



# **Green Resources AS**

## Transparency Act Report

**2023-2024**

## The Norwegian Transparency Act Report

Pursuant to Section 5 (§ 5) of the Norwegian Transparency Act (2021) we hereby present Green Resources' report that has been developed to comply with the legal requirements as stated in the Act.

The reporting requirements apply to Green Resources AS, an enterprise resident in Norway which fulfils the requirements for "larger enterprises" as set out in § 3 of the Transparency Act and thus is directly subject to the obligations of the Norwegian Transparency Act.

The information in this report is valid for Green Resources AS and its consolidated subsidiaries in Sweden, Uganda, Mozambique, and Tanzania (collectively, "Green Resources Group"). Green Resources Group does not cover entities that are not fully controlled by Green Resources AS; however, if in future such entities would be part of the group then we would expect that their relevant policies to be aligned with those of Green Resources AS.

This report was approved by Green Resources AS' management and the Board of Directors on 20<sup>th</sup> December 2024 and covers the financial year ending 30<sup>th</sup> June 2024.

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# 1. Organization and General Information

## Overview

Green Resources AS (“Green Resources”) is a sustainable, vertically integrated forest company incorporated in Norway with Company Registration number 975 879 968. The company is East Africa’s largest forest development and wood processing company. The company manages approximately 38,000 ha of plantation forest in Mozambique, Tanzania, and Uganda.

It operates industrial facilities including two sawmills, three pole treatment plants and a veneer plant. Green Resources was established in 1995 and is a private Norwegian company owned by New Forests’ Africa Forestry Impact Platform (“AFIP”).

Green Resources produces a range of products ranging from primary forest products (standing trees, sawlogs and poles) to processed wood products (sawn timber, veneer and treated poles) as well as biomass. Green Resources’ main customers are national utility companies, construction companies, independent wood processors and a variety of traders operating across the forest value chain.

More information about our business operations can be found in our corporate reports for FY23/24:

- [Sustainability Report FY23/24](#)
- [GRAS Corporate Profile 2024](#)

Green Resources’ Annual Report for FY23/24 can be obtained on request; please send your request to [info@greenresources.no](mailto:info@greenresources.no).

## Organization

Green Resources employs 739 employees in five countries. The head office is in Oslo, Norway. Green Resources AS shares are not publicly listed.

Green Resources’ organization is divided into two distinct business segments: Forestry and Industrial Wood Processing.

## Sustainability

Population growth, urbanisation, housing shortages and the transition to a lower carbon economy are drivers for increased developments in timber construction, and a parallel wider application of the commodity, ultimately substituting high carbon footprint materials like concrete and steel.

Green Resources strives to be a responsible player in this field by supplying products and services that are grown and manufactured with the least possible impact on the environment, a negative carbon footprint and minimal disruption of social networks amongst surrounding communities whilst also creating value for our investors, employees and other stakeholders including local host governments.

Green Resources’ operations incorporate sustainable solutions and practices by adhering to international standards, trends, and best practices and aligning to the United Nations Sustainable Development Goals. Many of its planted forests are certified by the Forest Stewardship Council (FSC™), and corporate social responsibility (CSR) programs are implemented throughout the business.

## Global Presence

Green Resources is pursuing international growth in targeted markets, while safeguarding its existing market positions. The company is actively pursuing an export strategy and has selected products and markets for this purpose. Green Resources’ products are sold regionally (Eastern and Southern Africa) as well as globally (mainly Asia and the Middle East).

An overview of Green Resources' legal entities is listed in Appendix 1 at the end of this report. Further details about each of our locations and facilities can be found here: [Operations – Green Resources](#).

## Our People

As of June 2024, Green Resources had 739 own employees in seven locations in five countries. A significant portion of the organization's activities are performed by contractor employees and Green Resources offered employment opportunities to approximately 2,000 contractor employees (as of 30<sup>th</sup> June 2024).

Whilst Green Resources does not employ seasonal employees, there is a degree of seasonality in our work especially on the side of contractors where there is a traditional peak around the planting season. More information on our key staff figures can be found in our Sustainability Report 2024 here: [Sustainability Report – Green Resources](#).

## Our Supply Chain

With 1,085 active<sup>1</sup> suppliers in our global supply chain, ensuring a responsible approach and management of this network to mitigate negative impacts is a material topic for Green Resources. We are committed to maintaining a mutually beneficial relationship with our suppliers and customers based on productivity and responsibility. This means that we expect our customers, contractors and suppliers, in particular those we have long term relationships with, to adhere to the same safety, business ethics, and quality principles we subscribe to ourselves.

Suppliers are expected to adhere to our [Business Ethics and Principles Policy](#) and [Standard Terms and Conditions](#). These are included in each contract with suppliers, which also covers the Supplier Code of Conduct and Supplier Declaration, including our standards for health and safety, human and labour rights, environment, FSC™ commitment, business integrity and corporate social responsibility, as well as being competent and trustworthy.

Our expectations, commitments and actions are further outlined in our [Sustainability Report](#) where we report on Theme 5: Products & Supply Chain linked to our [Sustainability Agenda 2022-2032](#).

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
- Anti-money laundering
- Business integrity risk monitoring
- Whistle-blowing
- Anti-bribery and corruption
- Conflicts of interest
- Fraud control

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

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<sup>1</sup> Suppliers with transaction activity during period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024

## 2. Human Rights Management

Respecting human rights across operations and within the main supply chain, as well as protecting people, safeguarding their welfare, and actively creating opportunities, is both a moral imperative and operational necessity.

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 that contractors, subcontractors and third-party labour takes place on similar terms as company employees. Green Resources will strive towards an injury-free workplace. Green Resources respects human rights, and it assesses its human rights impacts and mitigates any negative consequences.

We support and respect internationally proclaimed human and labour rights, as defined by the International Bill of Rights and the International Labor Organization (ILO) Fundamental Conventions as well as the UN Guiding Principles on Business and Human Rights (UNGP), Modern Slavery Legislation and OECD Guidelines for Multinational Enterprises.

To meet our commitments as to respect and support human rights, Green Resources places our focus on the below areas:

1. Awareness training of human rights risks across our operations,
2. Promotion of gender inclusivity and balance in the workforce,
3. Work towards zero injuries in and related to our operations,
4. Promote local and national talent development,
5. Eliminate workplace harassment; and
6. Include contractors, supply chain and stakeholders in human rights goals.

Our expectations, commitments and actions are further outlined in our [Sustainability Report](#) where we report on Theme 6: Human Rights & Human Capital linked to our [Sustainability Agenda 2022-2032](#).

## 3. Governance

The multifaceted nature of our operations and its impacts (positive and negative) requires attention and coordination at the highest level of the organization. We have therefore established the Environment, Social, Safety and Impact (“ESSI”) Panel which is a Board Committee and composed of an Investor Representative (1), Board Representative (1) and Management Representatives (Group CEO and Group E&S Manager).

The ESSI Panel’s role is to provide technical guidance on sustainability matters and ensure that GRAS complies with national and international best practices (such as FSC™, International Finance Corporation Performance Standards and the International Labour Organisation) and meets investors' criteria in respect of its environmental and social obligations. GRAS benefits from its investors' 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 Performance Standards](#).

Green Resources has a [Board Charter](#), [Staff Handbook](#) as well as an elaborate Procedure on [Anti-Bribery and Anti-Corruption](#) and has various frameworks in place to manage compliance and business integrity risks. The Staff Handbook together with the Anti-Bribery and Anti-Corruption Guidelines describes our commitments and requirements regarding business practice, personal conduct and expectations towards business partners. The [Supplier Terms and Conditions](#) outlines clear principles and rules in key compliance and integrity areas, including how to deal with human rights and labour rights, health, safety and security, anti-harassment and diversity topics.

Green Resources maintains [Human Rights Management Guidelines](#) as well as a [Supplier Notice on Human Rights Policy](#) and both documents are firmly anchored in our organization. All documents mentioned can be found in our management system with some available publicly on our website as well.

## Policies & Procedures

Our governing documents are crucial for developing effective and consistent standards (including those related to human rights) across our business and for setting expectations for suppliers' and employees' decision-making on a day-to-day basis. A list of the governing documents we have in place to address (human rights) risks can be found below along with links where appropriate. All our company policies are endorsed and signed off by relevant members of Green Resources' senior management team. These governing documents are applicable to all of Green Resources' operations and are available on our [Integrated Management System Platform](#).

- [GRAS Business Ethics and Principles Policy](#)
- [GRAS Human Resources Management Policy](#)
- [GRAS Occupational Health and Safety Policy](#)
- [GRAS Security Policy](#)
- [GRAS Staff Handbook](#)
- [GRAS Risk Appetite Statement](#)
- [A-H-OD-02 GRAS Human Rights Management Guidelines](#)
- [A-H-OD-04 GRAS Supplier Notice Human Rights Policy](#)
- [G-31-04 GRAS Security Personnel Code of Conduct](#)
- [A-H-CM-06 GRAS Anti-Corruption and Anti-Bribery Management Guidelines](#)
- [G006-02 GRAS Risk and Opportunities Framework](#)
- [A-A-FA-034 Supplier/Vendor Approval Procedure](#)
- [A-A-FA-020 GRAS KYC Documentation](#)
- [GRAS Terms and Conditions for Suppliers](#)
- [Speak Out Platform](#)
- [GRAS Fraud Control Policy](#)

## Public Commitments

In addition to the above, Green Resources' policies and current practices are deeply rooted in a sustainable approach to business, and align to company commitments to comply to the IFC Performance Standards and [FSC™ Principles & Criteria](#). These policies and commitments form the foundation of the Sustainability Agenda which sets out long term aspirational goals that drive the development of targeted Environmental, Social and Governance (ESG) action plans, as well as serving as a guide to support the Business Development Strategy.

Green Resources respects the Freedom of Association (FoA) as a fundamental right of its workers to join and form trade unions or organizations of their choosing. FoA is enshrined in the Universal Declaration of Human Rights. It includes the right to freedom of assembly, association, and trade union membership. The company's commitment to this is covered through various Central Bargaining Agreements with trade unions present at our operations.

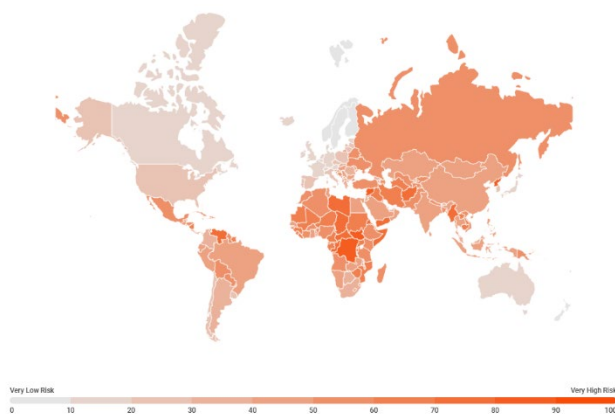
In Tanzania, employees are unionized through the Tanzanian Plantation and Agricultural Workers Union (TPAWU) and Tanzania Union of Industrial and Commercial (TUICO) Workers. In Mozambique, employees have been unionised under SINTAICAF and SINTIQUIAF. In Uganda, workers are not unionized but management has regular meetings with employees and worker rights are covered through the Staff Handbook and various policies and procedures laid out in the Integrated Management System.

The principles of all these agreements, initiatives and memberships underpin Green Resources' respect and support for international standards. We have made human rights a part of our supplier qualification

requirements and we use our influence with suppliers and encourage them to work in compliance with our Code of Conduct to ensure that they are also committed to avoid harm to people in their own business and supply chains.

## 4. Activities to identify negative impacts on Human Rights

Green Resources often engages in work under challenging conditions, requiring the highest level of diligence to maintain the human and labour rights and the safety of employees and customers, subcontractors, consultants, and other parties. Moreover, we have our own operations as well as supply chains in countries associated with high political, corruption and human rights risks. Because of the nature of our work and the locations where we operate, human and labour rights are material topics for Green Resources.



[The Human Rights Index](#) offers a coverage of 196 countries and territories. Country results are presented on a 0-100 scale, where 0

corresponds to the lowest risk and 100 corresponds to the highest risk. The three countries where Green Resources has active operations are ranked 129 (Tanzania), 158 (Uganda) and 167 (Mozambique).

### Risk Assessment

Green Resources has identified that potential significant risk exposure to human rights violations may be detected in its local supply chain, in particular related to contractor operations. The most important prescriptions in the International Bill of Human Rights related to supply chain management are:

- Right not to be subjected to slavery, servitude, forced labour, or child labour,
- Right to enjoy just and favourable conditions of work, and
- Right to health

In order to identify, prevent, mitigate and account for how Green Resources addresses its adverse human rights impacts, the company will carry out human rights due diligence. The process will include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.

### Integrity Due Diligence

Green Resources performs ongoing due diligence on our customers, suppliers and other business partners such as NGOs and charities we work with. This due diligence is guided through the use of [EthiXbase360](#) where screening is done related to:

- Corruption
- Human rights violations
- Violations of international sanctions
- Other economic crimes (e.g., money laundering, terror financing)
- Environmental breaches
- Other material risks

A key component of the due diligence process is the [KYC](#) documentation that is to be completed for each business partner (i.e., customer or supplier) where trade is exceeding certain thresholds or is deemed



particularly sensitive from a community perspective or is perceived to be high risk in terms of corruption exposure.

Based on an internal risk assessment, Green Resources applies extra diligence in assessing and screening business partners in our operational countries (Tanzania, Mozambique and Uganda) and in particular in the below areas of our operation:

- Import & export activities (i.e., port-related activities)
- Renewal of operating licenses and permits
- Consultants supporting government interaction (i.e., tax assessment, renewal of permits and licenses)
- Community activities including donations and partnerships with NGOs
- Donations
- Land acquisition or divestment activities
- Forestry contractors

The risks are clearly communicated internally through training documents to ensure all members of staff are intimately aware of areas of high risk.

Training registers are maintained in order to assess if adequate training has been provided throughout the organization and various job categories.

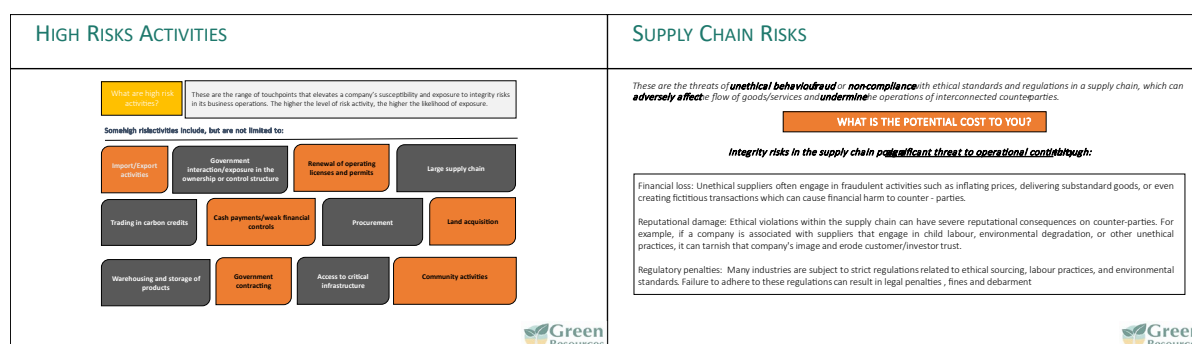


Exhibit: Extract from Green Resources Training Documentation on Business Integrity

During FY23/24, Green Resources did not identify severe human rights impacts in our operations. However, a community member filed a grievance about air pollution from burning wood waste, which the operation recorded as a human rights issue. The operation designated a zone for the community to collect veneer's reject sheets. Additionally, the chipped waste will be used as mulch in young pine compartments and laid out in nursery walkways. Whilst this has not been completely eliminated, the need to burn wood waste has reduced the impact to some extent.

GRAS also identified a potential forced labour risk involving one of its clients, a resin tapping company, which sends workers onto our leased plantations to tap the pine trees for resin. This material is used as a key input in products as diverse as adhesives, varnishes, glazes, and insulation.

The client was using a non-Tanzanian workforce for its resin tapping operations. Green Resources' human resources and ESG departments became aware of allegations that these foreign workers were experiencing passport retainment, late payments and denial of healthcare access. Our Tanzanian management team visited the site and, after interviewing workers, launched an investigation. The client was told to cease operations at its site until the workers' visas were produced and healthcare access had been offered to any sick or injured workers. We also reported the allegations to the Tanzanian Immigration Department and the Tanzanian Ministry of Labour and Employment. Both agencies sent officials to the site to interview workers and confirm that the workers were allowed to reside and work legally in the country.

Once Green Resources had been provided evidence of the workers' visas to work in the country, the client was allowed to resume operations. Green Resources continues to monitor this situation closely. Our local HR manager visits the site on a monthly basis and is given access to the workers to hear concerns. As is the usual standard operating procedure, the client was required to sign an attestation to our Code of Conduct; the client has been informed that any further breach of this could result in immediate termination of their contract.

Green Resources is grateful for the efficient involvement of the Tanzanian authorities to help manage the situation, and is further committed to identifying, mitigating and monitoring modern slavery risks in both its upstream and downstream supply chains.

## Activities to prevent and mitigate negative human rights impacts

Due diligence and audits within our supply chain contribute to the overall continuous monitoring of our supply chain. We believe that a collaborative approach with the value chain contributed towards raised awareness of working conditions and to positively aligning our partners on our commitment to human rights.

### *Cascading Requirements in the Supply Chain*

We strive to ensure that our suppliers, vendors, and subcontractors share our commitment to safety, business integrity, respect for human rights and compliance. We also expect that they in turn apply the same principles towards their own employees, suppliers, subcontractors, and agents with whom they work in the delivery of goods and services to Green Resources. We therefore cascade our expectations and requirements for human rights protections to our suppliers and subcontractors.

These requirements are included in our Supplier Declaration which was implemented in 2023 as an integral part of our supplier contract documentation.

### *Contractual Clauses*

Contractual clauses are a tool to signal expectations of respect for internationally recognized human rights to our business associates. Contractual clauses can allow us to demand a contractual party address and eventually rectify human rights violations or terminate a contract if deemed necessary. We include 'audit rights' clauses in our contracts with suppliers to have the possibility to verify their compliance with the Supplier Declaration commitments.

### *Inspections, Reviews and Audits*

We perform regular inspections for our own locations, projects, and business partners. Controls of human rights guidelines and directives are regularly carried out, often in conjunction with a broader review of health and safety, procurement procedures and/or quality.

Annual external FSC™ audits frequently focus on supply chain compliance with human and labour rights. Green Resources undergoes five FSC™ audits per annum (3x FSC Forest Management and 2x FSC Chain of Custody)

### *Reporting of concerns, whistleblowing, and grievance mechanisms*

Feedback (both positive and negative) from our stakeholders is important for Green Resources. We believe feedback helps us to improve our relationships with stakeholders and improve the company's operating activities.

We are committed to building a culture of trust where employees are comfortable to ask questions, seek guidance, raise concerns and report suspected violations. Green Resources' whistleblowing channel allows anyone (including external parties) to anonymously report concerns, incidents, breaches or suspected breaches of the Code of Conduct, other internal policies, or laws and regulations.

For grievances, please email us at [speakout@greenresources.no](mailto:speakout@greenresources.no)

For comments, suggestions or questions please email us at [info@greenresources.no](mailto:info@greenresources.no)

## *Investigations*

All notifications to the whistleblowing channel are received and managed by our Group Environmental and Social Manager and are treated with strict confidentiality. The Group ESG Manager has a mandate to investigate alleged compliance violations and can report these directly to the shareholders, Board or ESSI Panel members if the nature of the grievance should require it. Investigations are carried out in accordance with the rules set out in the Grievance Management Process ([G030-0001 Grievance Management Process](#)).

Incidents and investigations that uncover malpractice or breaches of causing, contributing to or being complicit in human rights violations shall result in recommended remediation and improvement actions. In such cases, remediation and improvement actions will be directed at the negatively impacted people and will seek immediate rectification by the offending party or where such breach is intolerable will result in termination of the business partnership.

## *Modern Slavery Questionnaire*

GRAS, through a partnership with anti-modern slavery NGO and compliance platform [SlaveCheck](#), sends all of its suppliers and clients an annual modern slavery questionnaire. This aims to confirm that our suppliers and clients maintain codes of conduct and asks their own suppliers and clients to abide by it. It also asks them to provide details on the modern slavery monitoring and remediation processes they have in place. This tool has been an effective way for GRAS to collect data on its Tier 1-4 suppliers, as well as its clients.

To read more about our approach to stakeholder engagement, please go to our [Sustainability Report FY23/24 \(p47\)](#) and also review Theme 4: Land, Communities & Stakeholders from our [Sustainability Agenda 2022-2032](#).

## *Internal and External Training, Toolbox Talks and Awareness Sessions*

Throughout the FY23/24 we continued training and awareness campaigns across the organization. We 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.

The annual publication of the Sustainability Report is another way in which Green Resources strives to make its audience and stakeholders aware of the importance of human rights in its supply chain.

During FY23/24 employees across the organization received training on our Business Integrity program; this can be found on page 58 of our [Sustainability Report FY23/24](#). During the year, 269 people received training on Business Integrity, meaning that we reached approximately 50% of our staff through formal training sessions.


## *Compensation and Remediation*

Addressing adverse human rights impacts requires taking adequate measures for their prevention, mitigation and, where appropriate, remediation.

We investigate incidents and, where people are affected, we offer counselling and provide active support to compensate or remediate the situation often with the help of specialized partners or service providers.

We are continuously focused on further development of our human rights program including audits and supply chain risk assessments. Looking forward, tracking metrics related to human rights impacts and supplier documentation will play an increasing important role to improve our performance in this area and to avoid harm to people.

Oslo, 20<sup>TH</sup> December 2024

  
Kuda Phairah (Dec 22, 2024 14:40 GMT+2)  
Kudakwashe Phairah  
Chairman

  
Terhi Koipijärvi (Dec 22, 2024 10:09 GMT+2)  
Terhi Koipijärvi  
Director

Paul Speed  
Director

  
Yida Kemoli  
Director

  
Cornelis J.C. Lemm,  
Group CEO

Lilian Kitosy  
Group CFO

Demetrius Kweka  
Group ESG Manager

## Appendix I

This report applies to the following legal entities:

- Green Resources AS (Norway)
- Nortan AS (Norway)
- Global Solidarity Forestry Fund AB (Sweden)
- Busoga Forestry Company Ltd. (Uganda)
- Green Resources AS (Tanzania – Branch Office)
- Sao Hill Industries Ltd. (Tanzania)
- GRL Tanzania Ltd (Tanzania)
- Green Resources Niassa S.A. (Mozambique)
- Niassa GreenPly Lda (Mozambique)
- LFL – Lindi Forest Limited (Tanzania)
- NFZ – Ntacula Floresta de Zambezia (Mozambique)