



**DECLARATION OF
COMMITMENT
2020
CONGOLAISE
INDUSTRIELLE
DES BOIS**



WHO WE ARE

The Congolaise Industrielle des Bois (CIB) manages approximately 2.1 million hectares of forest concessions in the north of the Republic of Congo. We have multiple sawmills with capacity to process various kinds of timber species. We have invested in secondary and tertiary processing, enabling us to add value to the wood from our forests locally and in the best possible way.

OUR VISION -BUILDING A SUSTAINABLE WOOD BUSINESS

The Congo Basin is one of the largest tracts of continuous tropical forest on the planet. However, there are growing threats to the preservation of this ecosystem. For a large part of the region's populations, environmental degradation is also resulting in deteriorating living conditions and endangering their survival. At a more global level, climate change, the erosion of biodiversity and the destruction of ecosystem services are the focus of attention.

CIB is convinced that it has an important role to play in improving the situation locally and globally. We recognise the need for continuous improvement in our practices and to work in collaboration with all stakeholders who are striving for the same goals. We believe that it is possible to meet these challenges and preserve a healthy environment while generating positive benefits for the local population.

Our ambition is to be the best reference in the sustainable forest management. We are convinced that a prosperous future for CIB is directly linked to the well-being of population and the good state of our environment. That is why we want to pursue our growth while respecting ecosystems through implementation of responsible practices. Through innovative solutions, we can redefine the rules of our industry to enable population and nature to thrive over the long term.

OUR MISSION BE AN OPPORTUNITY FOR THE FOREST AND ITS INHABITANTS.

Since its creation in 1968, CIB has contributed to the economic prosperity of the region but has also witnessed a profound change in the way of life of the local population. Because of the interdependent relationships that bind us, we wish to advance the economic and social conditions of local communities and maintain

the overall quality of our environment while ensuring development.

We are driven by our values and desire to have a positive influence and create shared values in our concessions. Our vision not only considers our own development but also takes into account the well-being of the communities around us and the conservation of ecosystem. We have integrated these different issues into our corporate social responsibility approach so that our development is beneficial to all local communities.

OUR VALUES

Since the early 2000s, CIB has been committed to a process of creating social values by integrating sustainability as a core principal in its operations. The Corporate Social Responsibility charter is constantly updated keeping in mind the new issues emerging with the challenges of our time. We have developed a new model of forest exploitation that allows for economically sustainable production, while protecting the exceptional ecosystem that surround us and meeting the aspirations of local populations.

We continually review and adjust our strategies in line with the evolving concerns of our stakeholders to ensure that we are acting where the real priorities lie. Finally, we voluntarily adopt measures that go much beyond compliance with legal requirements and systematically adapt our policies, standards and procedures in line with changes in society.

In order to see our practices replicated, we are also engaged at the regional and international level in promoting responsible forest management. To this end, we have joined the "Fair & Precious" association, which 'brings together forest managers based in the Congo Basin who adhere to a standard of responsible forest management. Through this collective, we work to promote dialogue between the different stakeholders and to work on a daily basis for development in harmony with the forest.

¹ <https://www.fair-and-precious.org/fr/p/2/nos-10-engagements>

OUR CR&S STRATEGY

We see CR&S as part of an overall approach to good corporate governance and believe that the only way to operate is a way that respects ecosystems, people and our employees. This unique way leads to better results and adds value to CIB and its stakeholders.

Our CR&S strategy has enabled us to maintain our financial performance by identifying the main risks and challenges in our management system, our use of natural resources or our societal impact. We are convinced that we are prepared to respond to the current global challenges and the profound changes in our business sector. Internally, our CR&S approach has given meaning to our employees' commitment by bringing them together for an ambitious and innovative project. We have thus been able to create dynamic teams and attract young talent. Finally, the good forest management certification labels to which we adhere are a guarantee of trust for our customers and partners.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

CIB has chosen to integrate the Sustainable Development Objectives (SDGs) defined by the United Nations into its CR&S strategy. Through our activities and in collaboration with our various partners, we take concrete action on 14 of the 17 SDGs. The link between our strategy and the various SDGs and sub-objectives is detailed in our internal CR&S strategy document.

Through its parent company, Olam, CIB is also committed to the 10 principles of the United Nations Global Compact, which are inspired by :

- The Universal Declaration of Human Rights
- The Declaration on Fundamental Principles and Rights at Work
- The fundamental texts of the International Labour Organisation
- The Rio Declaration on Environment and Development
- The United Nations Convention against

Corruption

THESE 10 PRINCIPLES ARE AS FOLLOWS:

Human rights

1. Businesses should promote and respect the protection of international human rights law
2. To ensure that their own companies are not complicit in human rights abuses.

Labour standards

3. Enterprises are called upon to respect freedom of association and to recognise the right to collective bargaining
4. The elimination of all forms of forced or compulsory labour
5. The effective abolition of child labour
6. The elimination of discrimination in employment and occupation.

Environment

7. Businesses are encouraged to apply the precautionary approach to environmental problems
8. To undertake initiatives to promote greater environmental responsibility
9. To promote the development and dissemination of environmentally friendly technologies.

Fight against corruption

10. Businesses are encouraged to act against corruption in all its forms, including extortion and bribery.

STAKEHOLDER ENGAGEMENT STRATEGY

The close collaboration we develop with our stakeholders is inseparable from the realisation of our CR&S strategy.

CIB's main stakeholders are the inhabitants of our concessions, employees, contractors, clients, suppliers, as well as the public authorities, organisations and institutions with which we cooperate and civil society in general.

CIB wishes to organise its engagement and communication with its stakeholders in the best possible way. Indeed, continuous dialogue with our stakeholders enables us to identify social, environmental and governance priorities, to understand expectations and to share constructive experiences with our stakeholders. To this end, we develop various

means of communication adapted to the specificities of our interlocutors and these vectors are regularly reviewed. The modalities of dialogue with our stakeholders are detailed in our stakeholder engagement plan.

Wherever possible, we welcome research institutions so that they can develop study facilities in our concessions. Similarly, we are open to welcoming national and international students to share our experience and facilities in the general interest.



OUR COMMITMENTS

SOCIAL RESPONSIBILITY

CIB is committed to implementing environmentally appropriate, socially beneficial and economically viable management that meets the needs of present and future generations. This commitment includes working in accordance with Congolese legislation and treaties or agreements ratified

or approved by the Republic of Congo.

This commitment applies to all forest concessions allocated to CIB, including the four logging concessions in operation at Pokola, Kabo, Mimbéli-Ibenga and Loundoungou-Toukoulaka, as well as the Pikounda-Nord concession, which is being retained under a REDD+ project.

REDUCED-IMPACT LOGGING

CIB has management plans validated by the administration for each of its forest concessions. These plans have been drawn up in accordance with Congolese legislation and in compliance with the recommendations of the strictest international standards. Forest management and operational planning is based on a multi-resource inventory over the entire extent of the concessions. Trees, regeneration, wildlife, non-timber forest products and soil and terrain characteristics are continuously inventoried and recorded.

On the basis of economic, ecological and social elements described in the various management documents, the concessions are divided into production, conservation, protection and community development zones, reserved for the exclusive use of the populations.

CIB recognises the importance of ecosystems and associated ecosystem services to all stakeholders, and considers all of its concessions as "High Conservation Value Forests" (HCVFs). The policy for the identification and management of HCVFs implemented by CIB is made public and available on the public domain.

CIB has established a Reduced Impact Logging (RIL) programme. Adapted and evolving working methods are developed, popularised, implemented and continuously monitored for each activity (prospection, felling, skidding, road construction) in order to minimise impacts on the forest.

THIRD PARTY CERTIFICATION

CIB actively supports environmental certification in forest management. We have been committed to FSC® certification since 2004. Today, our 4 operating concessions are all FSC® certified². We are members of various working groups within the FSC® and contribute to its development with all stakeholders.

CIB is also a founding member of the PAFC-Congo association. PAFC Congo is a member of the PEFC Council and participates in the creation of the PAFC Congo Basin certification scheme³.

² SGS-FM/COC-004705, SGS-FM/COC-010641, SGS-FM/COC-008483, SGS-FM/COC-011928, SGS-COC-002697

³ <http://www.pafc-certification.org/pafc-bassin-du-congo/en-bref>

TRACEABILITY

In order to guarantee the traceability of our products, our teams are trained and have the technical means to rigorously follow the supply and transformation chain, from the extraction of the trees in the forest to the final transformation.

Traceability begins with the inventory of standing trees, when they are mapped and integrated into our geographic information system. Various data are collected, including species, diameter, quality and all the information needed for optimal planning of operations. During the harvesting process, a unique number is assigned to each tree, which can be tracked throughout the chain: felling,

bucking, skidding, and finally transport to our processing sites. This unique identifier makes it possible to trace the origin of the logs used to produce the sawn timber and processed products and to know the information relating to the players and operations associated with a log.

All the data required by law and our certification system are included on the documents accompanying the transport of our logs or packages of debits. This system makes it possible to trace the origin of each product and is one of the elements guaranteeing their legality. Our traceability system is guaranteed by second and third party audits.



RESPECT FOR THE RIGHTS OF LOCAL AND INDIGENOUS COMMUNITIES

CIB is committed to respecting the rights of Indigenous Peoples and Local Communities (IPLCs), customary legal provisions and cooperates with them on an ongoing basis.

Free, Prior and Informed Consent (FPIC) is the right of FPICs to give or refuse consent to projects affecting their land, livelihoods or environment. This right is recognised in many international agreements, such as the United Nations Declaration on the Rights of Indigenous Peoples, the International Labour Organisation Convention 169 and the Convention on Biodiversity.

We believe that FPIC is not only a right, but also a good practice to be implemented with local communities who, by taking part in the decision-making on all activities concerned, take ownership of them and mobilise themselves, thus helping to ensure their involvement in local development. CIB's position on FPIC and how it is implemented in our activities is detailed in our "CIB FPIC Policy Paper", which is available on our website.

SUPPORT FOR LOCAL COMMUNITIES

To meet its social commitment to IPLCs, CIB has set up a dedicated department with a specialised team and its own resources. Its mission are multiple:

- Improving the economic and social conditions of local communities, facilitating their access to education, essential services and developing a youth employment strategy;
- Guarantee the preservation of the use rights of local populations. To do this, CIB works with independent NGOs to raise awareness, inform and integrate the IPLCs into a participatory forest management approach;
- Contribute to local economic development, through the promotion of alternative economic activities and through a Local Development Fund (LDF) financed by CIB and co-managed by the local population, the Administration, local NGOs and CIB.

HEALTHCARE

Our health project aims primarily at providing a basic health care offer including quality primary and curative health care to our employees and their family. However, we are aware that access for all to quality health care remains a major challenge in northern Congo. This is why we wish to ensure that local populations benefit from the services offered by our health centres. In addition, we work with public health structures and NGOs active in our concessions to strengthen care for the population. We seek sustainable and comprehensive solutions that meet local healthcare needs. Wherever possible, we will therefore continue to provide healthcare to local populations until other sustainable solutions are put in place in our concessions.

Our efforts to ensure quality primary and curative care are only useful if they are made available to all sections of the population. For the inhabitants of the most isolated areas of our concessions, we wish to give priority to local solutions providing access to basic care in their place of residence. We therefore support initiatives that bring health care directly to the villages ("mobile clinics") or that promote the traditional medical knowledge of indigenous populations.

CIB's vision for health care is detailed in our public document "CIB's Strategy for the Provision of Health Care", which is available on our website.

GROWTH OF OUR EMPLOYEES

We want CIB to be a diverse and inclusive workplace where employees feel motivated to give their best every day. We respect people from all backgrounds and recognize that our ability to bring together employees with diverse skills and knowledge is integral to our success. Our employees are our greatest asset and that's why we do our best to provide them with the tools, training and opportunities they need to reach their full potential. We want to be an employer of choice and attract and retain the skills we need to succeed.

Maintaining gender and community equality remains an important challenge in our region. We are therefore committed to implementing projects that will contribute to achieving this goal within our working environment.

This can be achieved through initiatives ensuring the protection of fundamental rights and the fight against discrimination, by adapting working conditions for pregnant women or young mothers, by reducing gender pay inequalities or fighting stereotypes.

HEALTH AND SAFETY

The CIB is committed to improving the health and safety conditions of its workers in accordance with the standards of the International Labour Organisation. On the basis of an internal analysis of occupational accidents, the CIB continuously improves its infrastructure and safety at work, provides personal protective equipment and carries out training and awareness-raising for its workers. We are committed to implementing an occupational health and safety risk minimisation policy in order to significantly reduce the frequency and severity of occupational accidents.



RESPECT OF THE ENVIRONMENT

Within the framework of a partnership between the Ministry of Forest Economy (MEF), the Wildlife Conservation Society (WCS) and CIB, we have been involved since 1999 in the implementation of wildlife protection measures. This system is based on monitoring large mammal populations, controlling poaching and measures to raise awareness and support local communities. Various internal measures have also been developed with our employees, such as the introduction of internal regulations to prohibit the transport of prohibited game, the organisation of controlled hunts near forest camps or the provision of alternative proteins to game meat in our life bases.

REDUCING OUR IMPACT ON THE ENVIRONMENT

Reducing our environmental footprint is an integral part of our ambition for responsible forest management, but it also improves our operational efficiency. The certification of our activities has contributed to the development of an internal management and management system that allows us to identify the most significant environmental impacts and reduce them on a continuous basis.

All our camps sites have important environmental objectives to achieve. Indeed, reducing our impacts involves, among other things, improvements in production, reducing energy consumption and reducing waste. We recycle most of the waste from our sawmills in the form of energy, charcoal or packages of boards made available to employees and the public.

We are continuing our efforts to offer ever more innovative solutions that respect the environment. However, our environmental policy would be nothing without the commitment of our employees. We therefore raise awareness among all our employees to make them aware of environmental issues and involve them in our efforts to reduce our

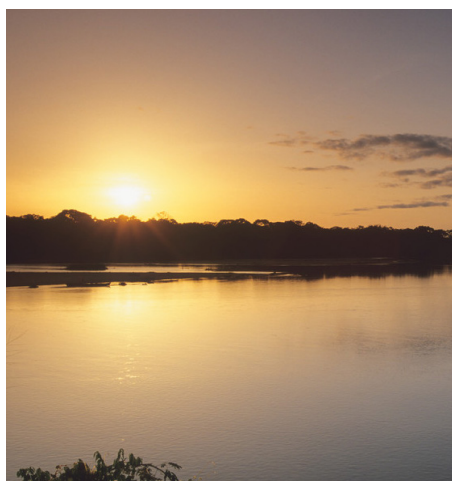
impacts. Our managers are responsible for establishing a permanent culture of respect for the environment and responsible practices throughout all our activities. Everyone is responsible for inspiring, informing and motivating their colleagues on these issues.

REDUCING OUR CARBON FOOTPRINT

CIB is aware of the need for action to mitigate climate change and is committed to prioritising renewable energy generation for the production of electricity on its sites. Since 2014, we have invested in a biomass cogeneration plant in Pokola.

It is fuelled exclusively with our sawmill waste and enables us to produce all the electrical energy and steam needed to run our main industrial site, as well as to supply power to all our employees' homes.

Each year CIB measures its carbon footprint according to the GHG Protocol methodology and publicly discloses these results. The emissions accounted for are related to energy consumption at our sites, the transport of logs upstream of their transformation and their shipment downstream.



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