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# SUSTAINABILITY REPORT



## Highlights

**111,355 ha**  
total area under  
management

**Over 35,000 ha**  
planted area  
across the group

**57,049 ha**  
of the landholding  
FSC™ certified

**39,831 ha**  
of land is managed as  
open areas comprising  
area for conservation  
(conserved forest,  
riparian zone, wetlands,  
buffer, ASI) and other  
purposes than production  
of timber

**59 km**  
of roads repaired in  
Tanzania operation to  
provide access and  
control erosion

**2,621 km**  
of road maintained  
across the group

**142**  
internal environmental  
inspections conducted  
during the reporting  
period where 20 non-  
conformance were  
identified and mitigation  
measures applied to correct

**259**  
people received training  
in environmental  
management,  
monitoring (of RTE  
as well as invasive  
species) and  
compliance

The control and  
removal of invasive  
species was  
conducted  
on a total of  
**730 ha**  
of conservation  
areas

### FIGHTING DEFORESTATION AND CLIMATE CHANGE IN EAST AFRICA

Forests are the most important carbon sinks and a source of well-being and prosperity. The world's forests cover 4 billion hectares, but this cover is shrinking by about 3 million hectares every year.

Although global deforestation has slowed down in recent years, it is still fast especially in Africa and Latin America. Between 2010 and 2015, the global forest area declined by 0.4 percent, but in Africa the forest cover shrank by 2.1 percent and in East Africa by 2.7 percent or by 7.6 million hectares.

The deforestation rates are particularly high in Uganda. The population growth is causing continuous pressure, and every year, 2.6% of the country's forests are cut down for fuel and agriculture, according to the World Bank. If things stay as they are, Uganda may lose all its forest cover in less than 25 years, according to Ugandan National Environment Management Authority.

Through its dedication to sustainable forestry and responsible timber production, GRAS contributes to the fight against climate change and deforestation in the region. Through job creation, knowledge sharing, and various community projects, GRAS is also committed to close engagement with local communities and fostering social and economic development both at local and national levels.





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## SCOPE OF THE REPORT

This sustainability report covers a concise and balanced account of the performance of Green Resources AS (GRAS) during the new financial year, which runs from July 2020 to June 2021. The report explores how GRAS aims to be a responsible player in East Africa's national and regional economies while achieving a positive impact on its stakeholders and the environment. The report shows how GRAS works in harmony with its operating environment and how it deals with the needs of its stakeholders, risks and opportunities. It aims to demonstrate how it measures itself past one year and improve where improvement is needed.

The report covers GRAS's approach to the business's social, economic, environmental, and governance aspects. It employs both a historical and forward-looking approach in reporting. In addition, the report refers to the Global Reporting Initiative Standards as the basis for the disclosure of sustainability information.



## FOREWORD

HANS LEMM



We have seen increasing levels of vaccination, with our Mozambican business leading the pack with more than 60% of the staff vaccinated.

Hans Lemm

I am pleased to present Green Resources' 2021 Sustainability Report which covers the Financial Year 2020/2021. This report is aligned with our Financial Year making it easier for readers of the report to relate the impacts of our business to financial performance indicators.

The reporting period was dominated by the impact of the COVID-19 pandemic and like most businesses around the world, our business had to adjust its way of operating. Masks, Handwashing and Social Distancing have become the new normal across our operations. We have been fortunate that no staff members have succumbed to COVID and case levels have been relatively low, however we are acutely aware of the ongoing risks, especially, from new variants. We have seen increasing levels of vaccination, with our Mozambican business leading the pack with almost 60% of the staff vaccinated. Unfortunately, there is still significant

distrust and reluctance to vaccinate in many areas of our operation. We continue to educate staff and have initiatives in place to improve access to vaccine. We hope that national governments and international organizations will continue to support vaccine availability in Africa.

Despite the significant operational challenges, our business has shown to be resilient, and we have been able to continue our operations throughout the year regardless of lockdowns and restrictions of movement of goods and people. Against the odds FY20/21 has outperformed the previous year which on its own was a record year for Green Resources.

Globally the solid wood industry has seen a price boom however this trend has not (yet) been observed in East Africa and consequently we are increasing our activities in export markets. Our Tanzanian and Ugandan sawmilling operations



have increased its exports of timber to Asian and European markets as well as regional African markets. In Mozambique the Veneer Plant has been substantially commissioned and we expect exports to commence in the FY21/22 financial year.

Globally we see increasing awareness (and alarm) on the threats that climate change represents for the world and human population. In a response to this concern we have seen significant growth in enquiries for Carbon Credits. In June 2021 a total of 532,000 tCO<sub>2</sub>e of Verified Emission Reductions (VERs) were confirmed from our Tanzanian plantations and we expect further emission reduction certificates to be verified in FY21/22.

In 2018 Green Resources realized it would not be able to successfully develop its landholding and consequently started the development of a land return project during FY19/20, which was operationalized during FY20/21. By the 30th of June 2021 some 150,000ha of land was returned to the State, which owns all land in Mozambique, whilst at the same time community land rights had been restored. The remaining 25,000ha of land will be returned during FY21/22 and winding up of the companies in Nampula and Zambezia Provinces of Mozambique will follow from there. The land return project is executed in partnership with USAID under its ILRG project. USAID's ILRG program is a global program to assess and respond to land and resource tenure and property rights constraints. In addition to USAID there are many Mozambican

NGO's and service providers involved in this project which stretches across various provinces. The State of Mozambique has been supportive and recognizes the project to be a win-win-win for the government, communities and company.

For the coming year we have many initiatives lined up but amongst them a crucial one will be the development of the company's Sustainability Agenda. The Sustainability Agenda will provide a structured way of defining key sustainability themes and targets that influence the businesses' growth and return. Going forward the Sustainability Agenda is expected to significantly impact the direction the company will take in managing its impacts as well as reporting on these.

Like in previous years we encourage our stakeholders to provide us with feedback, 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@info@greenresources.no](mailto:speakout@info@greenresources.no)

Hans Lemm  
Chief Executive Officer



## ALIGNMENT WITH SDG'S

Green Resources will re-evaluate its contribution to achievement of the United Nations Sustainable Development Goals (SDGs). The company recognizes that forest industry in Africa is uniquely positioned to drive the transition to a low-carbon future rooted in renewable natural resources and sustainable economic growth and the sector interacts with all 17 SDGs.

As part of the sustainability strategy process, the company will analyse its contribution to forestry core SDGs 6, 7, 8, 12, 13, 15 – defined by [World Business Council for Sustainable Development \(WBCSD\)](#) – and additional supportive SDGs, such as 1, 4, 5, 9 and 11, and set concrete targets and revise and outline key actions for impact opportunities.





## BOARD OF DIRECTORS AND MANAGEMENT

### GRAS' BOARD OF DIRECTORS 2021

**Frode Alhaug**  
Chairman

**Ilkka Norjamäkki**  
Director

**Lasse D. Nergaard**  
Director

**Matti Karinen**  
Director (appointed Oct-20)

**Terhi Koipijärvi**  
Director (appointed Jan-21)

**Arild Engh**  
Director (appointed Jan-21)

**Michal Brink**  
Director (resigned Dec-20)

**Mikko Kuuskoski**  
Director (resigned Oct-20)

**Eirik Bergh**  
Director (resigned Dec-20)

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 and appoints the CEO, who acts according to the Board of Directors and is responsible for the day-to-day management of the Company's affairs.

The subsidiary companies have their own boards in all key countries of operations consisting of GRAS' employees and in some instances external members who represent minority shareholders and act in an advisory capacity.

### GRAS' EXECUTIVE MANAGEMENT 2021

**Hans Lemm**  
Chief Executive Officer

**Lilian Kitosy**  
Chief Financial Officer

**Demetrius Kweka**  
Group ESG Manager

**John Ferguson - MD UG**  
**George Bottger - GM Industry TZ**  
**Hampus Hamilton - GM Forestry TZ**  
**Kevin Cremer - GM Industry MZ**  
**Enver Mapanda - GM Forestry MZ**  
**Hampus Hamilton - GM Forestry TZ**

## OUR MISSION, VISION AND VALUES

At Green Resources AS (GRAS) we believe that social and environmental impacts are material to the value of investments and therefore this information is highly relevant for our shareholders and clients. We also recognize that the social and environmental impacts 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.

GRAS' strategy is based on the sustainable development of the areas in which it operates. The company believes that forestation is one of the most efficient ways of improving social and economic conditions for people in rural areas and aims to be the preferred employer and partner for local communities in these areas.

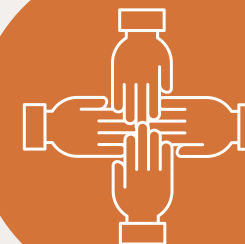
### OUR MISSION

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

### OUR VISION

Our vision is to establish sustainably-managed forest plantations that will create the basis for long-term growth and value creation. We will use wood from existing and new plantations to produce wood based products as per the requirements of the markets we operate in. Our objective is to become an employer of choice in the countries we operate in.

We will follow the highest standards in corporate governance and in sustainable forest management. Our aim is to become an attractive company for investors and a favoured partner for development organisations.



### OUR VALUES

- Excellence
- Quality
- Sustainability
- Trust
- Integrity
- Transforming lives

### OUR OBJECTIVES

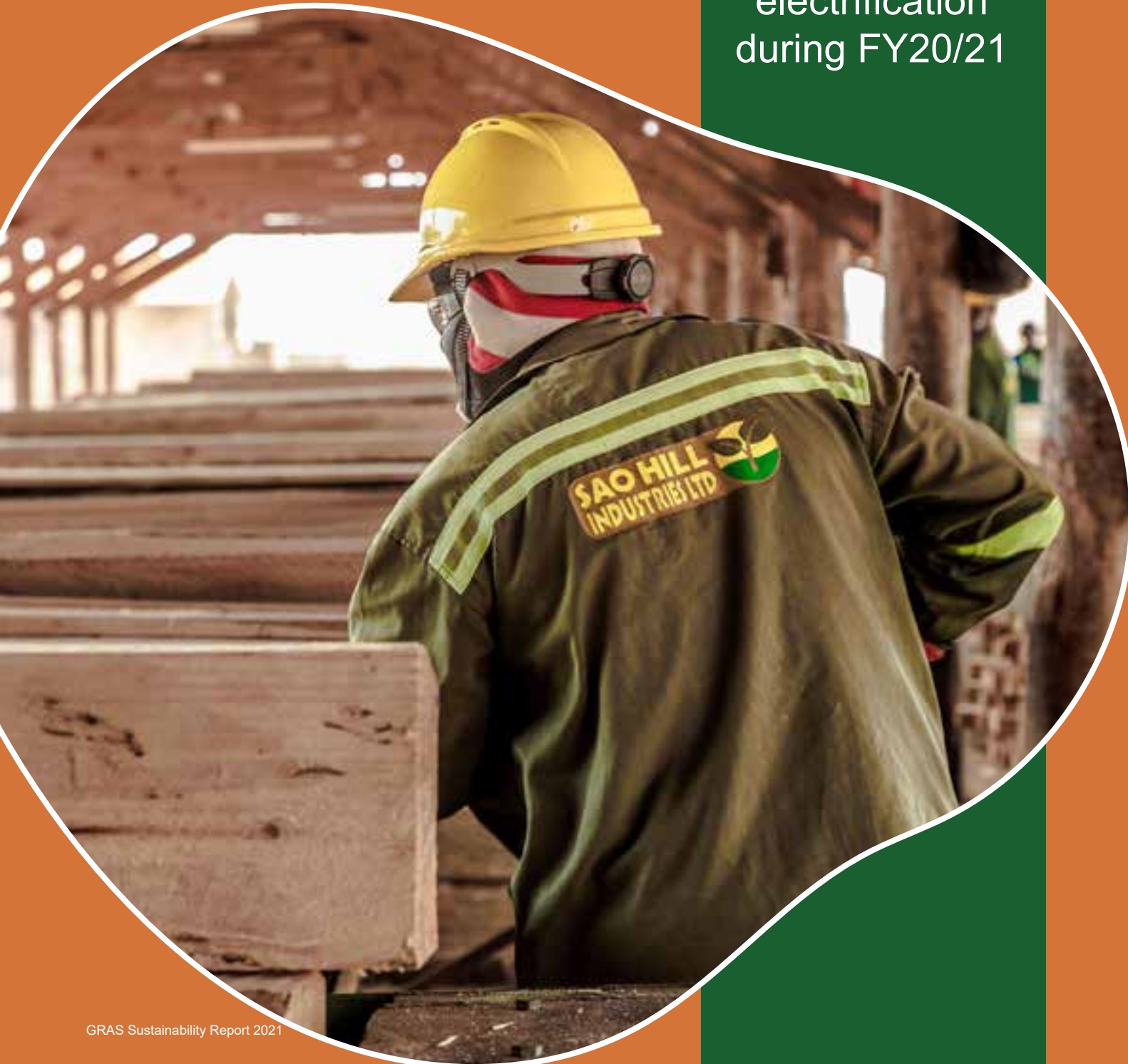
- Establish and maintain fast growing and high-quality forests
- Provide quality products and services to our customers
- Adhere to high environmental and social standards
- Contribute to social economic development and sustainable development objectives
- Generate good returns on the investment
- Be the preferred employer in our industry and a trusted partner for all stakeholders
- Zero tolerance towards discrimination, poor working conditions and corruption
- Provide a safe working environment for employees and other stakeholders
- Commit to meet international standards for transparency and communicate openly and regularly with key stakeholders





SCOPE OF ACTIVITIES

We supplied  
**176,260** poles  
for rural  
electrification  
during FY20/21



LOCATION AND OPERATIONS

GRAS is a private Norwegian company established in 1995 with both private and institutional investors. Our administrative headquarter is located in Dar es Salaam Tanzania and operations are in Uganda, Mozambique and Tanzania.

SUSTAINBLE FORESTRY

In these countries GRAS manages a landholding of 113,601 ha of which 57,482 ha is Forest Stewardship Council (FSC™) certified. GRAS is a significant player in the East African forest, timber and transmission poles markets. This is a result of GRAS sustainable biological assets, well managed forestry operations, close attention to customer needs and its ability to deliver quality products

INDUSTRIAL OPERATIONS

The company aims to add value by continuously improving the quality of the timber products produced. It operates industrial facilities including two sawmills, three pole treatment plants (one in each country), a timber kiln and a briquetting plant. During the reporting period, GRAS has commissioned two more kilns (a pole kiln in Tanzania and a timber kiln in Uganda) as well as a veneer production plant in Mozambique under the banner of Niassa GreenPly (NGP). In Mozambique a Creosote Plant is being added to cater for the requirement of Mozambique and World Bank funded rural electrification to use Creosote treated poles. The new plant will be capable of converting to alternative treatments as soon as these are available, approved and preferred for use in rural electrification. In coming years also the sawmills in Tanzania and Uganda will be expanded to increase efficiency and production capacity.

Electrification is key to East Africa strategic national industrialization and economic growth plans. The use of quality cost-effective construction materials is integral to supporting these plans. Wood and wooden poles precisely fit these requirements.

GRAS has supplied a total of 176,260 poles during the FY20/21 equivalent to 8,813km of electrification - a driving

force to spark business transformation in rural Tanzania, Uganda and Mozambique.

The kilns in Uganda and Tanzania have increased efficiency in production whilst improving the quality of our products in line with customer's standards. The start-up of the veneer mill in Mozambique is the first significant investment at Green Resources in the past 7 years. It is a landmark industrialization initiative with a goal of vertical integration of plantation resources. This factory comprises a \$2.8 million investment into a high-tech timber peeling facility that produces quality veneer from Eucalyptus species. In future, the Company plans to continue integrating forward to make plywood, a global commodity that can increase revenues and margins.

**57,482 ha** of FSC™  
certified plantations

The construction of kilns and the veneer plant has resulted in an additional employment of around 100 people (direct and indirect employment). In addition, the veneer production will be exported and generate foreign exchange and many other opportunities for suppliers and contractors.

Both projects have successfully undergone Social and Environmental Impact Assessment (SEIA) based on national guidelines and regulations and awarded environmental licenses to proceed.

GRAS operates through its wholly owned subsidiaries:

- Sao Hill Industries Ltd. in Tanzania **SHI**
- GRL Tanzania Ltd. in Tanzania **GRL**
- Busoga Forestry Company Ltd. in Uganda **BFC**
- Green Resources Niassa in Mozambique **NGR**
- Niassa GreenPly in Mozambique **NGP**



GRAS's primary products and services are establishing and managing pines and eucalyptus plantations as raw materials for own processing industry and third-party wood processing industries. The company is one of the largest suppliers of transmission poles for rural electrification in Mozambique, Uganda and Tanzania and achieves this by adhering to international and national standards to supply treated utility poles with high quality and durability. These plantations and wood processing industries produce a variety of products, as shown on the graph below.

GRAS sawmills supply high-quality timber for construction and furniture, thus reducing demand for the unsustainable harvest of natural forests and importation of wood and steel. In addition, the company supplies biomass and firewood to third party companies and surrounding communities. The supply of firewood has a direct positive impact on natural forests and improves community relationships. For example, the donation of over 15,000m3 eucalyptus biomass for charcoal manufacturing in Bukaleba and Kachung plantations has benefited over 6,000 households providing opportunities to generate seed capital for alternative income-generating activities.

ENERGY CLIMATE & CARBON CREDITS

GRAS' forests act as a carbon sink in the fight against climate change. Some of our plantations are internationally certified and regularly verified using the recently updated methodology and must demonstrate that they also result in measurable social and environmental benefits. We use Verified Carbon Standard (VCS) and CDM monitoring and reporting frameworks developed by VERRA and UNFCCC to generate quality carbon credits.

PRODUCT	TANZANIA	UGANDA	MOZAMBIQUE
Standing Forests & Sawlogs			
Peeler Logs			
Biomass & Firewood			
Briquettes			
Sawn Timber			
Pallets			
Treated Transmission Poles			
Building & Fencing Poles			
Veneer			
Scaffolding			
Resin Tapping			
Wood Chips			



MANAGEMENT STRUCTURE AND RESPONSIBILITIES

Management of Green Resources AS is structured in a tier format with the Board of Directors, GRAS Corporate Management team and Operations Management teams, forming the critical delivery teams for the organisation.

The Board of Directors

Is responsible for the governance of the Company and 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 and appoints the Group CEO, who acts in accordance with the orders of the Board of Directors and is responsible for the day-to-day management of the Company's affairs. The subsidiary companies have in-house boards consisting of a of external Non-Executive Directors and GRAS representatives.

ESG Steering Committee

For sustainability matters, the Board receives advice and guidance from the ESG Steering Committees. Their role is to provide technical guidance on the sustainability matters and ensures that GRAS complies with international best practices (such as FSC™ and IFC PS) and meets investor's criteria in respect of its Environmental and Social Management. The Committee is made by representative members from management, board and investors. 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.

GRAS Corporate & Operations Management Teams

Are responsible for the day-to-day management of the company's activities which must be in accordance with sound financial principles, DFIs lender requirements and relevant legislation. The team reports to the Group CEO who in turn falls directly under the authority of the Board of Directors and must follow the guidelines and legal orders issued by the Board of Directors through its Chairman.

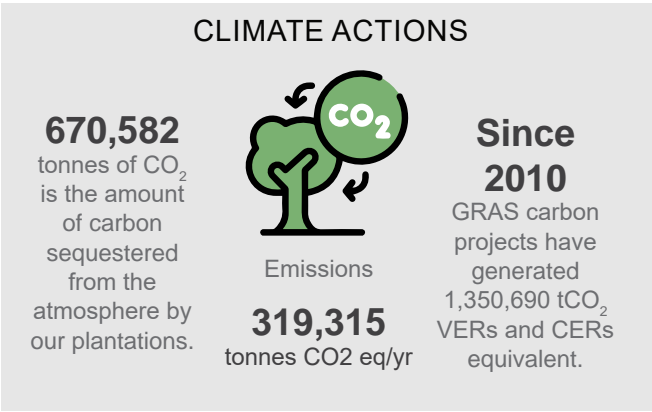
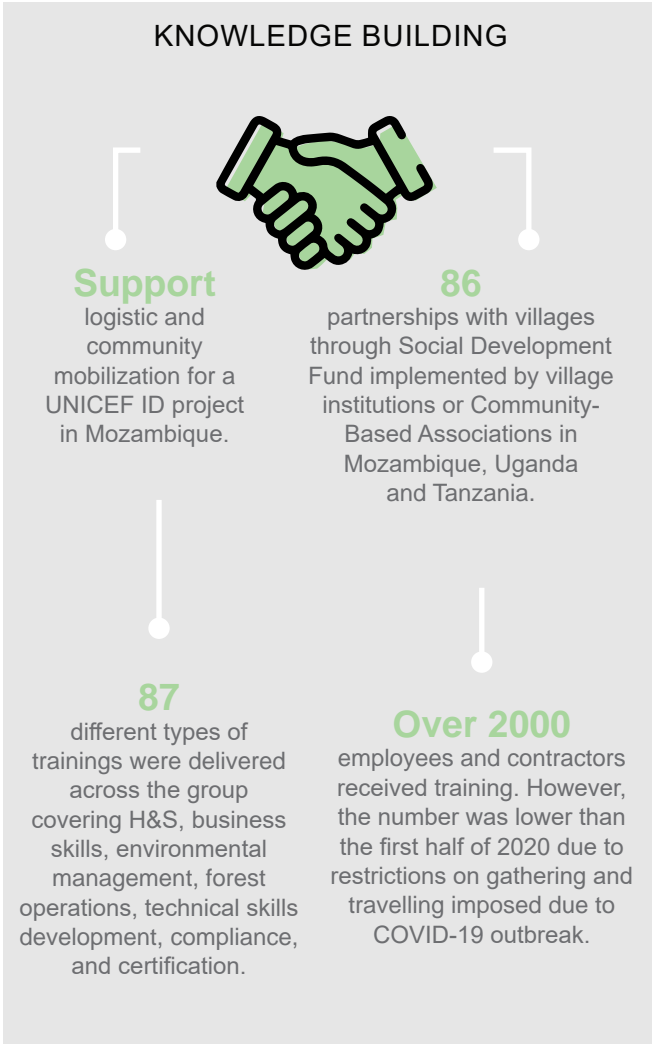
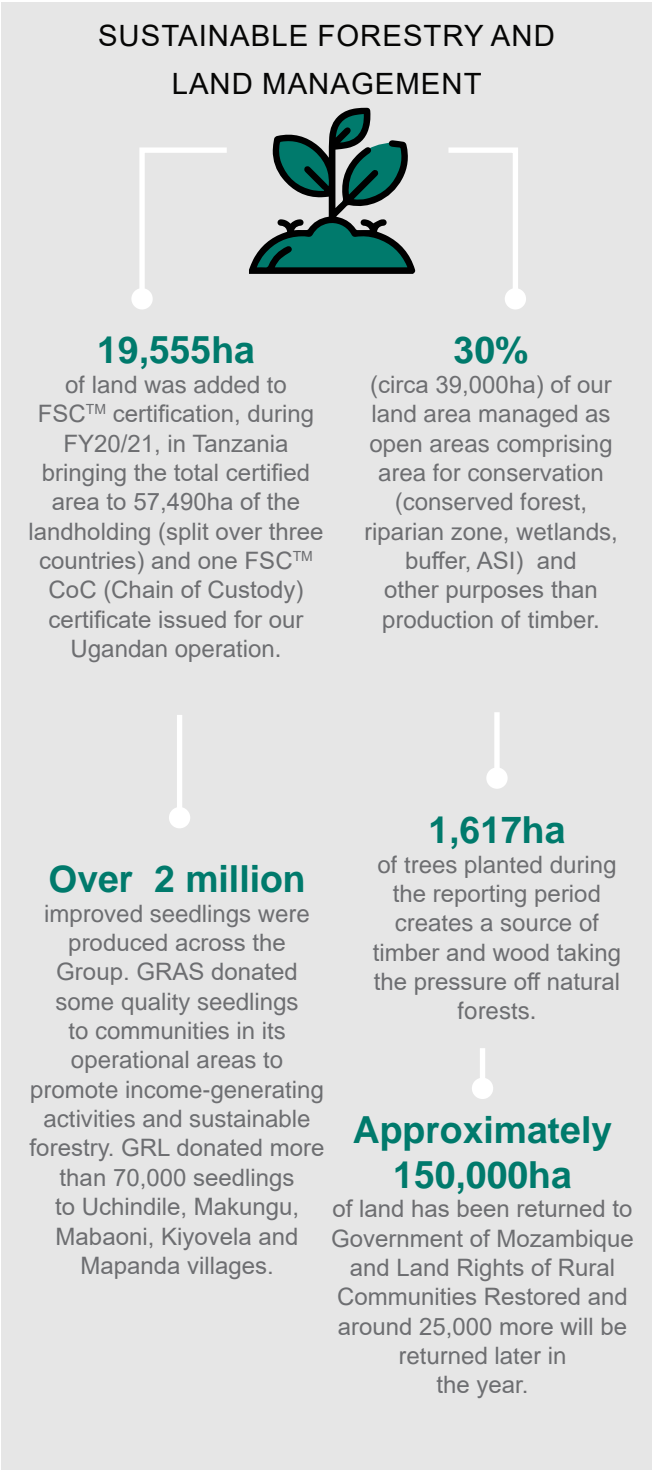
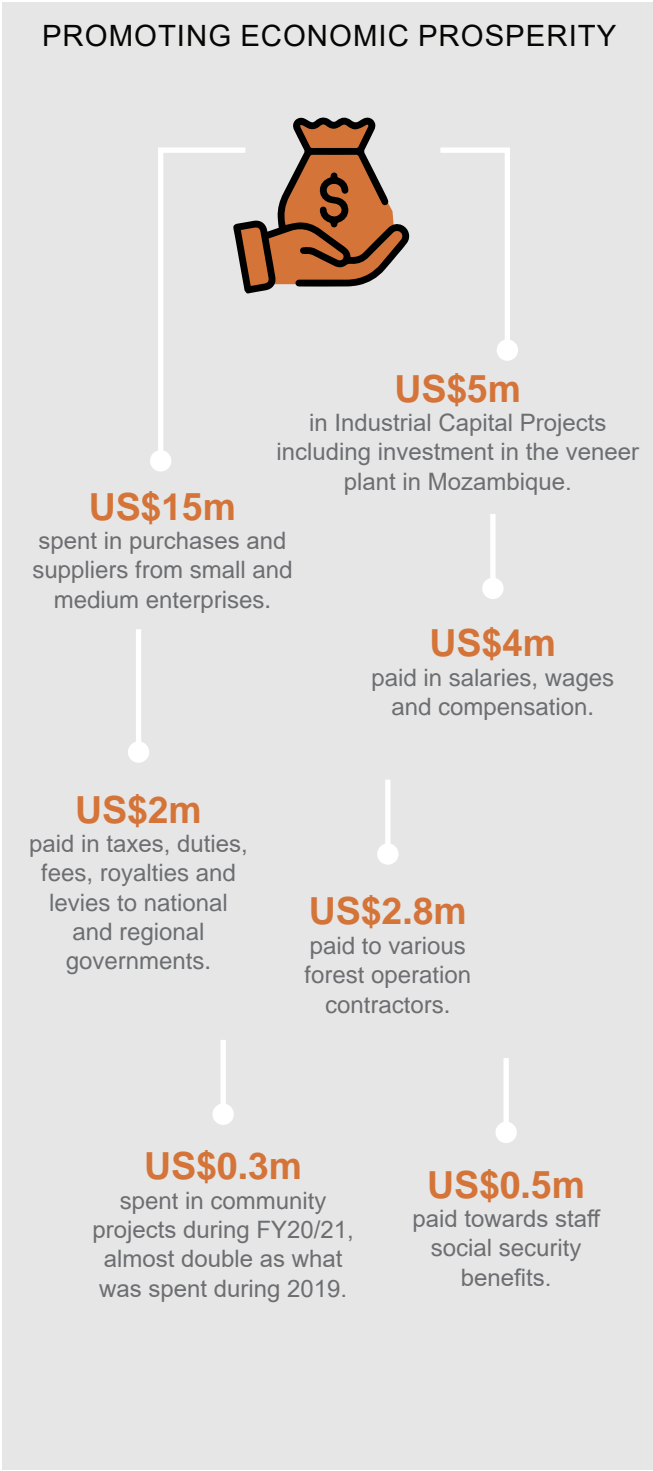
Environment and Social (E&S) Department

The Group E&S Manager reports to the Group CEO. Each country has its E&S team who ensure that all environmental and social aspects are planned and implemented across the group, following international best practices and ensuring compliance in sustainability issues.



KEY IMPACTS

GRAS is a responsible corporate citizen in the communities where it operates. Our operations interact with the United Nations Sustainable Development Goals (SDG) through protecting the environment, promoting economic prosperity and investing in social development.





SUSTAINABILITY COMMITMENTS AND COMPLIANCE

LEGAL COMPLIANCE



The table below shows a (non-exhaustive) list of compliance obligations for GRAS.

ALL	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 and Compliance Licenses	●	●	●

THIRD-PARTY AUDITS & CERTIFICATION

GRAS is committed to adhering to international best practices and standards and complying with national legislation and Development Finance Institutions' (DFI) lender requirements. To demonstrate compliance, GRAS undergoes frequent third-party assessments.

Operation	Inspections	Audits
Tanzania (SHI)	2	2
Mozambique (NGR)	2	1
Uganda (BFC)	1	3

The list below shows third-party audits which took place during the reporting period and ones scheduled to take place in the coming financial year 2021-2022:

- In Mozambique, an FSC™ 4th surveillance audit was conducted in September 2020, and the re-certification audit was successfully completed in September 2021,
- In Tanzania a 2nd FSC™ surveillance audit was conducted in June 2021. The operation successfully passed the audit without a Corrective Action Request (CAR) and did that three years in a row, simultaneously managed to extend the area under certification from the current 24,558 to 35,063ha covering Kitete plantation.
- Uganda received FSC™ CoC certification in October 2020 with certificate code SA-COC-008075. The product categories include dimensional timber, fuelwood, sawdust, pallets, boards, firewood, rough wood, treated dimensional timber, and impregnated rough wood (treated poles). In addition, in August 2021, the Ugandan operation successful audited and passed a surveillance audit to retain the FSC™ Chain of Custody certificate. This is a landmark achievement as timber products from our Uganda operations can trade under an FSC™ logo to increase the market appeal for our products and fulfill customer requirements.
- Tanzania and Mozambique operations were certified against ISO 9001 Quality Management for the pole operation.
- Uganda has maintained its FSC™ forest management certification following a successful surveillance audit by Soil Association, an FSC™ accredited certification body.
- The Ugandan operations were also audited against the ISO14001/OSHAS18001 standards and ISO9001 for the pole treatment operations. BFC maintained its ISO certification following a successful surveillance audit in February 2021demonstrating compliance with the requirements of ISO 14001:2015 (Environmental Management System), ISO 9001:2015 (Quality Management System) and ISO 45001:2018 (Occupational Health and Safety Management System Certification).

57,490 Hectares of our plantation areas are certified according to the Forest Stewardship Council (FSC™) standard: the world's leading standard for responsible forest management

Mozambique  
Niassa FSC-C107952

Uganda  
BFC FSC-C106074  
BFC FSC-C160538

Tanzania  
GRL FSC-C015169





Current FSC™ versus Extension of Scope (EoS) by operation

FSC Extension of Scope	Tanzania	Mozambique	Uganda
Post FSC EoS	35,063	13,293	9,134
Pre FSC EoS	24,558	4,243	9,134
Change	10,505	9,050	None

Country	Licence Number	Corrective Action Requests (CARs)								
			2014	2015	2016	2017	2018	2019	2020	2021
Mozambique	FSC-C107952	Minor	14	4	9	0	1	2	2	4
		Major	4	0	0	2	0	0	1	0
		Total	18	4	9	2	1	2	3	4
Tanzania	FSC-C015169	Minor	3	6	7	4	6	0	0	0
		Major	3	0	1	4	0	0	0	0
		Total	6	6	8	8	6	0	0	0
Uganda	FSC-106074	Minor	5	5	1	3	2	1	0	3
		Major	1	0	0	0	0	0	0	1
		Total	6	5	1	3	2	1	0	4
GROUP	All	Minor	22	15	17	7	9	3	2	7
		Major	8	0	1	6	0	0	1	1
		Total	30	15	18	13	9	3	3	8

\*Include FSC™ expansion of scope, however, our audit took place just after closing of the FY

INSPECTIONS & OTHER VERIFICATIONS

Government authorities and agencies conducted a total of 4 inspections. SHI underwent inspections by the Labour Department and the Occupational Health and Safety Authority (OSHA). BFC had only one inspection by the National Environmental Management Authority, while Mozambique had an inspection by the Provincial Environmental Authority.

4 inspections in total

Summary of the findings from inspections conducted

Operational	Inspection Authority	Summary Findings
BFC	National Environmental Management Authority	Inspection and approval of the EIA for the construction of the kiln for timber drying
SHI & GRL	Occupational Safety and Health Authority (OSHA) conducted an annual inspection of SHI	<b>Findings:</b> <ul style="list-style-type: none"><li>Improve seating in some office areas</li><li>Add reflective safety signage.</li><li>Improve electrical signage.</li><li>Improve ventilation in sawdoctor workshop.</li><li>Address access restrictions to distribution panels.</li><li>Reduce risk fo sawdust entering distribution panels.</li></ul> <p>Corrective measures were taken to close out all identified non-conformances except seating in offices as assessment is ongoing.</p> <b>Recommendation:</b> <ul style="list-style-type: none"><li>Create an account with OSHA Workplace Information Management System (WIMS) that facilitates workplace registration, paying bills, booking training, requesting inspections and reporting accidents and complete registration (<a href="http://www.wims.osha.go.tz">www.wims.osha.go.tz</a>)</li><li>Proceed with previous communication to obtain OSHA compliance license</li></ul>
	Vice President Task Force visit to SHI - Labour Division	<b>Findings:</b> <ul style="list-style-type: none"><li>One non-compliance with a consultant working with the wrong visa category (business visa instead of “special pass”)</li><li>Non-compliance with an employee working whilst his Work Permit renewal had not been completed</li></ul> <p>Both findings were addressed and resolved.</p> <b>Recommendation</b> <ul style="list-style-type: none"><li>Improve compliance against labour law and regulations</li></ul>
NGR	Provincial Department of Environmental Authority (DEPTADER) The provincial environmental department inspect the Niassa operation in relation to the expansion of pole treatment plant to build creosote plant.	<b>Findings:</b> <ul style="list-style-type: none"><li>The local community are aware of the project, and the expansion will be within the area adjacent to the existing CCA plant</li></ul> <b>Recommendation:</b> <p>GRAS to update the GRN environmental management plan to include creosote requirements</p> <b>Status of Implementation:</b> <p>Operating Procedures will be developed as part of the commissioning process</p>



INTERNATIONAL BEST PRACTICES, PRINCIPLES AND INITIATIVE

GRAS is committed to complying with both international best practices, national legislation, guidelines and standards related to its businesses, including, but not limited to:

- Currently all three countries are ISO9001 certified whilst Uganda is ISO14001 and 18001 certified.
- International Labour Organisation (ILO)'s declaration on Fundamental Principles and Rights at Work.
- International Finance Corporation's (IFC) Performance Standards on E&S Sustainability. Our IMS is aligned with the IFC.
- Verified Voluntary Carbon Standard (VCS) and the Clean Development Mechanism (CDM) mechanism under the Kyoto protocol.
- The FAO's guidelines on Occupational Safety and Health (OHS) in forest harvesting and silviculture.

For a number of the above and other certification schemes and company obligations, GRAS is frequently assessed through third parties to demonstrate our adherence and commitment to such standards and practices. In some occasions national laws are sufficient to cover some of the above audits and compliances.



SUPPLIER & CONTRACTOR MONITORING

GRAS is committed to maintaining a mutual beneficial relationship based on productivity and responsibility with our suppliers and customers. Therefore, we encourage contractors and suppliers to carry out business with integrity, adhering to GRAS's safety, business ethics and quality principles.

- These include:
- Information sharing,
  - Job creation,
  - Income generation, and
  - Monitoring of off-site impacts of our operations.

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
- SHEQ Factors
- HR & Legal Compliance

In addition, some operations have partnered with financial institutions and government agencies to support contractors establishment and capital cost. BFC has signed an MOU with the DFCU bank of Uganda to provide working capital loans and equipment finance facilities to contractors. Similarly, GRL is working with the National Social Security Fund (NSSF) to enrol contractor employees in the pension scheme. GRL has been working with African Forestry, a Tanzanian NGO, and LonAgro, the Tanzanian John Deere dealer, to make available finance to contractors that allows them to mechanise their operations. Through this collaboration two contractors have been able to obtain asset finance facilities to buy tractors.

These are good examples of how GRAS companies are supporting contractors to develop into formal businesses.

GOVERNANCE, ANTI-CORRUPTION AND THEFT

We have a zero-tolerance stance towards corruption, and our Business Ethics and Principles Policy does not condone any form of corruption. Green Resources AS ensures that all new staff, contractors and stakeholders are provided copies and trained on this policy.

No record of corruption were discovered during the reporting period. However, there was one (1) incident of collusion and theft in Tanzania, six (6) theft incidents in Mozambique, while Uganda had eight (8) incidents of theft. Details and occurrence rates are listed below.

All incidences were investigated internally and investigations were completed with appropriate disciplinary action being taken where own staff were involved and police reports filed where external people were suspected to be involved.

The Business Ethics and Principles Policy and all company's policies are part of the agreement with contractors and major suppliers. Business policy is information is communicated before the finalization of any contracts with the company. All key company policies are strategically published on the notice boards and website, visible to all stakeholders, including employees, customers, suppliers, and visitors.





PEOPLE



In addition to the changes in personnel, there were a number of operational changes to streamline the organization and improve efficiencies whilst reducing costs. Over the past two years, the company has gone through some significant changes in terms of employment numbers and a shift from Own Operations to Contractor operations. Uganda was an early adapter and has started this process before 2019 and was followed by Tanzania and Mozambique more recently. With this shift to Contractor Operations, contractors management was identified as major risk and key performance area for the upcoming financial year. To this end, GRAS conducts checks on Operational / Quality, Health & Safety and Statutory Compliance of Contractors. The contractors' compliance system has been developed across the group and managed through the IMS and aligns with IFC performance standards (PS 2).

SUSTAINABILITY AGENDA

GRAS Board (and other stakeholders) expect the company to be run according to Industry Best Practices in terms of sustainability. Historically this has been done through a focus on FSC™ compliance however, with increasing vertical integration the number of Environmental, and Social aspects that GRAS is dealing with are changing and this change needs to be reflected in the way GRAS address its sustainability programs.

GRAS is currently developing a strategic and forward developing a strategic and forward looking Sustainability Agenda that defines key sustainability themes and targets that will influence our businesses and will capture value through growth and return on capital over the coming years. The Sustainability Agenda will represent a commitment to incorporating social, environmental, economic and ethical factors into the company's strategic decision-making and outline measures to mitigate risks and take advantage of opportunities.





EQUAL OPPORTUNITY

GRAS offers everyone equal opportunities for work. The company promotes fair opportunities to its employees with a focus on female participation. All employees are given a chance to participate fairly in all programs, including training and development opportunities.

One of GRAS' key positive impacts is to provide employment and training to local staff. GRAS continues to create opportunities for jobs, skills development and income generation for the community. A total of 534 staff were employed as of 30th June 2021, of which 494 were permanent employees and 40 seasonal employees. In addition, the company indirectly employs up to 1,800 people during peak season through a system of contractors.

Approximately 55 companies (contractors) provide various services to the company (indirectly employed by the company). The contractors' employees fluctuate due to seasonal activities such as planting, weeding and/or fire protection services. Most of the contractors' employees are from the surrounding communities with some contractors, this number is as much as 100%; however, this number is typically lower for specialised work.

Permanent employees represent the number of employees at the end of the financial year in full-time equivalents (FTE), whilst seasonal employees refer to the number of seasonal and contract employees who have worked for GRAS full-time in the last financial year. The above statistics show more than 30% female share in employment at Green Resources when combining direct and indirect jobs.

GENDER EQUALITY

GRAS is committed to improving gender equality both within the organisation's companies and in the communities in which we operate. GRAS values and respects its female employees and is committed to a work environment free from discrimination and harassment. The company focuses on empowering women to achieve their career aspirations. In line with this, GRL and SHI are planning to reactivate the Green Resources Gender Initiative to empower women in our workplace and enhance the reporting channels for sexual harassment issues.

The company has established and implemented a stakeholder engagement strategy that recognises employees as internal stakeholders with a communication strategy that promotes dialogue between management and employees on working conditions.



Women's Day theme: CHOOSE TO CHALLENGE

awareness is done through collaboration with some NGOs and governmental entities to provide counselling and treatment for people living with HIV. In Uganda, the induction training done for all staff includes a session on HIV/AIDS awareness and prevention. BFC also has a policy on HIV to support and prevent discrimination against people living with HIV. GRL in Tanzania collaborates with the Tanzania Commission for AIDS (TACAIDS) and HIV/AIDS coordinator for Mufindi's District to connect the company with the TACAIDS electronic database system to facilitate support to the victims through counselling and provision of ARV drugs. However, the regular campaigns and awareness training were not possible this year due to the restrictions and regulations aimed at reducing the spread of the coronavirus (Covid-19).

FEMALE FUTURE LEADERS

The GRAS Group CFO is part of the Female Future Leaders program which is provided by the Association of Tanzanian Employers but is part of a wider East African Program supported by Norfund. The programme aims to strengthen gender equality in the workplace, improve womens' representation in management decision making processes as well as draw women to the top positions of the private and public sectors as part of the efforts to ensure sufficient qualified women power in all organisations and leadership. The Female Future Programme was launched in 2016 by the then Vice President and current President, Mrs Samia Suluhu Hassan, designed to prepare women for leadership positions.

The Female Future Program was developed by the Confederation of Norwegian Enterprises (NHO) in 2003 in response to the Norwegian government's policy requiring the boards of public limited companies to have at least 40% representation of both genders. The Program was first rolled out to Uganda in 2010, then to Tanzania and Kenya. NHO trains local trainers, so over time the Program is locally owned and becomes sustainable based on the tuition fees from the participants. Since 2016, Norfund has supported 19 women from its portfolio companies in Tanzania, Uganda and Kenya to participate in the program. You may find more information about the programme at <https://www.norfund.no/female-future-program/>.

WOMEN'S DAY THEME: CHOOSE TO CHALLENGE

GRAS promotes programmes or initiatives to increase the inclusion of women in the workforce. For example, in BFC, recruitment of women is promoted when recruiting for machine operators.

On March 2021, GRAS joined people worldwide to celebrate International Women's Day (IWD). The theme of 2021 was 'Choose to Challenge. The theme urges the calling out of gender bias and inequality to make the workplace more inclusive. To celebrate IWD 2021, a group of Women from GRL Tanzania Limited and Sao Hill Industries Ltd (SHI) visited Ihefu Primary School and Ihefu Nursery School in Sao Hill and participated in cleaning areas surrounding the schools. In addition, women spent time meeting the children and demonstrating to the students what women can achieve.

As we "Choose to Challenge" through celebrating womens' achievements and creating awareness on gender bias and violence, BFC managed to reach out to teenage mothers at "Hope for Women in Crisis" to raise awareness on teenage pregnancy caused by the effect of the Covid-19 pandemic. Hope for women in Crisis offered to help the teenage mothers by giving them moral support, vocational training, formal education, counselling and guidance. BFC joined the cause on the IWD by extending both physical and moral support. The visit was triggered by the fact that the region registered big numbers of teenage pregnancy cases affecting girls between 11 to 15 years of age.

The victims were grateful for physical and moral support from BFC's staff. Some of the BFC ladies shared their personal experiences and how they managed to carry through life amidst challenges. Some of BFC' staff have taken individual responsibility to continue supporting and following up on the girls. The main purpose of the outreach was to give hope to the young girls that even when they have become mothers at a tender age, they can still become influential women, go to school and get an education.

In line with equal treatment, the company promotes awareness of HIV/AIDS to all the staff and community members. This



Employee headcount by operation, employment type and gender

	Male				Female			
Tanzania (GRL)	47	2	143	9	9	0	26	0
Tanzania (SHI)	126	0	122	9	18	0	27	2
Uganda (BFC)	112	0	314	8	25	0	196	4
Mozambique (All Operations)	142	36	1264	8	10	0	439	2
Corporate Office	3	1	1	3	2	1	1	2
Total	430	39	1844	37	64	1	689	10
	2,313				754			





TRAINING AND DEVELOPMENT HIGHLIGHTS

87 various training sessions offered

Training/Awareness Programs July 2020 - June 2021	Trainees		
	Total	Female	Male
TANZANIA			
Forest Operations & Management	24	2	22
Health and Safety Training and Awareness	1147	157	990
Compliances incl. Audit and Certification	11	1	10
Technical/Operational Skills	72	19	53
Business and Leadership Skills	6	3	3
Environmental Compliance &Management Training	259	26	233
Total Number of Staff Trained	1519	208	1311
UGANDA			
Forest Operations & Management	2	1	1
Health and Safety Training and Awareness	85	25	60
Compliances incl. Audit and Certification	13	6	7
Technical/Operational Skills	37	1	36
Business and Leadership Skills	29	16	13
Environmental Compliance &Management Training	0	0	0
Total number of staff trained	166	49	117
MOZAMBIQUE			
Preventative & Pandemic awareness/training	20	0	20
Health and Safety Training and Awareness	38	1	37
Forest Operations and Mgt	87	5	82
Technical/Operational Skills	21	0	21
Business and Leadership Skills	24	0	24
Environmental Compliance &Management Training	0	0	0
Other Trainings (e.g HR induction)	201	42	159
Total Number of Staff Trained	391	48	343
CORPORATE			
ESG Carbon footprint	1	0	1
ESMS (CDC/Norfund)	1	0	1
Total Number	2	0	2
GRAND TOTAL			
Total Number Trained	2078	305	1773

2,078 people trained

At Green Resources, we invest in the development of our employees, and we aim to broaden the knowledge base in the company. Presented below is a high-level summary of the major trainings that were carried out during the reporting period.

During the financial year, 87 various types of training were offered. A total of 2,078 people were trained in various skills ranging from OHS, technical aspects of our operations to environmental management and business and leadership skills.

GRAS training schedule is developed based on the needs of the various operations. In Tanzania, 82% of the total number of training was on our operations' health and safety. In Uganda, the focus was on business and leadership skills (44% of total subjects of training), including training of community-based organisations and contractors to adhere to business rules and regulations. In Mozambique, training focused on improving forest operations efficiency and safety (33% of total training).

APPLYING NEW TECHNOLOGIES

GRAS continues improving the Integrated Management System (IMS) during the reporting period by developing the integrated environmental, social, health and safety management system. The company continues improving the IMS to align with operations plans and international standards such as ILO's Safety & Health in Forestry, FSC™ Principles and Criteria and IFC performance standards and best practise. The IMS allowed GRAS to have a single standardized document repository system ensuring improved effectiveness and efficiency.

GRL is a frontrunner in the group in terms of adapting new technology and use of applications such as Timbeter (<https://timbeter.com/>). The application provides a quicker way and efficiency in computing logs volumes for records and billing systems.

“Timbeter enables quick and accurate timber measurement and data management using artificial intelligence. The program can count the number of logs, as well measure the diameters of the logs, volume and the pile density ratios for pulp-and fuelwood. All the measurements have a geotag, therefore the origin of the timber is always known. The timber measurement is done digitally with the help of a smart-device (tablet, smartphone) and all the measurement data is stored in the cloud, providing a real-time overview of the activities.”

- Hampus Hamilton, General Manager of GRL







## 7 new housing units constructed in Uganda

### EMPLOYEE BENEFITS

GRAS offers a range of employee benefits at different levels, as outlined in the Employee Handbook. This is in compliance with national legislation but often exceeding national requirements. All employees at GRAS are paid more than the National Minimum Wages for the respective countries.

GRAS provides housing to approximately 250 people, with the bulk of those in Tanzania, where the company has around 200 houses at SHI. Seven (7) new housing units have been constructed in Uganda during the financial year, increasing the number of staff accommodations currently at 29 units. Staff housing are allocated according to responsibilities and job requirements.

GRAS provide transportation benefits to the majority of employees who do not live in company houses. With facilities and services around our operating areas improving the company aims to reduce the number of staff staying in company housing and actively promotes members of staff to live in and with the surrounding communities to improve integration.

In addition to the housing benefits, 100% of GRAS' employees are registered with a social security system and 30% of our contractor labour are registered with social security. GRAS continues to support the contractors to enhance registration.

### OCCUPATIONAL HEALTH & SAFETY

GRAS recognizes that strong OHS management requires a culture committed to the safety and the wellbeing of every worker. This responsibility goes beyond our immediate employees but also covers contractor employees, visitors and community members. Our business is committed to ensuring that all our employees and contractors go home safely every day.

During the FY20/21 GRAS had 62 work-related injuries, including 21 accidents classified as Lost Time Injuries (LTI), 34 classified as non-disabling injuries and seven near-misses. No work-related fatalities were recorded in our operations but, one contractor vehicle was involved in an accident when returning from its work place.

All of the accidents were investigated, and remedial actions plans were developed and put in place to prevent recurrence.

#### Key Safety Performance Indicators

Key Performance Indicator	Tanzania	Mozambique	Uganda
Work Related Fatalities	0	1	0
Lost Time Injuries (LTI)	6	9	6
Minor Injuries (NDI)	2	30	2
<b>TOTAL INCIDENTS</b>	<b>8</b>	<b>40</b>	<b>8</b>

1 fatality related to our operations



### GOING FORWARD

We have identified driving and vehicle use as one of our key risk areas. 65% of our accidents and near misses relate to vehicle use. The company continues to track vehicle usage and speed limit using car tracking system as well as reinforcing a culture of reporting incidents, internal inspection and improve OHS trainings. Systems are also being revisited, and teams are motivated to focus on key learning points from each reported safety incident from within the company to improve safety performance.

The following are some of the systems interventions that have been considered and will be focused on:

- Contractor management and inspection
- Driving at night restrictions
- Defensive driving training
- Training on safe harvesting operations

Our engineering team plays a crucial role in making the vehicles safer. In light of this we believe that the maintenance team in Tanzania deserves special recognition as, over the past two years, the team has grown from strength to strength. They have executed some challenging projects that required out-of-the-box thinking and has added real value to the company through the newly built fire tenders, a pole kiln construction, and safely dismantling some obsolete parts of the factory. Quality workmanship and dedication are clearly showing an impact in terms of equipment availability and performance. The team is also looking to the future and has provided some of the employees an opportunity to study at VETA (Vocational Education and Training Authority) and other technical colleges in Tanzania.





COMMUNITY

Green Resources is deeply committed to sustainability and aims to make a positive impact to the surrounding communities' environmental, social and economic conditions.



COMMUNITIES & SOCIAL IMPACT

We believe that our success depends on the extent to which we create value for all stakeholders. Sharing value is a core pillar in our approach to doing business. Through its positive contribution to creation of formal employment, knowledge sharing, improved infrastructure and other positive outcomes, plantation forestry can be one of the most effective way of improving social and economic conditions for people in rural areas.

The company sees the community as a key stakeholder in its success and believe the “title deeds” lie in Green Resources’ ability to promote and maintain relationships with surrounding communities. During this reporting period, the company spent USD 335,856 on activities related to the engagement with local communities and other stakeholders.

After successfully launching Social Development Fund (SDF) in Mozambique, the company scaled up its Community Social Fund expenditure in Tanzania and Uganda. Each year, villages receive funds based on the land areas allocated to the company as well as a bonus against a number of indicators such as fire incidents, absence of poaching and others.

The Communities nominate projects on which the funds are to be spent and Green Resources, together with communities, evaluates the proposals against the Social Fund principles. If the proposals are in line with the Social Fund principles funds are released for project implementation. Funds made available through the social fund are deposited in a joint account and will only be released against an approved project. Development

projects include roads, classrooms, boreholes, marketplaces, hospital wards, water and teachers’ homes.

The SDF is designed to provide continuous support to communities and is part of GRAS’ risk mitigation strategy and intends to strengthen the company’s Social License to Operate. In addition, the SDF allowed for the decentralization of powers to the communities where GRAS becomes a facilitator while communities become the decision-makers for their own development priorities.

As the owner of the forest reserves, The Ugandan Natural Forest Authority (NFA) monitors the land use and activities within the reserves. Most recently, in 2019, 242 people who had started some farming activities within the Bukaleba forest reserve, were asked to remove. GRAS acknowledges the complexity of land use in the area and continues to follow the impacts on local people and strives to maintain active dialogue with the Natural Forest Authority. GRAS also actively contributes to the wellbeing of local communities e.g. through social development funds and job creation.

GRAS Community & Stakeholder Engagement Expenditure (USD)

Community Development Projects/Funds	323,012
Community & Stakeholder Engagement	12,844
<b>Total</b>	<b>335,856</b>

OTHER COMMUNITY ENGAGEMENT HIGHLIGHTS

Busoga Forestry Company (BFC) in Uganda made significant progress with its community engagement programs. A total of 35 community-based organisations (CBO’s) have been established and are participating in the SDF program which will support infrastructure development based on priorities identified by members of the communities. A total of US\$40,000 has been deposited into these CBOs. In Bukaleba, communities around the project have a joint account with the company where an annual sum is transferred to the communities as well as any additional revenue derived through the sale of carbon credits. During the reporting period, community around Bukaleba received US\$25,847.

The implementation of the social fund program, together with other community development initiatives, has seen an improvement in the previously strained relationship between BFC and the communities around the plantation. Frequent engagements with interested parties through the social fund structures established has facilitated the process. As a result, local communities can decide the projects they want for their village, which has empowered them in deciding the development goals.

In February GRL handed over a classroom project at Idete primary school. The project was implemented as part of the company’s long term community development plan and effort to support social-economic development. The implementation of this project will provide more than 50 pupils with an improved study environment.



BACKGROUND: THE BUKALEBA CENTRAL FOREST RESERVE

The overall Bukaleba Central Forest Reserve (CFR) consists of 9,165 hectares, including an 1,200ha Imanyiro Peninsula, an IUCN site, 500ha set aside for community tree planting, 999ha managed by an NGO, and, managed by Busoga Forestry Company (BFC), 1,500 ha conservation area and 4,911 ha forestry and operating area.

In 1974, the Uganda Government, the Forestry Department and the Veterinary Department placed 4,977ha of the CFR under a UNDP/ FAO/ Government funded beef project. The beef project hired people and established infrastructure (buildings, staff quarters) as part of the project. This project collapsed during the liberation war. The land was not degazetted and was later reverted to the Forest Department as part of the forest reserve. After the collapse of the beef project, the Government laid off employees and the project closed. Some employees chose not to return to their homelands and rather established informal settlements.

After a Government call for private investment in Forestry, Green Resources was awarded a license in 1996 for tree growing in designated areas in the Bukaleba Forest Reserve. At the time only few people lived in the village of Bukaleba, and neither Bukaleba nor the fishing villages were registered with the Government.

In 2002, the Government of Uganda offered to set aside 500 ha out of the Forest Reserve area for interested members of

the local communities to undertake forestry related activities as part of the engagement strategy in the management of the CFR.

In 2004, the National Forest Authority initiated a campaign to remove people who encroached on the CFR. This resulted in significant voluntary evacuations. Till to date, NFA continues to apply the non-encroachment policy.

BFC has not carried out any evictions of communities from the reserve. In fact, people continue to live in the villages discussed above, within and next to BFC’s project areas. Today, BFC is in ongoing engagement with 17 villages surrounding the CFR. BFC values the cooperation and support it receives from these surrounding communities. The company contributes to the communities through jobs, economic opportunities, boreholes, NGO partnership programs, healthcare and other community programmes, as well as funding through the Social Funds.

The 1,200ha Imanyiro Peninsula within the Bukaleba CFR is managed by National Forest Authority as an IUCN site. BFC does not encroach on, nor access, nor manage the IUCN portion of the Forest Reserve. BFC currently manages close to 1,500 ha under its own conservation remit.



# UGANDA



## Environmental Protection

and Natural Resources Management through Village Contracts (CBNRM program)

- 3 CBNRM formed and engaged in forest protection.
- The group receive indirect employment and in return for protecting the forest (20 employed before to 65 after CBNRM).
- Improved overall community-company relationship.
- Reduction in number of illegal activity around plantations (135 cases before CBNRM introduction to 45 cases after introducing CBNRM).

## Sanitation

1 community borehole for safe clean water in Okile village in Dokolo)

- The borehole is used for the domestic purpose by 1,800 households in from three communities.
- The borehole has shortened the time community spend walking to search for water and has improved hygiene and sanitation.



## Community Health Support

through Rays of Hope Hospice Jinja

- GR contributed USD 18,000 for counselling, testing and treatment of cervical cancer patients among the community in villages around the Bukaleba plantation.
- Support from BFC helped conduct screening at 19 health centres, with 742 women screened and 49 (7%) received treatment.
- Some women received transport support to attend further examination in a specialized facility.
- Hospice Jinja agreement with GR signed for continued collaboration.



## Building Adok Health Centre

staff accommodation facility

- USD 35,000 spent.
- Civil work was awarded to a local contractor to create employment for over 15 youth working to construct the facility.
- The twin houses are used to accommodate two essential staff who in the past reside far away from the health centre and could not be readily available to offer service, especially to the maternal mother.
- The hospital facility serves a population of about 12,400 and handles average 25 births per month, with over 90% of these happening at night.



## Food security

Uganda is implementing a partnership with an NGO who have established demonstration farms in a number of the communities around Bukaleba and provide training on low impact / high yield farming techniques to improve food security.

- 12 households engaged in Farmer Field School (FFS) in best agricultural practices (less soil disturbance, mulching and rotations) to increase yields which will improve food security.
- Anecdote indicated increasing yield compared to conventional methods.



## 34 community-based organizations

in Kachung and Bukaleba

- USD 40,000 transferred to the community as part of the Social Development Fund.
- Communities are mandated to decide on the project of their choice and get to implement using the funds.



## BFC provided Firewood to Communities

- The deforestation of natural forests is a significant driver of climate change and the loss of biodiversity.
- Therefore, alternative wood sources are necessary to help minimize the pressure upon native forests.
- The donation of over 15,217m3 eucalyptus biomass for charcoal burning in Bukaleba and Kachung plantation has benefited over 6,000 households providing opportunities to generate seed capital for alternative income-generating activities.



# TANZANIA



## Construction of Doctor's House at Chogo Village

- Improved the quality of life and work conditions for medical doctors.
- Improved medical doctors willingness to reside at work station.
- Reduced distance travel by community members for medical treatment due to lack of onsite medical personnel.
- The appointed medical personnel serves 1,000 community members of Chogo village.
- GRAS spent more than USD 20,000.



## Construction of Classroom at Idete Village

- Solved the problem of fast increasing population and hence school enrollment (Increased 30% of enrollment created the deficit of three classrooms)- a classroom had almost 60 pupils, which is against government circular.
- Expected improved pass performance.
- USD 14,000 spent.



## Tanzania has started implementing SDF

with 3 communities of Uchindile, Kiyowela and Makungu

- SDF represent a long-term commitment to support surrounding villages.
- SDF improves transparency, increase engagement and control of funds.
- Almost USD 9,000 was released for three villages/communities in Tanzania, but village numbers will increase with enrollment to the program.



## Provision of 80,000 improved seedlings to the communities

- Expected increased community household income through selling of timber logs.
- Decreased forest fires due to motivation and better relationship between the community and the company.
- More than 300 households benefited from the seedlings donation.

# MOZAMBIQUE



## Construction of a 22 classroom block

## Construction of 5 marketplaces

## Construction of 5 Pre-maternity waiting place

## Construction of 1 bridge

## Construction of 9 school ablution blocks

## Construction of 1 hospital house

## Construction of 2 maize mills

## Construction of 1 silo: grain storage facility

## Construction of 1 place of worship

- 38 Associations received USD 85,000 in Mozambique as part of the second phase of disbursement of social funds to use for the Community Development Projects (CDPs).
- These associations translate to the number of community agreements with GRAS and a cost-effective, win-win community partnership that improves relationships with communities.
- Additional projects included school rehabilitation, boreholes, health centres, a bridge and a market square).



STAKEHOLDER RELATIONSHIP MANAGEMENT



As part of our efforts to maintain our social license to operate, we continue our efforts of regular engagement with all stakeholders including neighbouring communities with a focus on community development and continuing to implement corporate social investment programs.

Green Resources AS' is cognizant of the critical space it occupies in its wider community of stakeholders and the interdependent nature of our relationships. We, therefore, emphasize our commitment to creating shared value and upholding stakeholder engagement as an integral part of our business operations. This commitment is enshrined in our Stakeholder Relationship Management Policy.



KEY STAKEHOLDER IDENTIFICATION AND MANAGEMENT

GRAS' internal stakeholders are its shareholders, management and employees while its external stakeholders include governments authorities, communities, customers, suppliers, media, NGOs and lobby groups. Stakeholder identification is achieved through assessing (mapping) how they directly or indirectly impact the company or how the company impacts them.

Prioritisation of stakeholders is done following the company's strategic objectives and risk register. In addition, our ongoing efforts to build and maintain sustainable relationships with all stakeholder groups have been critical in meeting our commitments and managing expectations and dealing with challenges.

To identify its material issues, GRAS uses a wide range of criteria and processes:

- Identify any areas of concern and/or interest for the various stakeholder group.
- Focus on the areas of concern or possible benefit, and identify ways to engage with the critical issues for mutual benefit between the stakeholder group and the company.
- Understand the views, needs, perceptions and expectations associated with identified areas of concern/ interest in relation to both the local and the global environment.

STAKEHOLDER ENGAGEMENT

GRAS' approach to stakeholder management is based on an effective engagement processes. A key aspect of effective engagement is communication. As such, GRAS holds regular formal and informal meetings with different stakeholders. During the reporting period GRAS staff held 284 meetings with a range of different stakeholders.

A breakdown of the number of meetings held during the reporting period is given below,

- In Tanzania, a total of 14 planned and 4 ad-hoc meetings were held with the local communities, government departments and other stakeholders during the reporting period.
- In Uganda, 91 planned and 7 ad-hoc meetings were held during the reporting period.
- In Mozambique, a total of 137 planned and 31adhoc meetings were held during the year. A large number of meetings was mainly due to the formation and legalization of community associations with regard to the social fund program. Meetings were held with local communities, banks, NGO's, government departments and universities.

Stakeholder Engagement – Number of meetings held per operation

Operation	Planned	Adhoc	Total Number of Meetings
Tanzania	14	4	18
Mozambique	137	31	168
Uganda	91	7	98





## STAKEHOLDER ENGAGEMENT HIGHLIGHTS

### MOZAMBIQUE LAND PROJECT PARTNERSHIP

GRAS has successfully returned 150,000ha of land back to communities in Mozambique. The return is a strategic move by GRAS to consolidate its landholding and match it to future ambitions. To this end, the company will continue to develop part of its plantation forest in Niassa province, in areas that are concentrated and suitable for effective forestry operations. The amount returned during this financial year is part of the total area of 228,000 ha earmarked for return, affecting 117 villages (est 500,000 people) of which 64,000ha had been returned previously (2018). APIEX (Investment Authority in Mozambique) has welcomed the restructuring of the GRAS investment and local government land administration authorities are acknowledging the return of the land titles. On completion of the land return process, GRAS will remain with around 42,000 ha in Niassa province.

GRAS has been careful to follow international best practices and national laws in the return of the land titles. To this end, the company signed an agreement with Terra Firma (a specialist Mozambican consultancy firm) which provided technical support and advice and helped broker financial support via the Integrated Land and Resource Governance Program of the USAID; funds were used to guide affected local communities through transparent and participatory processes of mapping out their underlying rights to the returned land, as a precursor to the ceding of the titles back to the government.

We recognize that land matters are sensitive, and we believe that this partnership will help us improve community relations in our project areas. The partnership has deployed a number of local service providers working with communities to form Community Land Management Associations. The associations take over the management of the returned land on behalf of the local communities in the area. This mechanism guarantees security of tenure over the returned land areas and mandates communities to participate in any discussions concerning new proposals for land allocation and investment on the land. To ensure there are no legacy issues, the company and partners have consulted with local government and the communities to ensure that all outstanding compensation and land fees are fully paid as part of the land return process.



AAs a further part of this restructuring, the Nampula Nursery was transferred to an international NGO operating in the Cashew Nut Value Chain. As part of the transfer, the NGO has committed to invest USD 300k into communities affected by Green Resources' land exit. In addition, the nursery will produce compost and seedlings and demonstrate how the production of cashew and other food crops can be intensified and improved. The goal is to create a sustainable model with local ownership as a key component. It will be organized as a collective of nurseries that also includes decentralized micro nurseries with local entrepreneurs as the owners. Currently, there are 12 micro-nurseries within the NGO partnership in Nampula and Zambezia provinces nurseries with local entrepreneurs as the owners. Currently, there are 12 micro-nurseries within the NGO partnership in Nampula and Zambezia provinces.



### COMMUNITY BASED NATURAL RESOURCE MANAGEMENT

Development of the community relations in Bukaleba and Kachung has been a priority for GRAS. The CBNRM program was introduced in Kachung and later rolled to Bukaleba plantation in Uganda. To date, there are 3 CBOs (Alto, Matrici and Bukwanga) participating in the initiative and all have signed a partnership agreement with BFC. The CBNRM program contracts communities to participate in the protection of forest plantations. e.g. through forest patrols, boundary maintenance, fuel load reduction, and weeding. Since its inception, it has created a number of positive results and impacts:

- 🕒 CBNRM provides indirect employment to community members in Kachung and Bukaleba. The program employed a total of 65 community members.
- 🕒 The number of incidents was decreased from 135 to 45
- 🕒 There was a reduction in the number of illegal activities with over five (5) theft cases recorded monthly in the areas to an average of two (2) cases recorded after the introduction of the CBNRM program.
- 🕒 Testimonies from community members represented by the local council leadership indicate an improvement in the working relationship between the company and the local communities.
- 🕒 There has been a reduction in fire incidents on the plantation, especially in the young crops currently standing at zero

### OTHER PARTNERSHIP AND STAKEHOLDER ENGAGEMENTS

GRAS has been a member of the European Business Group in Tanzania (EUBG-TZ) since 2019 and has taken on the Chair of the Group at the end of 2020. The Group CEO, through GRAS' role in the EUBG-TZ has been appointed as a member of the Tanzania National Business Council. One of the key results from this engagement was the recent presidential endorsement of the Tanzania National Strategy for Engineered Wood Products (EWP).

GRAS believes that the transition to more sustainable building materials such as Cross Laminated Timber and other EWP's is a key factor in reducing global CO2 emissions. The endorsement of a national EWP strategy is seen as an important step towards achieving this goal.





GRIEVANCES

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

GRAS has an effective grievance mechanism in place, which ensures that all stakeholders are able to raise issues and ensure that they are dealt with in an effective and timely manner.

In addition to a specific grievance channel, communication channels include phone calls, letters, emails, suggestion boxes, and community meetings. In addition, people can

provide verbal complaints that are also recorded down e.g. through filling a grievance submission form to make it official.

Each grievance is reviewed to understand whether a potential breach of our standards or procedures has occurred. In some cases, the grievance or complaint can be addressed immediately but in some cases a more throughout investigation and consultation is needed.

During the reporting period, 8 internal grievances (from Staff) and 29 external (from community and other stakeholders) grievances were raised. 18 out of the 31 grievances were closed.

Grivenace Management - Number of Grievances received and closed per Operation

Issue	Mozambique		Tanzania		Uganda	
	Number raised	Number closed	Number raised	Number closed	Number raised	Number closed
Staff grievances with supervisors or managers	3	2	3	2	3	3
Community or Contractors' staff other parties grievances with the company/ supervisors or managers	8	4	0	0	1	1
Land Disputes	3	0	0	0	0	0
Issues with Community Development Projects/Funds	7	4	0	0	0	0
Work condition/HR issues (H&S/Benefits/Remuneration/ Rights)	1	1	0	0	0	0
Claims and requests for compensation from GRAS	2	1	0	0	0	0
TOTAL	24	12	3	2	4	4

18 out of 31 grievances were closed, whilst 13 continue to be in various stages of resolution

HUMAN RIGHTS

GRAS is committed to respect human rights throughout its operations and in all its relationships. GRAS operates within the framework of the International Finance Corporation's Environmental and Social performance standards.

Our employees and contractors must be trained on human rights policies and the ESG include human rights awareness training in their community work. GRAS values the relationship with communities and does not condone actions that undermine the relationship which we feel goes against our Social License to operate.

As a part of a review work of our sustainability agenda in 2022, we will further align our human rights approach with the UN Guiding Principles for Business and Human Rights (UNGPs).

Identification of indigenous people is a key requirement under FSC™ Principles and Criteria. According to the national laws

in Uganda, Mozambique, Tanzania and international statutes, none of the local communities in our areas of operation are considered indigenous peoples.

During the reporting period, GRAS has continued monitoring incidents of human rights violations, particularly the risk associated with hiring security contractors around our operations. Awareness and training have been conducted to security contractors including disciplinary action taken to any breach of human rights. The Security Management Policy is available on our website and in the annexure of this report under GRAS Policies.

We did not detect any incidents of violation of human rights in our operation during the reporting period. We encourage feedback or reports on incidents through [speakout@greenresources.no](mailto:speakout@greenresources.no)

Recorded Incidents of Violations of Human Rights Per Operations

Operation	Number of recorded incidents	Number closed
Tanzania (SHI)	Nil	N/A
Mozambique (NGR)	Nil	N/A
Uganda (BFC)	Nil	N/A

We must closely monitor Human Rights dilligently troughout our operations





ENVIRONMENTAL MANAGEMENT

GRAS is committed to ensuring the long-term sustainability of all resources within all areas of operations. All activities are guided by a policy of reducing impacts and understanding the interaction between fauna, flora, company activities and surrounding communities. The company manages its operations in line with the Principles and Criteria of the Forest Stewardship Council and is ISO14001 certified in Uganda.

We comply with all environmental laws and regulations applicable to our activities. In addition, we engage relevant regulatory authorities to ensure timely renewal and approval of our licenses, permits and agreements.

Environmental management procedures and instructions are in place to guide our operations in complying with the applicable environmental laws, regulations and codes. In addition, we track new environmental laws and regulatory changes and amendments applicable to our business.



ENVIRONMENTAL INCIDENTS

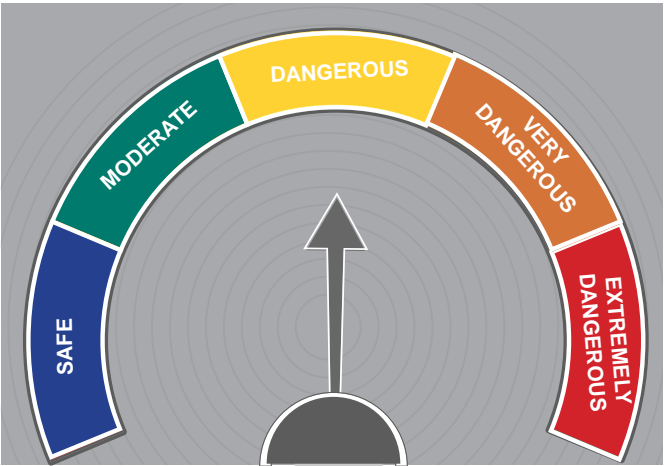
A total of 43 fires incidents occurred on or near our plantations imapcted 362.6 hectares of plantations. A significant portion of the areas impacted could be sold on an accelerated basis and some areas will recover. There were no chemical, oil or chemical spills during the reporting period. No other environmental incidents took place.

The major causes of fires were mainly due to human activities outside plantations e.g. land preparation and hunting. Due to these incidences, the company improved fire management strategies by improving community relations and conducting frequent community meetings , fire awareness trainings establishing community fire crews, and improving the external fire boundaries. Other initiative includes strengthened forest patrol to mitigate illegal activities such as hunting.

GRAS has also created an early warning Fire Danger Index (FDI) to promote the use of the Fire Danger Rating System (FDRS) in predicting fire behaviour and equip the management with all the fire-related information necessary for making informed decisions on fire prevention and control. The FDI system is based on the collection and analysis of weather data to predict the daily fire potential. The system is in use, and all the managers receive daily updates via an app and act accordingly.

All fire incidents are recorded and shared through company wide communication for learning purposes.

Fire Danger Index alert



BIODIVERSITY CONSERVATION AND MANAGEMENT

All companies in the Green Resources Group are audited annually by the Certification Bodies against the FSC™ Principles and Criteria, where sustainability is one of the overarching principles that is tested. In Addition, the Uganda operation is ISO 14001 certified and audited against it.

Certification against the FSC™ Forest Management certification confirms that a forest is managed to preserve biological diversity and benefit the lives of local people and workers while ensuring it sustains economic viability. FSC™ certification requires that a minimum of 10% of the area is protected, but in fact, GRAS exceeds this minimu requirement as approximately

Environmental Incidents per Operation

Operation	Total number of fires	Total hectares lost	Total numbe of Spills
Tanzania	6	163	Nil
Uganda	2	7	Nil
Mozambique	35	80	Nil
Total	43	250	Nil

BIODIVERSITY AND SOCIO-ECONOMIC ASSESSMENT

As part of our environmental compliance obligations, GRAS conducts biodiversity and socio-economic assessment. Key performance areas and indicators monitored include but are not limited to:

- High Value Conservation Areas (Riparian and other protected areas)
- Areas of Special Interest (ASI) such as graveyards, cultural sites, wetlands, water points, animal breeding grounds,
- Invasive Species
- Areas required rehabilitation
- Water quality and flow
- Rare, Threatened and Endangered Species (RTEs)
- Waste production and management
- Carbon footprint and resources consumption
- Fire monitoring and control in planted and conservation area
- Pests and Diseases
- Maintaining ecosystem integrity by monitoring and prevention of encroachment and Illegal activities where the team conducts patrols

30% of the land has been set aside for conservation.

There are ten principles that any forest operation must adhere to before receiving FSC™ forest management certification. These principles cover a broad range of issues, from main-taining high conservation values to community relations and workers' rights and monitoring the environmental and social impacts of forest management.

As part of GRAS' daily work, active biodiversity management includes also activities such as prevention of illegal logging, poaching and charcoal burning.



ENVIRONMENTAL PERFORMANCE MONITORING & REPORTING

GRAS has improved the accuracy of recording vital environmental data; monthly reports are issued for monitoring, ensuring any discrepancies are actioned. These reports give a detailed breakdown of the data input to the sustainability report and other reports required by the companies’ investors.

To determine the adequacy of the internal control, promoting best practices, ensure compliance with policy and regulation and identifying operation inefficiency the company has

conducted 142 inspections in Environmental, Health and Safety and plantation operations.

As part of GRAS environmental management initiatives, the company implemented the following:

UGANDA

Monitoring Aspect	Implemented Activities	Implemented Activities
Invasive weed	Control by slashing in 372ha cumulative conservation area and 239ha sprayed.	Invasive weeds controlled with over 95% success rate in the treated area.
Areas of Special Interest	Cleaning of protected areas, protection against illegal harvesting of cycads (Encephalartos equatorialis) listed as RTE species.	Field observations indicate growth in colonies of cycads within the protected area. Female cycad plants were bearing fruits- a further indication of a potential increase in numbers.
RTE counts	Geo-referencing, mapping and counting of individual RTE species in compartments earmarked for planting.	Effective tracking of RTE numbers and changes in population structure over time.
Survival assessment	Enrichment planting in conservation areas and buffer with 8.51ha planted with <i>maesopsis eminii</i> .	Survival percentage below 10% partly due to drought and grazing activity of livestock.
Conservation area burning	Vegetation burning of conservation areas.	Maintain the natural ecological cycle and promote regeneration of fire-dependent species.
Encroachment and Illegal activities	Patrol through CBNRM and security contractors.	Illegal activities still occur but at a lower rate
Chemical usage	<ul style="list-style-type: none"><li>Chemical used was 8,670kgs of glyphosphate and applied on a total area of 2,890ha</li><li>In addition smaller quantity of aquasoil (920 liter) was used</li><li>30,750kgs of Osmocote and NPK Fertilizer was used and applied on 377ha.</li></ul>	Usage is reasonable rate recommended by the manufacturer with no damage to the environment and human health.

TANZANIA

Monitoring Aspect	Implemented Activities	Implemented Activities
Road repairs	Heavy machine traffic and timber haulage are the leading cause of road damage. More than 59 km of road were rehabilitated (road blading, patching and clearing of the side drainage lines) to improve access to the plantations and control soil erosion on roads.	Good state of roads.
Fire control	600 km of firebreaks were prepared.	Slashing of grasses, screefing and burning of firebreaks.
RTE	<ul style="list-style-type: none"><li>Training of contractors and workers on RTE and reporting of the same.</li><li>Village meetings and awareness-raising.</li><li>Posted photos of species in all key areas and plantation offices for ease of identification and awareness.</li></ul>	8 RTEs species were identified and monitored.
Invasive species	Monitoring and identification, including unplanted areas and conservation areas.	730ha of invasive species attended and cleaned.
Water quality and flows	<ul style="list-style-type: none"><li>Sample collected in 11 water points and sent for testing in the lab.</li><li>Awareness on water quality conducted.</li></ul>	No damage to water Water parameters within the WHO standards.
Chemical usage	<ul style="list-style-type: none"><li>Chemical sprayed is 4.2 litres per hectare (total used 1,648 litres).</li><li>39,371kgs of NPK fertilizer used.</li></ul>	Usage is reasonable rate recommended by the manufacturer with no damage to the environment and human health.
Soil	20 samples were collected.	Results show soils are suitable for tree planting, and some area needs fertilizer to boost nutrient.
Waste	Hazardous and non-hazardous waste are recorded and action plans for disposal are implemented.	Some items are recycled/sold (metals and scrapers) some stored, or sent at the incinerator facility for proper destrcution.



MOZAMBIQUE

Monitoring Aspect	Implemented Activities	Implemented Activities
Land-use changes	<ul style="list-style-type: none"><li>The operation has mapped most of the area and classified it based on land use.</li><li>Prohibition of hunting.</li></ul>	<ul style="list-style-type: none"><li>Illegal activities and encroachment have been monitored.</li><li>No records of wild animals around plantations.</li></ul>
HCVA(Wetlands protected areas)	A total of 2,673 ha of wetlands were mapped and classified as conservation areas .	An agreement was made with communities to prevent cultivation in wetlands.
HCVA (Rocky areas)	578 ha were identified as rocky, inaccessible HCVAs and mapped and protected.	
Conservation areas	<ul style="list-style-type: none"><li>7,639ha conservation and area under special management identified.</li><li>The largest conservation areas are constituted by riverine forest and wetlands with 45.07% and 32.59% respectively.</li></ul>	Population growth and demand for resources continue to pose a challenge in conserving these areas.
Water flow and quality	Conducted twice a year. 36 (24 river point, 11 boreholes & 1 well) samples points were collected and sent for testing at a national lab.	Points are effective to determine pollution levels and water quality.
Soil erosion	<ul style="list-style-type: none"><li>Land preparation during the dry period.</li><li>Most forest operations scheduled during dry season.</li><li>Retain the material resulting from the felling (branches and leaves) on the ground.</li><li>Improvement of existing firebreaks to facilitate the movement of vehicles during normal activities.</li><li>Erosion sites were mapped in all the FMUs and critical site rehabilitated.</li></ul>	
Soil compaction	<ul style="list-style-type: none"><li>Suspension of heavy machinery during rain season.</li><li>Sample collected and sent for testing- no compaction detected.</li></ul>	Method working well.
Chemical Usage	<ul style="list-style-type: none"><li>Chemical used was 5,726 liter of glyphosphate and applied on a total area of 1,579 ha</li><li>In addition smaller quantities of Voloxypir (724 liter) and Imadacloprid (84 liter) were used</li><li>113,980 kgs of NPK Fertilizer was used and applied on 591 ha</li></ul>	Usage is reasonable rate recommended by the manufacturer with no damage to the environment and human health.

MOZAMBIQUE (CONT.)

Monitoring Aspect	Implemented Activities	Implemented Activities
Pest and disease	<ul style="list-style-type: none"><li>There was a record of gal wasp in the nursery. All attacked seedlings were selected and burned to prevent transmission. Insecticides were also used and proved to be efficient.</li><li>Rats and birds have been identified as being a threat to pine seeds in the nursery. Traps were placed for the rats, as well as cleaning to identify and eliminate possible nests inside the aviary.</li><li>Birds found to cause damage within 16 hours thus a watch on the shelves was implemented between 4 pm and 5 pm, during the sowing season.</li><li>Implementation of daily monitoring schedule.</li></ul>	Pest and disease were effectively controlled at the nursery level.
Invasive species	<ul style="list-style-type: none"><li>All invasive species mapped</li><li>Shrub cutting activities and the application of chemicals were carried out inside the compartments to eliminate lantana camara and vernonia species</li></ul>	Pines found in lowland and in riparian will be removed during thinning operation.





CLIMATE CHANGE MITIGATION & ENVIRONMENTAL MANAGEMENT

CARBON EMISSIONS AND FOOTPRINT MONITORING

The carbon absorbed by forests is essential in combating climate change globally. In Africa, deforestation is a significant concern and reducing Africa’s carbon sinks and consequently leading climate change.

GRAS is actively measuring its greenhouse gas (GHG) emissions with an aim of developing strategies to:

- Reducing our carbon footprint as part of our voluntary commitment to mitigate climate change impacts.
- Identifying areas for mitigation and efficiencies.
- Reducing carbon emission emanating from both direct and indirect GHG emissions.

The greenhouse gas and carbon impacts of GRAS forest-based activities, especially those involving the production of wood products, are computed using our simplified version of The Forest Industry Carbon Assessment Tool (FICAT). The FICAT (<http://ficat.odel.org>) framework understands forest products value chain begins in the forest and encompasses all subsequent activities related to production use, reuse and end-of-life of forest products. Therefore, FICAT addresses these and other aspects of the forest products value chain. The FICAT assessment is structured according to the carbon footprint framework developed by the National Council for Air and Stream Improvement (NCASI).



During the reporting period, GRAS sequestered 989,845 tonnes CO<sub>2</sub> equivalent (Total Forest Flux/carbon sequestered) but also emitted 319,264 tonnes of CO<sub>2</sub> equivalent (emission generated). Thus our carbon flux assessment gives a net carbon footprint of 670,582 tonnes of CO<sub>2</sub> equivalent which is the amount of carbon sequestered from the atmosphere by our plantations.

GR is committed to the reduction of GHG emissions. In line with this, among other measures that had been place, GR has introduced air travel monitoring, energy and fuel use consumption monitoring as well as vehicle monitoring system (vehicle tracking) that helps to curb unnecessary use of company vehicles, thereby reducing carbon emissions.

Carbon emissions and footprint monitoring

Country	Total Forest Flux (tonnes CO2e/yr)	Emissions Generated (tonnes CO2e/yr)			Emissions total	Net Carbon Footprint (tonnes CO2e/yr)
		Scope 1	Scope 2	Scope 3*		
Mozambique	-325,905	117,003	91	720	117,825	-208,091
Tanzania	-412,193	171,929	18	234	172,181	-240,013
Uganda	-251,747	28,433	81	806	29,320	-222,428
Total	-989,845	317,365	189	1,761	319,326	-670,532

\*Scope 3 at the moment includes travel, air travel and distribution (market)

ENERGY CONSUMPTION

GRAS recognizes that the efficient use of energy and adoption of clean energy is critical in achieving sustainable development goals. We consume both renewable and non-renewable energy throughout our operations. All our sawmills are connected to a national power grid with diesel generator on standby and only used during power outage.

The data gathered are incorporated in the carbon footprint monitoring referred to on the previous page.

We believe that harnessing renewable energy sources is essential in combating climate change. Key initiatives that reduce energy and emission intensities in our operations have included installing energy-efficient equipment and increasing the use and uptake of solar lighting and heating.

During FY20/21 we have established a contract with a large industrial conglomerate who wishes to transition from the use of Heavy Fuel Oil to Biomass in its boilers. Supply of chips for this contract has commenced during FY21/22.

Energy Consumption per Operation

Company	Energy Type	Consumption
GRL	Electrical (kWh)	12,294
	Fuel (Litres)	70,181
	Lubricants (litres)	325
SHI	Electrical (kWh)	690,782
	Fuel (Litres)	253,056
	Lubricants (litres)	459
NGR	Electrical (kWh)	108,323
	Fuel (Litres)	154,080
	Lubricants (litres)	4,087
BFC	Electrical (kWh)	135,652
	Fuel (Litres)	240,413
	Lubricants (litres)	930





CARBON PROJECTS PORTFOLIO AND UPDATES  
Highlights:

- GR is one of a few African forestry companies with carbon projects in its forestry portfolio.
- Since 2010, GRAS carbon projects have generated 1,350,690 tCO<sub>2</sub> VERs and CERs equivalent.
- Ongoing verification expected to generate 300,000 tCO<sub>2</sub> VERs and CERs.

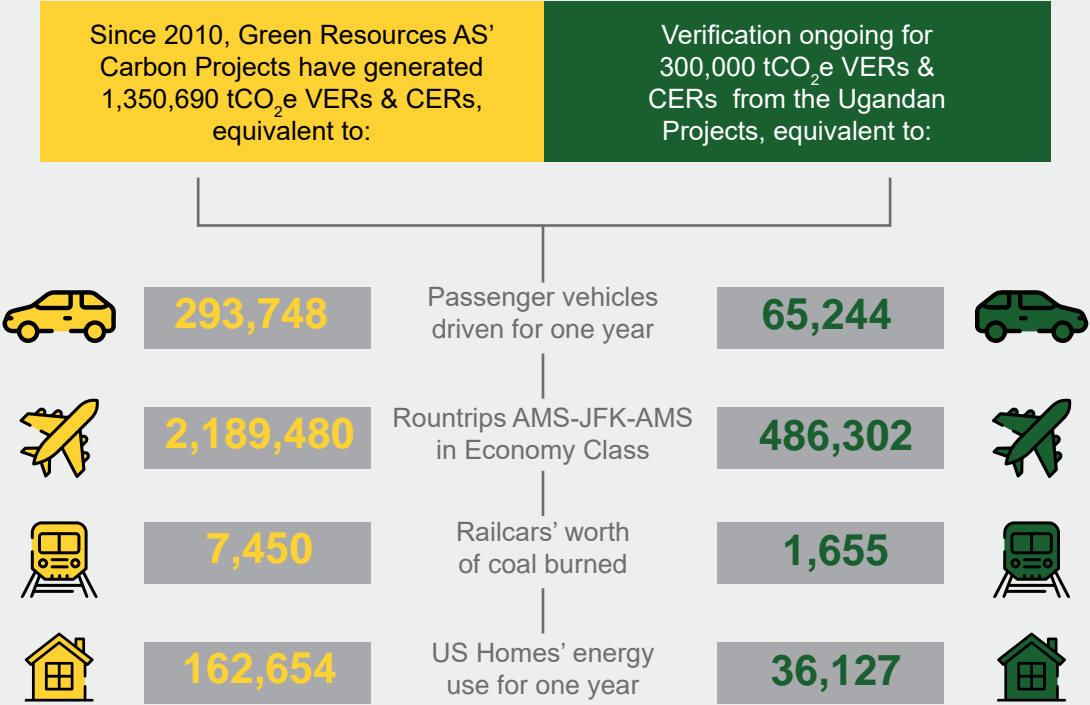
The company has three carbon projects. Two carbon projects are in Uganda (one certified under Voluntary Carbon Standard and one under CDM) and one VCS approved carbon project in Tanzania.

A total of 230,453 tonnes of verified carbon emission reduction units were sold under VCS scheme. Ten percent of all proceeds from carbon sales will be invested back into the communities around its carbon projects.

Globally, we see increasing awareness (and alarm) on climate change's threats to the world and the human population. Over the past twelve months we have received numerous enquiries for Carbon Credits. In June 2021, a total of 532,000 tCO<sub>2</sub>e of Verified Emission Reductions (VERs) were verified on our Tanzanian plantations and we expect further emission reduction certificates to be verified in FY21/22.

A total of 230,453 tonnes of verified carbon emission reduction units were sold under VCS scheme.

What is a forest carbon credit?\*



Only 10,972ha of Green Resources AS' ±35,000ha of plantation forest are registered as carbon projects meaning that Green Resources AS' total carbon sink is 3-4x the numbers presented above.

\*How we calculated these numbers: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Carbon projects portfolio update

Country	Project	Carbon Standard	VCUs sold (tons eq Co <sub>2</sub> )	Verification & Other Updates
Tanzania	Uchindile/Mapanda	VCS	17,064	532,089 tCO <sub>2</sub> e
	Bukaleba	VCS	230,453	Verification ongoing/underway
Uganda	Kachung	CDM	nil	Verification underway



WASTE MANAGEMENT



Our activities generate quantities of hazardous and non-hazardous waste streams, which can have adverse environmental impacts if not adequately managed. The management of waste is guided principally by the national applicable and associated regulations. We have internal waste management procedures which provide guidance on waste management practices throughout our operations. We continue to focus on complying with the waste regulations, reducing waste, and improving our waste recycling initiatives.

The main hazardous waste produced during the reporting period are empty chemical containers (used to hold CCA and Glyphosate), used oil, contaminated clothes, fluorescent tubes, empty ink cartridges, medical and soiled PPEs. Proper disposal and wherever possible, reuse of non-hazardous waste is encouraged. Empty containers of CCA are shredded and disposed following applicable national requirements and company procedures.

GRAS pays extreme care when selecting chemicals to be used in its operations and wherever possible opts for alternatives. Chemical composition and use is monitored carefully. GRAS manages its operations in line with international standards and adheres to national government policies and legislation, including maintaining buffer around lakes and rivers zones as prescribed by national environmental authority as well as ensuring no planting is done in riparian zones as prescribed by FSC™.

GRAS has not been involved in any pollution incidents. Only herbicides and fertilizers permitted under sustainability certification schemes are used. The approved fertilizers do not biologically accumulate. For example, during the FY20/21 BFC used 20,800 kg of Rondo (a Glyphosphate based Herbicide) and 20,650 kg of NPK fertilizer across all its plantations in Uganda. Both products are registered for use in Uganda.

Glyphosate is the most frequently used herbicide worldwide and in the EU, and it has been used for several decades. Glyphosate is currently approved in the EU until 15 December 2022. Therefore, glyphosate can be used as an active substance in Plant Protection Products (PPPs) until that date. It is expected that the approval will be renewed at the end of next year. To take all necessary precautions when using chemicals to minimize risk, GR implements mitigation measures such as establishing buffer zones, training workers for the safe use of chemicals, and the use of less hazardous chemicals.

In Tanzania, during the 2020/2021 monitoring period, sources of wastes were either a by-product of forest plantation activities or as an aftermath of using materials brought for forest plantation implementation and they include domestic activities, electronic devices (radio, torch and GPS), general building construction and maintenance, First Aid dispensing, vehicle maintenance and services and chemical. In the reporting period, some hazardous waste were incinerated, some were recycled e.g. waste oil and some hazardous have been stored in a secured location waiting for a proper facility for disposing.

In Mozambique, the empty chemical containers are mainly reused in plantations to store water for firefighting activities and the others are kept at the plantation store facilities. Contaminated clothes and soiled PPEs are incinerated. GRAS follows the procedures laid out in the ILO's Safety and Health in Forestry Work.

- Chemical containers are warehoused until a proper waste disposal solution is approved.
- Used oil is occasionally used by thinning/harvesting chainsaw contractors and for wood treatment.
- Used batteries loading domestic appliances and lighting are sold to collectors for recycling.
- Used tires experimentally used in the area adjacent to the nursery to erosion control, gardening and others uses (MZ).
- Other wastes are generated in the land preparation, pruning and harvesting operations which are important for the local communities and are being allowed to be collected as firewood.
- Non-hazardous waste such as food scraps, cans, plastics, paper are placed in open bins.

Overview of Waste Generated per Operation

Operating unit	Waste Type	Litres	# of Units
Tanzania	Hazardous	2,143	6,082
	Non-Hazardous		0
	Recycled waste	1,450	540
	TOTAL		
Mozambique	Hazardous	725	439
	Non-Hazardous	0	54
	Recycled waste	325	20
	TOTAL		0
Uganda	Hazardous	505	5,940
	Non-Hazardous	0	238
	Recycled waste	0	10
	TOTAL		
GRAS	Hazardous		12,461
	Non-Hazardous		292
	Recycled waste		570
TOTALS	TOTAL		



GREEN RESOURCES POLICIES

GRAS' key ESG policies are: Business Ethics and Principles Policy; Occupational Health and Safety Policy; Human Resources Management Policy; Environmental Policy; Communications and IT Policy; Stakeholder; Community Relations Policy and Security Management Policy; as well as Quality Policy. The company has undertaken a new Environmental and Social Management System Project in which all of its ESG policies, procedures and reporting have been reviewed, updated and organized into Integrated Management System (IMS) that ensure better synergy, reporting and compliance across the organisation.

The following are summaries of the company policies. The full versions and copies are available on the GRAS website: [www.greenresources.no](http://www.greenresources.no)



1. BUSINESS ETHICS AND PRINCIPLES POLICY

Green Resources AS is committed to contribute to the sustainable development and good governance in the countries where we work. To do this we ensure full compliance with relevant laws, observe high standards of corporate governance and be committed to transparency and fair dealings. Our policy sets out the standards of conduct we strive to maintain at every level within GRAS, our subsidiaries, joint ventures and associates, in terms of high standards of integrity wherever we work.

**POLICY**  
To achieve this, GRAS implements applicable business ethics principles, procedures and guidelines according to relevant national and international laws into its policy which covers the following areas:

- 🔗 Anti-Corruption and Bribery
- 🔗 Tax and Royalties
- 🔗 Exercise of Improper Influence
- 🔗 Conflicts of Interest
- 🔗 Interactions with Government officials and Lobbying
- 🔗 Speak Up/Whistle Blowing

**INTEGRITY DEFINES THE WAY WE DO BUSINESS**  
In our internal dealings, we subscribe to the principles set by the policy. Violations of this policy will lead to disciplinary action in accordance with company disciplinary procedures.

2. COMMUNICATIONS AND IT POLICY

**PREAMBLE**  
Green Resources AS aspires to be a leader in the forest industry in Africa and to achieve this we are committed to bringing international best practices into our Communication and IT Systems. The company strives to continuously train and develop staff in the use of technology and to provide efficient IT services for enhanced productivity, protection of company assets and to provide value – addition to all our stakeholders.

**POLICY**  
To achieve this, GRAS will implement systems to ensure that business functions progress without any loss of company data or infrastructure while upholding security standards. To achieve this the policy provides rules and guidelines in the following areas:

- 🔗 Company IT Infrastructure
- 🔗 Access
- 🔗 Emails Usage
- 🔗 Data Storage and Protection
- 🔗 IT and Communication Competence
- 🔗 Internet Access and Usage



**OUR SYSTEMS DEFINE OUR BUSINESS**  
In order to remain competitive and viable in our industry, we will continuously upgrade our IT and Communications systems to ensure a productive and cooperative work environment.



3. ENVIRONMENTAL POLICY

**PREAMBLE**  
Green Resources AS recognizes that that the scale of its operational activities will inevitably impact on the environment. Responsible environmental stewardship is therefore essential in the company’s management of environmental impacts and of our relationships with host communities, regulators and other stakeholders. The company will adhere to all applicable legislation, taking into account applicable relevant international and regional laws, conventions, treaties and environmental agreements of the countries we operate in. The company will adhere to FSC™ Principles and IFC Performance Standards governing environmental management.

**POLICY**  
The company will identify negative environmental impacts, establish programs for continuous improvement and monitor developments in the understanding of environmental aspects of its operations. In order to guide responsible environmental management, the policy covers the following areas:






-  Biodiversity
-  Harvesting
-  Water
-  Waste and Pollution Prevention
-  Soils
-  Training and Awareness
-  Chemicals and Hydrocarbons

**GREENER, BETTER, TOGETHER**  
We recognize that our future development is inevitably tied to how we take care of our environment and natural resource base. Sustainable and responsible environmental management is therefore a key to maintaining stakeholder relationships, reputation and operational efficiency.

4. HUMAN RESOURCES MANAGEMENT POLICY

**PREAMBLE**  
Green Resources AS strives to be an employer of choice in the African Forestry Industry. The company works to foster an atmosphere of mutual trust, mutual benefits, harmony and respect amongst our employees, contractors and the customers we serve. The aim is to create, develop and lead highly motivated competent teams who have appropriate skills to develop a long-term sustainable and successful business.

**POLICY**  
To achieve this, GRAS implements labour and human resources management procedures according to relevant national and international laws, conventions, treaties and social agreements on a local level. The company aims to work in full compliance with the requirements of international best practice standards including the FSC™ Principles, IFC Performance Standards, the ILO Fundamental Conventions and the UN Declaration of Human Rights related to labour and human resources management guided by the HR policy within the following areas:









-  Labour and Working Conditions
-  Non-Discrimination and Equal Opportunity
-  Workers’ Organizations and Trade Union Membership
-  Grievance Mechanism
-  Modern Slavery and Child Labour

As a company our goal is to be consistent and fair to all our stakeholders. We will therefore strive to treat all our employees fairly and respect their self-worth, well-being and diversity.

5. OCCUPATIONAL HEALTH AND SAFETY POLICY

**PREAMBLE**  
Green Resources AS recognizes that its developments and activities, typical to the forestry and wood processing industry, can have an impact on the Health and Safety of its employees, contractors and other stakeholders. The Company will manage its operations in such a way as to minimize occupational health and safety risks. The company firmly believes that a high standard of health and safety contributes to improved employee satisfaction, higher productivity and increases shareholder value. The company aims to achieve high health and safety standards through continuous measurement of incident rates and by identifying and mitigating risks. Continual improvement is strived for based on performance monitoring, learning from incidents and accidents, and risk identification.

**POLICY**  
Green Resources aims to adhere to all laws and regulations covering Health and Safety and subscribes to OSHAS 18001:2007 and ISO 45001 standards as well as FSC™ Health and Safety related principles. The following areas are covered by the Policy:




-  Accessible Health and Safety guidelines
-  Accident record keeping
-  Risk assessment
-  Emergency preparedness and response procedures
-  Safety Training
-  Health and Safety committees
-  Correct use of safety equipment
-  Employment of qualified and professional Safety Officers and Managers

**OCCUPATIONAL HEALTH AND SAFETY ALL DAY, EVERY DAY**  
Health and safety are the responsibility of all people working for and with Green Resources AS. The commitment to health and safety is driven by the Senior Management Team and cascades down to all levels of the company. GRAS’s goal is to provide a safe and healthy work environment that is free from workplace injury or illness.

6. STAKEHOLDER AND COMMUNITY RELATIONS POLICY

**PREAMBLE**  
Green Resources AS recognizes that the scale of its operational activities will inevitably impact our stakeholders and host communities. The company aims to make a lasting, positive contribution to the countries and communities in which we operate through mutually beneficial relationships and understanding and maximizing the positive influence we can have on local development.

**POLICY**  
To achieve this, GRAS implements procedures and programs in compliance with relevant national and international laws, conventions, treaties and social agreements on a local level. The company subscribes to the requirements of international best practice standards including theFSC™Principles, IFC Performance Standards and the ILO Core Labour Standards. The policy covers the following areas:

-  Community
-  Employee Consultation and Communication
-  Human Rights and HIV/AIDS

**WE ARE OUR PEOPLE**  
As a business, we recognize that our license to operate and our productivity depend on our relationship with our stakeholders. We will, therefore, strive to integrate our stakeholder and community management work into our business processes and operations to optimize the mutual benefits.



7. SECURITY MANAGEMENT POLICY

**PREAMBLE**  
Green Resources AS recognizes that security and respect for people and human rights is fundamental to safeguarding the integrity of company personnel and property. An effective security program is fundamental in the protection of our people, products, assets and reputation.

**POLICY**  
To achieve this, GRAS will operate in accordance with relevant national and international laws, conventions, treaties and social agreements on a local level. The company will subscribe to the requirements of international best practice standards including the FSC™ Principles and IFC Performance Standards with regards to Security Operations and Management. The policy covers the following areas:

- Upholding of human rights
  - Provision of resources and expertise
  - Compliance to legal and other obligations
  - Professionalism, knowledge and integrity
- Safe patrol
  - Incident management response
  - Security of Information and communication
  - Travel risk management

**RISK MANAGEMENT**  
We will measure and report progress against this policy and review performance on a periodic basis to ensure ongoing management of security risks.

8. QUALITY POLICY

**PREAMBLE**  
Green Resources AS is committed to providing customers with service of the highest possible level of quality. In order to achieve this, we are continually improving processes, products and services, meeting and exceeding customer satisfaction always. The implementation of the quality policy is the responsibility of all staff members, with overall responsibility residing with the Executive Management Team and the Board of Directors. It is expected that all employees recognize and accept our philosophy of quality service delivery and thereby accepting accountability for their own output.

**POLICY**  
To achieve this, Green Resources will meet all laws, regulations and specifications regulating the quality and performance of its products. Green Resources subscribes to ISO9001:2015 as well as to national quality standards. The policy covers the following:

- Identify customers and their needs
  - Monitor and review services and processes and make adjustment
  - Improve skills and human capital
  - Ensure optimum business performance
  - Maintain standard of excellence
- Maintain honesty and integrity
  - Ensure functional quality management system
  - Continue to improve the quality of service
  - Ensure management support policies and procedures

**QUALITY IS OUR STANDARD**  
The effectiveness of our quality system is monitored by planned audits, management reviews and customer satisfaction surveys to ensure quality service delivery.





GLOBAL REPORTING  
INITIATIVE (GRI) REFERENCES

GRI Section	GRI Indicator(s)	Page(s)
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Ethics and Integrity	102: 16-17	9; 21
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Stakeholder Engagement	102: 40-44	37
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Public Policy	415:1	N/A
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