

Biodiversity Policy

INTERHOLCO's commitment

Biodiversity¹ has a leading role in INTERHOLCO's strategy. Forests harbour most of Earth's terrestrial biodiversity and its three components – ecosystem, species and genetic diversity². Forests and trees are thus vital to maintaining resilient ecosystems, not just for species populations (flora and fauna) or their habitats, but also for the numerous ecological functions that are vital for people near and far, the climate and life on this planet.

INTERHOLCO is committed to (1) protecting biodiversity i.e. both species and all natural ecosystems/habitats³, via no/zero conversion and via sustainable hunting;⁴ (2) taking a leadership role in the conservation and promotion of biodiversity in its industry; and (3) integrating into its management the United Nations 2050 vision of "*Living in Harmony with Nature*", where biodiversity is valued, preserved, restored and used sustainably, in order to support a healthy planet providing essential benefits for all people.

By doing so, INTERHOLCO is aligned with the Sustainable Development Goals (SDGs) 6, 13, 14, 15 and 17 approved by the United Nations.

INTERHOLCO's approach to biodiversity protection

Ecosystem degradation has been unanimously identified by the scientific community as a direct consequence of the impact of human activities. The unprecedented decline of biological diversity entails environmental, economic and social risks, requiring action to reverse the loss of biodiversity⁵.

 $\frac{https://www.un.org/sg/en/content/sg/statement/2010-01-11/secretary-generals-message-international-year-biodiversity-2010#: ``:text=Over%20the%20past%20half-$

century%2C%20human%20activities%20have%20caused,loss%20now%20being%20further%20compounded%20by%20cli mate%20change

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¹ Biological diversity or biodiversity is defined as 'the variety of life forms, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part', after Wilcox, B (1982) International Union for the Conservation of Nature and Natural Resources (IUCN); United Nations Earth Summit (1992), United Nations Convention on Biological Diversity.

² FAO. 2022. *The State of the World's Forests 2022*. Forest pathways for green recovery and building inclusive, resilient and sustainable economies. Rome, FAO: https://www.fao.org/3/CB9360EN/online/CB9360EN.html

³ A human-managed ecosystem can still be a natural ecosystem, providing it maintains or largely preserves the natural species composition, structure, ecological functions, as would be found in the absence of major human impacts. Natural ecosystems include largely "pristine" natural ecosystems, regenerated natural ecosystems, managed natural ecosystems, natural ecosystems that have been partially degraded, as defined by the Accountability Framework: Definitions | Accountability Framework (accountability-framework.org

⁴ Sustainable hunting by the local communities and Indigenous Peoples only for subsistence purposes that does not cause decline of local species populations.

⁵ Un Secretary-General's Message for the International Year of Biodiversity (11.01.2010):

The Ngombé forest concession managed by INTERHOLCO covers approximately 1.16 million hectares (11,600 km²) of natural forest, shaped by natural disturbances and human interactions over centuries. The Ngombé forest is adjacent to two national parks, Odzala-Kokoua, located North-West (13,500 km²) and Ntokou-Pikounda, South-East (4,572 km²). Combined, the two parks and the Ngombé concession cover an area of more than 2.96 million hectares (29,672 km²).

Indigenous Peoples and local communities have been living in and from forests, and using, managing and shaping forests for their livelihood for thousands of years ⁶. Today, an estimated 16'000 people live in and from the Ngombé forest.

INTERHOLCO **ensures** integrity of the forest by adopting and implementing the 'Precautionary Principle'⁷; **comprehensively implements** the concept of 'Reduced Impact logging (RIL)'⁸ and **recognizes and employs** the concept of 'Free Prior Informed Consent (FPIC)'⁹ for all activities that could affect local communities and Indigenous Peoples.

INTERHOLCO has adopted the above-mentioned approach, independently verified by annual audits on the ground, in line with its <u>Values</u>.

Scope of INTERHOLCO's Biodiversity Policy

INTERHOLCO's *Biodiversity Policy* aims to integrate the protection and promotion of biodiversity into the Group's strategy, and to define the principles of conduct for the development of a business model that is sustainable and 'nature positive'.

INTERHOLCO's *Biodiversity Policy* covers all the company's forestry operations, i.e. the Ngombé forest concession in the Republic of Congo, both within and beyond HCV/HCS/set-asides.

For INTERHOLCO, 'nature positive' means its activities within the Ngombé forest should protect and promote the development and growth of all natural ecosystems, including the protection of wildlife.

INTERHOLCO's *Biodiversity Policy* applies to all group companies, their suppliers as well as to all investees not belonging to the group over which the Company has effective control, within the limits established by law.

Main Principles of Conduct and Cut-off Date

INTERHOLCO implements its commitment to biodiversity via the following main principles of conduct, which apply to all its activities and businesses from January 2020 onwards:

⁶ Based on *Tribal conservationists in the Congo Basin*, an article published on Survival International's web site: 'The lands of these tribes are wrongfully viewed as "wildernesses", when they have in fact been shaped and managed over millennia by human hands'. The article is available online:

https://www.survivalinternational.org/articles/3473-conservationistscongobasin

⁷ Precautionary principle: https://en.wikipedia.org/wiki/Precautionary principle

⁸ Reduced Impact logging (RIL); https://www.itto.int/sustainable-forest-management/logging/;

http://www.fao.org/3/ac805e/ac805e04.htm; https://www.cifor.org/?s=Reduced+Impact+Logging&submit=%EF%80%82

⁹ Free Prior Informed Consent (FPIC): https://en.wikipedia.org/wiki/Free, prior and informed consent as defined by the United Nations Permanent Forum on Indigenous Issues (UNPFII):

https://www.un.org/development/desa/indigenouspeoples/; as adopted by the ILO Convention 169 on Indigenous and tribal peoples (an international treaty adopted by ILO in 1989):

https://web.archive.org/all/20111031202527/http://www.ilo.org/ilolex/cgi-lex/convde.pl?C169; and as operationalised by FSC in its guidelines for the implementation of the right to free, prior and informed consent (FPIC): https://fsc.org/en/document-center/documents/23275b28-3697-420e-9316-4092eeab1498

- a. integrate biodiversity in internal strategic and decision-making processes of the Group, as well as in the analysis, management and reporting of long-term risks;
- b. ensure no/zero conversion of all natural ecosystems including HCV, HCS and peatland i.e. spaces that are protected due to their ecological, biological, cultural and/or landscape value or areas catalogued as having high biodiversity value;
- c. avoid deforestation directly associated with own activities and indirectly, through suppliers, by monitoring the implementation of commitments and best practice via satellite imagery;
- d. manage the negative impacts produced on the environment, including on the communities living in and from the forest concession in which the Group operates;
- e. restore any area of deforestation/conversion in its own operations, although no deforestation/conversion had been caused by INTERHOLCO in the past;
- f. support the restoration of degraded ecosystems, giving priority to nature-based solutions, encouraging the development of protection or conservation areas;
- g. carry out inventories for monitoring flora and fauna, especially endangered, protected or vulnerable species, so that the interaction of our activities with the environment can be continuously assessed;
- h. encourage Group companies to support relevant and appropriate biodiversity and conservation initiatives and to participate in industry-specific working groups related to biodiversity and conservation;
- i. participate in carrying out research, preservation, education and sensitisation projects, in cooperation with governmental and non-governmental organisations, local communities, Indigenous Peoples, and other Stakeholders on biodiversity issues as well as in the fight against poaching and illegal trafficking of wildlife;
- j. promote biodiversity awareness and training for affected employees and sub-contractors;
- k. report on the biodiversity actions of the Group, research, preservation, education and awarenessraising actions, periodically publishing a sustainability report focusing on key biodiversity topics, risks and processes with measurable indicators.

Key objectives and priority targets

INTERHOLCO applies the main principles of conduct set out in the preceding section, via key biodiversity objectives and the relevant priority targets, summarized and regularly updated in **Annex I**, appended to this document.

Baar, January 2020