



Sustainability
Report 2023

Scope of the Report

This Sustainability Report provides an account of the sustainability performance of Green Resources AS (GRAS) during the period July 2022 to June 2023. This report outlines materiality issues around seven sustainability themes: Biodiversity & Water; Climate Change; Waste Management; Land, Communities & Stakeholders; Products & Supply Chain; Human Rights & Human Capital; and Disclosure & Reporting that influence GRAS' business. In doing so, the report demonstrates how GRAS has dealt with risks and identified opportunities while taking a critical look at areas that need improvement. The reporting framework follows the Global Reporting Initiative Standards (GRI) as the basis for its disclosure of sustainability information.

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Executive Summary & Key Impacts in 2023

GRAS strives to be a responsible corporate citizen and aims to create a positive impact on communities surrounding its operations. The impact of our operations is closely aligned with the United Nation's Sustainable Development Goals (SDGs), through protecting the environment, promoting economic prosperity, and investing in social development.

GRAS is committed to achieving these goals by its own processes, supporting governments with their goals and working with identified stakeholders and partners to maximise impact.

All dollar amounts are in USD



ECONOMIC IMPACT

531 Direct (Permanent) Employment

Salary and wages to local staff

\$2.8m

Social Security

\$0.5m

Taxes, fees, duties, levies and royalties

\$3.7m

Donations to various causes

\$30k

1,970



Daily jobs through contractors & 3rd parties

Payment to contractors & 3rd parties:

\$4.4m



Local purchases:

\$19.4m

Purchased from smallholder farmers

\$2.9m



Capital Investment for expansion of UG sawmill:

\$3.2m increasing drying and grading capacity



8 new ISO certificates now all fully ISO14001, ISO45001, ISO9001



125,000

Transmission poles sold = 6000 kms of electricity lines



LAND & FORESTRY MANAGEMENT

387km



of road maintained for improved community access

3.6m

seedlings produced

1.2m



seedlings to 3rd parties = 1,000ha of new forests

1,854ha

planted in company plantations this year (32,000ha in total)

7,382ha

added to FSC™ certification

\$170k towards land exit process in Tz

with Landesa & BHP Foundation (\$140k grant)



14,700ha

Land returned to communities in Tanzania

58,873ha

under FSC™ certification (60% of total — see page 14)



COMMUNITY DEVELOPMENT

Contribution to community development projects

\$0.4m



Community support channeled to educational programs

80 villages participating in the Social Development Fund

Estimated benefactors: **1m**



TRAINING, KNOWLEDGE SHARING & STAKEHOLDER ENGAGEMENT

94

Community Fire Crews trained and deployed infield part of IFMP in Tanzania

70

Training courses delivered

1,280

Employees & contractors trained



Improving management systems through digitization using technology platforms such as *Sustainion*, *Pulse* & *Orbify*

21% Female



BIODIVERSITY, WATER & CLIMATE CHANGE

Net carbon sink (based on whole forest stand):

743,821 tCO₂e

Conservation areas & Buffer Zones managed by GRAS:

35,000 ha

Rivers & streams in plantations:

300 km

100,358 tCO₂e

Carbon credits verified in UG

Riparian zone & catchment area under protection:

19,700 ha

Using Stream Assessment Scoring System (minisass.org)

29 Species RTEs sightings

Alignment with the SDGs

The forestry industry is intrinsically linked with the Sustainable Development Goals, contributing to economic growth (in particular in rural areas), environmental sustainability, and social development.

The United Nations' Sustainable Development Goals (SDGs) offer a lens through which the private sector can translate global needs and ambitions into business solutions across the value chain. While WBCSD provides a platform for its member companies to contribute to a wide variety of SDGs through its multiple work-streams, the SDGs program area focuses more broadly on supporting companies as they look to strategically integrate and communicate around the SDG agenda.

GRAS' Sustainability Agenda is closely linked to these SDGs:



Our Mission, Vision & Values

At Green Resources, we view social and environmental impact crucial to the value of investments, making it highly relevant for shareholders, clients, and various stakeholders. Our strategy revolves around the sustainable development of the areas we operate in, focusing on forestation and processing as efficient means to enhance social and economic conditions in rural communities. GRAS aims to be the preferred employer and partner for local communities. For detailed information on our community impact, refer to **theme 4, page 41** in this report.

OUR MISSION

Our mission is to establish East Africa's leading forest industry. We operate for the benefit of our shareholders, employees, customers and the communities where we operate.

OUR VALUES

- Excellence
- Sustainability
- Transforming lives
- Integrity
- Trust

OUR VISION

Our vision is to create sustainably managed forest plantations, fostering long-term growth and value. Utilizing wood from both existing and new plantations, we aim to produce market-driven wood-based products. Our objective is to be the preferred employer in the countries we operate, upholding the highest standards in corporate governance and sustainable forest management. We aspire to be an attractive investment and a favored partner for development organizations.

OUR OBJECTIVES

- Cultivate fast-growing, high-quality forests
- Provide quality products and services
- Adhere to high environmental and social standards
- Contribute to socioeconomic and sustainable development
- Generate good returns on investment
- Be the industry's preferred employer and a trusted partner
- Maintain zero tolerance for discrimination, poor working conditions, and corruption
- Ensure a safe working environment for all stakeholders
- Commit to meeting international transparency standards and regular communication with key stakeholders

Foreword from the CEO

Dear Reader,

I am delighted to present our Sustainability Report for the financial year 2022/23. Sustainability is ingrained in our company's core values, influencing every aspect and decision-making process.

Recognizing our industry's crucial role in balancing economic and social development with environmental conservation, our commitment to sustainability goes beyond words; it's woven into the fabric of our operations. Green Resources' Sustainability Agenda was developed in 2021/22 and continues to guide us in our mission and its seven themes and form the reporting framework for this Sustainability Report.

Our operations not only aim to protect the environment and combat climate change but also strive to uplift the livelihoods of local communities through mutually beneficial partnerships.

FY22/23 HIGHLIGHTS

FY22/23 was a stable year with solid performance in Tanzania and Uganda and strong growth in Mozambique. Unfortunately, inflation has had an impact on our operations and margins have been under pressure but despite



this, the company has been able to grow its operational results.

The Tanzanian operations were shocked by a serious fire incident at the end of October 2022, where, what appears to have been, poachers caused a fire in our Uchindile plantation that led to the loss of 1,700 ha of planted forests. This fire event has triggered a fundamental review of our Fire Management Plan and at the time of writing we can see positive impact of the roll out of the Integrated Fire Management Plan.

In February 2023, New Forests Africa Investments VCC (acting for purposes of its sub-fund, the African Forestry Impact Platform), acquired 100% of the shares in Green Resources AS.

The Green Resources Board of Directors, Management and the New Forests teams are excited about the opportunities that are offered by this new partnership and look forward to continue to drive the future of Green Resources to greater heights. Part of this process is the implementation of an Environmental and Social Action Plan (ESAP) that complements the Sustainability Agenda.



Our noteworthy project, in partnership with Landesa and Haki Ardhi, was the return of 14,700ha of land to communities in Tanzania.

This return follows the successful land return process in Mozambique that was concluded in the previous year.

During the year investments in industrial facilities continued and we completed the first phase of the sawmill expansion project in Uganda by tripling our kiln drying capacity and adding a dry mill to the operations.

In Tanzania, we started our sawmill expansion project and we expect that in the coming year we will be doubling our kiln drying capacity which is to be

followed by investments in sawmilling capacity.

In Mozambique, we have seen good growth in terms of veneer production and ended the year with a strong order book.

Why this focus on our industrial projects in a Sustainability Report? We believe that wood based products are the most renewable building products available, storing carbon for the life of products and through supply biomass to industrial customers.

"...we support the transition to a cleaner and greener economy away from fossil fuels such as coal or HFO."

We are not alone in this and at COP28*, 17 countries made a commitment to advance policies and approaches that support low carbon construction and increase the use of wood from sustainably managed forests in the built environment with the aim to reduce GHG emissions from construction and increase stored carbon in buildings. Amongst the countries that signed this pledge were African countries Kenya, Ghana and the DRC.

LOOKING FORWARD

As we are almost half way into FY23/24, we are witnessing continued growth across all our operations and after having experienced margin pressure due to inflation we can see margins improving and a resurgence of the pole market in Uganda after two years of low demand. The Industrial investments made in previous years are starting to yield dividends and plans are being developed for various new investments including in new product lines. Product diversification is a key aspect of our strategy in building a strong and diversified vertically integrated forestry business.

Aside from our industrial investments, we continue to drive the implementation of various technical solutions that will contribute towards operation management and monitoring efficiency. In 2023, the roll-out of the chosen (ESG) platforms has begun.

In closing, we want to express our gratitude to our dedicated team, partners, and stakeholders who share in our vision of a sustainable future. Together, we can create a legacy of responsible forestry and supply high quality building products to domestic and export markets.

As always we like to reiterate that we welcome your feedback on this report, be it positive or negative. We believe constructive criticism helps us to improve both our relationships with stakeholders and our operations. If you feel aggrieved by GRAS' operations or wish to share your views and suggestions, please contact us at speakout@greenresources.no

Hans Lemm
Chief Executive Officer

*COP28 Announcement Pushes for More Timber in Construction and More Sustainable Forestry | AFP.com

Our Organization

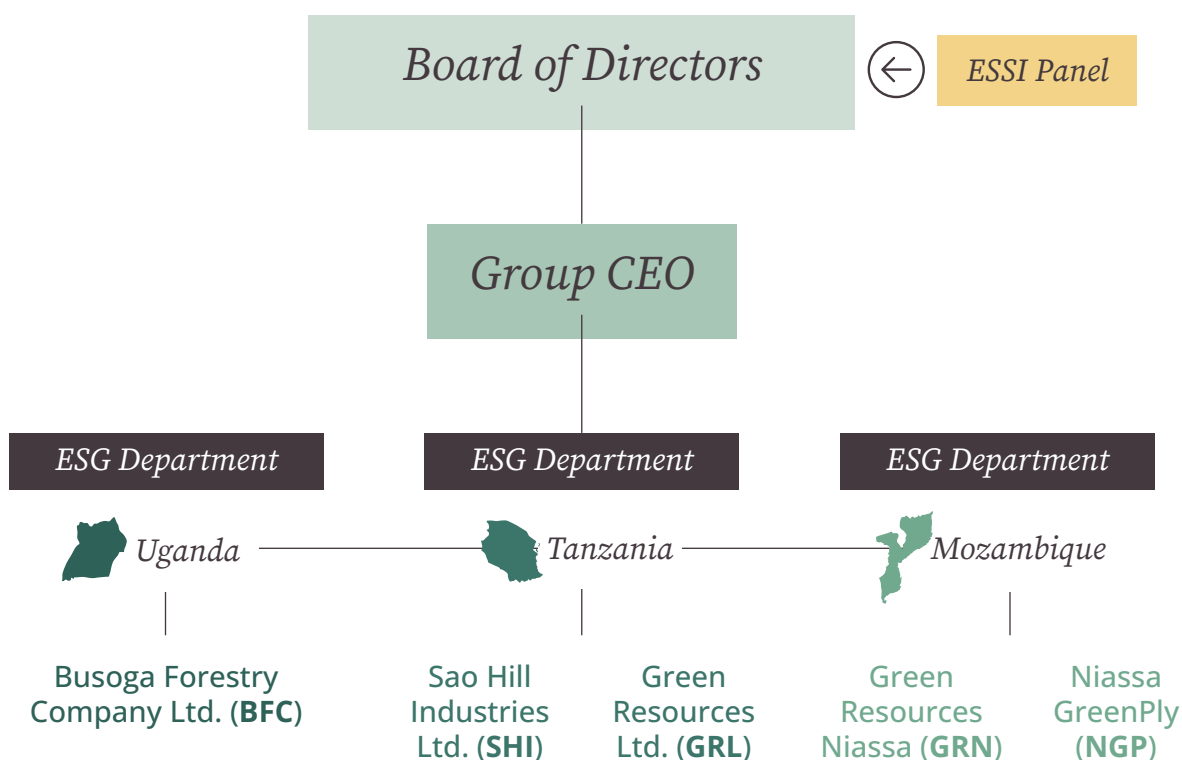
OWNERSHIP

On 8th February 2023, New Forests Africa Investments VCC (the “VCC” and acting for purposes of its sub-fund, the African Forestry Impact Platform), acquired 100% of the shares in Green Resources AS from Norfund, Finnfund and other minority shareholders. The VCC is an open-ended variable capital vehicle, incorporated in Singapore and is managed by New Forests Asia (Singapore) Pte Ltd (“New Forests”).

GRAS is the African Forestry Impact Platform's ('AFIP') first investment in Africa. New Forests' global expertise and GRAS' regional knowledge and asset base, form a strong union that will result in significant growth over the coming years.

COMPANY STRUCTURE

Management of GRAS, is structured in a tier format with the Board of Directors, GRAS corporate management team and subsidiary management teams, forming the critical delivery teams for the organization.



The Group ESG Manager reports to the Group CEO. Each country has its ESG team, who ensures that all environmental and social aspects are planned and implemented across the group, following national and international best practices and ensuring compliance with laws and applicable sustainability codes.

BOARD OF DIRECTORS AND MANAGEMENT OF GREEN RESOURCES AS

The Board of Directors is responsible for the governance of the company and the proper organisation of its activities in accordance with the legislation and the Articles of Association. The Board establishes the strategy, organisation, accounting, and control of the company. The Board appoints the CEO, who acts according to the Board of Directors and is responsible for the day-to-day management of the company's operations.

The subsidiary companies have their own boards in all key countries of operations consisting of GRAS' employees and in some instances external members or representatives of minority shareholders.

GRAS' five operating subsidiaries each has its own local management team.



ENVIRONMENTAL, SAFETY & SOCIAL IMPACT PANEL (ESSI)

The ESSI Panel's role is to provide technical guidance on sustainability matters and ensures that GRAS complies with national and international best practices (such as **FSC™**, **IFC PS** and **ILO**) and meets investors' criteria in respect of its environmental and social obligations. The panel consists of representative members from management, Board and Shareholders. GRAS benefit from its investors through their long-term experience investing in the forestry sector and the region, as well as through investors' sustainability teams that support the operations.

The work of the ESSI panel is guided by the Sustainability Agenda as well as a more detailed Environmental and Social Action Plan that is designed to align GRAS' operations to the **IFC PS**.

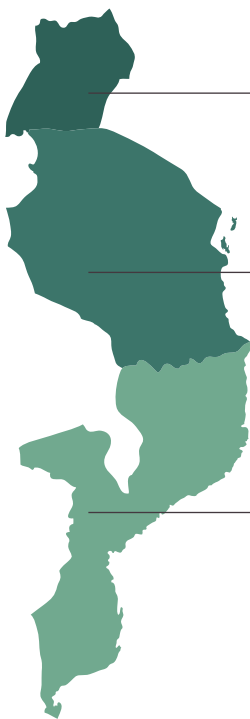
In addition, New Forests has designed four impact targets; *climate* (measured through net carbon sequestration), *biodiversity* (measured through increased quality habitat), *gender and inclusivity* (measured through 2X [**2X Challenge**] compliance) and *improved and alternative livelihoods* (measured by the company's quantifiable impact on communities).



Scope of Activities

LOCATION & OPERATIONS

GRAS' regional offices continues to be located in Dar es Salaam, Tanzania with operations in Uganda, Mozambique and Tanzania.



Uganda - 9,135ha

- Busoga Forestry Company Ltd. (**BFC**)

Tanzania - 43,658ha

- Sao Hill Industries Ltd. (**SHI**)
- GRL Tanzania Ltd. (**GRL**)

Mozambique - 40,393ha

- Green Resources Niassa (**GRN**)
- Niassa GreenPly (**NGP**)

93,186ha

58,873ha

Forest Stewardship Council (FSC™) certified plantations



GRAS manages 93,186ha of landholding (post-return of 14,700ha to communities in Tanzania in 2023 with 32,000ha of planted forest. More than 60% (58,873 ha) of the landholding is FSC™ certified.

GRAS' plantations are well managed, sustainable forestry operations, with the ability to deliver quality products through its biological assets. The company's primary products and services are establishing and managing pine and eucalyptus plantations as raw materials for our own processing and third-party wood processing industries. The company manufactures and supplies, amongst others, transmission poles, sawn timber, veneer and biomass.

INDUSTRIAL OPERATIONS

GRAS operates two sawmills, three pole treatment plants and a veneer mill.

During the year, the company commissioned a new dry mill and kilns in Uganda (costing around US\$ 3.2m) with further plans to replace the existing sawmill.

In Tanzania, a project to add kiln capacity begun and is expected to be completed in 2024.

GRAS is currently developing its investment plans for the coming years which will include further sawmill upgrades in Tanzania as well as the addition of plywood and/or veneer capacity in Tanzania and Mozambique.



Sustainability Agenda 2022 - 2032

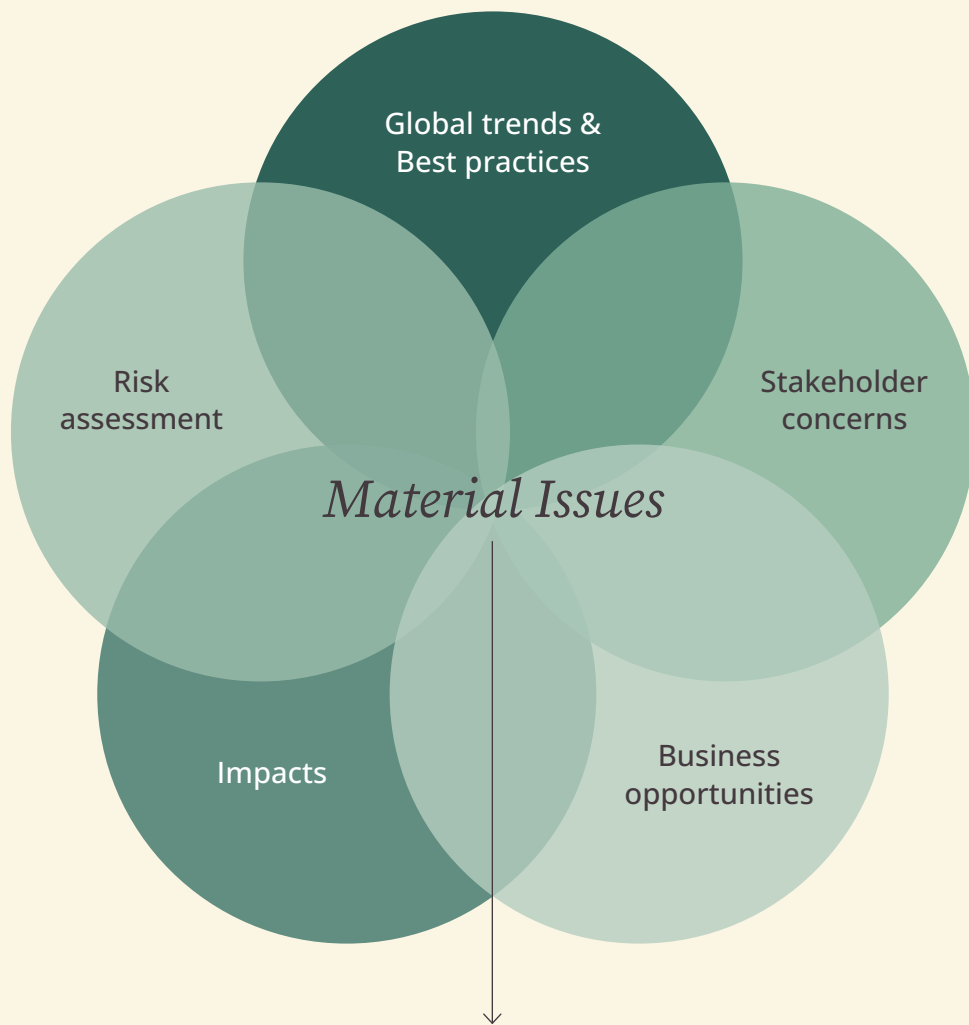
During the FY21/22 the GRAS Board of Directors in collaboration with management, initiated a process to develop the Green Resources Sustainability Agenda (GRAS-SA).

The sustainability agenda was developed to define, in a structured way, the company's key materiality and sustainability themes that influence the business and GRAS' key stakeholders. These are expected to capture value through growth and return on capital over the coming decade (2022-2032).

The sustainability agenda represents a commitment to incorporating social, environmental, economic, and ethical factors into the company's strategic decision-making. It includes an evaluation of how these factors affect the business — including all its stakeholders — and what risks and opportunities these factors present, outlining measures to mitigate risks and take advantage of opportunities. As a result of the materiality assessment process, 7 key themes were identified that formed the basis of the sustainability agenda. Long-term goals for each theme were set, to be achieved as part of the 10-year strategy. Going forward, these themes form the basis of our annual sustainability reporting.

Each of the goals is accompanied by an ambitious aspiration that will be clearly shown in this report.





Sustainability Agenda

Theme 1

Biodiversity & Water



Biodiversity and ecosystem services, as well as water quality, quantity and access, are essential to sustaining a long-term forestry operation, and the associated sustainable development of surrounding communities. This, along with the pressing global agenda to halt biodiversity loss and protect watersheds, drives the inclusion of goals to manage water and biodiversity at a landscape level, and achieve a net positive impact. Green Resources will implement a biodiversity mitigation hierarchy including verification along its primary suppliers as set out in IFC PS6 on biodiversity and ecosystem services. Similarly, integrated water management will follow and implement the recommendations set in the EHS General Guidelines and IFC PS 3.

ASPIRATION

Green Resources' operations will strive to achieve significant net gains to biodiversity values and a net positive impact on ecosystem services in critical habitats by the year 2030. No net loss of biodiversity in natural habitats will be achieved through the application of clear mitigating actions in line with a mitigation hierarchy. Green Resources will promote the sustainable management of living natural resources through the adoption of practices that integrate needs and development priorities at a landscape level in the areas of direct and indirect influence of its projects.

GOALS

- 1 Improve biodiversity at the landscape level
- 2 Protect and enhance water resources at the landscape level where GRAS operates

BIODIVERSITY AT THE LANDSCAPE LEVEL

The majority of Green Resources plantations have been established on degraded farmlands. Prior to establishment an environmental risk assessment is conducted, including a conversion assessment. Ongoing monitoring of the landscape is conducted, including proactive management of the company's conservation areas. All areas of high conservation value, and critical habitats are identified, protected and monitored on an ongoing basis.



During FY22/23 GRAS has continued the process of right-sizing its landholding and consolidation of forest development areas. Following consultation with government and stakeholders, GRL concluded the return of 14,700 ha in Tanzania.

Approximately 35,000 ha of conservation areas and buffer zones are managed across Green Resources operations. These include wetlands (both seasonal and annual) riparian zones, natural forest stands, gully areas, and valley bottoms.



Encephalartos Equatorialis

BFC operation has 4 HCVA's site with one unique, rare, critically endangered, and native to Lake Victoria species of cycad (*Encephalartos equatorialis*) in compartment AZ53 with proper management of its population and against destruction.

FACTS

- Found in 8 acres in BFR where BFC manages
- Dioecious (species are either female or male)
- Grows very slowly
- Gymnosperms (naked seeded - unfertilized seeds are open to the air to be directly fertilized by pollination)
- Have special beetle for pollination
- *As of June 2023:* Both male and female spotted at BFR, only two fruits seen, no young plants observed, evidence of human activity around, no beetles seen, appears that there are more than 300 plants

MANAGEMENT

Monitoring activities in conservation area AZ53 Bukaleba FMU revealed good performance in the number of cycad colonies with half fruiting. The population structure remains relatively constant, with all colonies intact and free from illegal harvesting. Harvesting and exploiting the two species is prohibited, and all contractors and workers have been informed to report any sightings of illegal harvesting.

PLAN

The species has recently attracted international attention – with BFC approached by an **organization** for a joint management of the cycad. BFC will work with the organization to survey the colonies and establish status, and then compile a report for further action.

GRAS CONSOLIDATED LANDHOLDING

Status as of June 2023

<i>Total Planted</i>	31,574 ha
<i>Temporary Unplanted</i>	7,067 ha
<i>Expansion Land</i>	12,717 ha
<i>Plantable Area</i>	51,357 ha
<i>Conservation Areas</i>	35,402 ha
<i>Community Use</i>	5,065 ha
<i>Infrastructure</i>	1,362 ha
<i>Uchindele Return Land</i>	7,379 ha
<i>Total Landholding</i>	93,186 ha

FY21/22
94,152 ha

Rare Threatened & Endangered ('RTE') Species

Monitoring of RTEs is important to promote protection of species and ensure continued survival in the forest ecosystem. New sightings are recorded including the number of individuals and their location geo-referenced.

In an effort to further improve the monitoring efficiency, GRAS has introduced the *Orbify* app (see Theme 7 - Statutory Inspections on page 70) that will be replacing the monitoring tools.

TZ	English Bitter Leaf	<i>Vernonia colorate</i>	LC	1
	Fly Amanita	<i>Amanita muscaria</i>	LC	1
	Jute Mallow	<i>Corchorus olitorius</i>	NE	1
	Sugar Bush	<i>Protea caffra Meisn</i>	LC	1
MZ	Puff Adder/Biuta	<i>Bitis arietans</i>	LC	3
	Helmeted Guineafowl	<i>Numida meleagris</i>	LC	2
	Scorpion	<i>Afrolychas burdoi</i>	NE	1
	Rock Python	<i>Python molurus</i>	NT	2

UG	Cycad colonies	<i>Encephalartos equatorialis</i>	CR	1
	African Teak Mvule	<i>Melicia Exelsa</i>	NT	7
	Abyssinian Ground Hornbill	<i>Boscorvus abyssinicus</i>	LC	3
	Velvet Monkey	<i>Chlorocebus pygerythrus</i>	LC	3
	Skink	<i>Plestiodon fasciatus</i>	LC	1
	Tortoise	<i>Centrochelys sulcata</i>	EN	1
	Dove	<i>Zenaida macroura</i>	LC	1

LC = Least Concern NE = Not Evaluated NT = Near Threatened CR = Critically Endangered
 EN = Endangered

The following first 3 conservation and biodiversity protection activities in Uganda have been undertaken in the past year, while other activities to support promotion of biodiversity and creating an enabling environment for species to thrive are shown in the table below.

Intervention	Effectiveness / Challenges
<i>Uganda</i>	
Protection of <i>Melicia Exelsa</i> (Mvule) a vulnerable (lower risk near threatened) species according to the IUCN Red list	Number remained the same - average 1 stem per ha
Monitoring and conservation cycad colonies <i>Encephalartos equatorialis</i>	The population structure remains fairly constant with all colonies intact and free from illegal harvesting
HCVA procedure revision and awareness, including with contractors, ensuring the protection of all protected areas	No destruction occurred - all protected areas are intact
Incentivising communities to report illegal activity, including logging of indigenous species	
Under the Social Development Fund contracts there is a shared value component where financial incentives are available to: <ul style="list-style-type: none"> Track and report illegal activities Improve security around landholding 	34 villages participating and benefiting from SDF - improved community relationship and decrease illegal activities, protect habitats and reduced encroachment
410 kms of road/firebreaks maintained to protect the plantation, conservation area and living organism	Road km maintained is higher than last FY FY 20/21=128, FY 21/22=200 and FY 22/23=410

Intervention	Effectiveness / Challenges
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Tanzania

<p>Management of RTE monitoring:</p> <ul style="list-style-type: none"> Identify RTEs in the community woodlots and encourage protection through community involvement- achieved as part of agenda during the village meetings Posters and pictures of all the RTEs were printed and distributed to all the three forest plantations to increase awareness Over 20,000 ha of open areas were remapped using recent drone images. The remapping was based on the revised open area classification Guidelines for Identification and Management of RTE 	<p>Ongoing poaching incidents in the area</p> <p>Fire remains one of the major threats to biodiversity</p> <p>Not all employees are able to identify species name</p> <p>Difficulty to identify conservation status unless the species is known</p>
<p>Recruitment of village fire crews (94 crews) to work as fire fighters as part of Integrated Fire Management Strategy</p>	<p>Increase social aspects of Integrated Fire Management</p>
<p>Under the Social Development Fund contracts there is a component where financial incentives are available to:</p> <ul style="list-style-type: none"> Track and report illegal activities Improve security around landholding 	<p>Linked to above - improves community relationship and biodiversity and habitat protection from fire</p>

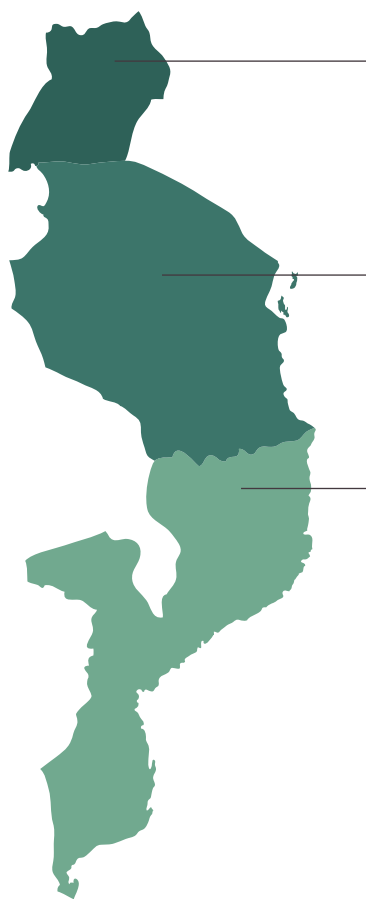
Mozambique

<p>Species sightings of the RTEs species through a WhatsApp and loaded to the species' database</p>	<p>Not all employees are able to identify species name</p>
<p>Identification and verification of flora and fauna conservation status against the IUCN's species Red list</p>	<p>Difficulty to identify conservation status unless the species is known</p>
<p>Under the Social Development Fund contracts there is a component where financial incentives are available to:</p> <ul style="list-style-type: none"> Track and report illegal activities Improve security around landholding 	<p>40 villages are part of SDF for 2022 paid to improve communities moral for participation with expected reduced number of fire incidents and improve protection</p>

Invasive Species Management

Invasive plants (or weeds) are non-indigenous plant species that have been introduced and spread outside their natural distribution range and are having negative environmental and/or economic impacts. Invasive weeds affect plantation growth

and increase the fire risk due to the ability to spread fast without human intervention, colonising wide areas and suppressing other plant life. This reduces plant and animal biodiversity. Monitoring of invasive weeds is important to provide data on the extent of cover within the plantation, such that control measures are implemented to eradicate or slow the spread of invasive weeds.



Uganda

- Invasive weed control of 141 ha in conservation areas to mainly combat *Lantana Camara* and *Cromelina Odorata*
- 3 HCVA's (10.5 ha) with active invasive weed control

Tanzania

- Invasive weed control of 616 ha in conservation areas to mainly combat *Lantana Camara*, as well as natural seedlings of Pine and Eucalyptus

Mozambique

- Invasive weed control of 1,243 ha in commercial areas to mainly combat *Vernonia polyanthes*, *Lantana camara*, *Desmodium uncinatum*, and *Portulaca oleracea*
- 230 ha of conservation burn in order to reduce build up of biomass in conservation areas that normally undergo periodic burning in their natural habitat

Total Invasive Weed Control — **2,241 ha**

WATER RESOURCES

River and stream ecosystems suffer from a variety of human socio-economic activities and developments resulting in catchment degradation — which is a major issue in water resources management. Catchment degradation in the long run, impacts a wide range of economical, societal, and environmental aspects and as such it is important to understand GRAS' impact on catchment areas and river streams.

During the reporting period, GRAS started the assessment of river health monitoring in and around its plantations using the miniSASS (**Stream Assessment Scoring System**). Using miniSASS (minisass.org), rocky and sandy type rivers outside our plantation (upstream) scored on average, fair condition (5.6 and 5.9 score respectively, meaning moderately modified rivers). However, after passing our plantations (downstream river assessment), 50% of the rivers (sandy-type rivers) scored on average, good condition (i.e. 6.6 scores — meaning largely natural rivers/few modifications) whilst the other 50% of rocky-type rivers scored on average 5.4 — meaning fair condition.

Results from rivers monitored across our operations are reported below:

MOZAMBIQUE RIVERS	<i>Upstream</i>	<i>Midstream</i>	<i>Downstream</i>
Lussanhando	Good ✓✓	Poor ✗	Good ✓✓
Lualezi	Very Poor ✗✗	Natural ⊖	Good ✓✓
Mumi	Fair ✓	Fair ✓	Very Poor ✗✗
UGANDA RIVERS			
Namwage Stream	Fair ✓	Good ✓✓	Fair ✓
TANZANIA RIVERS			
Mpombochi	Good ✓✓	Good ✓✓	Good ✓✓
Mkungwe	Good ✓✓	Good ✓✓	Natural ⊖

HIGHLIGHTS & IMPACT OF MINISASS

- ➔ 6 rivers across the company's operations were tested, upstream, midstream and downstream from operations.
- ➔ Only 2 results indicated poor or very poor health of the rivers (in Mozambique), following the results the company is working with communities to raise awareness on river health and to adopt additional measures to protect water sources.
- ➔ 8/18 tests showed the rivers to be in good health.
- ➔ The company will continue to monitor the rivers and will identify trends.



Theme 2 Climate Change & Adaptation



Climate change is a global risk with significant consequences. Green Resources supports the Paris Agreement goals to limit global warming to less than 2 degrees, preferably 1.5, above pre-industrial levels, and align the company's programs to support the achievement of Nationally Determined Contributions (NDCs) in countries of operation, as well as identify and implement climate change adaptation opportunities in the direct and indirect areas of influence, that include within directly impacted local communities.

ASPIRATION

Green Resources will decrease its carbon footprint each year through integrating practices and technologies to promote resource efficiency. It will increase its sequestration to a minimum of 1m tons of carbon dioxide equivalents by 2025 and increase its carbon handprint by actively promoting and developing sustainable wooden building, infrastructure, and energy products to substitute carbon-intensive materials. Green Resources will also identify and implement impact driven climate change adaptation opportunities to increase its resilience to climate change impacts in the project.

3 Minimise carbon footprint

4 Increase resilience to adapt

CARBON HANDPRINT, SINKS & STOCKS

The greenhouse gas emissions of GRAS' forest-based activities is assessed annually using an adaptation of the Forest Industry Carbon Assessment Tool as developed by IFC. It takes into account the forest products value chain and all subsequent activities related to production use, reuse, and end-of-life of forest products.

GOALS

1 Increase positive carbon handprint, sinks and stocks

2 Establish new carbon projects



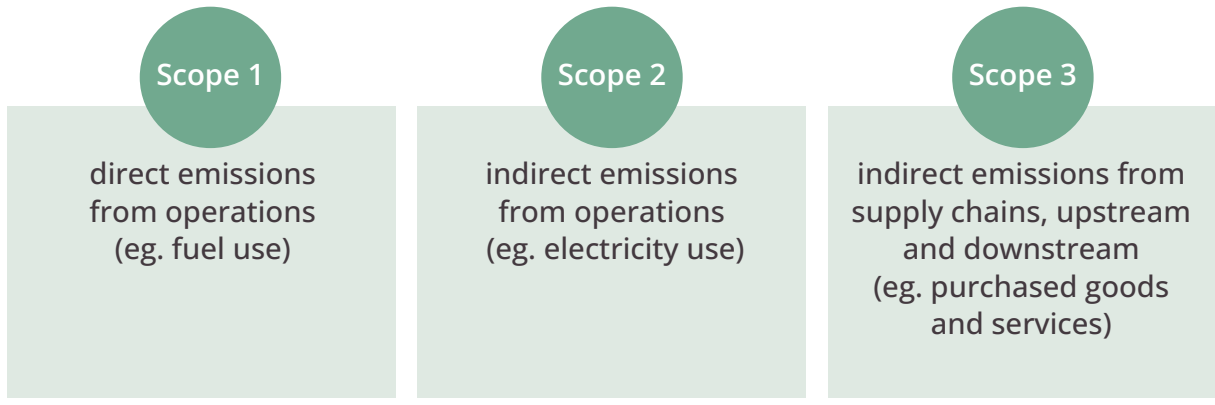
GRAS' carbon footprint model follows an assessment of biological growth, carbon stored in products and losses through harvesting and fires, as well as emissions linked to fossil fuel and grid electricity. During the reporting period, GRAS sequestered 1,645,366 tCO₂e and emitted 901,545 tCO₂e, resulting in a net carbon footprint (sink) of 743,821 tCO₂e — the amount of carbon sequestered from the atmosphere by our plantations.

Group Total (tonnes CO₂e/year)

Overall the company sequestered 33% more (YoY) and emitted 28% more YoY. The company is climate positive (meaning removal exceeds emission).

<i>Mozambique</i>	<p>Total Forest Flux: 564,904 — YoY: ⬆️ 11.5%</p> <p>Emissions Generated: 138,623 — YoY: ⬆️ 19%</p> <p>Net Carbon Sink: 426,281 — YoY: ⬆️ 9%</p>
<i>Tanzania</i>	<p>Total Forest Flux: 653,638 — YoY: ⬆️ 83%</p> <p>Emissions Generated: 614,334 — YoY: ⬆️ 48%</p> <p>Net Carbon Sink: 39,303 — YoY: ⬆️ 34%</p>
<i>Uganda</i>	<p>Total Forest Flux: 426,824 — YoY: ⬆️ 80%</p> <p>Emissions Generated: 148,588 — YoY: ⬆️ 20%</p> <p>Net Carbon Sink: 278,237 — YoY: ⬆️ 134%</p>

<p>Total Forest Flux:</p> <p>1,645,366</p> <p>YoY: ⬆️ 49.5%</p>	<p>Emissions Generated:</p> <p>901,545</p> <p>YoY: ⬆️ 38.5%</p>	<p>Net Carbon Sink:</p> <p>743,821</p> <p>YoY: ⬆️ 65.4%</p>
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Emissions by Scope tonnes CO ₂ e/year		Scope 1 Direct emission: Harvest / Fire / Diesel / Gas	Scope 2 Grid	Scope 3 Travel / Air travel
<i>Mozambique</i>	FY 20/21	117,003	91	720
	FY 21/22	115,957	244	123
	FY 22/23	138,130	318	175
	<i>Change</i>	⬆️ 22,173	⬆️ 74	⬆️ 52
<i>Tanzania</i>	FY 20/21	171,929	18	234
	FY 21/22	413,768	907	1,455
	FY 22/23	612,028	966	1,341
	<i>Change</i>	⬆️ 198,260	⬆️ 59	⬆️ 114
<i>Uganda</i>	FY 20/21	28,433	81	806
	FY 21/22	117,222	184	1,142
	FY 22/23	147,137	327	1,124
	<i>Change</i>	⬆️ 29,915	⬆️ 143	⬆️ 18
<i>Group</i>	FY 20/21	317,365	190	1,760
	FY 21/22	646,947	1,335	2,720
	FY 22/23	897,295	1,610	2,640
	<i>Change</i>	⬆️ 250,348	⬆️ 275	⬆️ 80

Forest fires are the leading cause of emissions, whereby we experienced a series of fires in Tanzania over the past 3 years. During FY20/21, FY21/22 and FY22/23 we lost 363 ha, 1,300 ha and 1,700 ha respectively, resulting in emissions of 68,956 tCO₂e, 303,993 tCO₂e, and 428,1819 tCO₂e, respectively. Almost half (47%) of our emissions are from fire on our plantations (scope 1). There was a 28% (YoY) increase in scope 1 emissions mainly because of the increase of fire size (hectares) in Tanzania.

There was a 3% decrease of scope 3 emissions because of less transportation from fewer orders of poles in Uganda and a temporary breakdown of the veneer plant in Mozambique (less transportation by third parties).

Overall, the tons of carbon sequestered in our forests and products was up significantly from prior years, which is primarily linked to an increase in production, as well as the plantation development of the last year, growing into market specification.

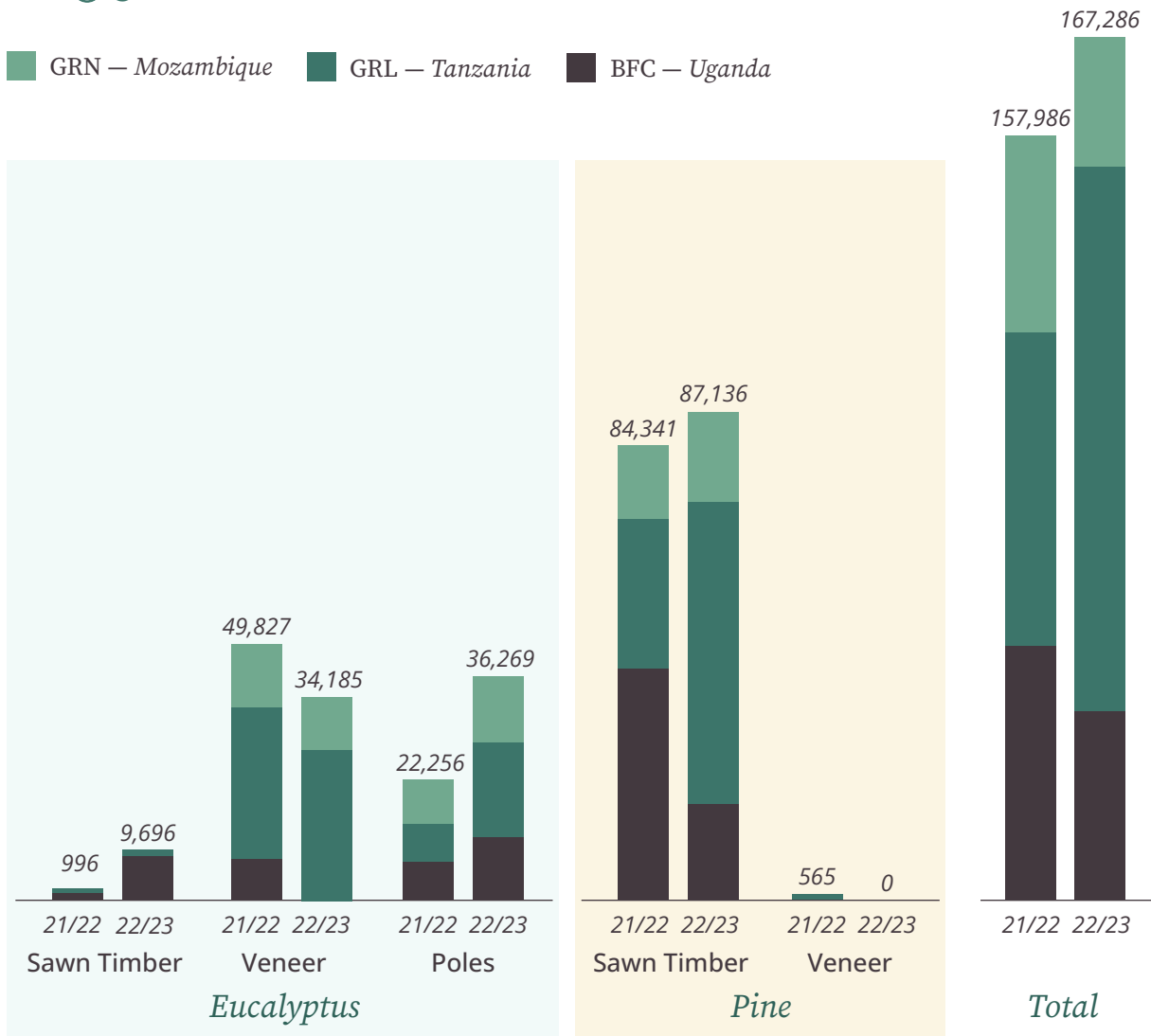
Carbon Stored in Harvested Wood Products (HWPs)

Wood products store carbon because trees absorb carbon dioxide from the atmosphere and store that carbon. About half the dry weight of wood is carbon, and this carbon remains locked up for the life span of the wood, even when it is used for building things like homes and furniture. The carbon is only released when the wood is burned or rots. GRAS monitors harvested wood products and quantifies the amount of carbon stored in them.

GRAS' annual carbon storage in harvested wood products (HWP) was 167,286 tCO_{2e} an increase of 6% from the previous year; due to the increase in harvested volumes. Tanzania has higher (74,986 tCO_{2e}) carbon stored in its products than Uganda and Mozambique. Significant increase in carbon storage in pine sawn timber than any other product, with Uganda having the highest in GRAS' operations.

Carbon Storage in Harvested Wood Products*

YoY: ↑ 6%



*Calculated with the Ficat model. It looks at all products generated and sold by the operation.



Integrated Fire Management

GRAS' largest source of emissions over the past three years has been forest fires. To combat forest fires and be more resilient in future, the company has overhauled its Fire Management Plans and has introduced the Integrated Fire Management (IFM) System which is a comprehensive approach to forest fire management that includes the use of controlled burning, fire prevention, fire suppression, and prescribed fire, as a tool. It also involves community involvement and forest law enforcement. IFM uses 5Rs; *Review & Analysis, Risk Reduction, Readiness, Response to fires, and Recovery.*

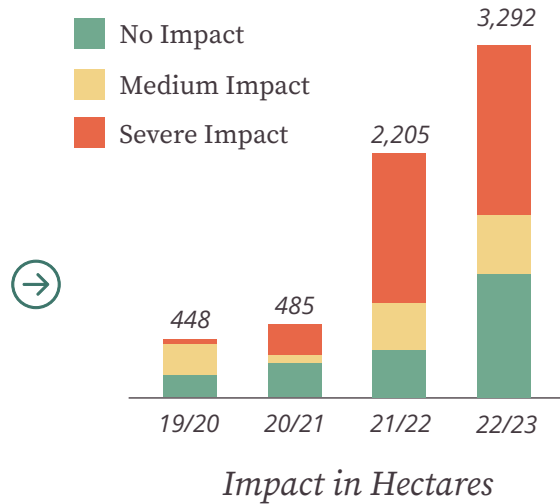
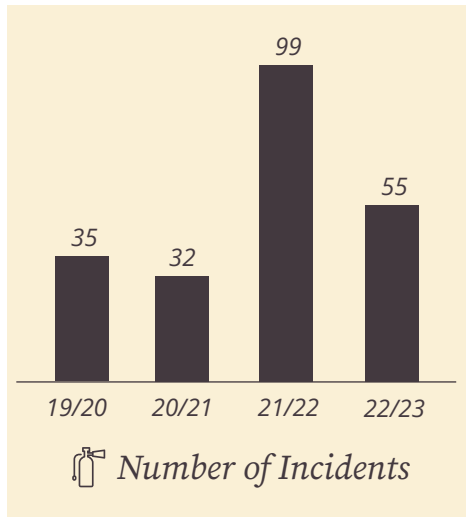
Fire is rated as one of the highest risks to plantation forestry with potential to wipe out the entire plantation. Understanding and monitoring this risk is critical for sustainable plantation management and a useful tool in management of the fire risk with data used in the planning of preventative control measures should such a risk manifest. GRAS, in collaboration with communities and governments, manages forest fires through the establishment of fire management networks at the operational level and country level supporting exchanges and cooperation on forest fire.

FDI: the daily *fire danger indices* are used to record the threat levels with input parameters based on environmental aspects such as humidity, temperature, wind speed, rainfall amount, and days since last rains. These act as warning indicators that help to predict the risk level and shared on a WhatsApp group managing the risk.



To monitor the effectiveness of fire protection plan actions, the number of incidents, severity, and fire damage is monitored. Records are maintained on a monthly basis and stored in Micro Forest as number incidents and as part of the compartment data.

Fifty five (55) fire incidents were recorded during the reporting period. The increase in fire incidents is partly due to the extended dry season coupled with an increase in illegal activities; hunting and charcoal burning where charcoal kilns are set up in open areas within the plantation.



- **Severe impact:** resulting in rescheduled harvesting, downgrading or write off
- **Medium impact:** potentially resulting in rescheduled harvesting, downgrading or write off
- **No impact:** full recovery with no impact on growth and quality

Integrated Fire Management (IFM)



Strategic elements of IFM include:

- ➔ Protection/Preparedness (readiness to face fires)
- ➔ Prevention (risk reduction/preventing fires from igniting)
- ➔ Suppression (response to a fire/ strategies and tactics to suppress a fire)
- ➔ Restoration (rehabilitation of areas damaged by fires)
- ➔ Research (data collection and analysis, applied and academic research)



CARBON PROJECTS

Despite increase in energy costs and increased use of "dirty fuels" such as coal, we have seen continued interest in alternative energy and find sustainable solutions. As a company, we are evaluating the viability of two new carbon projects of which one is on afforestation, whilst the other one is looking at biochar (see [theme 3 on page 34](#)).

The review for Muembe carbon project was triggered by a third-parties' interest and desire to make their investment carbon-neutral. The assessment concluded that Muembe landholding in Mozambique has the highest potential for carbon offsetting, with a total eligible area of around 4,000 ha. As a result, GRAS (through AFIP) has prepared an investment model and is working on a feasibility study for Muembe plantation to explore possible project development with a start date of FY 24/25.

By working on carbon offsetting projects, Green Resources is more visible to investors and carbon markets, and increased income from carbon sales can be invested in community development programs. Not implementing further carbon projects risks losing the opportunity to increase the company's positive impact or to create improved stakeholder relations through direct reinvestment of carbon revenues. In addition, investing in carbon offsetting projects fosters government relations by further contributing to nationally determined contributions for reducing GHG emissions and fighting climate change.

Carbon Footprint

The carbon footprint of a product or service is the total amount of greenhouse gases emitted during its production, use, and disposal. Energy consumption is one of the main contributors to carbon footprint. The more energy we consume, the more greenhouse gases we emit into the atmosphere.

GRAS recognizes that efficient energy use and a transition to clean energy is critical to achieving our carbon footprint goals. At present, all our factories are connected to the national grid, with a large percentage of power being generated by hydropower. While backup power is provided through diesel generators.

GRAS tracks the use of resources and energy (fuels, electricity and water) on a per m³/product basis.

Energy Consumption per Operation

		FY 22/23	Change from FY 21/22
Tanzania — GRL	Electrical (kWh)	21,726	⬆️ 3%
	Fuel (litres)	96,340	⬆️ 10%
	Water (m ³)	11,668	⬆️ 42%
	Lubricants (litres)	27	⬆️ 263%
Tanzania — SHI	Electrical (kWh)	1,583,189	⬆️ 7%
	Fuel (litres)	259,074	⬆️ 20%
	Water (m ³)	59,443	⬆️ 11%
	Lubricants (litres)	954	⬆️ 38%
Mozambique — GRN & NGP	Electrical (kWh)	524,159	⬆️ 11%
	Fuel (litres)	532,224	⬆️ 16%
	Water (m ³)	166,914	⬆️ 80%
	Lubricants (litres)	941	⬆️ 69%
Uganda — BFC	Electrical (kWh)	538,802	⬆️ 44%
	Fuel (litres)	306,567	⬆️ 11%
	Water (m ³)	11,725	⬆️ 6%
	Lubricants (litres)	132	⬆️ 545%

ADAPTATION

GRAS recognizes the dynamic nature of the environment, marked by evolving challenges such as climate change, emerging pests, changing market dynamics, and evolving technologies and standards. This necessitates continual monitoring and adaptation of an optimal genetic resources to meet current and future needs and mitigate risks.

To address this in our operations, GRAS is actively engaged in testing and sourcing superior genetic resources across its diverse sites through its Breeding and Deployment Strategy. This strategy embraces a data-driven approach, ensuring a selection of varieties based on their characteristics.

The overarching goal of the strategy is to facilitate the adaptation of new genetic material while maintaining sufficient diversity to effectively mitigate the risks associated with a dynamic environment and evolving markets.

This is achieved by defining the appropriate balance between clonal and seed varieties and their respective compositions, as well as having a species mix over the landholding. As part of this strategic approach, GRAS aims to diversify the deployment of clonal varieties.

GRAS will deploy over 8 eucalyptus clonal varieties and 2 family forest pine hybrid varieties, in addition to a mix of various seedling sources of various species across its operations over the coming five years.



Theme 3

Waste & Hazardous Materials Management



Using resources as efficiently and productively as possible, managing (hazardous) waste in line with the waste management hierarchy of reducing use and finding sustainable replacements, as well as effectively capturing and managing the disposal of all remaining (hazardous) waste is good for business, the environment, and society.

ASPIRATION

Green Resources will manage industrial and hazardous waste as well as all types of hazardous materials in line with good international industry practice, IFC PS3 requirements and EHS General Guidelines, including transportation, storage, use and final disposal, in order to prevent adverse impacts to direct and indirect areas of influence as well as human-health. The waste management hierarchy will be followed and circular economy principles will be integrated into decision making and management plans.

GOALS

- 1 Achieve 100% utilisation of Biomass and processing waste
- 2 Minimize negative impacts from all types of hazardous materials

UTILISATION OF BIOMASS & PROCESSING WASTE

GRAS has concluded a feasibility study for biochar to utilise its Biomass accumulation at an industrial site in Tanzania and later in Mozambique. At the moment, we are under discussion with various partners regarding the development of biochar for soil amelioration but also as a mixture for cement or concrete to produce building blocks. This process will enable GRAS to form a joint venture with the partner for the production of Carbon Credits, Biochar and associated products at GRAS' Sao Hill Industries (SHI) production location in the Southern Highlands of Tanzania.



If successful in Tanzania, the same could apply to GRAS' operation in Mozambique as a strategic direction towards increasing recovering through waste utilisation. This together with the initiative to upgrade the sawmill in Tanzania would see the company consequently reduce the relative volume of biomass produced.

Wood chips, sawdust and other wood by-product accumulation at the company's industrial and plantation sites, create fire hazards. Additionally, proper management of landfill sites is crucial to prevent the release of methane into the atmosphere and reduce the risk of explosions. However, GRAS sees an opportunity to turn industrial waste into an economic possibility.

The Uganda operation operates a chipper plant that turns wood waste into woodchips and sells most of it to a mix of industrial companies. Some are multinational companies (breweries and sugar plants) that have been able to convert their boilers from heavy fuel oil to biomass.

Tanzania (SHI) has noted some of the larger manufacturing industries are shifting from a reliance on heavy oil boilers to wood waste alternatives. Three manufacturers, two cement plants and one brewery have all initiated trials utilising either sawdust or wood chips for boiler fuel. Apart from these customers there is very little formal demand for biomass in Tanzania, this naturally results in relatively low revenues and pricing ability when compared to Uganda. Currently, the average monthly offtake from SHI is 171 tons of dried sawdust, 207 tons of wood chips and 200 tons of solid wood offcuts.

Challenges faced for SHI are that the market is not big enough to absorb all its biomass generated through the sawmills. 50% remains unsold and thus builds up leading to risks such as fire. If companies are able to successfully switch from heavy oil boilers to wood waste boilers, the potential for SHI looks attractive as the ability to supply a constant amount of feedstock is present from one fixed location. Transport costs are; however, high in Tanzania, and this does lead to customers seeking closer alternatives.

In Mozambique, the operation continues to supply FSC™ certified wood biomass to large agro-processing operations. However, market potential is limited but management continues to explore opportunities for charcoal and biochar and believes this may be a long-term solution to processing residues.

IMPACT FROM HAZARDOUS MATERIALS

At Green Resources, we use fertiliser at the early stage and at the nursery level to boost growth and improve survival, while pesticides are used to control some weeds and pests as part of plantation management. Forestry waste includes unused fertilisers and pesticides, empty fertiliser and other chemical containers, used oils and hydraulic fluid, empty fuel containers, used spill kits, and firefighting waste.



All chemical and fertiliser are approved by the respective government entities and inspected by third parties during external audits through the certification schemes. Chemical and fertiliser selection is guided by government policies and legislation as well as FSC™ approved lists. However, chemicals are used if no viable alternative is available. Operations use hand-operated spray guns or portable mist-blowers to control attacks in young plantations.

The application is done with a knapsack spray between rows of trees to avoid accumulation or drainage into the soil. Buffer zones are maintained around water bodies and river zones as prescribed by the national environmental authorities.

We have conducted an Environmental and Social Risk Assessment (ESRA) as per the FSC™ requirements once we have identified that chemical control is the best control option to use. Chemicals are used when it has been deemed necessary to control invasive weed species that have the potential to alter forest habitat function and in some cases where invasive or native species are aggressively encroaching on active forest.

When chemicals are applied, the least environmentally hazardous option minimises effects on non-target areas, organisms, or ecological systems. The applicator applying the chemicals is trained and follows all applicable safety precautions. Chemicals are stored and empty containers disposed of in a safe and environmentally appropriate manner. The forest manager actively monitors chemical application sites not only to determine effectiveness but also to check for residue damage or unintended consequences. All operations keep a record of the chemical, volume used (concentrate and diluted), dates of application, target species, application method, and monitor effectiveness.

Monitoring of chemical usage in plantation operations is critical to promote effective and efficient use of chemicals, avoid wastage and protect the environment by ensuring that chemicals are used where there is proven advantage over other pest and weed control measures. Data on chemical usage is collected monthly with records of amounts issued, used, application rates and area treated. The records form part of the compartment data stored in the Micro Forest database which is extracted and analysed for the monitoring period of interest.

Chemical & Fertiliser Use in Operations FY 22/23



Chemical (L)
Glyphosate

Fertiliser (kg)

Area Planted (ha)



Uganda

Tanzania

Mozambique

	FY 20/21	FY 21/22	FY 22/23	FY 20/21	FY 21/22	FY 22/23	FY 20/21	FY 21/22	FY 22/23
Uganda	20,800	9,907	6,214	20,650	20,747	1,500	329	556	452
<i>in kg - Granular Glyphosate</i>									
Tanzania	2,111	6,214	5,145	39,371	68,865	55,950	417	748	626.7
Mozambique	1,065	3,137	12,103	-	-	62,486	613	783	776

In UG, there has been a reduction in chemical usage overall. Herbicide use reduces as the trees grow older which is in line with the planned reduction of chemical use as per the management plan. The use of glyphosate in other species stands has declined, as there has been little planting of such species.

The use of fertilisers has increased over the past two years partly due to an increased focus on Eucalyptus planting. Use of fertilisers boosts growth rates promoting early canopy closure reducing the need to use herbicides. There was no fertiliser usage reported during the evaluation period.

In Tanzania, during the monitoring period, herbicides and fertilisers' were applied in plantations and at the nursery for weeding and improving plants/seedlings growth. An increase in the use of the chemicals and fertilisers is a direct reflection of the increase in area (ha) planted. There has been an increase in planted areas each year which also resulted in more chemicals and fertilisers being applied. The chemicals used were mainly herbicides (for weed control), and chlorine (for fungi control at the nursery). In terms of fertilisers, mainly NPK6 was used as well as the Polyfeed at the Nursery.

Tanzania and Mozambique have finalised their chemical reduction strategy. The Integrated Pest Management (IPM) is a process of achieving long-term, environmentally safe pest control using a wide variety of technology and other potential pest management practices. The company is still exploring the potential of biochar and other ways to reduce chemical use. Other methods include, focused-termite treatment, using low-drift nozzles to minimise area sprayed, using local organic fertilisers, and others.

Waste Management

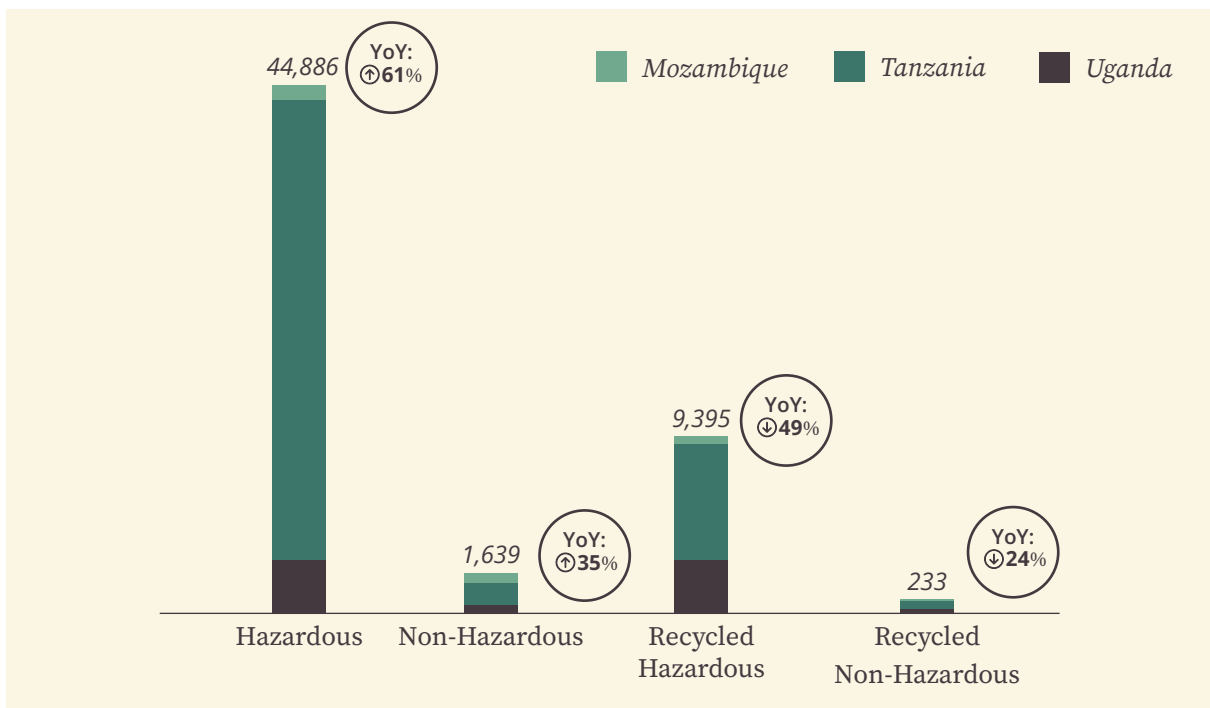
GRAS' operations generate quantities of hazardous and non-hazardous waste, which can have adverse environmental impacts if not adequately managed. Waste management is guided principally by the national regulations as well as international standards such as FSC™ and ISO 14001 (Environmental Management Systems) that GRAS is certified by and adheres to its principles. In addition, we have internal waste management procedures which guide our waste management practices.

During the 2022/2023 monitoring period, sources of wastes were mainly from resource consumption such as chemical containers, used batteries, florescent tubes, empty drums, blades, old tyres and used oil. These were mainly generated from chemical applications, sawmill operations, vehicle services and repair, as well as replacement of blown out lighting bulbs.

We have systems in place for monitoring of waste generated as a result of management activities to ensure that effective disposal and pollution prevention that is likely. Waste data is collected monthly recording the quantities of the different waste types for each operational area.

Waste generated is either stored, re-used, sold or given for recycling or discarded using qualified companies. For instance in Uganda, empty chemical containers are triple rinsed and punctured before they are sold to a reputable registered plastic waste recycling plant that manufactures electricity conduit pipes.

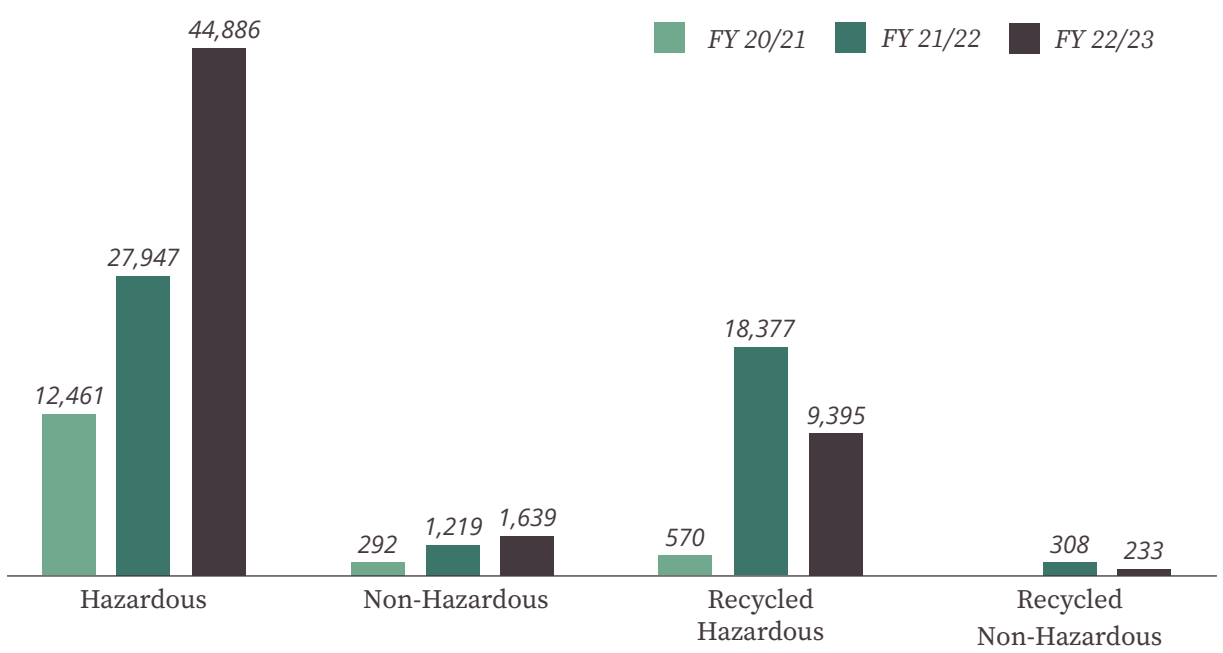
Types of Waste Generated in Operations in FY 22/23





GRL engaged with Proactive Waste Management Co Ltd, which collects all hazardous and non-hazardous waste. The company is permitted by National Environmental Management Council (NEMC) to collect and transport hazardous waste, non-hazardous scrap metals, and electronic waste.

GRAS' Waste Generation - 3 year trend







In general, there has been an improvement in operational efficiency in resource utilisation resulting in reduced waste generation; a shift from liquid pesticides to granular pesticides resulting in less solid waste containers and the use of granular glyphosate to reduce transport costs and improve chemical handling. For instance, a small truck can transport 1,000 kg of granules which can treat up to 500 ha, whereas 1,000 kg of liquid glyphosate (869 ltrs) can only treat around 217 ha.

Environmental Incidents

The company monitors environmental incidents such as chemical spills and contamination, as part of the environmental management strategies. This is achieved through standard operating procedures that deals with environmental damage/incidents, including investigation into cases of significant consequences.

Environmental Incidents per Operation

	 Fires	 Hectares Lost	 # of Spills	 Amount spilled (L)
Uganda	11	3.42	0	0
Tanzania	7	1,700	3	160*
Mozambique	97	703.7	0	0
Total	115	2,407.12	3	160
YoY Change	⬆️ 20	⬆️ 88.12	0	⬆️ 128

*13 litres of oil from a belllogger flick, and 147 litres of fuel from a slow leak during transportation



Theme 4 Land, Communities & Stakeholders



Land, land use and access to land is the original and often primary source of livelihoods and potential prosperity for the communities around Green Resources' operations. Land rights are an interplay of duly formulated national policies, legal rights, customary practices, and community realities. Green Resources develops land for sustainable productive gain for its investors, host nations and for the surrounding communities. Green Resources aims to align the strategic business objectives with its goal to create lasting improvements in the quality of life for local communities.

ASPIRATION

Green Resources' licence to operate is granted through the communities and governments associated with its land use. In terms of social and economic well-being, associated communities and host nations should increasingly benefit from having granted Green Resources access to land. GRAS is committed to improving the local communities' well-being through a shared value approach to doing business. In addition to economic impact, GRAS will continue to invest a minimum of 2% of its revenue into Community Development Programs and invest in joint businesses in the value chain.

GOALS

- 1 Increase sustainable, recognized positive socio-economic impact on neighbouring communities

- 2 Resolve meaningful legacy land concerns and assure future through best practices
- 3 Increase alignment of goals, policies and practices with government, civil society and other stakeholders

SOCIO-ECONOMIC IMPACT ON COMMUNITIES

GRAS knows that the socio-economic impact of our investments are important to other stakeholders including the people who live in communities that are affected by our



investments, the workers who are employed directly or indirectly by our investment activities, as well as their families, the general public, governments, and civil society.

Green Resources has made significant strides to achieve positive impacts in all areas of operations during this reporting period both socially and environmentally. GRAS continues to be one of the largest employers in the areas where it operates, especially in the rural regions where its plantations are located. The investments associated with GRAS' activities in these areas has not only brought employment but additional development such as new business opportunities for contractors and suppliers, as well as contributing to economical development.

GRAS has also invested in local communities through community development activities such as improving road networks, education facilities, health care and helping communities access clean and safe water. Our impact is beyond CSR and job creation but local governments continue to benefit from GRAS' investments through tax payments and domestic purchases of required operational inputs. In addition to the above-mentioned benefits, GRAS ensures that staff are trained to develop their skills. The company also provides training for the local communities, such as fire response and basic forestry.

During FY22/23 we spent US\$ 0.4m on environmental, social and communities activities with 60% covering educational projects and the rest spent on health and sanitation as well as various infrastructure projects at the village level. In addition to supporting villages, GRAS also donated various items to communities and government, worth US\$ 27k during the reporting period.

A total of 16,860 seedlings were distributed to communities bringing the total seedling supplied to communities to 488,000 since 2010, equivalent to 440 ha of planted area.

Community
development projects:
\$0.4m



60% 
Towards educational
projects:


Seedlings
distributed: **16,860** 



Some of the projects implemented during the reporting period:

✓ Completed ○ Ongoing

		Project	Status
 <p>Tanzania</p>		Teacher House in Mapanda – In order to address a teacher deficit in the region (due to high turnover and unattractive living conditions), the community decided to use the funds for accommodation. Which should result in retaining a teacher, having a direct positive impact on education in Mapanda. Village office to improve documentation registry and administrative work. Project Expenditure in USD 32,000	✓
		Teacher House in Chogo – Similarly to Mapanda, Chogo selected to use Carbon funds for teacher accommodation. which should result in improving teacher quality and continuity. Project Expenditure in USD 31,000	✓
		Doctor House in Uchindele – Following the government construction of a much-needed Health Centre, the village opted to use the Carbon Fund to construct accommodation for two nurses and one doctor, which will have a direct positive impact on access to healthcare for Uchindele, Lugala and Kitete. Project Expenditure in USD 45,000	✓
		Teacher House in Idete – As per Uchindile and Chogo, Idete also used funds to construct teachers accommodation, in order to target quality education in the community. Project Expenditure in USD 7,000	○
 <p>Mozambique</p>	<p>Social Fund Projects Completed – Mozambique is implementing variety of projects to improve school enrollment, health, sanitation and impacting socio-economic improvements in the villages. Projects completed during the reporting period include:</p> <ul style="list-style-type: none"> • Nhassehndje village: Purchase of funeral materials • Miala: Completion of the construction of two classrooms and painting of the old classroom • Mapudie: Construction of Market square • Micoco: Ablution area • Chipoulo: Drilling of 3 bore holes • Nkapi: Construction of a bridge • Construction of a health center • Mussa: Construction of an administrative office <p>Project Expenditure in USD 45,000</p>	✓	
	<p>Social Fund Projects – 21 SDF Projects in various stages of implementation. Project Expenditure in USD 41,000</p>	○	

	Project	Status
 Uganda	<p>Meeting Infrastructure in Buwolomera, Lwanika, Lwanika B, Budhala B - Funded (through the SDF) the purchase of meeting infrastructure for meetings and village events and as Income Generation Activity (IGA). Four (4) communities are able to generate income from renting out the chairs and tents.</p> <p>At least 15 households use the tent in a month for various functions at the village level.</p>	✓
	<p>Borehole Repairs in Lukinda B - After the boreholes had broken, community members were struggling to access safe and clean water and they had to walk long distances to access clean water from Lukindu B.</p> <p>Project Expenditure in USD 650</p>	✓
	<p>Borehole Repairs in Bowolomera - Buwolomera community also used part of their SDF to repair two boreholes. Additional impact to other villages: one of the boreholes in Buwolomera benefits some community members from Lwanika A&B as well as Kapaluko.</p> <p>Project Expenditure in USD 700</p>	✓
	<p>Land Acquisition in Lukindu A - Most of the community members at Lukindu A are rice growers who felt that it would be easier and cost effective for them to have a rice mill in the community for value addition.</p> <p>As part of the value addition for the farm produce , Lukindu A village acquired 511m² for construction of a rice mill. The land would also host the village local council offices. Project Expenditure in USD 1,100</p>	✓
	<p>Rays of Hope Project - GRAS contributed US\$ 8,000 for counseling, testing and treatment of cervical cancer patients in the communities around Bukaleba plantation, helping 150 individuals.</p> <p>Project Expenditure in USD 10,000</p>	○





Shared Value Project with Upendo Honey

GRL Tanzania has partnered with Upendo Honey through an MOU to support villages in producing and selling honey through shared value activities. In this partnership, the beekeepers' communities neighbouring GRL would be encouraged to establish beehive collection points in their operation. In addition, GRL would support them with smokers and suits to facilitate the operation and place an expert to advise production, quality assurance, and marketing for honey through Upendo Honey Company. In this shared value arrangement, communities are guaranteed a market for honey if it meets the company's quality.

GRL has plantations around seven communities with an approximate population of 7,000 - 25,000. The impact of this project is the creation of additional value in the communities as well as an added advantage of mitigating fire risks associated with the traditional honey collection.

During the reporting period, the company mobilised beekeepers in three communities (Uchindile, Idete and Mapanda) to test the concept. GRL is funding a field officer at around US\$ 10k per year to work with the three communities to increase volume production to hit a target of 20 tonnes to make economic justification/sense to all parties involved. The plan is to reach the target after a year of operation. Green Resources' role in this project is to act as a catalyst and support the initial capital to get the project off the ground. Upendo Honey will take over the facilitation cost of procuring the honey and the Field Officer (FO) when communities reach >30 tonnes of honey per year. This would make communities self-sustained to prosper independently with reduced GRL support.

Impact during the period under reporting:

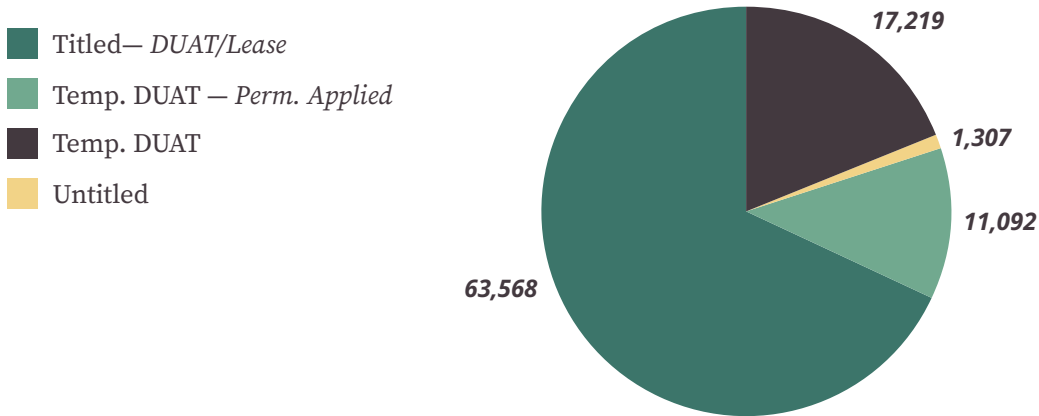
12 
25-28kg buckets of honey collected from Uchindile village

27 
Beekeepers trained on sustainable honey harvesting

20 Beekeepers in 3 villages registered in the program 
Honey purchased through the agreement at higher than market price: **300kg**

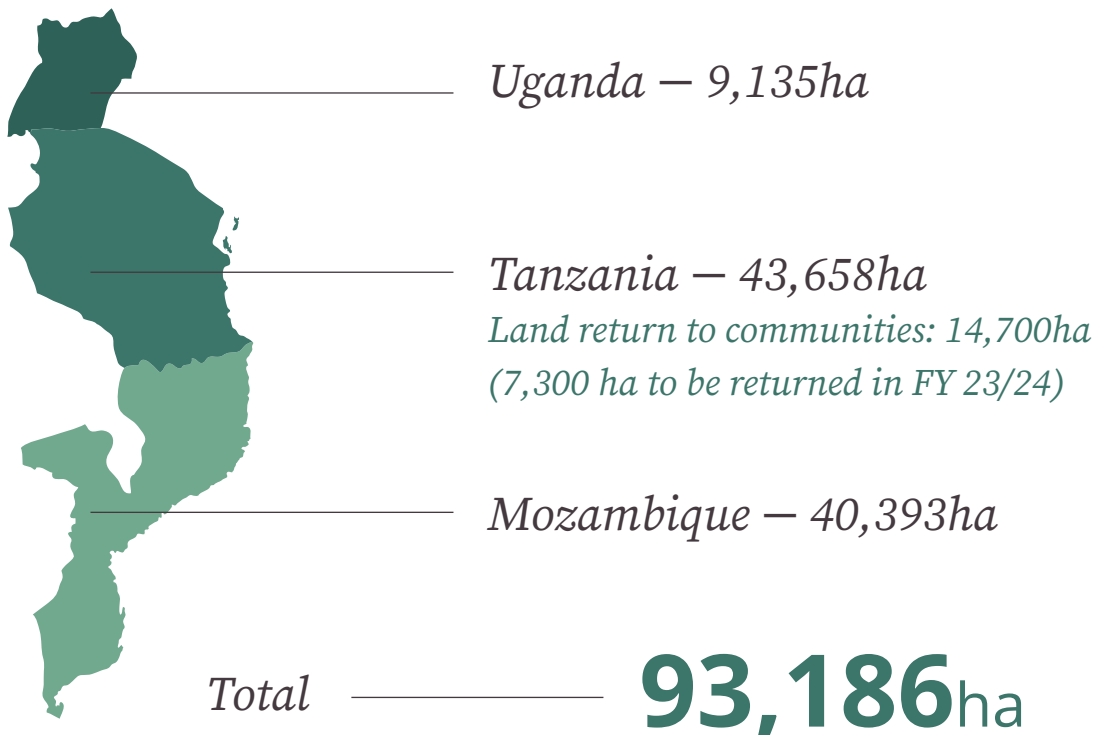
LAND TENURE

During the reporting period GRAS had access to 93,186 ha (pre-exit described below) of land across Mozambique, Tanzania and Uganda. We continue to take major steps to improve our operations and an important element is to right-size our land concessions, consolidate our forest development and organize industrial operations for a growing wood flow.



68% of our land is titled, 12% partially formalised (in the process of being titled), and 20% in the process of been formalised. Post land return in Tanzania, GRAS manages a total landholding of 93,186 ha.

GRAS Landholdings



Tanzania

In Tanzania, after consultation with stakeholders and shareholders, GRAS returned 14,700 ha to community members of three villages (two in Mufindi and one in Kilombero District) as part of a strategic move to only retain land that it can suitably manage and develop.

The work of land return was a collaboration involving several government and public stakeholders from government down to village level under the guidance of 2 institutions of land experts (Landesa and HakiArdhi). The collaboration between GRL and the surrounding communities in Mufindi and Kilombero District has steadily grown since we began operations in the 2000s. The land return initiatives and many others further enhance our relationship.



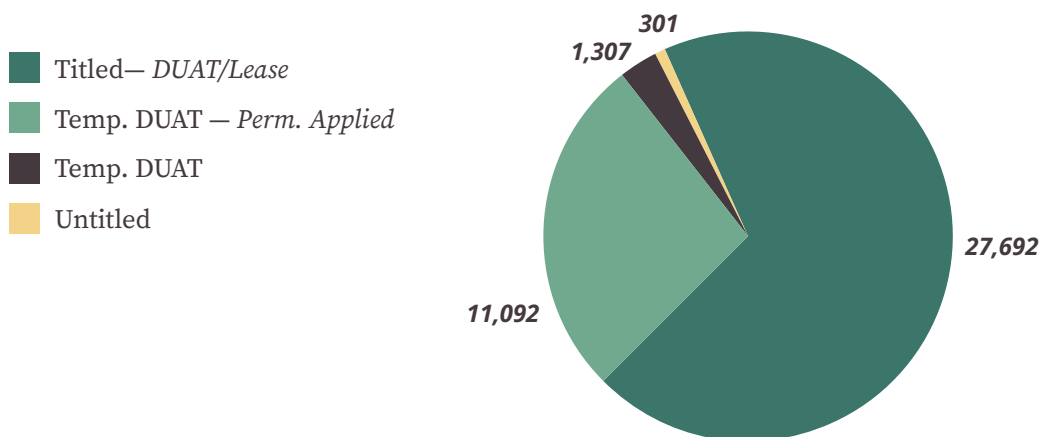
The land return project in Tanzania was part of the Community-Smart Consultation & Consent (CSCC) Project, a five-year, global project funded by the BHP Foundation that aims to strengthen and scale inclusive and effective natural resource governance by improving community-smart consultation and consent practices of all stakeholders. The project works with communities, civil society, governments, companies, and funders to define, refine, test, and disseminate tools, resources, and services that enable consultation and consent for all rights holders and stakeholders in land and natural resource governance systems. As part of the CSCC Project, Landesa is implementing a series of pilot interventions focused on testing and advancing approaches, tools, and resources related to community consultation and consent.

Uganda

Green Resources' subsidiary in Uganda, Busoga Forestry Company Ltd (BFC) operates two plantations in areas designated by the national government for forestry development as Forest Reserves. The total landholding in Uganda operation is 9,135 ha. GRAS does not own the land it operates in Uganda but leasing from the government through the National Forestry Authority (NFA). This is in contrast with the land ownership in Mozambique and in Tanzania. As the owner of the forest reserves, The Ugandan Natural Forest Authority (NFA) monitors the land use and activities within the reserves.

Mozambique

Green Resources in Mozambique in Niassa province, operates around 40,000 ha of which around 14,500 ha is planted area. 69% of the land has a title deed (permanent DUAT), 27% has a semi title (temporary DUAT but in the process of acquiring permanent status) and small amount of 4% is not yet processed and is still a temporary DUAT.



ALIGNMENT WITH GOVERNMENT, CIVIL SOCIETY & OTHER STAKEHOLDERS

Green Resources is committed to effective stakeholder engagement. Through the spirit of transparency, trust and mutual respect, relationships are built with stakeholders. We believe that this will foster GRAS' business value. By understanding our stakeholders' needs and expectations and integrating their input, we are able to align with our strategic goals. To realize our vision and strategy, we had to rethink our value chains, and develop new networking behaviours, connecting flexibly to one another, to better share knowledge and innovative ideas.

As part of the new Environmental & Social Action Plan (ESAP) to address performance standard 4 (IFC PS4 - Community, Health safety & Security), GRAS updated its Grievance Mechanism Procedure including raising awareness to the communities and the whole value chain of its existence and available channels for raising grievances. Other ESAP actions related to IFC PS4 that GRAS is implementing are:

- Revision of the Communication Plan
- Stakeholders mapping and revision of the stakeholders engagement plan

The revision of these three items assist GRAS in identifying and prioritizing our material issues, both social and environmental as well as financial. Improvements in stakeholder engagement has enabled GRAS to clarify and confirm areas that pertain to our risks and opportunities, drawn us to manage expectations, thereby facilitating our license to operate and enhancing organisational success.

	<i>Planned</i>	<i>Adhoc</i>	<i>Total Meetings</i>	<i>YoY Change</i>
<i>Tanzania</i>	41	2	43	⬆️ 13
<i>Mozambique</i>	111	39	150	0
<i>Uganda</i>	155	91	246	⬆️ 27
<i>Total</i>	307	132	439	⬆️ 40

A key aspect of effective engagement is communicating with the various stakeholders. GRAS put emphasis in creating shared value and upholding stakeholders engagement as an integral part of our business and state the same in our *Stakeholders Management Policy* available on our website. As such, GRAS holds regular formal and informal meetings and/or discussions with different stakeholders. During the reporting period GRAS staff held meetings with a range of different stakeholders, including investors, communities, government

officials, auditors, and others. 439 stakeholder engagement meetings were held during the reporting period.

Out of these 70% were formal meetings with structured agenda and protocols. The figure equates to 9% more engagement compared to last FY. We are reaching out more and more.

During the reporting period, GRAS received journalists in its operations in Mozambique and later published an article about land return in Mozambique covering social development funds, working conditions, investment decisions, land tenure, and rights. Green Resources responded to the information requested by the journalist and the CEO engaged further on a televised session via a television station in Norway (NRK). *Some of the criticism addressed can be found through these links:*

- ➔ [Carbon Offsets: Last Week Tonight with John Oliver \(HBO\) - YouTube](#)
- ➔ [Kalla Fakta: The Forbidden Forest - TV4 - YouTube](#)
- ➔ [Norwegian forest planted in Africa: Helping the poor and saving the climate. Became a money drain and created conflict - Climate \(nrk.no\)](#)

Grievances

In FY22/23, 26 grievances were raised with 77% of all grievances closed to the satisfaction of all parties. As part of risk and opportunities, 65% of all grievances received came from communities mostly in Mozambique and Uganda. Of all the grievances received, 38% were about labour rights (delayed payment, poor working conditions, harassment, and unfair treatment) while around 19% were grievances related to unsatisfactory/lack of compensation or unfulfilled obligation/commitment by the company.

Of interest, is that all grievances from Mozambique's operations came from outside the company from communities or other stakeholders.

Grievances

	Amount	Internal/External	% Resolved	Change YoY
Uganda	15	1/5	67%	⬇️ 11
Tanzania	6	1/4	100%	0
Mozambique	5	0/15	80%	⬇️ 4
Total	26	2/24	77%	⬇️ 15

Theme 5 *Products & Supply Chain*



The drive towards sustainability requires innovation and an agile response to shifting market demands towards ethical and sustainable products. Green Resources aims to be a market leader in proactively offering alternative products in the marketplace.

ASPIRATION

Green Resources strives to build circular bioeconomy, to introduce further sustainable products and solutions, and to minimise the environmental footprint of its inputs and products by adhering to international best practices, reducing the use of packaging material, especially plastics, implementing energy and material efficiency, and chemical and water management programs.

PRODUCT PORTFOLIO

Green Resources produces and supplies forest products to industrial facilities across its operations — the table on the following page gives an overview of how the company participates in the forestry value chain, fitting into either of the two categories: *Supplier of raw materials* or *Primary producer*.

GOALS

- 1 Develop increasingly sustainable product portfolio
- 2 Develop responsible supply chain management



S Supplier of raw materials **P** Primary producer - not applicable

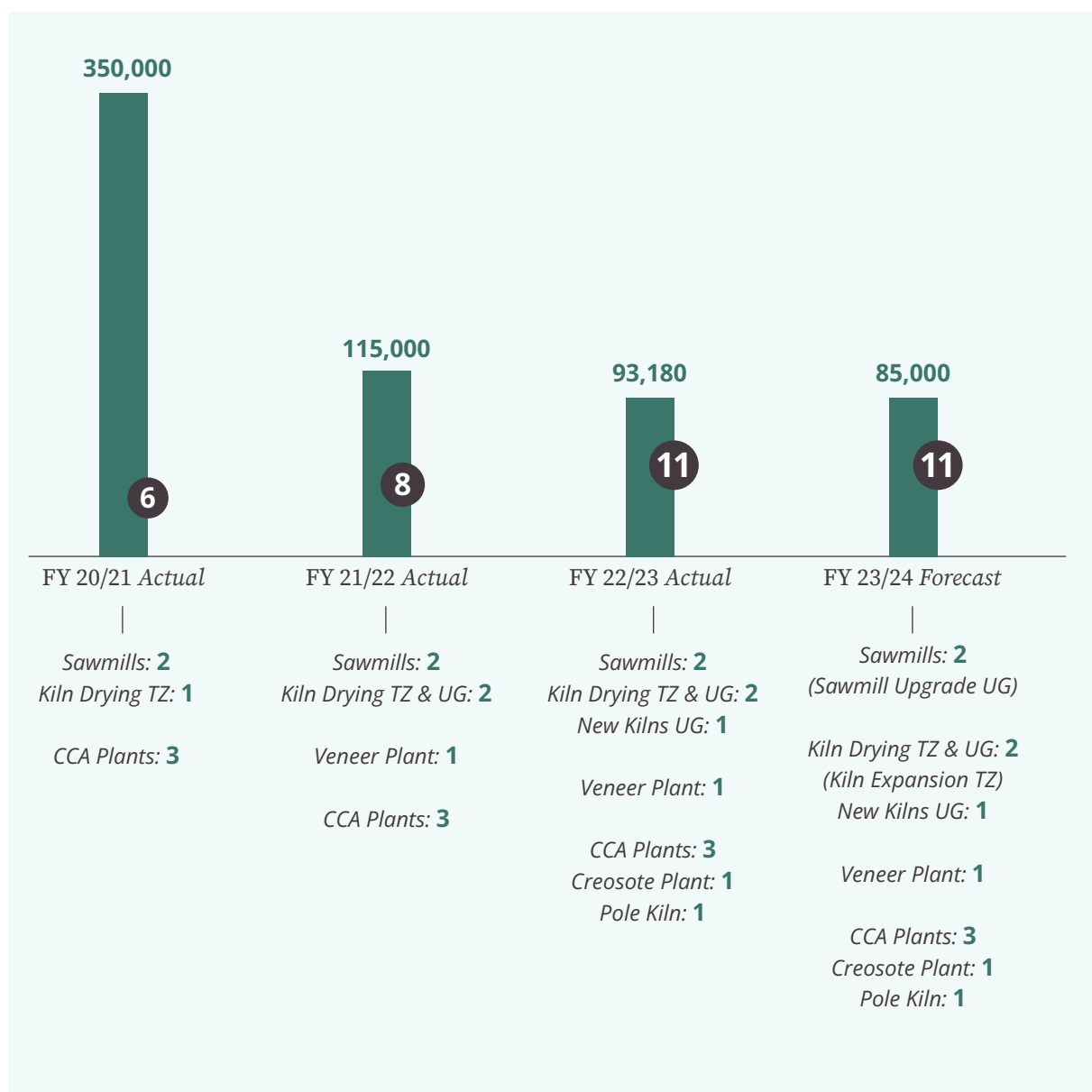
Product	Tanzania	Uganda	Mozambique
Biomass & Firewood/Boiler fuel	P	P	P
Briquettes	P	-	-
Building & Fencing Poles	P	P	P
Furniture	S	S	-
MDF	S	-	-
Pallets	P	P	S
Paper	S	-	-
Peeler Logs	P	P	P
Plywood	S	S	S
Resin Tapping	S	S	S
Sawn Timber	P	P	S
Scaffolding	P	P	P
Standing Forests & Saw Logs	P	P	P
Treated Transmission Poles	P	P	P
Veneer	S	S	P
Wood Chips	P	P	-





Landholdings & Industrial Facilities

■ Landholding ● Number of Industrial Facilities



SUPPLY CHAIN MANAGEMENT

GRAS is committed to maintaining a mutually beneficial relationship based on productivity and responsibility with our suppliers and customers. This means that we expect our partners to subscribe to the same standards and principles we subscribe to ourselves. This means that customers, contractors and suppliers, in particular those we have long term relationships with adhere to GRAS' safety, business ethics, and quality principles. These include:

- ➔ Human rights
- ➔ Business Integrity
- ➔ Job creation for the community surrounding GRAS' operation
- ➔ Monitoring of off-site impacts of our operations

In addition to the above we provide training programs for all staff, suppliers and contractors on business integrity related matters including:

- ➔ Business integrity risk assessment
- ➔ Business integrity risk monitoring
- ➔ Anti-Bribery & Corruption
- ➔ Anti-Money Laundering
- ➔ Whistle-blowing
- ➔ Conflicts of Interests

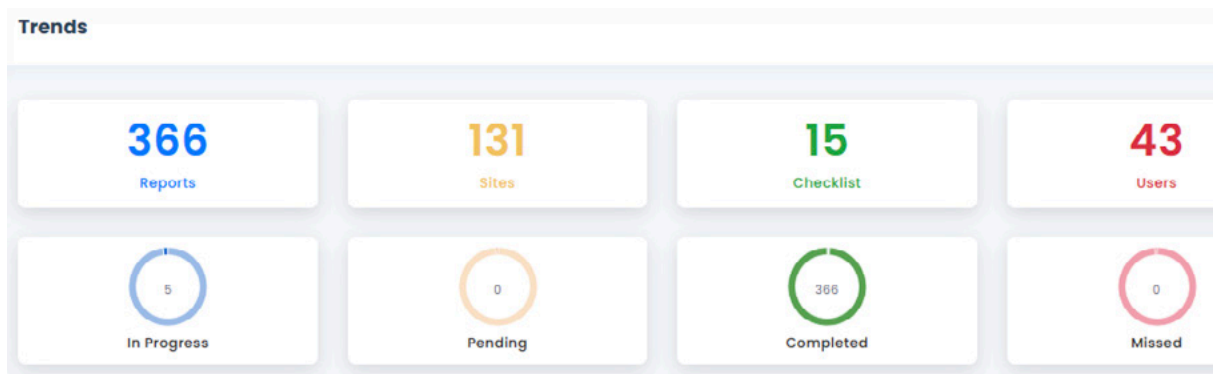


Trainings

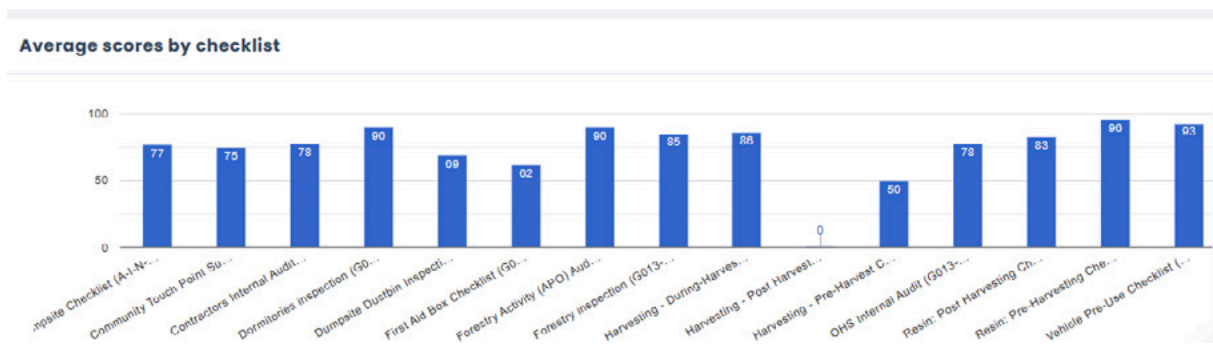
Country	Training	Trainees	Date(s)
<i>Tanzania</i>	Business Integrity Risk Assessment	<i>Forestry/Finance/Industry</i>	07 Oct
	Business Integrity Risk Monitoring	<i>Forestry/Finance/Industry</i>	07 Oct
	Anti Bribery & Corruption	<i>Forestry/Finance/Industry</i>	07 Oct
	Anti-Money Laundering	<i>Forestry/Finance/Industry</i>	07 & 22 Oct 6 Sep
	Conflict of Interest	<i>Forestry/Finance/Industry</i>	07 Oct
<i>Uganda</i>	Business Integrity Risk Assessment	<i>Senior Management Staff and Sawmill and Harvesting Operators</i>	11 Oct 13 Nov 27 Sep
	Anti Bribery & Corruption	<i>Forest Operations Managers and Supervisors; Contractor Heads, Senior Forest Operations Staff Machine Operators; Contract Workers; Operations Staff; Sawmill Workers</i>	01 Feb 24 Aug 31 Aug 02 Sept 27 Sept
	Whistle Blowing	<i>Sawmill Operators, Harvesting Machine Operators</i>	13 Nov
	Conflict of Interest	<i>Supervisors</i>	06 Jun
	Business Integrity Risk Assessment	<i>Planning/Forestry/Finance/ HR/ESG; Main office (All teams including Field Supervisors); Nursery</i>	14 Feb 21 Sep 11 Oct
<i>Mozambique</i>	Anti Bribery & Corruption	<i>Main office (All teams including Field Supervisors)</i>	14 Feb
	Anti-Money Laundering	<i>Main office (All teams including Field Supervisors)</i>	14 Feb
	Conflict of Interest	<i>Planning/Forestry/Finance/ HR/ESG; Main office (All teams including Field Supervisors)</i>	14 Feb 04 Jul

GRAS uses a contractor compliance process to conduct operational audits across the operation. The contractor audits are designed to rate contractors based on the following criteria:

- ➔ Operational standards & work planning
- ➔ Contractor employee ability
- ➔ Contractor management ability
- ➔ Safety, Health, Environment & Quality (SHEQ) factors
- ➔ Human rights requirements & legal compliance

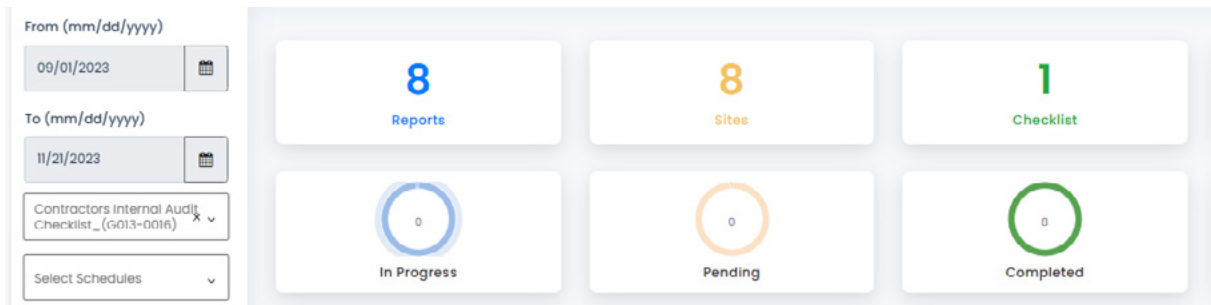


General insight on the number of inspections and checklists since the introduction of Pulse checklist application for field inspection (**Pulse - Smart Checklists, Inspections and Audits**) around 3 months ago. 366 inspection conducted in the period of two months alone, in 131 sites using 15 different checklists (compliance assessment forms).

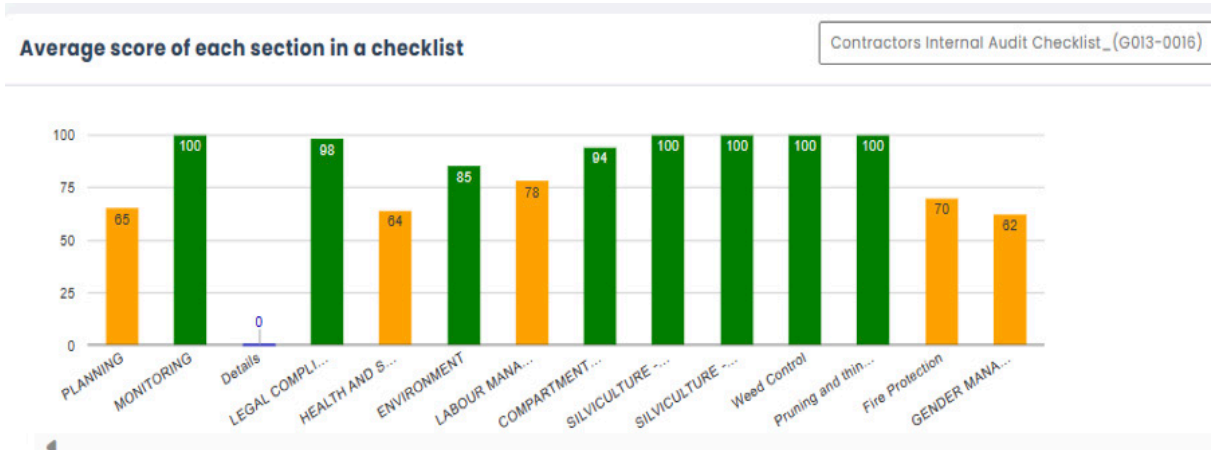


Various inspections and performance of each checklist during internal audit and monitoring of activities across GRAS operations.

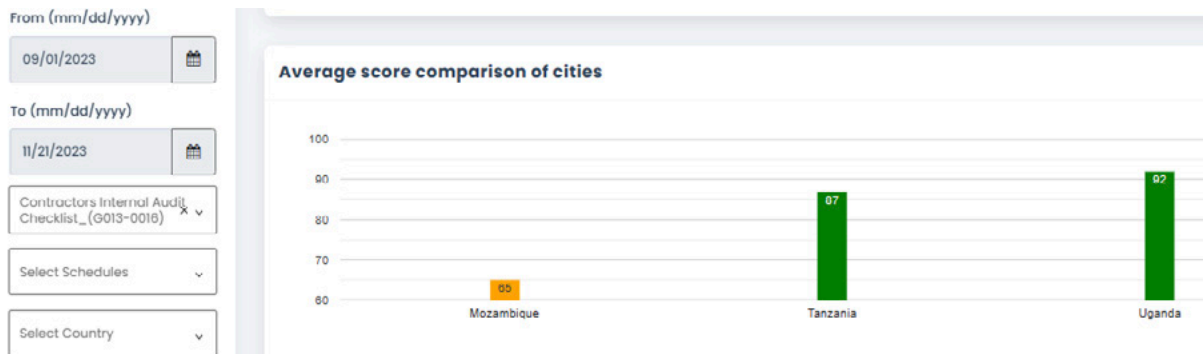
Contractor Internal Audit



8 various contractors' operations were conducted



Performance of contractors auditing in various aspects



Ratio of contractors' audit per country - MZ = 65 | TZ = 87 | UG = 92

Timber Export Ban in Uganda

On June 21, 2023, the Ugandan government directed an immediate halt to the export of raw timber, specifically veneer. However, due to a misinterpretation by implementers of the law, this directive unintentionally led to a comprehensive ban on all timber product exports. Industry efforts to seek clarity resulted in a temporary approval for the export of specific treated timber products, such as CCA treated poles and kiln-dried, treated, and profiled sawn timber. This initial restrictive approval faced a reversal in October 2023. Instead, a limited three-month window was granted for producers of value-added and finished goods to export their existing stock.

During this three-month period, the government aimed to differentiate between value-added and raw timber products, setting the stage for future export regulations. This grace period became a pivotal juncture for the timber industry, urging swift decisions on the definition of value-added products to resume exports.

Uganda completed an expansion of drymill and one extra kiln that would see boost in its capacity. Around US\$ 3.2m of capex was spent, but its function might be minimal if the ban is not lifted soon. The BFC and other treated timber companies should be clear to export locally produced treated timber poles to clients in other countries. Yet while limited interim permission has been granted for the exportation of treated transmission poles, the ban on timber exports still stands. "Nobody knows why the export of sawn timber products have been banned" - [Link](#).





Theme 6

Human Rights & Human Capital

Respecting Human Rights across operations and within the main supply chain and protecting human capital, safeguarding their welfare, and actively creating opportunities is both a moral imperative and operational necessity.

ASPIRATION

Green Resources recognizes that human capital is its most valuable commodity. Thus, it will train and promote local talent irrespective of gender, race, or cultural background and equally, ensure contractor, subcontractors and third-party labour takes place on similar terms as company employees. Green Resources will ensure an injury-free workplace. Green Resources respects human rights, and it assesses its human rights impacts and mitigates any negative consequences.

GOALS

- 1 Promote positive human rights impacts across our operations
- 2 Promote gender inclusivity and gender balance in the workforce
- 3 Achieve zero injuries in and related to our operations
- 4 Promote local and national talent development

- 5 Eliminate workplace harassment
- 6 Include contractors, supply chain and stakeholders in human rights and capital goals

EMPLOYMENT & BENEFITS

GRAS' key positive impacts are to provide employment and training to local staff. GRAS continues to create opportunities for jobs, skills development, and income.

Collective Bargaining Agreement(s)

The company holds regular collective bargaining sessions with the Union representatives headed by the HR team.



In Tanzania the collective bargaining agreement was signed between two unions, Tanzanian Plantation and Agricultural Workers Union (TPAWU) and Tanzania Union of Industrial and Commercial (TUICO) Workers and the SHI/GRL operations, cementing the relationship with employees and create a formal avenue for handling matters related to compensation, working hours, working condition as well as resolving conflicts or grievances.

In Mozambique, the GRN workers have been unionised under SINTAICAF (formerly SINTICIM) since 2005, while the NGP workers have been unionised under SINTIQUIAF since 2020. The two employee bodies are made up of workers from both companies and are represented by a general secretary. The representatives are elected by the workers every two years. One of their main roles/functions is to work with the company management, including monitoring administrative acts of interest to the class, submitting and monitoring petitions, requests and technical notes, to cooperate in solving problems of interest to the development of the company, the increase of individual and global productivity levels and the improvement of working conditions, etc.

In Uganda workers are not unionized although the company puts no restrictions on employees joining.

Employee Benefits

GRAS provides a range of benefits to its employees including housing, transportation, medical insurance and social security benefits. Benefits are stipulated in the employee handbook and in compliance with national legislation and often exceeds national requirements.

More than 140 staff are provided with housing and some are supported with housing allowances.

The company has been driving contractors to adhere to the national laws on labour requirements. However, this has not been fully achieved because not all contractor's employee qualify for social security enrollment.

Equal Opportunity Employer

GRAS promotes equal opportunities to employment for all regardless of their gender, race, language, religion, geographic origin, national or social origin, property, birth or other status. Recruitment is specifically based on individual qualifications or merit. Wage and other benefits are also paid based on work carried out, qualifications, skills, and performance without discrimination.





Vacancies for various operations are advertised in several ways including internally on noticeboards, and by word of mouth; through newspapers, the GRAS and subsidiary

websites, and on social media platforms. The advert would specify requirements such as educational level, qualification, skills needed and the job description. All grievances relating to discrimination are reported to HR through the Grievance system and resolved fairly. Most routine complaints and grievances are resolved informally through discussion with Line Managers.

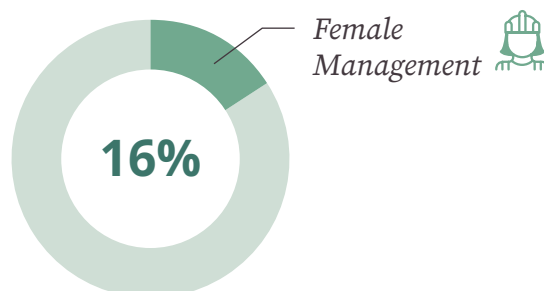
GRAS' Sustainability Agenda mandates a policy where contractors employing more than 10 people should have a minimum 20% female by FY22/23 going up to 30% by FY26/27. During the reporting period, contractors achieved 22% of female workforce which aligns well with company's agenda.

GRAS values and respects human rights and is committed to a work environment free from discrimination and harassment. The commitments in training, and developing locally sourced talent and working to close skills gaps and to facilitate access to higher positions immediately and into the future. Having staff with the right skills and talent will create parity, fair representation, and a better sense of equivalence internally and within communities. The organization is planning to assess its human rights account using the UNGPs¹ framework. The assessment would be conducted by end of June 2024 and will inform areas of improvement and action plans needed to enhance human rights standards and practices.

Employee Headcount by Employment Type & Gender

	 Permanent Employees (FTE)	 Seasonal & Temporary Employees	 Indirect employment (3 rd party contractors)	 Total of all employment	Change from FY21/22
Male	457	0	1,544	2,001	⬆️ 165
Female	76	0	426	502	⬆️ 66
Total	533	0	1,970	2,503	⬆️ 231

Gender Ratio at Management Level



¹United Nations Guiding Principles on Business and Human Rights (UNGPs)

HEALTH & SAFETY

GRAS' operations are guided by the health and safety policy. Compliance of our own staff and contractors is monitored internally through internal audits and external third party audits.

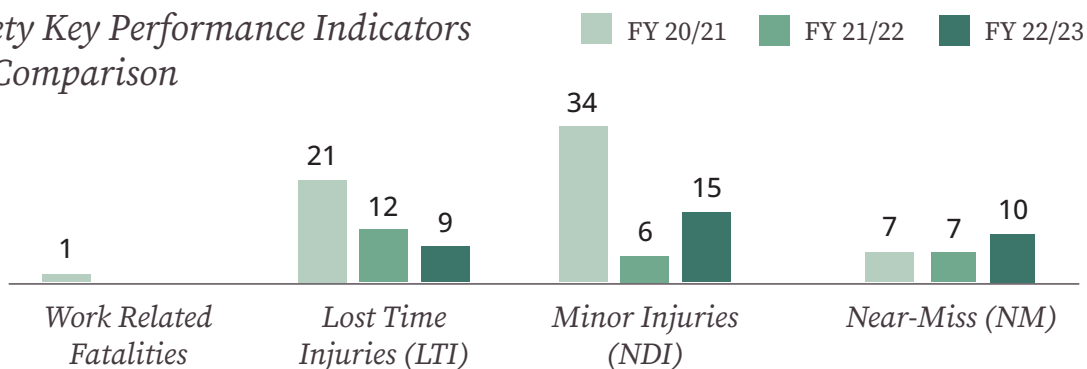
During the year, the company recorded a total of 9 *Lost Time Injuries* (versus 11 in the previous year) which consequently decreased the *Lost Time Incident* (LTI) rate per million man-hours from 9.2 to 7.9. It is important to note that this rate is calculated against permanent staff whilst it includes all accidents reported (irrespective if the accident occurred at a contractor or an "own ops" operations). We are committed to drive down our accident statistics and management is continuously challenged to improve its safety performance through improved reporting, investigation and analysis of all incidents (*LTIs* as well as *Non-Disabling Injuries* and *Near Misses*). All reported incidents are circulated through a "Flash" report to all company employees no later than 48 hours after the incident and are followed with a detailed accident investigation that provides corrective actions.

During the FY22/23 we recorded 24 work-related incidents (9 *LTIs*, 15 *Minor Injuries*). Our biggest risk is on harvesting and industrial operations. 77% (7 *LTIs*) out of the total *LTIs* were related to harvesting operations.

Safety Key Performance Indicators - GRAS Employees & Contractors

<i>Work Related Fatalities</i>	0
<i>Lost Time Injuries (LTI)</i>	9
<i>Minor Injuries (NDI)</i>	15
<i>Near-Miss (NM)</i>	10
<i>Property Damage (PD)</i>	12
Total	85

Safety Key Performance Indicators FY Comparison



Forestry operations can pose a range of health and safety risks given the manual labour and machinery used for operations, harvesting, transportation, loading, and offloading. The company has made significant improvements and is committed to further advances in occupational health and safety. We continue to investigate and learn from major accidents or incidents. We make sure we educate our employees and contractors on the hazards and risks of our operations. We conduct periodic awareness, education, and toolbox talks.

We have OHS committees that are tasked to follow up and reports OHS matters on the ground. We have trained first aiders in each operation and continue to implement a range of OHS programs to minimise risks and injuries. Focus areas during the year were:

- ➔ Vehicle use and driving at night
- ➔ Defensive driving
- ➔ Machine operations at the sawmill
- ➔ Training on safe harvesting and chainsaw operations



TALENT DEVELOPMENT

GRAS provides training and other professional development opportunities to its employees and contractors. We invest and broaden the knowledge base of our workforce and our service providers (contractors). Training and development make faster onboarding into new jobs; improve employee satisfaction; enhance productivity; and improve company culture.

Below is a high-level summary of the major trainings carried out during the reporting period.

Total Number of Staff Trained

	<i>FY21/22</i>	<i>FY22/23</i>
<i>Forest Operations & Management*</i>	308	148
<i>Health & Safety Training & Awareness</i>	653	78
<i>Compliance including Audit & Certification (FSC™&ISO)</i>	37	27
<i>Technical/Operational Skills</i>	35	46
<i>Business Integrity</i>	276	262
<i>Environmental Compliance & Management</i>	83	293
<i>Industrial & Processing</i>	16	29
<i>Other training - Emergence preparedness (fire, covid, etc.)</i>	157	397
<i>Total</i>	1565	1280

**Includes 1 corporate staff training in ESMS*



WORKPLACE HARASSMENT

Green Resources recognizes that we operate in different cultural settings and that significant education is required to ensure all our staff and contractors are aware of the standards we subscribe to. We therefore hold regular toolbox talks on topics such as human rights abuses, bullying, and sexual harassment. This communication is accompanied by top management commitment and the Group CEO regularly holding talks to drive the culture change that is required in today's work environment.

Recorded Incidents of Violations of Human Rights per Operation

	<i>FY21/22*</i>	<i>FY22/23</i>
<i>Tanzania</i>	1	0
<i>Mozambique</i>	0	0
<i>Uganda</i>	3	0
<i>Total</i>	4	0

**Details on human rights violations are available in last year's report on our website.*

CONTRACTORS, SUPPLY CHAIN & STAKEHOLDERS

The majority of GRAS operations are executed by contractors and the jobs created through contractors exceed GRAS' direct employment by almost a factor four (4x). This results in the need to closely manage contractors in all aspects of compliance related to national laws and international standards.

The number of contractors engaged in various operations fluctuates during the year due to the seasonality nature of the forest operations. Most of the contractors' employees are from the surrounding communities and with some contractors, this number is as much as 100%; however, this number is typically lower for specialized work. One of GRAS' key positive impacts is providing employment and training to both contractors and its own employees.

Green Resources has systems and procedures to audit contractors in all areas ranging from operational quality, health & safety, as well as statutory compliance of contractors.

Theme 7

Management Systems, Reporting & Disclosure



By subscribing to standardized and independently verified integrated management systems Green Resources ensures continuous improvement to its quality and sustainability performance. Going beyond industry certification as a minimum measurement, Green Resources will incorporate transparent reporting of performance to ensure accountability for real change and value creation for the business, people, and the planet.

ASPIRATION

Green Resources is committed to standardized, independently verified integrated management systems and will proactively and transparently disclose and report its impacts on society, the environment, and local economies. The company is committed to attaining and maintaining 100% ISO14001, ISO45001, ISO9001 and FSC™ Forest Management certifications by 2025 and will submit annual sustainability reports in line with global best practices and reporting standards.

GOALS

1

Attain and maintain 100% ISO 9001, 14001, 45001 certifications across all operations

2

Achieve and keep 100% FSC™ Forest Management and FSC™ Chain of Custody certifications

3

Increase the transparency and depth in all sustainability and impact reporting

ISO 9001, 14001, 45001 CERTIFICATIONS

During the reporting period we achieved eight (8) new ISO certificates for our Tanzanian and Mozambican subsidiaries; all group operations are now fully ISO14001, ISO45001 and ISO9001 certified. ISO certification increases efficiency and compliance on OHS and Environmental Management.



<i>Operation</i>	<i>Audit</i>	<i>Certificate</i>	<i>By</i>	<i>Results</i>	<i>Status</i>
<i>MZ - NGP</i>	ISO14001 ISO45001 Certification Audit	AMER 12435 AMER 12436	Top Certifier	No CARs	Certificate under processing (not yet received)
<i>MZ - GRN</i>	ISO14001 ISO45001 Certification Audit	AMER 14283 AMER 14284	Top Certifier	No CARs	Certificate under processing (not yet received)
<i>MZ - NGP</i>	ISO9001 Surveillance	GRN/Q1-QMS	ACT	1 CARs	Continued Certification
<i>TZ - SHI</i>	ISO9001 Surveillance	SHI/01-QMS	ACT	No CARs	Continued Certification
<i>TZ - SHI</i>	ISO14001 ISO45001 Certification Audit	002 003	TBS	No CARs	Certificate Granted
<i>TZ - GRL</i>	ISO14001 ISO45001 Certification Audit	001 002	TBS	No CARs	Certificate Granted
<i>UG - BFC</i>	ISO14001 ISO45001 ISO9001 Surveillance Audit	901419 907909 800656	Nemko AS	No CARs	Continued Certification



FSC™ FOREST MANAGEMENT & FSC™ CHAIN OF CUSTODY CERTIFICATIONS

Green Resources' is committed to adhering to international best practices and compliance to standards, national legislation and various lender and shareholder requirements. Compliance is measured through third party monitoring either by national, international, or independent auditing bodies.

All GRAS' forestry operations undergo annual, third party, FSC™ forest management audits to give independent assurance of our sustainable management program, primarily through FSC® certification.

Nine (9) third-party audits were conducted during the reporting period. Below is the summary of the findings.

<i>Operation</i>	<i>Audit</i>	<i>Certificate</i>	<i>By</i>	<i>Results</i>	<i>Status</i>
<i>MZ - GRN</i>	FSC™ FM Surveillance	SGSCH-FM/COG-009040	SGS	Additional 7,382ha All 2022 CARs closed 2 Major CARs 3 Minor CARs	Both Major CARs closed Minor CARs to be assessed in 2024 Continued Certification
<i>MZ - NGP</i>	FSC™ CoC Surveillance	SGSCH-COC-600050	SGS	No CARs	Continued Certification
<i>TZ - GRL</i>	FSC™ FM Re-Certification Audit	SGSCH-FM/COG-005066	SGS	Excise 6,000ha due to land return process 2 Major CARs 3 Minor CARs	Both Major CARs closed Minor CARs to be assessed in 2024 Continued Certification
<i>UG - BFC</i>	FSC™ FM Surveillance Audit	SA-FM/CoC-006914	Soil Association	3 CARs	Minor CARs to be assessed in 2024 Continued Certification
<i>UG - BFC</i>	IFSC CoC Surveillance Audit	SA-CoC-008075	Soil Association	1 CAR	Minor CARs to be assessed in 2024 Continued Certification

63% (58,873ha) of GRAS' landholding is under FSC™ certification post the land return in Tanzania with the aim to be 100% FSC™ certified by year 2028.

We had quite a challenging year of audits - whilst we don't like to see major CARs it is also a sign that we are being pushed to a higher level and that we do not see this as a sign of slipping standards but rather a function of continuous improvement trajectory.

FSC™ Certified Areas per Operation

	FSC™ Area	%	Landholding	EoS
Uganda	9,135	16%	9,135	0
Tanzania	29,058	49%	43,659	14,601
Mozambique	20,676	35%	40,392	19,716
Total	58,869	100%	93,186	34,317



OTHER REPORTING & DISCLOSURES

Statutory Inspections

Government authorities and agencies conducted a total of eight inspections as summarized below.

Country	Agency	Focus Area	Findings	Status
Mozambique	Provincial Environmental Service	Develop terms of reference and update the environmental license to include license to produce charcoal	None	License Granted (Closed)
	Ministry of Mineral Resources and Energy	General Industrial Inspection	1	Closed
Tanzania	OSHA	Occupational Health and Safety Inspection	11 Corrective Actions	9 Closed / 2 On Progress
	OSHA	Occupational Health and Safety Inspection	6 Corrective Actions	6 Closed
	Fire & Rescue Department	Fire Safety Inspection	4 Corrective Actions	4 Closed
	Government Chemist Laboratory Authority	Use and Storage of Hazardous Chemicals (CCA)	3 Corrective Actions	1 Closed / 2 On Progress
Uganda	Department of Antiquities	HCVAs Inspection	1 Corrective Action	Closed
	National Environmental Management Agency	Inspection of construction of sawmill upgrade	Construction Approved	Closed

Internal Audits

To determine the adequacy of the internal controls, promoting best practices, ensure compliance with policies and regulations and identifying operation's inefficiency, the company has conducted more than 445 EHS inspections. Tanzania had more inspections (358) than Mozambique and Uganda. Environmental inspections include RTEs and invasive species controls, waste management, smoke detectors, fire extinguishers, dustbins and dumpsite. Health and safety inspections are for general cleanliness of dormitories, water treatment use, emergency assembly points and transport use

while Operational inspections are for operations tools, PPEs, working conditions, and compliances.

Country	Subject	Internal Inspections		Focus Area
		FY21/22	FY22/23	
Tanzania	Social & Environmental	36	42	Waste Management, Fire Safety
	Occupational Health & Safety (OHS)	85	96	Housekeeping, Water Quality, Emergency Response Plan, Transport
	Operational	182	220	PPE use, Operational controls, RTE and Invasive Species
Uganda	Social & Environmental	0	12	Waste Management, Community programs
	Occupational Health & Safety (OHS)	0	43	PPE use, Housekeeping, Emergency response
	Operational	36	10	Operational controls, Work quality standards, PPE use
Mozambique	Social & Environmental	86	1	Waste Management, Housekeeping
	Occupational Health & Safety (OHS)	35	8	All aspects of OHS
	Operational	182	13	Harvesting operations - as risk was higher compared to other operations



LEGAL COMPLIANCE

GRAS seeks to ensure that all of its activities are in compliance with legal requirements both at national and international levels.

Product	Tanzania	Uganda	Mozambique
Business License	✓	✓	✓
Environmental Impact Assessments & Certificates	✓	✓	✓
Fire & Rescue Certification of Workplace	✓	✓	✓
Import & Export Licenses	✓	✓	✓
Investment Promotion Certificates	✓	✓	✓
Land Use Rights and Land Rent	✓	✓	✓
Motor Vehicle License	✓	✓	✓
Operating Licenses	✓	✓	✓
Radio License	✓	✓	✓
National Bureau of Standards	✓	✓	-
Timber Transport Permits	✓	-	-
Water Permits	✓	✓	✓
Work & Resident Permits for Foreign Employees	✓	✓	✓
Workers Compensation Insurance	✓	✓	✓
Workplace Registration & Compliance Licenses	✓	✓	✓

- = not applicable

DIGITIZATION DRIVE

Green Resources has spent extensive time exploring new technology platforms that could contribute towards operations management and monitoring efficiency. In 2023, the roll out of the chosen ESG platforms of Sustainion, Orbify and Pulse began.

Sustainion is a modular, customisable ESG risk management solution, used across a broad range of sectors to manage ESG matters, as well as in the supply chain. Green Resources has incorporated this technology with an in-field application called *Pulse*. The combination of the tools enables the ESG and operation teams to input and analyse live data, manage the Environmental and Social Management system and better mitigate related risks, both internally and in the supply chain.

Within the year, a remote sensing, environmental management system was also rolled out. *Orbify* is a platform designed for capturing and analysing environmental data, including monitoring of Rare, Threatened, and Endangered (RTE) species, biodiversity area health, including incidents of illegal activity and ongoing vegetation cover. As with Sustainion and Pulse, this software can also be used offline, ensuring consistent and ongoing reporting, an integral component of technology in our remote areas of operation.

These integrated and state of the art systems will enhance the company's ability to gather and analyse critical data to improve operations. All are aligned with international best practice, including IFC Performance Standards.



Abbreviations

Abbreviation	Description	Abbreviation	Description
AFIP	<i>African Forestry Impact Platform</i>	ISO	<i>The International Organization for Standardization</i>
ASIs	<i>Areas of Special Interest</i>	IT	<i>Information Technology</i>
BFC	<i>Busoga Forestry Company Limited</i>	IUCN	<i>The International Union for Conservation of Nature</i>
BI	<i>Business Integrity</i>	kg	<i>Kilograms</i>
CBNRM	<i>Community Based Natural Resource Management</i>	km	<i>Kilometers</i>
CCA	<i>Cromated Copper Arsenate</i>	kWh	<i>Kilowatt hour</i>
CDM	<i>Clean Development Mechanism</i>	m	<i>Million</i>
CDP	<i>Community Development Project</i>	NFA	<i>National Forestry Authority</i>
CEO	<i>Chief Executive Officer</i>	NGO	<i>Non-Governmental Organisation</i>
CFR	<i>Central Forest Reserve</i>	NGP	<i>Niassa GreenPly Limited</i>
CO₂	<i>Carbon Dioxide</i>	NPK	<i>Nitrogen, Phosphorus & Potassium</i>
CSR	<i>Corporate Social Responsibility</i>	OHS	<i>Occupational Health and Safety</i>
ESG (SC)	<i>Environmental Social and Governance (Steering Committee)</i>	OSHA	<i>The Occupational Safety and Health Administration</i>
ESSI Panel	<i>Environmental, Safety, Social and Impact Panel</i>	PPE	<i>Personal Protective Equipment</i>
FM	<i>Forest Management</i>	RTE	<i>Rare, Threatened, and Endangered</i>
FSC™	<i>Trademark for the Forest Stewardship Council</i>	SDF	<i>Social Development Fund</i>
FY	<i>Financial Year</i>	SDG	<i>Sustainable Development Goals</i>
GHG	<i>Green House Gases</i>	SHI	<i>Sao Hill Industries Ltd.</i>
g/l	<i>Grams per liter</i>	tCO₂e	<i>Tonnes of Carbon Dioxide Equivalent</i>
GRAS	<i>Green Resources AS</i>	TUP	<i>Temporary Use Permit</i>
GRI	<i>The Global Reporting Initiative</i>	UN	<i>United Nations</i>
GRL	<i>GRL Tanzania Limited</i>	UNFCCC	<i>United Nations Framework Convention on Climate Change</i>
GRN	<i>Green Resources Niassa SA</i>	USAID	<i>The United States Agency for International Development</i>
ha	<i>Hectares</i>	USD	<i>The United States Dollar</i>
HCVAs	<i>High Conservation Value Areas</i>	VCC	<i>Variable Capital Company</i>
HFO	<i>Heavy Fuel Oil</i>	VCS	<i>Verified Carbon Standard</i>
IFC PS	<i>International Finance Corporation Performance Standards</i>	VERs	<i>Voluntary Emission Reductions</i>
ILO	<i>The International Labour Organization</i>	YoY	<i>Year on Year</i>
IMS	<i>Integrated Management System</i>		

GRI Checklist

GRI Section	Covered	GRI Section	Covered
Organizational profile	✓	Rights of Indigenous People	✓
Strategy	✓	Human Rights	✓
Ethics & Integrity	✓	Local Communities	✓
Governance	✓	Public Policy	✓
Stakeholder Engagement	✓	Marketing & Labelling	✓
Reporting	✓	Customer Privacy	✓
Management Approach	✓	Social-Economic Compliance	✓
Economic Performance	✓		
Market Presence	✓		
Indirect Economic Impacts	✓		
Procurement Practices	✓		
Anti-Corruption	✓		
Anti-Competitive Behaviour	✓		
Energy	✓		
Water & Effluents	✓		
Biodiversity	✓		
Emissions	✓		
Environmental Compliance	✓		
Employment	✓		
OHS	✓		
Training and Education	✓		
Diversity & Equal Opportunity	✓		
Non-Discrimination	✓		
Child Labour	✓		
Forced Labour	✓		



7th Floor, Amverton Towers
Chole Road, Masaki
Dar es Salaam, Tanzania

Engbrets Vei 3
0275 Oslo
Norway

info@greenresources.no
greenresources.no

