an external auditor, indicating a high degree of reliability in their financial declarations.¹⁴

Activities and workers

2-6 Activities, value chain and other business relationships

As one of the leading worldwide providers and processors of hardwood products 'Made in Africa', INTERHOLCO manages the largest contiguous FSC- and PAFC-certified tropical forest concession in Central Africa. The economic value of INTERHOLCO is focused on providing benefit to its stakeholders, e.g. customers, suppliers, shareholders, employees, government, local population, society, climate, etc.. A comprehensive list is available below under [Stakeholder engagement](#)

Generating most of its revenue in international markets, INTERHOLCO is able to invest its revenue mostly in ROC. The vast majority of personnel is locally employed in ROC. Employees in ROC receive living wages and enjoy a competitive package including insurances and benefits. In addition, INTERHOLCO invests in development of local rural infrastructure (e.g. housing, schools, health care service, medical centres, delivering clean drinking water and supplying power).

¹⁰ Notes are also available in our Facts and Figures, presenting data spanning January 2021 – December 2023. Our Facts and Figures 2021-2023 are available on p. 59 of this report as well as on our web site:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-FactsFigures-2023-2021.pdf>

¹¹ Please see on p. 6 of our Facts and Figures 2021-2023, available on our web site:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-FactsFigures-2023-2021.pdf>

¹² The Pan-African Forest Certification (PAFC) standards have been approved by PEFC, where compliance is verified to rely on proven ISO standards:

<https://www.pefc.org/standards-implementation/assuring-compliance>

¹³ Available on our web site, please see:

<https://interholco.com/images/pdfs/20201125-IHC-AntiBribery-and-CorruptionPolicy.pdf>

¹⁴ Please see on p. 134 of the EITI 2024 report for the Republic of Congo:

<https://eiti.org/sites/default/files/2024-02/Rapport%20ITIE%20Congo%202021.pdf>





In 2023, INTERHOLCO's turnover was about 70 million €, of which 35,7% was spent on local providers of services (e.g. transport, etc.) and supplies (e.g. fuel, spare parts, food, etc.), not to forget taxes to government and wages, boosting the regional economy and community development, via direct and indirect employment.

With regards to upstream contractors and suppliers of products and services, in 2023 INTERHOLCO procured wood originating from Cameroon, Côte d'Ivoire, Gabon, Ghana, Central African Republic (south-western zone, excluding conflict areas), Democratic Republic of Congo (north-western and central zone, excluding conflict areas), Republic of Congo and the United States. In 2023, timber originating from Europe (Austria, Croatia, Germany and Italy) constituted less than 2% of the total wood procured.¹⁵

INTERHOLCO has a due diligence system that includes gathering information on many aspects of the supplier and products, a method for assessing legality, traceability and sustainability risks. Compliance with the legal framework, both nationally and internationally¹⁶ as well as with company policies must be verified prior to signing a contract and then at least once per year, thereafter – via 2nd or 3rd party audits. INTERHOLCO's risk analysis/due diligence system includes the criteria which may lead to the exclusion of the suppliers, and its procurement policies specify the steps taken and timeframes for action.

There were no significant changes to either the organisation or INTERHOLCO's supply chain in 2023.

2-7 Employees

As of 31 December 2023, 898 employees worked for INTERHOLCO, as follows:

As of 31 December 2023, INTERHOLCO employed 898 people:

- **Switzerland (Baar) and Belgium (Aalst):** 32 permanent employees (16 women, 16 men), 1 temporary stagiaire, and 1 part-time employee.
- **Republic of Congo (IFO):** 858 permanent employees, including 28 women. No temporary or part-time contracts.
- **Cameroon (LCC):** 8 permanent employees, including 4 women. No temporary or part-time contracts.

These figures are based on headcount and exclude employees with non-guaranteed hours. The workforce remained stable throughout 2023.

2-8 Workers who are not employees

INTERHOLCO engages contractors, mainly at IFO, for specialized clerical or technical work. Temporary staff are hired only to cover short-term absences (e.g., maternity leave), increased workloads, or seasonal projects through interim agencies.

¹⁵ The list of INTERHOLCO's most important wood suppliers as of June 2024 is available on this link: https://interholco.com/images/pdfs/SupplierList-Interholco_202105.pdf

¹⁶ All of our suppliers must respect our [Responsible Forestry and Procurement Policy](#), summarized in the [Sustainable Forest Management policy for suppliers](#) as well as the procurement documents and compliance evaluation form available on our web site: <https://interholco.com/en/sustainability/environmental-landscape#wood-collections>

As of 31 December 2023, IFO had 630 non-employee workers, while no temporary staff were hired for managerial roles. Consultants may also be contracted for specific services like forest inventory, drone technology, or machine maintenance through competitive procurement.

Temporary and regular staff receive equal basic salaries, with differences based on job nature or local legislation. Managers ensure temporary staff are integrated into teams and receive necessary training and support.

In 2023, there were no major changes in the number of non-employee workers.

Governance

2-9 Governance structure and composition

INTERHOLCO, a private company, is governed by the **Board of Directors of FORSET Group**, which oversees strategic decisions and overall accountability. In 2024, women held 25% of the Board seats.

The **Chief Executive Officer (CEO)** manages INTERHOLCO's daily operations and reports directly to the Board. Supporting the CEO are:

- The **Chief Operations Officer (COO)**, who oversees daily business activities.
- The **Chief Financial Officer (CFO)**, responsible for financial management, including risk assessment, planning, audits, and record keeping.
- The **Managing Director of IFO**, who manages IFO's operations and reports to the CEO.

The Board does not have a specific sustainability committee, but sustainability is integrated into the company's operations, with oversight from Senior Management.

2-10 Nomination and selection of the highest governance body

INTERHOLCO's Senior Management comprises members of the core management team one level below the CEO, including the COO and CFO.

While INTERHOLCO does not have an independent Nomination Committee, decisions regarding the nomination and selection of Senior Management candidates are made collaboratively at the board of directors and management levels. The following criteria are considered during the selection process:

- **Ethical and Moral Standards:** Integrity, independence, and absence of conflicts of interest.
- **Relevant Expertise:** Proven experience in areas critical to INTERHOLCO's business, including finance, accounting, and sustainability, among others.
- **Leadership Qualities:** Commitment, strong decision-making skills, effective communication, and dedication.
- **Reputation:** A well-established reputation in the business community, informed by stakeholder feedback, including input from the Forset Group.

All meetings related to the nomination process are documented, and minutes are recorded.

Final appointment decisions are made by consensus between the Forset Group and INTERHOLCO. In the event of a tie, the Board of Directors holds the casting vote.

2-11 Chair of the highest governance body

The CEO of INTERHOLCO also serves as the chair of INTERHOLCO's Senior Management. This dual role helps retain valuable company knowledge, fosters productive collaboration with the Forset Group, and promotes a dynamic environment for constructive debate to address challenges effectively.

By combining these roles, INTERHOLCO ensures continuous alignment with strategic objectives while maintaining oversight of strategy implementation.

2-12 Role of the highest governance body in overseeing the management of impacts

At INTERHOLCO, the global ESG framework has expanded beyond traditional corporate social responsibility (CSR), integrating environmental, social, and governance considerations into a comprehensive sustainability approach.

INTERHOLCO's Senior Management is responsible for guiding the company's strategic direction, ensuring that ESG risks and opportunities are fully embedded into its overall strategy.

2-13 Delegation of responsibility for managing impacts

Responsibility for INTERHOLCO's sustainability strategy, goals, actions, and KPIs lies with the **Head of Sustainability**, who reports directly to the CEO.

The Head of Sustainability, supported by IFO's Environment, Social, and Certification Division, oversees the development, implementation, and review of sustainability initiatives, ensuring compliance with environmental, health, and safety regulations across all entities (IHC, IFO, LCC). This includes risk management, safety programs, and training for employees, Senior Management, workers, and suppliers.

Dedicated support divisions—including Finance, Sustainability, Environment, and People and Culture—provide advice and ensure high-quality assessments, while strengthening awareness and external engagement on environmental, climate, and social policies.

The Head of Sustainability in relation with the Communication and Marketing ensures meaningful stakeholder engagement, verifying that rights-holders and affected communities have opportunities to participate and voice concerns. Regular updates are provided to Senior Management, including outcomes from FPIC consultations and any grievances related to environmental or social impacts.

INTERHOLCO's Finance Department, led by the CFO, ensures project financing complies with ESG safeguards aligned with INTERHOLCO's policy framework, values, and code of conduct.

2-14 Role of the highest governance body in sustainability reporting

INTERHOLCO's Board is provided with the report for information and approval.

2-15 Conflicts of interest

INTERHOLCO's CEO, in co-operation with the CFO, Head of Sustainability and COO ensures integrity and ethical standards across all group companies (IHC, IFO, and LCC) and serves as a sort of compliance officer, promoting accountability and ethical behavior.

The CFO is responsible for setting compliance frameworks, implementing internal controls and policies, conducting audits and risk assessments, including internal investigations.

Potential conflicts of interest, such as cross-board memberships, cross-shareholding with suppliers, controlling shareholders, or related party transactions, are being disclosed internally to Senior Management. Representatives of Senior Management do not engage in cross-board memberships that could compromise their duties, time commitment, or independent judgment.

For example, INTERHOLCO's CEO serves on the Executive Board of the Association Technique Internationale du Bois Tropical (ATIBT), established by the FAO and OECD, in a role that aligns with their responsibilities.

2-16 Communication of critical concerns

INTERHOLCO's grievance mechanism¹⁷ is accessible to all internal and external stakeholders, including employees, local communities, and Indigenous Peoples. Complaints can be submitted orally, including in local languages, ensuring accessibility for all.

A summary of grievances filed between 2021 and 2023, including the date, reason, and outcomes, is publicly available on our website.¹⁸ As of the end of 2023, there were no unresolved grievances.

2-17 Collective knowledge of the highest governance body

INTERHOLCO's Senior Management includes members with diverse expertise across countries, industries, and professions. This diversity ensures a strategic perspective to address complex challenges, such as the COVID-19 pandemic or geopolitical disruptions impacting socio-environmental issues like fuel scarcity and logistics. The composition of Senior Management is publicly disclosed on our website.

INTERHOLCO invests in advanced technology, IT platforms, and digital tools to enhance collaboration and knowledge sharing. Building on lessons from the pandemic, these tools connect people and improve access to critical information, supporting strategic communication and operational efficiency.

Senior Management continuously updates its expertise on environmental, climate, and social issues through in-house training, international forums, and ESG initiatives. This ongoing development enables innovative responses to stakeholder needs and supports sustainable development goals.

2-18 Evaluation of the performance of the highest governance body

INTERHOLCO's Senior Management regularly identifies areas for improvement to enhance governance effectiveness.

INTERHOLCO prioritizes transparency and accountability, as reflected in its top ranking in the 2023 and 2024 SPOTT ESG transparency assessment, leading among 100 timber and pulp companies globally.

¹⁷ Please see: <https://interholco.com/en/about-us/governance>

¹⁸ Please see from p. 16 of our FSC 2023 Monitoring Report (in French):
https://interholco.com/images/pdfs/IFO_81-v1_UFANGombe-Monitoring-2023.pdf

Strategy, policies and practices

2-22 Statement on sustainable development strategy

Please see under '[Message from the CEO on ESG progress 2024](#)'.

2-23 Policy commitments

As a fundamental component of our [Regulatory landscape](#), please find a full description of our approach and policy commitments under Regulatory Landscape, [2-23 Policy commitments](#).

2-24 Embedding policy commitments

INTERHOLCO respects the most rigorous standards and approaches for the management of the Ngombé forest concession and across its companies. We do so to safeguard the dignity and rights of workers, individuals and communities affected by our operations.

As a signatory to the United Nations Global Compact and its 10 Principles, INTERHOLCO aims to guarantee the realization of human rights in a manner free of abuse and corruption, and with due regard for the rule of law. Although the right to a clean and safe environment is not, strictly speaking, a human right, INTERHOLCO observes the highest environmental standards currently available, those of FSC and PAFC certification, on top of the legally prescribed social and -environmental impact assessments of its industrial processes (SEIAs).

INTERHOLCO implements the above-mentioned approach, embedding human rights in its [Values](#), [Code of Conduct](#), [Stakeholder Engagement Strategy](#), [Privacy Policy](#), [Commitment to ILO Core Labour Requirements](#), [Commitment to a Living Wage](#), [Responsible Forestry and Procurement Policy](#), [Anti-Bribery and Corruption Policy](#), [Child Labour Policy](#), [Climate Risk Assessment](#), [Biodiversity Policy](#) and [Sustainable forest management policy for suppliers](#).

Those documents, each approved by INTERHOLCO's Senior Management and clarifying to which stakeholders they apply, address our salient human rights. They stem from our ongoing dialogue with (i) directly affected stakeholders first, particularly vulnerable groups, as well as (ii) people whose rights may be negatively affected by our business activities, then (iii) credible proxies up to human rights experts. Progress and remediation are independently verified by annual audits on the ground.

INTERHOLCO ensures integrity of the forest by adopting and implementing the 'Precautionary Principle'¹⁹ - 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.

INTERHOLCO comprehensively implements the concept of 'Reduced Impact logging (RIL)'²⁰ as defined and encouraged by the International Tropical Timber Organization (ITTO),²¹ the Food and Agriculture Organization of the United Nations (FAO),²² the Center for International Forest Research (CIFOR)²³ and many other organisations worldwide.

¹⁹ Precautionary principle: https://en.wikipedia.org/wiki/Precautionary_principle

²⁰ Reduced Impact logging (RIL):
https://www.itto.int/sustainable_forest_management/logging/
<http://www.fao.org/3/ac805e/ac805e04.htm>
<https://www.cifor.org/?s=Reduced+Impact+Logging&submit=%EF%80%82>

²¹ International Tropical Timber Organization (ITTO), Yokohama, Japan; <https://www.itto.int/>

²² Food and Agriculture Organization of the United Nations (FAO), Rome, Italy; <http://www.fao.org/>

²³ Center for International Forest Research (CIFOR), Bogor, Indonesia; <https://www.cifor.org/>

As more than 18'500 local and indigenous people live throughout the Ngombé forest concession, INTERHOLCO recognizes and employs the concept of 'Free Prior Informed Consent (FPIC)'²⁴ as defined by the United Nations Permanent Forum on Indigenous Issues,²⁵ as adopted by the International Labor Organization (ILO)²⁶ and as operationalised by FSC.²⁷

When developing due diligence processes and training programmes, INTERHOLCO relies on the expertise of reputable local and international NGOs. INTERHOLCO established a social due diligence process ([Conflict Sensitivity Due Diligence Manual](#)) in collaboration with swisspeace,²⁸ a recognised independent human rights organisation based in Switzerland. Our due diligence is an ongoing process built in our annual rhythm of business. It is taken as the basis for our activities and put into practice by our Social Team and our partners. It also includes, among other things, a [grievance mechanism](#).

It is important that the livelihoods, cultures, rights and needs of indigenous Baka (e.g. Mbendzélé, Bangombé, 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.

To establish and maintain such relations with Indigenous Peoples and local communities, INTERHOLCO set up a Social Team which includes employees from Indigenous Peoples and local communities.

The Social Team members 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 resource trees, fruit trees, 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 INTERHOLCO's Social Team attended various training sessions, including at the 'Centre of Social Excellence',²⁹ supported by the Earthworm Foundation,³⁰ formerly known as The Forest Trust, led by John Lewis, to help them identify any problems arising during the

²⁴ Free Prior Informed Consent (FPIC):

https://en.wikipedia.org/wiki/Free_prior_and_informed_consent

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 and most importantly the right to self-determination of Indigenous Peoples.

²⁵ United Nations Permanent Forum on Indigenous Issues (UNPFII):

<https://www.un.org/development/desa/indigenouspeoples/>

²⁶ ILO Convention 169 on Indigenous and tribal peoples is an international treaty adopted by ILO in 1989:

<https://web.archive.org/all/20111031202527/http://www.ilo.org/ilolex/cgi-lex/convde.pl?C169>

²⁷ FSC guidelines for the implementation of the right to free, prior and informed consent (FPIC);

<https://fsc.org/en/document-center/documents/23275b28-3697-420e-9316-4092eeab1498>

²⁸ swisspeace:

https://www.swisspeace.ch/?gad_source=1&qclid=CjwKCAiAxKy5BhBbEiwAYiW--94Gn_yIQZTWb5CTmeCqQGrIrbxJokmJqQWS8F8QPuoyxmt-5JnFCxoC6HoQAvD_BwE

²⁹ Centre of Social Excellence; Earthworm Foundation:

<https://www.earthworm.org/our-work/programmes/cse>

³⁰ Earthworm Foundation (formerly known as The Forest Trust), Winchester, United Kingdom:

<https://www.earthworm.org/>

consultations taking place with Indigenous Peoples and Local Communities. The international community has developed a concept known as FPIC (Free Prior Informed Consent) in order to protect the cultural integrity and self-determination of indigenous and local population. Together with stakeholders from the environmental, social and industrial sectors and companies from all over the world, the FSC took the FPIC concept and formulated clear guidelines for interacting responsibly and respectfully with Indigenous Peoples and local communities.

Training on anti-bribery and corruption, procurement, human rights, etc. is provided to those with day-to-day responsibility for and those with oversight of, or accountability for, implementing the policy commitments (generally referred to as 'affected staff' in INTERHOLCO's Facts and Figures³¹). For instance, IFO's security personnel and law-enforcing eco-guards are endowed with authority, in order to carry out their tasks effectively. To prevent abuse of authority, especially in light of the social tension between the Bantu and Indigenous Peoples, security personnel and eco-guards receive regular training.

Our training modules are developed and regularly updated by the Congolese human rights NGO Cercle des Droits de l'Homme et de Développement (CDHD).

INTERHOLCO continuously evaluates how best to organize regular trainings on technical topics across its companies. New initiatives were piloted in 2023, e.g. the development of e-learning courses via a new e-learning platform. This platform is meant to host various lessons on several topics. Focusing on Anti-Bribery and Corruption, the pilot phase was rolled out in 2024, starting with compliance topics at our Baar Headquarters (Switzerland) as well as in Aalst (Belgium), before extending its use to IFO (RoC) and LCC (Cameroon).

For comprehensive information on training at INTERHOLCO, please see our Frequently Asked Questions.³²

For an all-round view of INTERHOLCO's human rights commitments, policies, due diligence processes and affected stakeholders, please see under '[Regulatory Landscape](#)'.

2-25 Processes to remediate negative impacts

2-26 Mechanisms for seeking advice and raising concerns

Striving to adhere to the highest integrity and professional standards, we are 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. Effective complaint handling offers practical benefits to us in order to improve the quality of our operations.

Through our grievance mechanism³³ our stakeholders may seek advice and/or raise concerns about responsible business conduct. To this end, our grievance mechanism has been distributed to our employees, the communities living in and around the forest area and is available to other stakeholders. Grievances, complaints or concerns on dubious conduct may

³¹ Available on our web site:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-FactsFigures-2023-2021.pdf>

³² Available on our web site:

<https://interholco.com/images/pdfs/20200520-INTERHOLCO-FAQ-Frequently-Asked-Questions.pdf>

³³ Available on our web site:

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

be presented in their own language, in writing or orally (in person or by phone). In select locations, grievances that are received orally are recorded in writing and acknowledged by the relevant complainant. Internal and external mailboxes are available.

INTERHOLCO respects human rights and protects users of its grievance mechanism from retaliation. The grievance is handled confidentially. Even when the complainant has not expressly requested it, confidentiality is ensured where legally permitted and their name kept anonymous when there is risk of retaliation.

The complaint is recorded and a receipt confirmation is sent within 7 days. A verification process is put in place to establish whether it is plausible, then it is investigated and a response given or a solution sought within 3 months of receiving the complaint.³⁴

The work of the Social Team is critical to avoid misunderstandings, prevent conflict and ensure respectful relations and social peace. Between 2021 and 2023, INTERHOLCO's Social Team held 200 consultations each year, involving more than 1'000 Indigenous and more than 3'000 Local community representatives on average. At the end of 2023, there were no outstanding grievances, as reported in the summary available in our FSC Monitoring Report.³⁵

2-27 Compliance with laws and regulations

In the period covered by this report, INTERHOLCO found no (zero) significant instances of non-compliance with laws and regulations. We determine the significant instances of non-compliance with laws and regulations by assessing and evaluating the severity of the impact resulting from the instances. Our legality and socio-environmental compliance is verified on the ground by external auditors. At the end of 2023, a few minor non-conformities were highlighted. Their resolution was verified during the following round of audits, which took place in September 2024.

2-28 Membership associations

INTERHOLCO is a committed signatory to a wealth of initiatives, projects and associations – first and foremost, to the United Nations Global Compact and the advancement of its 10 Principles. A comprehensive albeit non-exhaustive list is available on our web site.³⁶

Stakeholder engagement

2-29 Approach to stakeholder engagement

INTERHOLCO engages with people, planet and climate, our major stakeholders,³⁷ to co-create positive change, sustainably. Stakeholder engagement³⁸ for us means building bridges, i.e. bridging the gap between aspirations/needs and policy/practice.

Ngombé is INTERHOLCO's platform for stakeholder engagement, collaboration and knowledge-sharing. Located in the Republic of Congo, 850 km away from the capital Brazzaville, Ngombé is home to 11,500 inhabitants, at least 1,000 of whom are working in the

³⁴ Ibid.

³⁵ A summary of the grievances filed by the Indigenous Peoples and Local Communities is available from p. 16 to p. 18 of our FSC 2023 Monitoring Report:

https://interholco.com/images/pdfs/IFO_81-v1_UFANGombe-Monitoring-2023.pdf

³⁶ Please see: <https://interholco.com/en/about-us/initiatives>

³⁷ We define 'stakeholders' as any person, group of people or entity that is or may be subject to the effects of the activities of our management units.

³⁸ For full information, please see INTERHOLCO's [Stakeholder Engagement Strategy](#)

nearby forest, carefully harvesting trees or in the adjacent industrial facilities, where we process wood into high-value products.

INTERHOLCO turns forest stewardship and industrial wood processing in Ngombé into a tool to unlock solutions on a local and global scale, together with:

- Indigenous Peoples, whose decision-making power over the ancestral forests that define who they are and what they live from, is acknowledged and recorded.
- Employees, our value holders.
- Forest dwellers and Local Communities, holders of land and use rights.
- Landowners, first and foremost, the State of the Republic of Congo as owner of the forest we manage.
- Government representatives and local authorities, who oversee the correct implementation of people and environmental safeguards.
- Local processors, our wood suppliers in Central African and other countries.
- Local businesses, such as suppliers of food, beverage, garments, pharmaceuticals, vehicles, machines, protective equipment, spare parts, logistics services and information technology.
- Organisations authorised or known to act on behalf of the stakeholders concerned, e.g. social and environmental NGOs, auditing firms, trade unions. Together, they help us to verify, develop and maintain high standards in a transparent and participatory process.
- Customers, our B2B, long-term business relations in more than 40 countries, spread over the five continents: importers, wood retailers, specifiers (e.g. architects), public administrations, etc. Their demand for high-quality, certified products motivates us to drive innovation.
- ESG analysts, assessing the degree of transparency of our commitments spanning a social, environmental, economic and regulatory landscape.
- Media, reporting on socio-environmental impacts, challenges and/or opportunities occasioned by responsible practices.
- Multilateral development banks and international financial institutions, ready to power innovation to contribute to global goals, such as those of the United Nations (e.g. via incentives for performance-based results).
- Researchers and academia, verifying whether our socio-environmental safeguards effectively work and flagging where urgent priorities should be set.
- Trade associations, sharing knowledge and advancing best practice.
- Shareholders.

Accountability rests on transparency, including when dissatisfaction arises and personal needs are channeled to the management via formal mechanisms,³⁹ so that expectations can be measured, given deadlines and met. Collective decisions are shared and summaries or reports of meetings, published.

2-30 Collective bargaining agreements

IFO's employees are those whose working conditions and terms of employment are regulated by one or more collective bargaining agreements.

The collective voice of IFO's workers is represented by the College of Staff Representatives (COSYLAC, for IFO employees) as well as three more trade unions (CATC, CSC and CSTC, for

³⁹ Please see INTERHOLCO's Grievance mechanism, available on our web site:
<https://interholco.com/en/about-us/governance>

all workers). The trade unions and staff representatives consult IFO's Senior Management at least twice per month on work issues, e.g. staff rules, salary/remuneration, training, health and safety, etc.

Irrespective of location of work, all INTERHOLCO companies adhere to the highest social standards, e.g. honouring ILO's Core Labour Requirements and granting a living wage to all workers. INTERHOLCO does not only promote social dialogue, social protection, workers' health and safety, information and consultation of, *workers*. Based on its Values and Code of Conduct, INTERHOLCO respects and protects the human rights of *vulnerable groups*, too, including women, Indigenous Peoples and children.

OUR VISION: INNOVATION

3-1 Process to determine material topics

INTERHOLCO updated its materiality assessment in 2023. Internal and external stakeholders were involved, covering a far-reaching spectrum of expertise.⁴⁰ A cartography of the various groups assessed and quantified company impacts on people, based on interest and influence.⁴¹

Putting people first, each of the focus areas identified are key (i.e. material topics) to INTERHOLCO, as shown in the table below.

Aligned with the 2030 Agenda, our 8 strategic goals inspire our innovation model, our operations strategy and our commitment to our people and communities.



Process, Stakeholders and Impact assessment are all described in detail in INTERHOLCO's Stakeholder Engagement Strategy.⁴²

⁴⁰ The exercise culminated in INTERHOLCO's [Stakeholder Engagement Strategy](#)

⁴¹ The process was in line with the requirements of PAFC certification, which comply with ISO standards: https://pafc-certification.org/wp-content/uploads/2021/08/PAFC-BC_NORM-002-2020-SFM-CB-requirements_VF_ENG-endorsement.pdf

⁴² Please see INTERHOLCO's [Stakeholder Engagement Strategy](#).

INTERHOLCO has matched the identified focus areas for priority action with the corresponding GRI topics, as listed below:

Focus area	Strategic goal	Boundary	
		Company	People
Human rights and vulnerable groups	Resolute respect for human rights, aspirations, dignity, cultures and customary livelihoods; adequate processes to listen to and involve vulnerable groups in decision making.	Y	Y
Health and safety	Training to upgrade technical know-how and promote safety in the work environment.	Y	Y
Innovation and job creation	Enhanced wood transformation capacity to drive local growth and development.	Y	Y
Biodiversity and ecosystems	Zero deforestation and no forest degradation in own forest concession and supplier forests; protection of habitats and species.	Y	Y
Pollution and emissions	Waste valorisation of own industrial wood biomass residues for soil enrichment; emissions reduction.	Y	Y
Climate and environment	Transition to a climate-resilient economy with carbon-positive wood products, adopting low impact practices for climate change adaptation and mitigation.	Y	Y
Economic value	Driving Congo's vision for the forest sector, making more with wood. Feed markets with best-in-class, high-quality 'Made in Africa' products.	Y	Y
Transparency	Engaging with stakeholders to ameliorate our processes, assessing the sustainability of our policies and practices,	Y	Y

3-2 List of material topics

A comprehensive list of our material topics may be found in the GRI Content Index.

3-3 Management of material topics

Management approaches for each material topic are reported under the respective standards.



Social landscape



The future starts in Ngombé and is a safe place to live in. In the heart of a lush forest, abt. 850 km North of the capital Brazzaville, everyone has access to quality essential services. **A medical care unit**, staffed with more than 20 professional care-takers – all hired locally. Sanitation – in the public school as well as in the Indigenous Peoples' school. **Nutritious diets** – with school meals for young learners, supplied to the indigenous school by an NGO. **Affordable meat** – regularly available in the local shops with our support to encourage sustainable hunting. **Clean drinking water and electricity**. And **real career opportunities, encouraging women**, with a competitive package and the ability to

learn new skills. Our wood products connect **19,000 inhabitants, 2,800 of whom belong to Indigenous Peoples**, to sustainable communities all over the world. Empowering our B2B customers and their customers to make a difference.

Specialised teams train our workers, particularly contractors, **on safety measures**, instructing them on the use of the appropriate protective equipment and medical kits.

Employees volunteer to serve in fire-fighting and first-aid squads.

Waste management is observed in our industrial premises, **extending to the village of Ngombé** – making waste bins available in select locations.

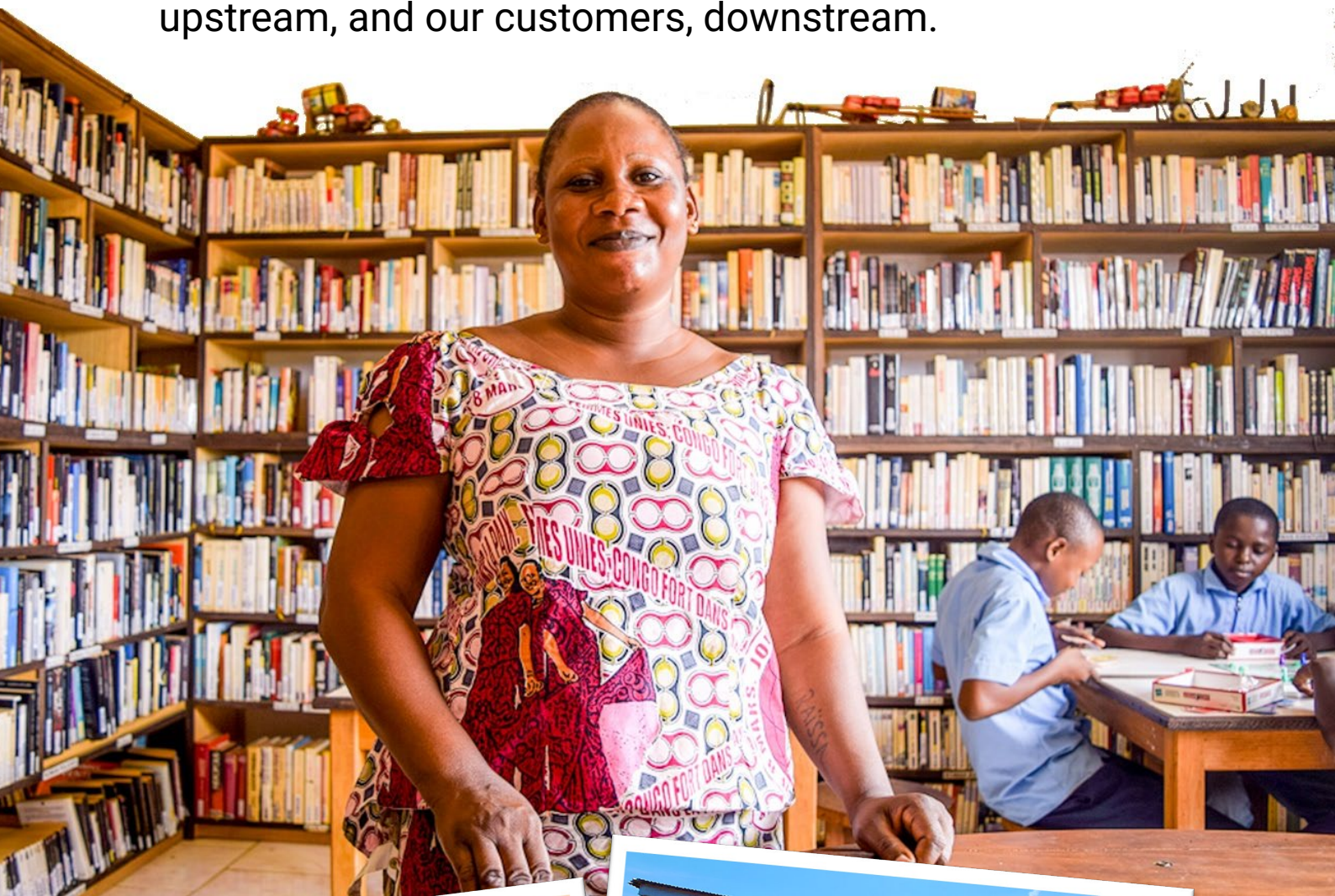
All of **our employees at any location earn a wage that is not just the legal minimum for their category, but truly a "living wage"** that includes: health insurance, parental leave, pension plan, paid holidays, etc. **In Congo Brazzaville, our living wage is 30% higher than the NGO benchmark and employees receive a housing allowance to live in a healthy environment with their families.**



Their children test and kindle their curiosity in the library we run, which holds 9,000 volumes (from economics to mathematics, literature to history).

New computers make our free IT courses the most sought-after, along with English classes.

The quality of life for our workers and their families is part and parcel of the quality of our products. Safe, healthy, reliable wood products – for our people, upstream, and our customers, downstream.



INNOVATION STARTS WITH THE PEOPLE

At INTERHOLCO, sustainability starts with the people.



When we talk about people, we are referring to the involvement of all groups touched by innovation.

Our activities do not just take place in a bio-geographical landscape, namely, a 1.16 million hectare natural tropical forest in the North of the Republic of Congo, known as the Ngombé forest management unit (FMU) or Ngombé forest concession.

Our activities occur in an inhabited landscape, shaped over millennia by human presence.⁴³ Bantu populations likely arrived in the region within the last 2000 years,⁴⁴ whereas Indigenous Peoples, hunter and gatherer groups have been present for as long as 40,000 years.⁴⁵

Today, an estimated 19'000 people live in and from the Ngombé forest. Because landscapes are a synthesis of people and place, we want to check how our projects may affect the environment as well as human health and well-being.

In the Republic of Congo, wood is an agent of innovation, an agent of social innovation.

Providing access to quality basic services for all workers helps to eliminate many social inequalities. INTERHOLCO runs a medical centre that provides care, treatment, medicines and vaccines, including to the indigenous population, under the supervision of an experienced doctor trained in Brazzaville, assisted by qualified local staff.

The quality of life for families and the education of their children is one of the co-products resulting from IHC's innovation. Our employees receive a housing allowance that enables them to host their families in a decent and healthy environment. Their children deepen their school knowledge thanks to the library we run, which holds 9,000 volumes (from economics to mathematics, literature to history).

New computers allow us to offer free IT courses to adults and children. A language teacher is a regular presence and his courses are among the most popular, along with IT courses on brand-new computers, purchased in 2023 thanks to a donation received from one of Europe's largest wood importers.

INTERHOLCO integrates the **social landscape**, not just in terms of job creation or maintenance, but also in terms of multi-stakeholder engagement and dialogue via credible regional mechanisms and relevant international baselines.

⁴³ Based on Tribal conservationists in the Congo Basin, an article published on Survival International's web site: 'The lands of these tribes are wrongfully viewed as "wildernesses", when they have in fact been shaped and managed over millennia by human hands'. The article is available online:

<https://www.survivalinternational.org/articles/3473-conservationistscongo-basin>

⁴⁴ Brncic TM, Willis KJ, Harris DJ, Washington R (2007) Culture or climate? The relative influences of past processes on the composition of the lowland Congo rainforest. *Philos Trans R Soc Lond Ser B Biol Sci* 362(1478):229–242. <https://doi.org/10.1098/rstb.2006.1982>

⁴⁵ Oslisly R, Doutrelepont H, Fontugne M, et al (2006) Premiers résultats pluridisciplinaires d'une stratigraphie vieille de plus de 40.000 ans du site de Maboué 5 dans la réserve de la Lopé au Gabon. In: Actes du XIV Congrès de l'UISPP, Liège 2–8 September 2001, Préhistoire en Afrique, BAR International Series. pp 189–198

Natural tropical forests are multi-purpose and multi-stakeholder *par excellence* and the Congo Basin is no exception.⁴⁶

To **forest inhabitants**, they are a source of life. Hunting and fishing are important for the Indigenous Peoples and local communities for more than just the purpose of finding food or gathering non-timber forest products (NTFP, i.e. caterpillars, mushrooms, fuelwood, medicinal leaves, roots, etc.). It is also a central component of their traditional way of life and is thus of vital importance for their cultural identity, as well as allowing them to live independently in and from the forests of the Congo.

To **the State**, forests are a source of economic revenue, for instance, via industrial forest harvesting modelled on long-term forest concession agreements. Harvesting trees and processing them on site generates economic growth, through job creation and taxes.

To **forest inhabitants** and to **the State**, natural forests also are a reserve of farmland⁴⁷ at the same time as hosting precious biodiversity, the protection of which is mandated by law.

To **the private sector processor**, managing the Congo Basin forests in 25- or 30-year rotation, based on concession agreements with the State (which, in Congo Basin countries, owns the land and forest), forests are a source of economic revenue and growth. Indeed, in Congo Basin countries, conducting ecological and social impact studies is a legal obligation. Scientific data about the overall forest area, its ecology, biodiversity and the traditional uses of the forest by the local communities and Indigenous Peoples must be recorded and evaluated at the beginning of the concession period in a Forest Management Plan (FMP), a legal requirement.

An FMP must include a detailed forest inventory. The first step is to identify, record and mark the most ecologically sensitive habitats and over time before harvest also those forest areas that are of high importance to the local and indigenous population, and which should therefore not be disturbed or changed by harvesting. Their self-sufficiency must be preserved by making sure they can hunt, gather and fish in the forest concession. This detailed inventory also records wildlife density and a large number of tree species (e.g. about 300 species in the Ngombé forest we manage), most of which hold little commercial interest, but which are ecologically important. The aim is to protect the forest's biodiversity, wildlife, a variety of tree and other plant species and their biomass for generations to come.

As "**natural capital**,"⁴⁸ tropical forests also yield a number of indirect advantages, such as the production of environmental services. In lay terms, human civilizations would be less happy if those advantages were lost. Even though every State in the Congo Basin has ratified international treaties on wetlands, biodiversity, and climate change, the environmental services

⁴⁶ Lescuyer, Guillaume & Karsenty, Alain & Atyi, Richard. (2009). A new tool for sustainable forest management in Central Africa: Payments for environmental services.

https://www.researchgate.net/publication/265451649_A_new_tool_for_sustainable_forest_management_in_Central_Africa_Payments_for_environmental_services

⁴⁷ Lescuyer, Guillaume & Karsenty, Alain & Atyi, Richard. (2009). A new tool for sustainable forest management in Central Africa: Payments for environmental services.

https://www.researchgate.net/publication/265451649_A_new_tool_for_sustainable_forest_management_in_Central_Africa_Payments_for_environmental_services

⁴⁸ According to the Capitals Coalition, natural capital may be defined as the stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people. Please see: [Capitals Approach Capitals Coalition](#)

that tropical forests provide are still not taken into account in forest policy, in contrast to the extractive uses of forest resources.⁴⁹

From an economic perspective, taking into account the nature of Payment for Environmental Services (PES transaction), another key stakeholder are the **users of the environmental service**. Whilst different groups of PES buyers exist,⁵⁰ evidence suggests that citizens in developed countries (e.g. Germany) are inclined to pay to protect public environmental goods in developing countries providing distributive goals are part of the PES schemes which are financed by donations (e.g. to NGOs) or taxes.⁵¹ There are strong indications that distributive goals are especially relevant for PES in countries perceived as having weak governance.

GRI 202: 2016 Market presence

For our **3-3 Management approach**, please see [Fundamental labour rights](#)

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

INTERHOLCO offers equitable job opportunities with a competitive remuneration package. Irrespective of location⁵² and gender, our base salary exceeds⁵³ the local minimum wage, such as in RoC.⁵⁴ On top of the base salary, variable remuneration, allowances and benefits, including a pension scheme, represent a living wage across all locations.⁵⁵ In 2024, a British NGO calculated the living wage for RoC.⁵⁶ Monitoring the external competitiveness of our pay conditions, the salary our workers earned in RoC in 2023 was at least 30% higher than the RoC benchmark calculated by the NGO (see [2-5 External assurance](#)).

202-2 Proportion of senior management hired from the local community

INTERHOLCO employs diverse staff from all over the world. For a description of our representative or operational units aside from our Headquarters in Switzerland, please see [2-1 Organisational details](#) IFO (RoC) is our significant location of operations.

⁴⁹ Lescuyer, Guillaume & Karsenty, Alain & Atyi, Richard. (2009). A new tool for sustainable forest management in Central Africa: Payments for environmental services.

Available online at:

https://www.researchgate.net/publication/265451649_A_new_tool_for_sustainable_forest_management_in_Central_Africa_Payments_for_environmental_services

⁵⁰ Engel, Stefanie. (2016). The Devil in the Detail: A Practical Guide on Designing Payments for Environmental Services. International Review of Environmental and Resource Economics. 9(1-2):131-177.

<http://dx.doi.org/10.1561/101.00000076>

⁵¹ Nonka Markova-Nenova, Frank Wätzold, PES for the poor? Preferences of potential buyers of forest ecosystem services for including distributive goals in the design of payments for conserving the dry spiny forest in Madagascar, Forest Policy and Economics, Volume 80, 2017, Pages 71-79, ISSN 1389-9341,

<https://doi.org/10.1016/j.forpol.2017.02.005>.

⁵² 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.

⁵³ In significant locations of operations, i.e. RoC, our legality audits verify that wages are not only compliant with, but also exceed, sector-specific regulations for the local minimum wage.

⁵⁴ 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.

⁵⁵ Please see [Fundamental labour rights](#)

⁵⁶ Available on ALIGN's web site:

<https://align-tool.com/source-map/congo-rep>.

GRI 203: 2016 Indirect economic impact

For our [3-3 Management approach](#), please see [INNOVATION FOR THE PEOPLE](#)

203-1 Infrastructure investments and services supported

In Congo Brazzaville, public schools offer primary tuition for free. Finding quality tuition aid materials, however, is not as straightforward. In 2023, one of our leading European wood importers made a donation to our company run library, allowing IFO to purchase 10 brand-new computers (15 in all) and more than 400 modern, colourful, up to date books, the same books spanning mathematics, natural science, French, history and geography, as well as practice tests for high school exit exams, same as in Brazzaville's costly private schools. With more than 12,000 visits, attendance at our library rose +23% in 2023 compared to 2021. Especially in the landlocked department of the Sangha, in the North of RoC, INTERHOLCO's investment unlocks access to essential services, e.g. 1,753 MkW of free electricity and 142 million liters of clean, drinking water (2023 data, stable since 2020 for electricity, but double for water compared to 2007 values). Housing allowances for IFO's employees make it possible to enjoy simple and decent living arrangements. In 2023, IFO supported Ngombé's local shops which provide 30 tons of animal protein (frozen fish, beef and other meat), giving Ngombé's 12,000 local inhabitants a safe alternative for a nutritious diet, important for their food security, discouraging bushmeat trade.

A rising population of nearly 12,000 inhabitants in Ngombé (data 2019) enjoys health care services in our company run medical centre, counting with 26 qualified local personnel. Their children can attend the school open to Bantu and Baka (Indigenous) families alike, opened by INTERHOLCO. Although INTERHOLCO transferred the school to the state years ago, the company continues to support the local teachers, funding their salary.

203-2 Significant indirect economic impacts

In 2023, INTERHOLCO passed an FSC audit confirming its positive impact on the 19,000 people living in the IFO forest concession. A PAFC pre-audit was also completed, with certification achieved in March 2024. PAFC, endorsed by PEFC, is tailored to the Congo Basin and developed with input from experts and NGOs, building on systems established in Gabon and Cameroon.

Our advanced wood products, such as finger-jointed laminated scantlings, hold CTB-LCA and KOMO certifications for key markets in France and Benelux, ensuring high-quality standards for products 'Made in Africa.'

Significant investment in IFO's facilities included replacing outdated machinery and constructing a 9,000 m² hangar for finger-jointed production, highlighted in our new brochure launched in May 2024. These upgrades have boosted productivity, created more skilled jobs, and enhanced workplace safety.

GRI 205: 2016 Anti-corruption

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments, Compliance](#) and [Supply chain engagement](#)

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

Please see [2-24 Embedding policy commitments](#).

GRI 403: 2018 Occupational health and safety

3-3 Management approach

INTERHOLCO prioritizes the health and safety of employees and others, ensuring 100% of staff are covered by health insurance. This is critical at IFO, where wood is harvested and processed. The Health, Social, and Environment (HSE) unit follows ILO guidelines and conducts risk assessments to identify, evaluate, and mitigate workplace hazards.

Our environmental and safety system complies with the PAFC standard and aligns with ISO 9001 (quality), OHSAS 18001/ISO 45001 (health and safety), and ISO 14001 (environment). Regular accident, disease, and hazard reports inform Senior Management to implement preventive measures. These include free personal protective equipment (PPE), fire prevention protocols, and safety training. Sub-contractors receive safety instructions in local languages, and annual audits verify compliance.

All IFO employees have access to company-run medical facilities offering periodic health checks, screenings, and free healthcare for Indigenous Peoples. Families benefit from vaccinations and HIV treatment. At Headquarters, ergonomic workstations were introduced in 2024, with adjustable desks and equipment available on request. During the COVID-19 pandemic, INTERHOLCO implemented measures such as free on-site testing, teleworking, and remote job options where feasible. Business travellers receive pre-travel advice, including vaccination guidance and malaria prevention tips, ensuring their safety and well-being.

403-9 Work-related injuries

INTERHOLCO has made it a company priority goal to curb the injury rate of all workers, particularly at IFO where exposure to hazards is highest. In 2023, total accidents at work without temporary leave (excluding first-aid injuries), e.g. laceration, were -27% compared to 230 in 2021. Accidents with leave equal to or over four days, e.g. fracture, augmented (+24% compared to 2021). Injuries with leave equal to or less than four days, e.g. hernia, allergic reaction, diminished (-42% compared to 2021). Neither commuting accidents nor chemical hazards injuries took place.

A detailed break-down of IFO's work-related injuries⁵⁷ shows most accidents happening in the forest, with one fatality in 2023. All workers will be given more training sessions, including sub-contractors, to ensure the same level of preparedness, awareness and alertness. To prevent the risk of allergic reactions, IFO's HSE unit will ensure via regular on-site checks that the medical instructions in each first aid kit are kept up-to-date and that medical treatment and remedies have not inadvertently expired.

GRI 404: 2016 Training and education

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments](#)

404-1 Average hours of training per year per employee

Information incomplete: no disaggregated data available by gender, but we are planning to include this calculation from here to the next two years.

With +227% of total trainings offered to workers, including sub-contractors, compared to 2021, INTERHOLCO focuses on learning and development to empower all staff (and all workers, where safety is concerned) with the capacity to meet business needs, upgrading their competency and developing their skills.

⁵⁷ Available in INTERHOLCO's FSC Monitoring report (in French):
https://interholco.com/images/pdfs/IFO_81-v1_UFANGombe-Monitoring-2023.pdf

Training and education make it possible not only to fulfil the requirements of their roles but also to prepare them for taking on future roles (career development). INTERHOLCO's People and Talent division assesses the annual learning needs, identifying new opportunities to curate the existing learning offer.

GRI 408: 2016 Child labour

For our [3-3 Management approach](#), please see [Fundamental labour rights](#)

408-1 Operations and suppliers at significant risk for incidents of child labour

INTERHOLCO does not hire workers below the age of 18 in any of the group companies. In 2023, INTERHOLCO carried out a risk assessment covering all its wood suppliers, particularly those located in countries with heightened and enhanced risk, based on [UNICEF's Children's Rights in the Workplace Index](#). 100% of our suppliers were verified to be compliant with INTERHOLCO's sourcing policies before signing a contract or continuing operations with INTERHOLCO. Therefore, no 'reasonable suspicion' of child labour was highlighted.

GRI 410: 2016 Security practices

3-3 Management approach

The human rights and wildlife protection training courses that INTERHOLCO organises in RoC with local human rights and international conservation NGOs present opportunities to remind people of the importance of the respect due to local populations, particularly to vulnerable groups. The training reminds national eco-guards and locally hired 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. Human rights training for eco-guards (USLAB unit) and security personnel (external organization employing unarmed local personnel) can cover issues such as the use of force, inhuman or degrading treatment or discrimination, or identification and registering.

410-1 Security personnel trained in human rights policies or procedures

Such trainings or refresher trainings are regularly organized and carried out by a reputable and recognized local human rights expert. The training curriculum is available on INTERHOLCO's web site.⁵⁸ Trainings take place on a regular basis, i.e. at least once every two years or more often, based on need, e.g. affected personnel turnover. The most recent training session took place in June 2024 and will be reported on in 2025.

GRI 411: 2016 Rights of indigenous peoples

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments](#) as well as [Stakeholder engagement](#) and [Human rights due diligence](#)

411-1 Incidents of violations involving rights of indigenous peoples

INTERHOLCO transparently reports on any disputes that arose during 2023 and how they were resolved.⁵⁹ All of these disputes were resolved thanks to ongoing participatory consultation with Indigenous Peoples, part of the communities living in the 88 villages and 20 camps constellating the Ngombé FMU.

⁵⁸ Please see on our web site, under 'The social standards we respect':

<https://interholco.com/en/sustainability/social-landscape>

⁵⁹ Please see the relevant table in INTERHOLCO's FSC Monitoring Report:

https://interholco.com/images/pdfs/IFO_81-v1_UFANGombe-Monitoring-2023.pdf

GRI 413: 2016 Local communities

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments](#) as well as [Stakeholder engagement](#) and [Human rights due diligence](#)

413-1 Operations with local community engagement, impact assessments and development programmes

CLIP or FPIC (Consentement, Libre et Informé au Préalable - Free, Prior and Informed Consent) is the process by which IFO obtains the free, prior and informed consent of the local people prior to harvesting a particular forest area. This approach complements the activities of the Local Development Fund (see [413-2](#)) and the official permits issued by the Forestry Administration. The outcome depends on the number of villages affected by harvesting activities, the population living in those villages and the number of consecutive years each village will be affected. As a result, FPIC is not just a procedure but really, a process making each FPIC agreement unique.

For the harvesting activities which took place in 2023, 34 important sites, including some camps and an ancient village with water springs, were identified by the local communities and Indigenous Peoples (+89% compared to 2021). Important sites such as these must be identified, mapped together with the local people and then protected, before any new harvesting activity starts. The specific sites are then included in the company's operational maps, so as to ensure they are effectively set aside and excluded from any activities. At the end of the harvesting period, a monitoring mission is carried out in conjunction with the local people to ascertain their status.

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

In 2023, nearly all the villages comprised in the Ngombé FMU had meetings with our Social Team. In addition, as part of its Free, Prior and Informed Consent (FPIC) processes with Indigenous Peoples and local communities prior to harvesting activities, IFO contributed FCFA 46 million to microcredit projects identified by the villages. In addition, the company continues to supply timber for the construction of 874 houses by the local people.

The meetings covered the development of community micro-projects, participatory mapping, the impact of harvesting, handling disputes/requests, wildlife management rules, and holding consultation platform meetings. For the fourteenth consecutive year, the consultation platform meeting was held in April 2023. Around 50 representatives from the villages, the authorities and the IFO company met for two days to discuss the social and environmental issues surrounding the management of the Ngombé FMU.

GRI 412: 2016 Human rights assessment

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments](#) and [INNOVATION IS SYNERGY](#).

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

INTERHOLCO ensures coherence across all group companies (IHC, IFO, LCC) with a top-down approach to human rights embedded in commitments and policies (see 2-23 Policy Commitments). At the same time, 'respect,' a core company value, was identified by staff, reflecting a bottom-up perspective.

Human rights are integrated into INTERHOLCO's business model, linked closely with compliance, anti-corruption (ABC), and sustainability. Corruption disproportionately affects the most vulnerable, limiting their access to education and healthcare. Inadequate wages can exacerbate corruption, harming those less likely to report it.

To strengthen internal procedures, INTERHOLCO collaborated with the Basel Institute of Governance to develop a whistleblowing system. At IFO, our most significant operation, we worked with swisspeace to create the Conflict Sensitivity Due Diligence Manual. IFO also contributes to the Republic of Congo's Extractive Industries Transparency Initiative (EITI), providing audited data on payments to the State.

INTERHOLCO holds technical and socio-environmental certifications, with annual on-site audits. Auditors privately interview employees and NGOs, providing feedback that helps management address critical issues promptly.

By embedding human rights and fighting corruption, INTERHOLCO advances fairness and sustainability throughout its operations.

412-2 Employee training on human rights policies or procedures

Some key staff positions at INTERHOLCO receive human rights training every two years to stay updated on international best practices, particularly regarding labor rights as part of human rights (e.g., freedom of association, collective bargaining, child labor, forced labor, non-discrimination, and workplace safety).

Key roles include Senior Management, Finance, Procurement, People and Talent, Sustainability (HSE, Social, and Certification), and Communication and Marketing. In 2024, an interactive online platform was tested to deliver ABC training to key staff at Headquarters and the Belgium office (see [2-24 Embedding Policy Commitments](#)).

GRI 419: 2016 Socioeconomic compliance

For our [3-3 Management approach](#),

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

In 2023, INTERHOLCO successfully passed its Due Diligence legality verification⁶⁰ as well as FSC Forest Management and FSC Ecosystem Services⁶¹ audits.

In March 2024, the company acquired PAFC Forest Management certification for the Ngombé FMU. In 2024 and 2025, audits will include EU Deforestation Regulation Due Diligence requirements.

In the interest of transparency, IFO maintains public records of mandatory documentation up-to-date on Open Timber Portal (OTP),⁶² an independent platform managed by the World Resources Institute (WRI).

⁶⁰ The relevant certificate is available on our web site:

[IHC Timber Legality Verification Certificate CU-TLV-849962_2027.pdf](#)

⁶¹ The relevant certificate is available on our web site:

<https://interholco.com/en/sustainability/environmental-landscape#wood-collections>

⁶² IFO's profile on Open Timber Portal:

<https://opentimberportal.org/operators/ifo-interholco/documentation>

In 2023, IFO led OTP's transparency ranking⁶³ of timber companies. At the time of writing this report, 100% of the requisite documentation was available on OTP, spanning Legal Registration; Use Right; Forest Management; Timber Harvesting; Impact Assessments; Transport; Trade, Export and CITES; Taxes, Fees and Royalties; Population Rights and, Labour Regulations. Also in 2023, none of INTERHOLCO's companies (IHC, IFO and LCC) was fined or found not to comply with, the applicable laws and regulations.

⁶³ Available on this link:

<https://opentimberportal.org/operators?latitude=0.00&longitude=20.00&zoom=4.00>



Environmental landscape



Managing a 1.16 million ha natural tropical forest, we are aware of our pivotal role as one of the leading hardwood producers and processors in the Republic of Congo. Here, innovation is about involving more and more closely the 19,000 forest inhabitants in keeping the forest protected and thriving. They know the forest inside out – any tracks, any sound, any form of life entering it. Including threats. From unauthorized access to illegal camps. When hunting is no longer sustainable for all of the communities, their survival is in danger. Only one thing is possibly worse than poaching: wildlife trafficking originating thousands of miles away.



Safeguarding the precious forest ecosystem of the Congo Basin often referred to as the Earth's lungs according to the principles and criteria of FSC and PAFC certification, developed together with local authorities and NGOs, civil society and forest communities, trade unions and private sector associations, **we are honoured to act in favour of all mankind.**



We are part of WWF's 'Forests Forward' programme for corporates looking to mobilise support for biodiversity protection.

Earlier this year, Nature magazine published evidence of 2.7 times more gorillas and elephants in FSC-certified concessions, including the Ngombé forest we manage. The eco-guards we work with are law-enforcing teams using GPS, SMART software and flights. Their success is largely dependent on close work with the forest inhabitants.

Specialised local

and international NGOs train them on best practice and respect for human rights.



FORESTS CALL FOR INNOVATION



The Vital Role of Forests in Ecology, Society, and the Economy

Forests are unparalleled ecological resources, rivaled only by coral reefs in biodiversity. They are also critical social resources, directly and indirectly supporting the livelihoods of nearly 1 billion people worldwide. Forests provide food, water, shelter, and income, serving as a lifeline for communities, particularly local and Indigenous Peoples who have lived in harmony with them for millennia.

Economically, forests generate over 1.3 billion cubic meters of versatile, carbon-neutral raw material annually, making them an indispensable renewable resource. Forest ecosystems uniquely sustain high levels of biodiversity while safeguarding livelihoods, providing social services, and supporting the global economy with renewable resources at scale. However, their capacity to balance these roles depends on sustainable management.

Forests and Climate Change

Climate change poses a significant threat to forest ecosystems. Rising temperatures and erratic weather disrupt habitats, threatening biodiversity and the survival of forest-dependent communities. The Congo Basin, covering about 200 million hectares, exemplifies forests' critical role in mitigating climate change. It absorbs 600 million metric tonnes of CO₂ more than it emits annually—about one-third of the CO₂ emissions from U.S. transportation.

Remarkably, studies highlight the interdependence of biodiversity and forest functionality. Forest elephants in the Congo Basin reduce tree density, allowing larger, denser trees to thrive. These trees absorb more CO₂, enhancing the forest's carbon storage capacity. Without elephants, the forest's carbon absorption could drop by 7%, underscoring the importance of preserving biodiversity.

Conservation and Sustainable Management

The Republic of Congo protects 40.7% of its land through reserves and conservation areas, significantly higher than the global average of 14.7%. These protections include National Parks, Nature Reserves, and Ramsar sites, classified by the IUCN and UNEP. However, agricultural expansion remains the primary driver of deforestation and forest degradation, as noted by FAO. While countries like Brazil and Indonesia have reduced deforestation rates, forests face increasing threats from climate-induced stressors such as wildfires and pests. Conserving tropical forests is essential, as they provide not only carbon storage but also global cooling through evapotranspiration and their unique physical and chemical properties.

Valuing Nature's Services

Forests provide ecosystem services vital for human well-being, such as food, water, medicines, and cultural benefits. These services are estimated to be worth more than the global GDP. However, their value is often overlooked in land-use and policy decisions. Restoring degraded ecosystems can be costly and yield subpar results. The most effective and economical approach lies in preserving and sustainably managing natural forests and their associated services. By prioritizing forest conservation, especially in biodiversity hotspots like the Congo Basin, we can address climate challenges, protect livelihoods, and sustain the global economy. Forests do more than sequester carbon—they regulate the planet's health, offering solutions that extend beyond their boundaries.

GRI 304: 2016 Biodiversity

For our [3-3 Management approach](#), please see [2-24 Embedding policy commitments](#) and [FORESTS CALL FOR INNOVATION](#)

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

IFO manages 1.16 million hectares of natural tropical forest in the North of the Republic of Congo, known as the Ngombé natural tropical forest management unit (FMU) or Ngombé forest concession.

The Ngombé FMU is located in the Sangha Department in the north of RoC, circa 800 km away from the capital Brazzaville, in one of the most landlocked regions, currently offering few development opportunities to the local population.

It is important to note that the Ngombé forest and the two adjacent national parks (Odzala-Kokoua and Ntokou-Pikounda), which, combined, cover an area measuring 29,672 km², are legally owned and controlled by the government of RoC. Recognising the global importance of the entire landscape, the RoC government is prioritizing maintenance of biodiversity and social infrastructure throughout an area roughly the size of Belgium (30,700 km²).

Approximately 60% of the area is under strict protection, in the Odzala-Kokoua National Park and Ntokou-Pikounda National Park. Covering less than 40% of the area, the Ngombé forest concession has been designated as a production forest to provide opportunities for economic and social development for local and indigenous people living in the area.

According to the census carried out in 2019, circa 19,000 inhabitants (local communities and Indigenous Peoples) live in the Ngombé forest, of which more than 11,000 in the town of Ngombé. Social and forest legislation in RoC and especially the concession agreement clearly stipulate that economic use of the forest concession shall be targeted towards development of social infrastructure in one of the most remote areas in RoC, without compromising the unique biodiversity of the natural forest.

This symbiosis between conservation and economic use (while still maintaining highest biodiversity and conservation values) is unique.

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

In 2024, Utrecht University assistant professor Joeri Zwerts published the results of four years of research in Gabon and the Republic of Congo. Comparing animal presence with the aid of harmless camera traps, Joeri Zwerts discovered 2.7 more large mammals (such as, gorillas, forest elephants, etc.) in FSC-certified forests, including Ngombé FMU, than in non-certified concessions. His study earned him [the cover of Nature magazine](#).

304-3 Habitats protected or restored

In the Ngombé forest concession, IFO harvests approximately 70% of the entire forest surface (800'000 ha) in a rotation cycle of 30 years. Roughly 27% of the forest surface (308'000 ha) is under permanent protection (e.g. sensitive forest types and areas that hold particular significance to the indigenous and local population and their livelihood), whilst 4% (48'500 ha) are available to the indigenous and local population for community development. Analysing 2020 to 2022 data, the latest monitoring of the High Conservation Value Forests is available online.⁶⁴ The Intact Forest Landscape (IFL) surface amounts to 332,492 hectares (2022 data).

Acting as efficient carbon sinks, all wetlands, including peatlands, in the Ngombé forest (280,000 ha) are under protection and therefore untouched by harvesting.

304-4: IUCN Red List Species and National Conservation List Species in Affected Areas

At the start of the concession period, the entire Ngombé Forest Management Unit (FMU) was thoroughly mapped. This survey documented forest ecosystems, habitats requiring special protection, tree species diversity, timber volume, and the composition of fauna and flora, including species listed on the IUCN Red List. The mapping also considered the needs of local communities and Indigenous Peoples relying on the forest for their livelihoods.

Using satellite and aerial imagery, a comprehensive inventory of the FMU was created. As noted under 304-2, INTERHOLCO's safeguards ensure the protection of vital species, including those classified as vulnerable, rare, or endangered on the IUCN Red List.

In 2023, FSC Forest Management and Ecosystem Services certification further verified INTERHOLCO's conservation of species diversity (Ecosystem Service 1.6) within the Ngombé FMU.

GRI 303: 2018 Water and effluents

3-3 Management approach

The WWF Water Risk Filter places RoC at the very-low-to-low end of the spectrum for risk connected to water availability, drought, flooding, water quality or ecosystem services status. Where WWF identifies higher risk is in the regulatory landscape, especially with regards to water provision in healthcare (WASH⁶⁵ infrastructure).

RoC has one of the densest river networks in the world and abundant rainfall.

⁶⁴ The HCV identification process is described in this document (in French): https://interholco.com/images/pdfs/IFO-92-01-v11_UFANGomb-HVC_HighConservationValues-AFEI_20102023.pdf

whilst the latest monitoring is available in INTERHOLCO's FSC Monitoring Report 2022, from p. 42 to p. 45: https://interholco.com/images/pdfs/IFO_81-v1_UFANGombe-Monitoring2022_082023.pdf

⁶⁵ Water, sanitation and hygiene: <https://www.newborntoolkit.org/toolkit/infrastructure/water-sanitation-and-hygiene?tab=Overview&page=1>

However, the lack of basic infrastructure leads to serious drinking and other use water shortages. According to a report by the Global Water Partnership,⁶⁶ there is hardly any modern "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.⁶⁷

Since water is a vitally important resource, the state had committed to deliver water for all through the 'Eau pour tous' 2013 campaign. When Ngombé's 'Eau pour Tous' water dispensers became unfit for use owing to malfunction, INTERHOLCO proposed a solution to the local authorities, aiming to support the village and protect the human rights of the people living in the Ngombé forest.

303-3 Water withdrawal

Clean Water and Sanitation in Ngombé: In 2023, Ngombé's growing population led to a +55% increase in free drinking water provided by INTERHOLCO, sourced from the Sangha River and treated at IFO's facilities to meet EU drinking water standards. Daily tests ensure potability, monitoring pH, chlorine content, and wastewater quality (BOD/COD <25 mg/l). Wastewater is managed to avoid contamination, with sanitation systems like septic tanks in employee camps preventing pollution.

INTERHOLCO recognizes sanitation as a human right, vital for public health and productivity. In 2022, it rehabilitated Ngombé's school toilets, creating skilled jobs and installing proper sewage systems with regular maintenance and handwashing facilities. Clean school environments improve attendance, hygiene habits, and opportunities for women and girls.

Additionally, INTERHOLCO restored malfunctioning "Eau pour tous" dispensers and employs local women to operate water fountains. Open daily, these fountains reduce household costs, plastic waste, and provide consistent access to safe water.

GRI 305: 2016 Emissions

3-3 Management approach

INTERHOLCO's Carbon Emission Reduction and Efficiency Initiatives

INTERHOLCO has set carbon reduction targets for its IFO operations to mitigate climate change and improve environmental performance. Key initiatives include:

⁶⁶ Global Water Partnership:

<https://www.gwp.org/>

⁶⁷ Reported in this article, accessed on the web on 14.11.2024:

<https://observers.france24.com/fr/20140228-congo-eau-est-partout-sauf-robinets-brazzaville-djiri-ii>

Energy Efficiency and Waste Valorisation: Transforming FSC-certified wood residues into clean energy via a planned co-generation plant (feasibility study in 2024) and carbon removals.

Production Optimization: Reducing GHG emissions through optimized production schedules, machinery upgrades (since 2023), and heat consumption improvements.

Sustainable Procurement: Aligning forestry and procurement policies with biodiversity goals (since 2016) and EUDR requirements (see INNOVATION IS SYNERGY).

Supply Chain Engagement: Embedding sustainability commitments in supplier contracts.

Digitalization: Reducing paper use by digitizing processes.

INTERHOLCO reviews its emissions boundary regularly, focusing on Scope 3 emissions in line with the Greenhouse Gas Protocol, to ensure continuous improvement in sustainability performance.

305-1 Direct (Scope 1) GHG emissions

305-2 Energy indirect (Scope 2) GHG emissions

305-3 Other indirect (Scope 3) GHG emissions

INTERHOLCO adopted mostly the UK government conversion factors to calculate the greenhouse gas (GHG) emissions associated with its activities at a certain emission source. Carbon emissions need to be converted into 'activity data', e.g. distance covered, litres of fuel used, etc.

Consistent with previously published data, the following greenhouse gases are included in the calculations (baseline year: 2020):

- Scope 1: CO₂, CH₄, N₂O, and HFCs, including CH₄ and N₂O emissions from non-biogenic sources that are combusted. CO₂ emissions from biogenic emissions will be reported separately, once a carbon balance benchmark is available for tropical forest management.
- Scope 2: CO₂, CH₄, N₂O, HFCs, and PFCs. While we report location-based values, according to the GHG Protocol Standard, we are planning to include market-based values to reflect the use of clean energy, when a co-generation plant will be installed (see [GRI 305](#)). Biogenic emissions will be reported separately.
- Scope 3: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. In 2023, INTERHOLCO continued to expand its reporting scope. Examples include, emissions derived from business travel, commuting and office heating (since 2022). The latter emissions were minor compared to the previously reported Scope 3 emissions.

For a detailed breakdown, see **Environmental Landscape** in our Facts and Figures⁶⁸ and INTERHOLCO's GHG Report 2023.

305-4 Greenhouse gas emissions intensity

GHG intensity is reported based on annual lumber production, with production volume (m³) as denominator. Types of GHG emissions included in the intensity ratio are direct, energy indirect and other indirect emissions (Scope 1, 2 and 3).

For a detailed breakdown, see **Environmental Landscape** in our Facts and Figures⁶⁹ and relevant notes.

GRI 306: 2020 Waste

3-3 Management approach

Committed to protecting the environment, people and their human rights, INTERHOLCO intensified its priority of reducing waste within its own premises and within its corporate scope.

306-2 Management of significant waste-related impacts

Waste valorisation of FSC- and PAFC-certified industrial residues at IFO is a strategic priority. INTERHOLCO transforms wood biomass into durable products, enhancing soil quality and locking carbon for 1,000 years. By eliminating wood residue disposal, this initiative benefits the climate, people, and planet while promoting a circular economy. This unit employed 30 local employees, with plans to increase production further.

GRI 307: 2016 Environmental compliance

For our **3-3 Management approach**, please see [Healthy and safe environment](#).

307-1 Non-compliance with environmental laws and regulations

Please see [419-1](#). Also in 2023, none of INTERHOLCO's companies (IHC, IFO and LCC) was fined or found not to comply with the applicable laws and regulations.

⁶⁸ Available on our web site:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-FactsFigures-2023-2021.pdf>

⁶⁹ Available on our web site:

<https://interholco.com/images/pdfs/EN-INTERHOLCO-FactsFigures-2023-2021.pdf>



Economic landscape



Modern technology elevates our Made in Africa

process and product to best-in-class, laser-focused on quality.

The use of **cutting-edge technology results in modern machinery on a par with that used in Europe**, but with less automation, thus ensuring job creation. Workers are trained to upgrade their skills on-site. At the same time, **training is meant to lead to greater safety**. Sourcing materials locally and hiring within the community we have grown into an important actor, driving local growth.

Generating most of our revenue in international markets, we are able to invest, mostly in the Republic of Congo.

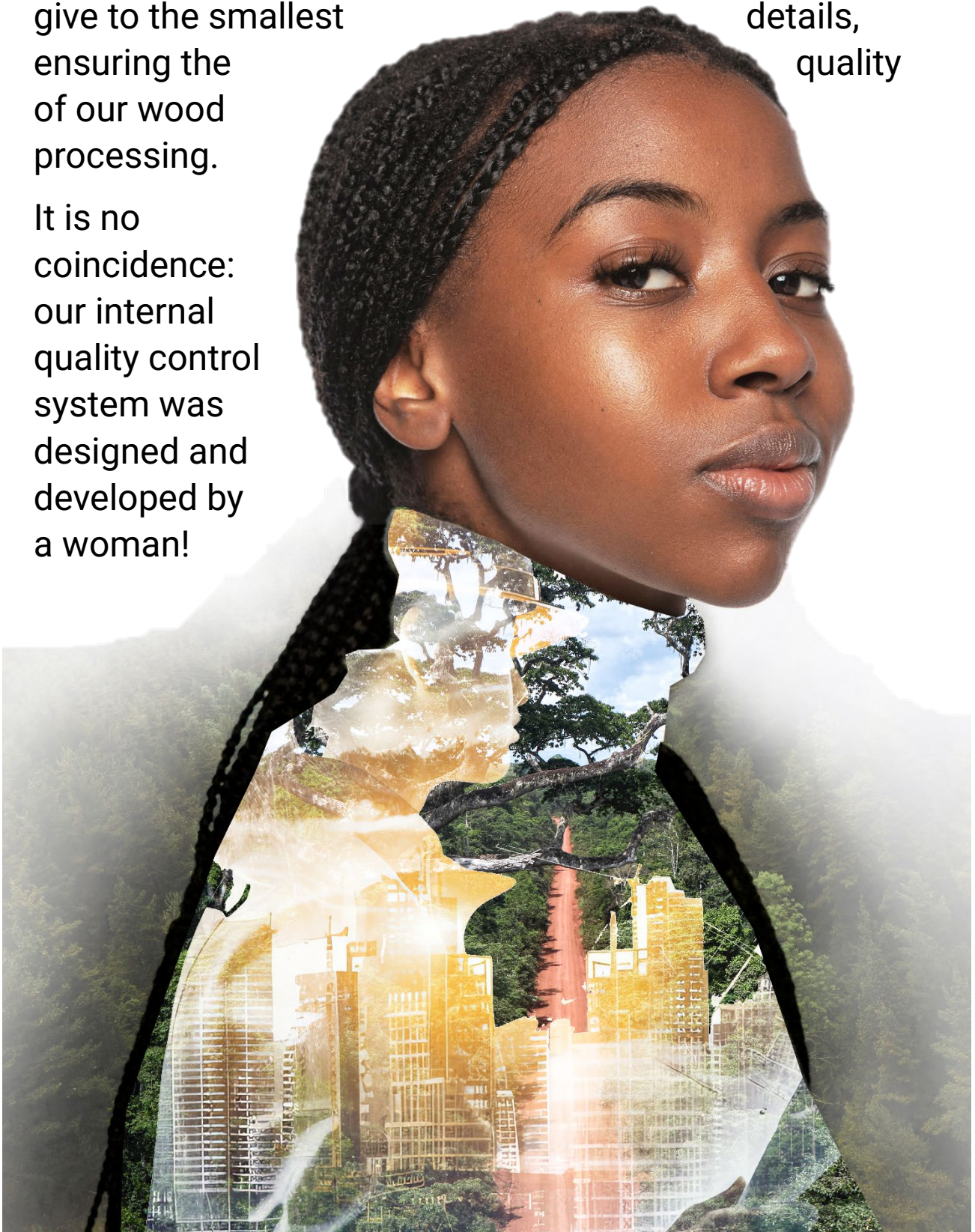
Capital circulates back into the local economy, fostering growth in related sectors such as transportation, building, procurement of equipment and diverse service providers.

Furthermore, as our business model expands and attracts investment, the region sees enhanced infrastructure development with modern equipment and machinery and an improved business ecosystem, promoting welfare and stability.



The fact that wood processing is moving from a physically heavy to a more rational level is an **incentive to make long-term industrial roles attractive to women**, who are in high demand for the care and attention they give to the smallest details, ensuring the quality of our wood processing.

It is no coincidence: our internal quality control system was designed and developed by a woman!



ACCELERATING INNOVATION



The Role of Forest Certification in Addressing Rising Wood Demand and Environmental Challenges

Projections indicate a significant rise in global wood demand by 2050, with roundwood demand potentially increasing by 49%. Despite 25% of global industrial roundwood coming from FSC-certified forests, incentives for forest destruction often outweigh those for sustainable forest stewardship. Achieving global climate and biodiversity targets depends on conserving forest systems and preventing irresponsible agricultural and industrial activities.

In theory, markets should preserve environmental services, such as food and fiber, as their managers (e.g., farmers or foresters) directly benefit. However, in practice, markets often fail to compensate these managers for broader societal benefits like flood protection, carbon sequestration, and biodiversity conservation. This market failure leads to externalities—when actions by individuals or organizations benefit or harm others without proper reflection in market prices. For instance, deforestation for agriculture may benefit landowners temporarily but at significant social and environmental costs.

Payments for Environmental Services (PES) offer a potential solution, implementing the “beneficiary pays” principle to incentivize sustainable land management. Voluntary certification schemes like FSC and PAFC/PEFC also promote sustainable forest management in the Congo Basin.

FSC-certified forests cover 11% (5.8 million ha) of Congo Basin production forests, distributed across the Republic of Congo (2.9 million ha), Gabon (2.2 million ha), and Cameroon (0.69 million ha). PAFC/PEFC certification spans 2.05 million ha in Gabon (0.89 million ha) and the Republic of Congo (1.15 million ha), with about 2/3 overlapping with FSC certification.

Gabon leads the region with 85% forest cover, totaling 22 million ha. Of these, 15 million ha are managed concessions, but only 2 million ha are FSC-certified and less than 1 million ha PAFC-certified. To enforce sustainable practices, Gabon has mandated certification for private processors by 2025.

Although the “green premium” of certified products remains limited, forest certification serves as an indirect incentive for environmental services like biodiversity conservation. By offering external verification, certification provides evidence of responsible socio-environmental safeguards, builds buyer confidence, and supports local community involvement through mechanisms like FPIC (Free, Prior, and Informed Consent).

As global wood demand grows, certification schemes and PES models play a vital role in balancing economic needs with forest conservation, addressing both market failures and environmental challenges.

GRI 201: 2016 Direct economic value generated and distributed

For our [3-3 Management approach](#), please see [INNOVATION, OUR MOST RENEWABLE ENERGY](#) as well as [Fundamental labour rights](#)

201-1 Direct economic value generated and distributed

G4FS-EC1 2014 Direct economic value generated and distributed – investment in local communities

In 2023, INTERHOLCO's net revenue amounted to 70 million EUR, with –21% profit compared to 2022. Although operating costs were lower, wages and employee benefits, community investment and payments to providers of capital rose in 2023.

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 (see [202-1](#)).

'Total community investments' (see [203-1](#)) refers to actual expenditures in the reporting period, not commitments.

Payments to the government of the Republic of Congo (forest and harvest taxes and royalties, social payments, environmental payments, etc.) are analysed in more detail in the EITI (Extractive Industries Transparency Initiative) Congo report (see [2-5 External assurance](#)); at the time of writing this report, the latest available EITI Congo report contains 2021 data.⁷⁰

GRI 203: 2016 Significant indirect economic impacts

For our [3-3 Management approach](#), please see [ACCELERATING INNOVATION](#)

Through FSC and PAFC certification of its operating model, INTERHOLCO is committed to providing 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.

203-2 Significant indirect economic impacts

Please see [203-2](#)

GRI 204: 2016 Procurement practices

For our [3-3 Management approach](#), please see [Supply chain engagement](#)

204-1 Proportion of spending on local suppliers

In 2023, INTERHOLCO spent 74% of its procurement budget on suppliers from Cameroon and the Republic of Congo, significant locations of operations as that is where LCC and IFO are based, processing/procuring 87% of FSC-certified wood.

In 2023, four new suppliers were screened to verify compliance with the same commitments that INTERHOLCO upholds, including Child labour. Based on the outcome of INTERHOLCO's risk assessment/due diligence, only two were retained and offered a contract.

⁷⁰ Available on:

<https://eiti.org/sites/default/files/2024-02/Rapport%20ITIE%20Congo%202021.pdf>

GRI 308: 2016 Supplier environmental assessment

GRI 414: 2016 Supplier social assessment

For our [3-3 Management approach](#), please see [Supply chain engagement](#)

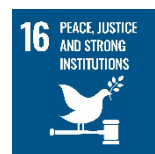
308-1 New suppliers that were screened using environmental criteria

414-1 New suppliers that were screened using social criteria

In 2023, all INTERHOLCO's suppliers were screened using socio-environmental criteria. All but one were compliant with our socio-environmental commitments. One contract was cancelled due to an unresolved non-compliance and procurement with the supplier was stopped. For other suppliers where we performed audits, minor non-conformities were issued during audits. The next round of audits, scheduled to take place in 2025, will verify the implementation of adequate measures to resolve those minor non-conformities. Again, our suppliers must give proof of respecting our socio-environmental criteria and are audited on the ground.



Regulatory landscape



For us, combining existing policy with industrial expertise helps Congo Brazzaville to be recognised as a leader not only for its raw materials and commodities, but also for its know-how. A country that grows transforming wood into a material that is increasingly in demand for the construction of houses, means of transport, furniture, textiles and beyond, serving sustainable communities, locally and globally, with less fossil-fuel derived products and, fewer and fewer CO₂ emissions.

Governance grows stronger with innovation.

We strive to honour the highest standards and invest in up-to-date technologies to contribute to Congo's vision for the forestry sector, to do more with wood. We harvest and transform wood into high-value, best-in-class 'Made in Africa' products holding verified (i) legality, (ii) socio-environmental, (iii) biodiversity as well as (iv) technical processing and (v) environmental and health performance certification.⁷¹



⁷¹ For a comprehensive view of our wealth of certificates, please see on our web site:
<https://www.interholco.com/en/key-links>

INNOVATION IS SYNERGY

The Evolution of Forest Concessions in Central Africa



Central African governments have long relied on the forest concession model, first introduced before independence, to improve remote and landlocked areas. New forest codes adopted between 1990 and 2000 set the framework for forest management. Despite being legal forest owners, governments face challenges in managing their vast, often inaccessible forests due to limited resources. Forest regulations commonly grant private companies long-term concessions or harvesting rights.

For example, INTERHOLCO signed its first concession agreement in 1999 and finalized its Forest Management Plan (FMP) in 2007, covering a 30-year rotation cycle until 2036. A new agreement with the Republic of Congo in 2008 secured a 25-year concession valid until 2032, with the second rotation beginning in 2037.

Over the past two decades, sustainable forest management (SFM) has replaced extractive, poorly planned logging in the Congo Basin. Production forests, allocated for commercial harvesting, span approximately 50 million hectares, with 25–30 million hectares operating under approved management plans. However, forest concessions face growing pressure from rising rural populations and agricultural investors, making them contentious tools for resource management.

To adapt, the forest concessions model must evolve to include multiple-use forest management (MFM). As proposed by FAO, MFM involves managing forests for diverse goods and services beyond timber, such as ecotourism, conservation, fuelwood production, and environmental services. This approach could increase the economic benefits of SFM, counteracting competition from agro-industrial and mining ventures. Certification and legality programs can support MFM implementation.

A critical factor for MFM's success is recognizing and mapping land rights, both formal and informal, ensuring fair revenue sharing. Forest concessions must transition from narrowly profit-driven models to territorial development units that incorporate the rights and needs of forest communities.

Indigenous Peoples play a vital role in protecting old-growth forests, which are crucial for their material and cultural needs. However, their aspirations are not uniform, and some may seek development opportunities. Efforts to conserve old-growth forests will be more effective if built on equitable relationships with Indigenous Peoples, respecting their rights and involving them in decision-making.

2-23 Policy commitments

INTERHOLCO's Commitment to Nature, People, and Human Rights

At INTERHOLCO, we believe that investing in the resilience of nature supports the resilience of the economy. In the Republic of Congo, we manage forest concessions responsibly, balancing wildlife protection with sustainable wood harvesting and processing by employing local workers. We also respect workers' rights and contribute to infrastructure and basic services for the resident population, complementing those provided by the State.

We recognize the immense value of collaborative partnerships that integrate Indigenous knowledge, practices, and decision-making as core components of forest conservation efforts.

As a signatory to the United Nations Global Compact, we are committed to respecting internationally recognized standards, avoiding adverse impacts on human rights, and addressing any that arise from our activities. We continually educate our workforce, suppliers, and partners on the importance of human rights and related risks.

Our Senior Management oversees the implementation of our Values, Code of Conduct, and policies, ensuring compliance across our operations and supply chain. Any breaches are thoroughly investigated, and where we identify adverse human rights impacts caused or contributed to by our actions, we engage in appropriate remediation, either independently or with stakeholders.

In cases of conflict between national laws and internationally recognized human rights principles, INTERHOLCO seeks ways to honor the latter while remaining compliant.

Our commitment to human rights and legal standards is embedded across all dimensions of our operations, including facilities, processes, products, and services.



Compliance

We are committed to complying with all applicable local, national, and international human rights laws and recognized standards, such as the Universal Declaration of Human Rights,⁷² the UN Guiding Principles for Business and Human Rights,⁷³ OECD Guidelines for Multinational Enterprises,⁷⁴ OECD Due Diligence Guidance for Responsible Business Conduct,⁷⁵ ILO's Declaration on the Fundamental Principles and Rights at Work.⁷⁶ Regular sustainability certification and legality verification audits are carried out by external third parties at significant locations⁷⁷ of operations to assess progress and report on remediation on a yearly basis.

Diversity and Inclusion

We are committed to maintaining an inclusive environment where all individuals are treated fairly and with respect, one of our core Values.⁷⁸ We uphold the principle of non-discrimination, ensure accessibility for persons with disabilities, and work towards mitigating unconscious bias.

Fundamental labour rights

We are committed to protecting labour rights and ensuring fair working hours for all direct employees and throughout our supply chain, complying with ILO. We maintain a zero-tolerance stance on child labour⁷⁹ and conduct an annual due diligence⁸⁰ to prevent the risk of the exploitation of young workers. We strictly prohibit forced labour in all our direct and indirect operations.

In addition, we are committed to paying all workers a living wage (i.e. a fair wage/compensation above the minimum wage, where one is foreseen by law)⁸¹ in all countries in which we operate.

Freedom of expression

We are committed to fostering a workplace that supports freedom of speech, safe whistleblower practices, the right to strike, and the right to form or join a trade union.⁸²

Healthy and safe environment

We are committed to valuing, preserving, restoring and managing forests sustainably,⁸³ mindful that Indigenous Peoples and local communities exist in symbiosis with them and it is their right to continue doing so. We strive to support a healthy planet providing essential benefits for all people.



Stakeholder engagement

We commit to responsibly engage with groups our operations may affect through free, transparent, and proactive consultation processes, ensuring that we identify and address any potential negative impacts.⁸⁴ We recognize the importance of paying special attention to the rights and needs of the local communities, particularly of vulnerable groups within society, such as Indigenous Peoples,⁸⁵ based on the UN Declaration on the Rights of Indigenous Peoples⁸⁶ and ILO Convention 169.⁸⁷

Safety and health

We are committed to ensuring a safe and healthy work environment and strive towards zero accidents, injuries, and other work-related ill-health. Moreover, we commit to act in accordance with fair business, marketing and advertising practices to provide consumers with adequate, externally verified performance and health data on our products,⁸⁸ so they can make informed decisions.

Human rights due diligence/supply chain

We are committed to upholding the highest human and labour rights standards within our supply chain by actively engaging and collaborating with suppliers and business partners to cultivate environments that prioritize safety, fairness, and equality. Moreover, we are vigilant about environmental issues related to our operations and supply chains, particularly those that could significantly affect communities,⁸⁹ and we work to identify, mitigate, and address such impacts.⁹⁰

We are committed to regularly and systematically identifying, assessing, managing, and mitigating human rights risks and impacts⁹¹ using a risk-based approach across our value chain, including our own operations and supply chain.⁹²

Communication

We commit to transparently report on how we address human rights impacts,⁹³ including detailing outcomes and planned future initiatives, both within our organization and to external stakeholders.

Privacy rights

We are committed to protecting personal data and ensuring that privacy is respected in accordance with international standards⁹⁴ and best practices.



⁷² Available at: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

⁷³ Available at: www.ohchr.org > publications and resources > publications > Reference materials > Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework.

⁷⁴ Available at: [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct \(oecd-ilibrary.org\)](https://oecd-ilibrary.org)

⁷⁵ Available at: [OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf](https://www.oecd.org/dai/DocumentLibrary/2019/09/2565221.pdf)

⁷⁶ Available at:

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/normativeinstrument/wcms_716594.pdf.

⁷⁷ 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.

⁷⁸ Available on our web site:

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

⁷⁹ INTERHOLCO complies with ILO Conventions [No. 138](#) and [No. 182](#) and the ILO-IOE *Child Labour Guidance Tool for Business* of 15 December 2015, available at: www.ilo.org/ipec. Our Child Labour Due Diligence, updated on a yearly basis, is published and available on: <https://interholco.com/images/pdfs/IHC-Child-Labour-Due-Diligence.pdf>

⁸⁰ Available on our web site at:

<https://interholco.com/images/pdfs/IHC-Child-Labour-Due-Diligence.pdf>

⁸¹ See INTERHOLCO's [Commitment to Living Wage](#)

⁸² See INTERHOLCO's [Commitment to ILO Core Labour Requirements](#)

⁸³ See INTERHOLCO's [Biodiversity policy](#).

⁸⁴ In addition to INTERHOLCO's [Stakeholder Engagement Strategy](#), we commit to respect indigenous and local communities' rights through the FSC (Forest Stewardship Council) Policy for Association (FSC-POL-01-004 V2-0). Also, we commit to respect legal and customary land tenure rights as well as the right to free, prior and informed consent (FPIC) through the FSC Principles and Criteria (FSC-STD-01-001 V5-2).

⁸⁵ At INTERHOLCO, Stakeholder engagement is not just a procedure. Rather, it is an ongoing process that is inclusive and iterative. To take heed of people's needs, concerns, expectations and desires, we have put in place a Stakeholder engagement process, shaped and agreed with all parties involved – including vulnerable groups such as, Indigenous Peoples, women and children. See note 33 on p. 10 of INTERHOLCO's [Stakeholder Engagement Strategy](#) for a definition of vulnerable groups. More information on how Indigenous Peoples and Local Communities' rights are safeguarded may be found in INTERHOLCO's [Frequently Asked Questions](#) as well as INTERHOLCO [Linking the environmental and social landscape](#).

⁸⁶ Available at <https://www.ohchr.org/en/indigenous-peoples/un-declaration-rights-indigenous-peoples>

⁸⁷ Available at

https://normlex.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169

⁸⁸ Environmental and Health Performance data sheets for our high-quality products are available on our web site: <https://interholco.com/en/environmental-product-declarations-pdf>

⁸⁹ See INTERHOLCO's [Anti-Bribery and Corruption Policy](#)

⁹⁰ See p. 14 of INTERHOLCO's [Sustainability Report 2022](#) for supplier compliance and supplier audits.

⁹¹ We commit to human rights through the FSC Policy for Association (FSC-POL-01-004 V2-0).

⁹² In the African countries where INTERHOLCO operates or procures wood, Environmental and Social Impact Assessments (ESIAs) are not just a commitment, but a legal requirement.

INTERHOLCO's ESIAs are externally audited for consistency with national laws and regulations. At the same time, ESIAs must consider best international practice. One example is, ensuring prevention of forest degradation and deforestation, as foreseen by the EUDR. Importantly, ESIAs must make sure that any planned activities do not interfere with the human rights, including customary rights, of the local communities and Indigenous Peoples. ESIAs are an essential prerequisite to ensure that any activities that INTERHOLCO plans to carry out in a given landscape effectively benefit the people living in that landscape.

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. All of our suppliers must respect our [Responsible Forestry and Procurement Policy](#), summarized in the [Sustainable Forest Management policy for suppliers](#) as well as the procurement documents and compliance evaluation form available on our web site:

<https://interholco.com/en/sustainability/environmental-landscape#wood-collections>

⁹³ See INTERHOLCO's Sustainability Reports, publicly available on our web site:

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

⁹⁴ INTERHOLCO's IT Devices Policy is an internal document only. A public summary is available in our Privacy Policy, covering the provisions of the General Data Protection Regulation (GDPR) of the European Union and Federal Act on Data Protection (FADP) of Switzerland and compliant with the "EU-US Data Privacy Framework" (DPF): <https://interholco.com/en/privacy>.

FACTS & FIGURES



SOCIAL LANDSCAPE

Giving value to the source: our people

United Nations
Sustainable
Development Goals



GRI 2: 2021

2-7 a

2-7 b



GRI 2: 2021

2-30



GRI 202: 2016

202-1

202-2



GRI 403: 2018

403-9

403-10



GRI: 2016

203-2

Employees

Unit of
measure

2023

2022

2021

Scope

Workforce by area and gender

total workforce (includes contractors)

No.

1.528

1.532

1.354

IFO, IHC,
LCC

total employees IFO / IHC / LCC*

No.

898

921

960

*temporary employees are only trainees in Europe/IHC
or employees whose probation= max. 6 months

Management / staff

No.

42

39

34

of whom, Top-management

No.

4

4

4

Employees (from 2022 on: supervisory employees)

No.

96

98

216

Blue-collar workers

No.

760

784

710

of whom, men

No.

850

871

910

of whom, women**

No.

48

50

50

♀ by post: Senior Management

No.

0

0

0

Manager

No.

6

6

4

Employees (from 2022 on: supervisory employees)

No.

22

22

46

Blue-collar workers

No.

20

22

-

total employees IFO

No.

858

880

920

IFO

Collective bargaining agreements

Total employees

%

100%

100%

100%

IFO

Market presence

**Country minimum wage
(Republic of Congo)**

EUR

83

83

82

Men

EUR

173

173

173

Women

EUR

173

173

173

% of local minimum wage

%

210%

210%

210%

**Proportion of senior management hired
from the local community*****

%

51%

56%

59%

IFO & LCC

*** Full-time employees born in RoC (IFO) 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 IHC
Sustainability Report 2020

No.

18

19

17

total number of senior managers

No.

35

34

29

Health and safety

total injuries at work

No.

167

177

230

(excluding first-aid injuries; accidents without temporary leave)

Work-related fatalities / **employees**

1a

No.

0

0

1

Work-related fatalities / **sub-contractors**

No.

1

1

-

Injuries with temporary leave of > 4 days

No.

66

56

53

Injuries with temporary leave of ≤ 4 days

No.

101

121

176

Incidence rate per 100 workers

1b

No.

7,7

6,4

5,8

(injuries with temporary leave of > 4 days)

(total injuries with temporary leave)

No.

19,5

20,1

25,0

Incidence rate per 1'000'000 working hours

No.

28,6

18,5

22,7

(injuries with temporary leave of > 4 days)

(total injuries with temporary leave)

No.

72,5

58,4

70,7

Indirect economic impacts

Consultations at company-run health centre (CMS)

No.

12.381

11.781

13.962

CMS Patients (28 beds)

No.

819,0

1.094,0

869,0

Live births per year

No.

349,0

317,0

368,0

CMS Infant mortality (1st year) (Congo/UNICEF 2022: 3,1%)

%

2,8%

2%

1%

Vaccinations per year

No.

1.783

2.243

2.109

**Provision of drinking water for Ngombé
inhabitants and industry**

m³ (1000 l)

141.505

106.463

90.976

Electricity provided for Ngombé inhabitants

KWh

1.753,0

1.540,7

1.742,6

IFO

IFO

IFO & LCC

IFO

IFO

IFO

IFO, IHC,
LCC

SOCIAL LANDSCAPE

Giving value to the source: our people

United Nations
Sustainable
Development Goals



GRI: 2016
403-5 a,
404-1 a,
404-2



GRI: 2016
205-2



GRI: 2016
413

GRI: 2021
3.3,
11.17.4



GRI: 2016
411-1,
413-2 a

GRI: 2021
11.15.4,
11.17.4



GRI: 2016
410-1



GRI: 2016
410-1 a

Training

Total trainings (including sub-contractors on site) <i>of which IFO</i>	No.
Total awareness raising and trainings (including sub-contractors)	No.
Average number of trainings per employee	No.
By level	
<i>Managers</i>	No.
<i>Blue-collar workers</i>	No.
<i>Administration</i>	No.
Anti-corruption policies and procedures training	No.
Total employees trained	No.
Affected employees trained 2	No.

Community engagement

Community engagement and participatory approach

Projects based on local communities' needs 3	No.	41	43	6	IFO
*follow-up to previous year					
Percentage of local operations	%	100%	100%	100%	
Inhabitants in FMU Ngombé (last census: 2019)	No.	18,930	-	-	
of which women	No.	9,076	-	-	
of which men	No.	9,854	-	-	
in the villages (villagers and natives)	No.	7,367	-	-	
estimate no. of natives (~38%)	No.	2,800	-	-	
in Ngombé town	No.	11,563	-	-	
Meetings with the communities and indigenous peoples Total number of villages	No.	88	88	85	
Villages where meetings were held	No.	88	88	85	
Meetings	No.	140	222	265	
People participating	No.	3,646	5,846	6,669	
Indigenous	No.	1,334	2,196	2,282	
Local (Bantou)	No.	2,312	3,650	4,387	
Women	No.	1,688	2,610	2,876	
Men	No.	1,958	3,236	3,793	
Number of pupils in the school for Indigenous Peoples (Ngombé)	No.	147	149	133	
Number of visitors/readers in IFO's library (Ngombé)	No.	12,253	14,461	9,962	
Impact extent					IFO
Geographic situation of the impact 4 (annual harvesting area)	Ha	21,558	29,467	32,682	
Impacts on communities					IFO
Total grievances filed through formal grievance mechanism	No.	5	7	6	
of which, filed and resolved	No.	5	6	6	
Human rights training - employees total number of employees trained at least once every two years (all affected staff)	No.	23	23	23	IFO, IHC, LCC
Percentage (all affected staff)	%	100%	100%	100%	
Human rights training - security personnel Ecoguards' unit including staff ***Staff and management, excluding IFO's security personnel	No.	31***	32***	33***	IFO
Trained at least once every 2 years 5 (all affected staff)	No.	-	12	14	
Percentage (all affected positions)	%	100%	100%	100%	

ENVIRONMENTAL LANDSCAPE

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

United Nations
Sustainable
Development Goals



GRI 304: 2016
304-1



GRI 304: 2016
304-3



GRI 304: 2016
304-2

G4 Sector Disclosure 2010
MM1

Biodiversity

Protected areas and areas of
high biodiversity value 6
Total forest concession area

Unit of
measure

Ha

2023

1.159,643

2022

1.159.643

2021

1.159.643

Scope

IFO

Production area
as per Management Plan

Ha

801.716

801.716

801.716

Protection area

Ha

220.000

220.000

220.000

Conservation area

Ha

88.000

88.000

88.000

Community development area

Ha

48.500

48.500

48.500

Production area
(percentage of total forest surface)

%

69%

69%

69%

Protection and Conservation area
(percentage of total forest surface)

%

27%

27%

27%

Community development area
(percentage of total forest surface)

%

4%

4%

4%

Habitats protected or restored
Size of concerned area

Ha

308.000

308.000

308.000

Impacts

Construction or use of manufacturing plants,
mines, and transport infrastructure 7

IFO

Extent of areas harvested

Ha

21.558

29.467

32.682

Percentage of total surface

%

1,9%

2,5%

2,8%

Annual harvest volume (sawmill)

m³

183.617

246.559

231.044

Harvest intensity:
average number of trees harvested / hectare

No. / Ha

0,8

1,1

1,0

% of total surface impacted by harvest activity
(roads, log-yards, gaps and skidtrails)

%

0,14%

0,26%

0,26%

% of the annual harvesting area (AAC) impacted

%

7,7%

10,2%

9,1%

net volume harvested/ha (incl. remaining volume previous year)

m³ / Ha

7,8

8,7

8,0

Duration/Reversibility of impacts

11 yr / Yes

1 yr / Yes

1 yr / Yes

Road infrastructure

Average road width / main roads
secondary roads

m
m

26,8
21,2

26,9
20,8

24,6
20,0

Road length / main roads
secondary roads

km
km

48
157

53
190

37
208

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GRI 3: 2021
3-3-a, 3-3-b-

GRI 304: 2016
304-2,
304-3



GRI 304: 2016
304-1



GRI 303: 2018
303-3



GRI 305: 2016
305-1

Impacts

	Unit of measure	2023	2022	2021	Scope
Pollution 8 Major impacts /Duration/Reversibility of impact	Ha	0 / - / Yes	0 / - / Yes	0 / - / Yes	IFO
Invasive species 9 Extent of areas impacted	Ha	0	0	0	
Reduction of species 10 Extent of areas impacted	Ha	0	0	0	
Habitat conversion 11 Extent of areas impacted	Ha	0	0	0	
Deforestation/Ecosystem conversion 11 Extent of areas impacted	Ha	0	0	0	
of which, recorded in supplier operations	Ha	0	0	0	IFO
Number of natural/third-party originated fires and area by zone (a) < 500 ha; (b) > 500 ha	Ha No. / Ha	0 0	0 1 (a)	0 0	
Temporary forest loss (agriculture, wood harvesting...).	Ha	1,940	3,380	1,920	
Source: www.globalforestwatch.com	%	0,17%	0,29%	0,17%	
Number of boundary violations by third parties (agriculture, wood harvesting...).	No.	2	1	1	
Wildlife management No. of people for wildlife management (eco-guards + management)	No.	31	38	39	IFO
No. of seizures/offences & no. of poaching camps destroyed	No.	79 20	52 23	78 31	
No. of wildlife offences by IFO employees	No.	0	0	0	
Water and soil Total drinking and industry water withdrawal Water from the Sangha river	m ³ (1000 l)	141,505	106,463	90,980	IFO
No. of rainwater samples discharged from the industrial site, not in compliance with the EU standard (weekly controls)	No.	0	0	0	
Energy: fuel Fuel consumption from non-renewable sources Gasoline (forest mostly)	m ³ (1000 l)	61	67	68	IFO
Diesel Forest production & Forest transport	m ³ (1000 l)	2,330	2,628	2,754	
Diesel Sawmill / production plant	m ³ (1000 l)	3,115	2,731	3,322	
total non-renewable fuel	m ³ (1000 l)	5,505	5,426	6,143	
Electricity generated in total	MWh	9,444	8,823	8,908	
Volume of used oil	m ³ (1000 l)	151	115	127	
Volume of biocides used at the processing site (no use in the forest!)	m ³ (1000 l)	0,14	0,1	0,45	
Volume of hydrocarbons/volume of lumber (includes forest and hydrocarbon production)	m ³ / m ³	0,109	0,096	0,101	IFO
Volume of hydrocarbons/m3 of logs	m ³ / m ³	0,014	0,012	0,013	

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GRI 305: 2016
305-1,2

GHG emissions

Unit of
measure

2023

2022

2021

Scope

CO₂ emissions from fuel consumption from non-renewable sources

(Scope 1-2)

IFO

Gasoline (70% forest, 30% sawmill)	12	tCO ₂ eq.	142	158	158
Oils (forest, mostly)	13	tCO ₂ eq.	383	291	323
Diesel Forest production & Forest transport	14	tCO ₂ eq.	6,247	7,046	7,383
Diesel Sawmill / production plant	14	tCO ₂	8,352	7,353	8,945
total non-renewable fuel tCO₂ eq. emissions		tCO ₂	15,124	14,818	16,773
of which, the part for export logs		tCO ₂	434	2,289	1,182
of which, the part for transformed products		tCO ₂	14,690	12,529	15,590

CO₂ emissions per quantity of wood products

CO ₂ emissions/m ³ Lumber (forest and sawmill production)	15	tCO ₂ / m ³	0,300	0,261	0,286
as a % of Carbon (CO ₂) stored in wood (with 1,194 tCO ₂ /m ³)	16	%	25.2%	21.8%	24%
CO ₂ emissions/m ³ logs for export (forest production)	17	tCO ₂	0,041	0,054	0,041
as a % of Carbon (CO ₂) stored in wood (with 1,194 tCO ₂ /m ³)	16	%	3,4%	4,5%	3,4%

GRI 305: 2016
305-4-a

GRI 305: 2016
305-4-a



GRI 305: 2016
305-3

Indirect greenhouse gas (GHG) emissions (Scope 3)

Terrestrial transport	18	tCO ₂	6,092	9,514	9,245
Impact per m ³ (tCO ₂ eq. total / volume evacuated from IFO)		tCO ₂ /m ³	0,10	0,11	0,11
as a % of Carbon (CO ₂) stored in wood (with 1,194 tCO ₂ /m ³)	16	% of CO ₂	9%	9%	9%
Sea cargo transport	19	tCO ₂	6,217	8,278	7,645
Impact per m ³ (tCO ₂ eq. total / volume evacuated from IFO) (Note: emissions are calculated on volume exported from ports, but impact per m ³ is calculated on volume evacuated from IFO)		tCO ₂ /m ³	0,10	0,9	0,9
Business travel, commuting and office heating (*Note: figures before 2022 have been considered as 2022)		tCO ₂	836	558	558*
Impact per m ³ (tCO ₂ eq. total / volume evacuated from IFO)		tCO ₂ /m ³	0,01	0,01	0,01

GRI 305: 2016
305- 1-2-3

Direct and indirect Greenhouse Gas emissions (Scope 1-2-3)

Total tCO₂ emissions and all products		tCO ₂	28,268	33,167	34,221
Impact per m ³ (tCO ₂ eq. total / volume evacuated from IFO)		tCO ₂ eq./m ³	0,47	0,37	0,41
(direct and indirect)					
total tCO₂ emissions/m³ Lumber total	16	tCO₂	0,52	0,46	0,50
as a % of Carbon (CO ₂) stored in wood (with 1,194 tCO ₂ /m ³)	16	%	44	39	41
net emissions					
stock based on CO ₂ in wood (with 1.52 tCO ₂ / t KD wood)	20	tCO ₂ / t KD wood	-0,86	-0,93	-0,89
(direct and indirect)					
total tCO₂ emissions/m³ Logs	16	tCO₂	0,26	0,26	0,25

GRI 305: 2016
305-4-a

GRI 305: 2016
305- 1-2-3

as a % of Carbon (CO ₂) stored in wood (with 1,194 tCO ₂ /m ³)	16	%	22%	22%	21%
net emissions					
(stock based on CO ₂ in wood with 1.52 tCO ₂ / t KD wood)	20	tCO ₂ / t KD wood	-1,19	-1,19	-1,20



GRI 201: 2016
201-1



GRI 2: 2021
2-23-a, 2-23-b

GRI: 2016
204-1-a

414-1,
414-2



GRI 2: 2021
2-23-a, 2-23-b

GRI 408: 2016
408-1

GRI: 2016

301-8,
414-1,
414-2,
G4 FS1,
G4 FS2

Value created

	Unit of measure	2023	2022	2021	Scope
Net Revenue	1,000 EUR	70.732	73.508	64.762	IHC
Operating costs	1,000 EUR	40.631	41.541	41.610	
Wages and employee benefits (including pension plan)	1,000 EUR	15.357	14.411	12.861	
Payments to providers of capital	1,000 EUR	2.717	1.920	1.903	
Expenses to Government (taxes, etc.)	1,000 EUR	5.484	8.142	6.436	
Community investment, health, safety and forest management and environment protection	1,000 EUR	2.602	2.203	2.038	IFO
including: Social, Health, Safety, Housing, Community Development	1,000 EUR	2.128	1.694	1.618	
Forest management (capitalized)	1,000 EUR	474	508	420	
Economic value retained	1,000 EUR	3.941	5.226	264	IHC
Profit for the year (IFRS)	1,000 EUR	4,389	5.562	682	

Suppliers

(Cameroon and Republic of Congo)					IFO
Procurement budget spent on local suppliers 21	1,000 EUR	25,245	28,423	24,767	
in % of total	%	74%	86,3%	86%	
Suppliers screened in high risk regions (1.-3. below)					
total number of suppliers (including new suppliers)	No.	24	22	20	IHC
of which externally verified / audited for legality (1.-2. below)	No.	12	13	14	
of which internally verified / audited for legality (3 below)	No.	12	9	6	
total number of mills	No.	25	22	21	
total number of forests	No.	57	54	62	
New suppliers screened	No.	4	2	4	
Countries with operations and suppliers considered at risk of child labour (UNICEF's Children rights in the workplace index)					
Heightened risk	No.	1	1	1	
Enhanced risk	No.	7	7	7	
Basic risk	No.	5	5	5	
3rd party suppliers from low risk regions (4.-5. below)					
Total number of suppliers (including new suppliers)	No.	17	15	19	
% of compliance* of all 3rd party suppliers with IHC's responsible procurement policy (1.-5. below)	%	100%	100%	100%	
All suppliers verified via a certified due diligence process including field audit of high risk suppliers					



Procurement

	Unit of measure	2023	2022	2021	Scope
Total volume of wood procured*	m³ RWE	246,881	252,870	248,044	IHC
1. FSC® certified	%	87%	87%	88%	
2. 3rd party legality verified and controlled wood and PEFC certified	%	3%	3%	5%	
3. 2nd party legality verified via a certified due diligence process	%	8%	9%	6%	
4. From low risk regions	%	0,1%	0,0%	0,1%	
5. Purchased in the EU (verified by other operators)	%	1,9%	1,4%	1,2%	
Total volume of wood purchased in m³ (logs /sawnwood / FJ-lam scans)	m³ of wood	100.201	107,620	99,200	
IFO (IHC's subsidiary) (cat. 1 above)	%	85%	86%	84%	
Total 3rd party suppliers	%	15%	14%	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)	%	11%	10%	13%	
Indirect suppliers from high risk countries: verified by 3rd party or via internal audit (cat. 1-3 above)	%	1,4%	2,5%	1,8%	
Indirect suppliers from low risk countries, including in the EU: verified via due diligence system (cat. 4-5 above)	%	2,2%	1,7%	1,3%	

*Interholco makes a Due Diligence /risk assessment, on all wood supplies. For non negligible risk supplies, certification is used or field audits done to check compliance and arrive at negligible risk and compliance with our policy. In 2020, about 10 minor non conformities were issued during field audits. All open non conformities are solved within specified deadlines for active suppliers. At one supplier, procurement was not started as non conformities were not solved yet.

Notes

1 The incidence rates represent the number of injuries and illnesses per 100 full-time workers and were calculated as: $(N/EH) \times 200'000$, where N = number of injuries and illnesses EH = total hours worked by all employees during the calendar year ($2'000 \times \text{nb. of full time workers that year}$). 200'000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year or 2'000 hours per worker).

2 'Affected staff' i.e. staff who might be exposed to issues such as corruption, illegal logging and forced labour. Key positions include all procurement (including production purchasing) staff, all sales staff, finance and human resources personnel.

3 For all operations there are impact assessments:

- About 90 villages in the forest concession and max. 10 villages affected by the yearly harvest.
- for the whole FMU, a socio-economic study (2004) and a social impact assessment (2008) have been carried out.
- before the annual harvest, a 'participatory cartography' is done and all sites with particular importance for communities are identified;
- all villages are informed about the social & environmental impacts and mitigating measures implemented;
- a consultation platform with about 25 village representatives and all stakeholders (including representatives of the local administration and NGOs) is held once or twice a year.

4 Most impacts are temporary and can be positive and negative at the same time:

- Negative: disturbance of the village trails in the forest (for hunting / gathering).
- Positive: after harvest, the trails are materialised again if requested by the villages / communities.

5 Affected positions included the following: IFO Environment and Forest Director, guards and eco-guards together with ADHUC and CDHD. Training is regularly held once every two years, unless needs arise to hold it more often. The most recent training was held in June 2024 and will be reported on in 2025.

6 We have protected the areas with the official classification in the forest management plan of the Forest management Unit Ngombé, approved by Ministerial Decree. In addition, we have established to protect a buffer zone along the Odzala Kokoua national park, to prevent any possible negative influence on the national park. An active HCV management has taken place over the years, to protect HCV values (active wildlife management, protection of buffer zone, monitoring of conservation areas, etc.).

7 The impacts of harvesting are only on 1/30 of the production area (800'000 ha), based on the area to be harvested as per our Forest Management Plan.

8 Only small oil spills. All waste and oil is collected at the base camp and send back to the Ngombé industrial site, where it is threatened, re-used or sent to approved waste collection plants (in Pointe Noire).

9 Not applicable, no specific invasive species. Marantaceae and Zingiberaceae herbs are naturally invading areas, but harvest can have a positive impact on forest regeneration.

10 No significant reduction in species. All trees species are managed to be maintained, or only decline in case of natural replacement in certain areas (forest succession).

11 There is only small impact of forest harvest (roads, skid trails, logging gaps), but no large scale conversion to non-forest land-use.

12 Conversion: 2.35 tCO₂ eq. / m³ gasoline. Source: GHG reporting: conversion factors 2023 - GOV.UK (www.gov.uk), Liquid fuels, Petrol (100% mineral petrol).

13 Conversion: 2.54 tCO₂ eq. / m³ oil. Source: GHG reporting: conversion factors 2023 - GOV.UK (www.gov.uk) (Liquid fuels, Oil). 3 Motor waste oil is sent to a treatment center where it is used as combustible (end of live emissions considered).

14 Conversion: 2.68 tCO₂ eq. / m³ diesel. Source: GHG reporting: conversion factors 2023 - GOV.UK (www.gov.uk) (Liquid fuels, Diesel (100% mineral diesel)).

15 Calculated as: (tCO₂ emission of non renewable fuel in forest production, for logs transformed in the sawmill + tCO₂ emission of non renewable fuel in sawmill production) / annual lumber production.

16 Calculation of CO₂ eq. stored in m³ wood (and % of CO₂ content) is based on the average density of wood products at IFO (2021-2023), **D12% = 0,79 t/m³ (KD)**. Conversion to basic wood density: **Db = D12% (0,79 t/m³) * 0.828 = 0.65 t/m³**. Conversion to CO₂ content = Db * 0,5 (Carbon fraction) * 44/12 (CO₂/C) = **1.194 tCO₂ / m³ bois**.

17 T.tCO₂ emission of non renewable fuel in forest production per m³.

18 Calculated according to volume (weight) transported per method (road, train) and destination (Douala, Pointe Noire) based on emissions factors from Eco-Invent EIV 3.8, 11.2021 (for Road transport, Truck HGV, Diesel >32 tonnes, EURO 4; for Inland Waterways, freight, barge, Global) and from GHG reporting: conversion factors 2023 - GOV.UK (www.gov.uk), for Rail transport, freight train UK. More information can be found in "GHG Reporting Interholco" of current year.

19 Calculated according to volume (weight) transported by shipping (Bulk and container vessel) from Douala (Kribi) and Pointe Noire to client's destination port based on emissions factors from from Eco-Invent EIV 3.8, 2021: average of transport, freight, sea, bulk carrier for dry goods (GLO) and transport, freight, sea, container ship (GLO). 50% of wood was bulk transport and 50% container shipment. The factors will be adapted if more container shipment will take place.

Note: with regards to *Impact per m³ and per tonne (tCO₂ eq. total / volume evacuated IFO)* please note that, maritime emissions are calculated on volume exported from ports, but impact per m³ terrestrial transport is calculated on volume exported from Ngombé to the maritime ports (which might differ, due to delays and stock difference).

20 Conversion to tCO₂ emissions per tCO₂ stored in tonne wood product (and as % of stored CO₂) is based on density of wood at IFO 2021 - 2023 (see 16). With 0.79 t wood D12%/m³ a CO₂ content of 1,194 tCO₂/m³ (note 16) = **1.52 tCO₂/ t wood D12%**.

21 Includes transport from Ngombé to Douala and Pointe Noire.

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INTERHOLCO AG has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023, unless otherwise stated.	GRI 1: Foundation 2021	-

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Tullia Baldassarri Höger von Högersthal

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INTERHOLCO AG

Neuhofstrasse 25 6340 Baar Switzerland
T +41 41 767 0303 info@interholco.com
www.interholco.com