

Reported with reference to
the standard of the
Global Reporting Initiative™

20
23

SUSTAINABILITY AND TRANSPARENCY REPORT



PRECIOUS WOODS



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Precious Woods' Highlights 2023

For more information visit
www.preciouswoods.com

Carbon project in Brazil

Together with BRCarbon, we started developing a carbon project according to the highest VERRA and CCB standards, guaranteeing positive impacts on carbon, biodiversity, and communities.

▶ More on page 33

Preparation for EUDR started

Together with our branch association (ATIBT), our partners and clients, we are preparing for the EU Deforestation Regulation which will replace the EU Timber Regulation end of 2024. It will mark a cornerstone in finally creating a level playing field between forestry and agriculture.

▶ More on page 52

Reforestation project in Gabon

Mandated by Maurel & Prom, a major oil and gas operator in Gabon, we use our vast experience in silvicultural management to offer services to rehabilitate native forests on closed drilling sites.

▶ More on page 41

Precious Woods in the media

PW-CEB was once again present in the media. An FSC media team visited us as part of a larger project to portray our activities. Following initial publications in trade journals, other publications in international media will with a first major publication on Euronews.green in March 2024.

Swiss radio and television produced a report on PW-CEB at the end of 2023, which was broadcast at the beginning of 2024 and received very positive feedback.

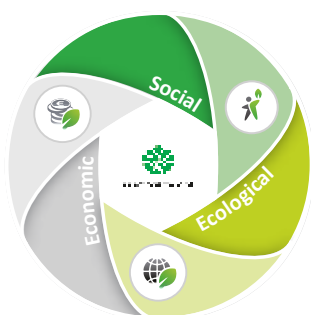
▶ [Link to the report \(German only\)](#)

The greatest success, was the broadcast of a report on "The Guardians of the Forest - Gabon" on ARTE, in which PW-CEB was portrayed as a role model.

▶ [Available online in French and German](#)



Nature-based Solutions and Shared Value as Core of our Business



“We provide nature-based solutions to protect forests and add value in remote tropical regions.”

Precious Woods Holding Ltd. is an international company with subsidiaries in Brazil and Gabon and its headquarters in Switzerland. We own 500 000 ha of tropical rainforest in the Brazilian state of Amazonas and hold the concession rights on 600 000 ha of tropical rainforest in the southeast of Gabon. Our employees manage these forests under rigorous Sustainable Forest Management (SFM) rules. All activities are certified according to the two most strict certification schemes: the Forest Stewardship Council® FSC® and the Project for the Endorsement of Forest Certification PEFC. In 2023, we processed most of our harvesting volume in our three sawmills or our co-owned veneer plants in Gabon and our sawmill in Brazil. Our trading unit predominantly sells our own products and trades logs and timber from PEFC or FSC certified¹ partners.

Precious Woods plays a leading role in proving that certified and sustainable forestry must be an essential part of protecting our world's forests and that only real and honest sustainability can create shared value for all. Only the sound management of natural forests can guarantee the long-term protection of the precious tropical forests while boosting social and economic development - benefits that strict conservation approaches fall short of. We also leave the concepts of Corporate Social and Environmental Responsibility behind. They are often solely based on philanthropic ideas or external pressure and are uncoupled from the company's economic development and the local economy. To create sustainable value for all share- and stakeholders, we consider social, ecological, and economic factors equally – the foundation of our approach to sustainability.

Precious Woods and its sustainable development are guided by a six-headed board of directors and our three-person executive management team with extensive and comprehensive expertise in tropical forest management, timber transformation, trade, and finance.

¹ FSC FM or FSC CoC, PEFC FM or CoC certified or with PEFC Controlled Source claim

² Precious Woods Holding, Ltd, Precious Woods Europe B.V., Precious Woods – Compagnie Equatoriale des Bois S.A., Precious Woods Amazon – MIL Madeiras Preciosas Ltda., Precious Woods Energia – MIL Energia Renovável Ltda. All entities in Precious Woods' financial reporting are also included in its sustainability reporting.

³ <https://www.preciouswoods.com/en/investor-relations/annual-reports>

Our Sustainability and Transparency Report

While economic data must be published by law, an enormous amount of ecological and social data is also collected annually in our operations. This report aims to make these data available to our stakeholders and shareholders and underlines our leading position in creating shared value in the tropical forest industry.

Between 2018 and 2021, we annually reviewed our sustainability and transparency reporting in its entirety. However, not all changes every year. This is why, in 2022, we decided to change the interval for the complete review of the report from one to two years. Even with a biannual report, some foundations remain unchanged; thus, some chapters of the 2021 report have only slightly been adapted. Whilst many aspects do not change significantly in one year, justifying a biennial reporting, we believe that





numbers must be updated annually to allow a holistic overview over time. Thus, we will update all tables and numbers annually.

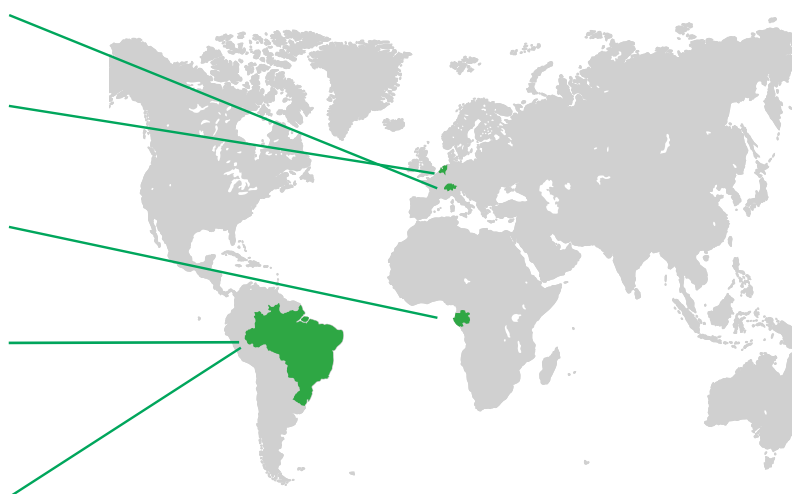
This report covers all our operations worldwide² and all products Precious Woods produced, processed, and traded from January 1 to December 31, 2023. Our products are logs, timber, and timber products. Precious Woods does not supply the Pulp and Paper industry.

All Precious Woods' commitments apply to all products, sourcing regions, operations, and direct and in-direct third-party suppliers. These commitments cover 100 % of the commodities. Full implementation of these commitments is already accomplished through valid FSC and PEFC certificates covering all operations, the whole supply chain, and all trading activities.

Financial aspects and information on tax payments are not part of this report but are reported in our financial reports for the same reporting period. The Annual and Half-Year Reports, as well as our Tax Policy, are available on our website³. We do not run any forest management or timber processing operations in Switzerland.

As sustainability and transparency are of high importance to us, we think these topics should be treated at the highest management level. Thus, we have delegated the responsibility for sustainability to our Chief Sustainability Officer, who is also responsible for reviewing and approving the information in this report. Moreover, sustainability and transparency are managed on the local level by our general managers and sustainability managers in Gabon and Brazil.

-  **Precious Woods Holding Ltd.**
Headquarters
-  **Precious Woods Europe B.V.**
Trading
-  **Precious Woods -
Compagnie Equatoriale des Bois S.A.**
Sustainable Forest Management &
timber processing
-  **Precious Woods Amazon -
MIL Madeiras Preciosas Ltda.**
Sustainable Forest Management &
timber processing
- Precious Woods Energia -
MIL Energia Renovável Ltda.**
Green energy & carbon credits





PRECIOUS WOODS



100%

From well-managed forests

www.fsc.org Cert no. SW-FM/COC-019

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The Second GRI™ Referenced Report

The 2021 edition of our Sustainability and Transparency Report marked a cornerstone as it was the first time Precious Woods references the report according to the standards of the Global Reporting Initiative (GRI). GRI standards are the number one reference for sustainability reporting. Aligning our report to these standards will highlight our commitment to real and effective social, environmental, and economic sustainability.

For 2023, we decided only to produce a report with reference to the GRI standard for the second time. This means that we do not apply the entire set of standards and do not follow all the steps required for full disclosure. We chose this proceeding because much is changing regarding sustainability reporting, and we must bundle our capacities to align them with all relevant voluntary and mandatory sustainability reporting needs. We could thus not focus on full GRI disclosure this year. We also foresee only reporting with reference to the GRI standard in the future, as this seems better adapted to the size of our company.

The GRI content index with all relevant references can be found at the end of this report.

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Latest news and more information on Precious Woods

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- [Precious Woods on LinkedIn](#)
- [Precious Woods Amazon on Facebook](#)
- [Precious Woods Amazon on Instagram](#)
- [Precious Woods Amazon on LinkedIn](#)
- [Precious Woods Amazon's recruitment Website](#)

Certification as an Inherent Part of our Business Ethics

“Since 2023 Precious Woods is a PEFC International Stakeholder Member.”

Precious Woods commits to certifying all own operations and the whole supply chain against the FSC or PEFC Forest Management (FM) and Chain of Custody (Coc) certification schemes. We also commit to only sourcing from third parties if they are FSC or PEFC certified.

Since 2009, all our operations have been FSC FM and CoC certified; since 2018, we have also been PEFC FM and CoC certified. Besides having a sustainable social, economic, and ecological impact, certification obliges us to constantly monitor and verify social and environmental indicators and our supply chain. These activities and compliance with certification requirements are checked annually by accredited and independent auditors. In Brazil, we are also certified according to the FSC Ecosystem Services procedures for carbon sequestration and storage and watershed services.

We are active members of organizations promoting and developing sustainable and certified forestry.

- Association Technique Internationale des Bois Tropicaux (ATIBT)
- Union des Forestiers Industriels du Gabon et Aménagistes (UFIGA)
- Coalizão Brasil – Climax, Florestas E Agricultura (Coalizão)
- Project For The Endorsement of Forest Certification (PEFC), International stakeholder member
- Forest Stewardship Council (FSC), northern and southern chamber

Being certificated also obliges us to apply Free, Prior, and Informed Consent (FPIC), the conventions of the International Labour Organization, gender equality, and many other aspects discussed in this report.

At the top of third-party assessments

Besides the annual FSC and PEFC audits, Precious Woods is assessed each year by third-party organizations focusing on sustainability and transparency. We welcome these initiatives to help investors and customers be better informed.

We are proud that our efforts and commitments are reflected in leading positions in the annual assessments of the Zoological Society of London's SPOTT assessment and the Global Canopy's Forest 500 assessment.

We ranked second in the 2023 SPOTT assessment with 88.2 % of all possible points and were rated 9th in the Forest 500 assessment.

Since 2021, we have also provided extensive data to the Open Timber Portal of the World Resources Institute. Unfortunately, these assessment schemes do not always automatically accept FSC and PEFC certification to measure compliance. We disagree with this approach as these two certifications exceed the requirements of most assessment schemes. Moreover, some schemes do not accept PEFC standards but the FSC Controlled Wood standard with arguments that seem unreasonable. We believe in the PEFC standards used in the countries we operate in, and we refuse to apply standards that we consider insufficient to prove sustainability only to comply with third-party assessors.

Overall, it would be more valuable for our forest if we could spend more time caring about sustainable forest management than compliance with assessment schemes.



In 2023, we stopped replying to the questionnaire of the Carbon Disclosure Project (CDP), where we were rated B between 2017 and 2022. We believe that an assessment scheme must not only assess a company but also help the company improve. After six years of working with CDP, we did not perceive CDP as the right tool to enhance our efforts to be a sustainability leader and decided to invest our efforts in other areas.



Impact on the UN Sustainable Development Goals

In 2015, the United Nations published the 2030 Agenda for Sustainable Development with the 17 Sustainable Development Goals (SDGs) as its central element. The SDGs are an indispensable and unique initiative to join forces across all countries, stakeholders, and industries to strive towards a more sustainable and equal world. They cover various social, economic, and environmental development issues, and Precious Woods actively contributes to 12 of the 17 STGs.

Sustainable Development Goal	Precious Woods contribution
 <p>End poverty in all its forms everywhere</p>	<p>With more than 1 500 employees in rural areas and a total of 50 communities surrounding our forest area, Precious Woods is responsible for more than 10 000 people's income and living standards. The salary level is higher than the minimum wages in areas where other employment opportunities are scarce.</p> <p>A profit-sharing program is also in place through social projects or an amount per cubic meter harvested to guarantee a fair split.</p>
 <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p>We don't have agriculture production in our area, except one cocoa plantation in Gabon in favour of the communities. But we offer to use products from our forests like seeds, resins, timber and organize courses for the communities in handicrafts and food processing. This goes very much along with DSG # 2.</p>
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>Our safety officers and their teams ensure our employees' continuous training and appropriate equipment.</p> <p>Besides, we are also concerned about our employees and their families' general health. In Gabon, for example, they have access to three infirmaries and a doctor. Regular HIV prevention campaigns and measures against malaria are also part of our commitment.</p> <p>In Brazil, our employees and their families are given preferential access to public health services and can also benefit from free medical consultations.</p>
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>In some areas, our infrastructure helps to provide education. In Gabon, for instance, we maintain a kindergarten and a primary school with more than 800 scholars, and we provide housing for the teaching staff. We do also support secondary education through cooperation with local universities. In both countries, we train our employees continuously in their daily work and increase competencies.</p>
 <p>Achieve gender equality and empower all women and girls</p>	<p>As a principle within Precious Woods women and men have the same conditions when it comes to salaries and all other working conditions.</p>
 <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>In the forest we do avoid any negative impact on water courses. This is guaranteed by sound and deliberate planning of road construction and harvesting operations based on detailed inventories.</p> <p>We supply the camps with fresh and filtered water for more than 5 000 people.</p>

Sustainable Development Goal	Precious Woods contribution
 <p>7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Precious Woods is not producing charcoal or pellets but uses the biomass from sawmills to produce electricity. This accounts for the time being in the Amazon but another project in Gabon is under consideration. As electricity normally is produced by diesel generators, the savings by using the biomass power plant accounts to approximately 12 000 000 liters of diesel per year.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Precious Woods manages some 1 100 000 ha of tropical forest sustainable in a cycle of 25 in Gabon and 35 years in Brazil. With an average harvesting volume of 14 m³/ha/year, the forest's recovery is guaranteed for generations but limits the amount of timber produced for the market. Therefore, we are looking for additional concession areas to increase the volumes and take the responsibility to protect natural forests by using them sustainable.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>We are providing road maintenance and electricity to all our camps in Gabon and we are supplying the Brazilian city of Itacoatiara with green energy from our co-generation plant. We are constantly investing in our processing units to increase the creation of local added value and thus employment and development.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	<p>With a scientific based inventory of our forests we guarantee the natural recovery of the forest after harvesting. The road planning is based on that inventory which includes water courses as well as altitudes to ensure to have as less impact as possible.</p>
 <p>13 CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>	<p>In its forests Precious Woods maintains a carbon stock of some 330 000 000 t. As to studies from universities (performed in the Amazon) the growth of tree biomass in sustainably managed areas is 3 m³/ha/year where in just protected areas it is 1 m³/ha/year.</p>
 <p>15 LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>Although a sustainable forest management has its impact on forests by creating roads, the outweighing positive impact is that deforestation will be prevented. Moreover, the main roads can be used for several cycles, where the secondary roads are either recovered or mapped to reuse the same road during the next harvesting cycle. Besides protecting the forest, certified and sustainable forest management does actively promote and protect biodiversity, as hunting is regulated, poaching is hindered, and the natural composition of our forest is maintained.</p>



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SOCIAL PERSPECTIVE

The Basis for our Success - our Employees



Our motivated and well-trained employees are the foundation for sustainable development, and the employee turnover of only 5.2 % in 2023 (2022: 5.9 %) reflects Precious Woods' attractiveness as an employer. With their daily dedication, our employees are the basis for our economic success and their families' well-being.

Unfortunately, due to the complicated economic situation, the total number of employees in Gabon declined by 9.5 % compared to 2022.

In Brazil, the number of employees decreased by 26.6 % for the same reasons as in Gabon.

Gender equality and payment of living wages are self-evident in certified operations and part of our business ethics. We do not hire temporary staff; all employees have permanent positions. Part-time work is uncommon in Brazil and Gabon, whereas 4 of the employees at the Holding work part-time. All new employees receive training from Human Resources or certification managers on their worker's rights, obligations, safety procedures, and company values.

Employees ¹	Brazil		Gabon		Holding and Europe		Precious Woods	
	2023	Δ 2022	2023	Δ 2022	2023	Δ 2022	2023	Δ 2022
Women	48	- 12	47	2	8	0	103	- 10
Men	537	- 200	611	- 71	8	1	1 156	- 270
Total	585	- 212	658	- 69	16	1	1 259	- 280
% - Women	8.2		7.1		50.0		8.2	

Board Members 2023		
Women	0	0 %
Men	6	100 %
Total	6	100 %

Senior Management Team 2023		
Women	0	0 %
Men	4	100 %
Total	4	100 %

Monthly gross wages 2023*	Gabon	Brazil
Legal minimum €	229	246
Company minimum €	259	250
% of legal minimum	113	101
Women on company minimum wage	4	6
Men on company minimum wage	21	70

¹ Head count at the end of the reporting periode

* fx rate as of 31.12.2023

Women at Precious Woods



Women have unquantifiable importance in their countries' economic development and their families' subsistence. Unfortunately, women are still a small part of the workforce in the timber industry globally and only marginally represented in harvesting operations. We hire women whenever possible to overcome this disequilibrium, and we had a share of female workforce of 8.2 % in 2023 (2022: 7.3 %). We consider this too low and strongly support all initiatives striving towards an equal inclusion of women in the working world, especially in regions or sectors where men still represent most of the workforce. We strive to overcome these barriers but must accept that there is still a long way to go. We welcomed five female trainees for their first professional experience, representing 55 % of all trainees in Gabon in 2023.

In Brazil, gender equality is implemented at Precious Woods, and women represented 8.2 % of our Brazilian workforce in 2023 (2022: 7.5 %). Women were primarily employed in administration, forest- and technical engineering, the industries, and the canteen. Women are also part of the local management team, and since 2021, our sawmill and all adhered services have been led by a female manager. As in most other countries, the job market for technical positions, especially in milling and forest operations, presents a gender disequilibrium. We would like to see younger women train in technical professions to increase our female workforce, and the local management thus actively attempts to increase the female workforce. In cooperation with local educational facilities, we offer regular trainee programs to make our company better known and attractive to young female pro-

fessionals. One woman took advantage of this offer, representing 25 % of our trainees in Brazil in 2023.

The female workforce in Gabon is mostly employed in administration and facility services. Women represented 7.1 % of our Gabonese workforce in 2023 (2022: 6.1 %). Today, women's main tasks in rural areas are mostly housekeeping, parenting, and subsistence agriculture. Women are often not accepted as the breadwinners of the family. Many women in rural areas share these mindsets and have a lower educational level than men as they leave school earlier for various reasons. Hiring female employees who possess a sufficient education level to work at Precious Woods is challenging. Yet, we are glad that our efforts for gender equality have started to show success. In 2023, two women took up leading positions in our new division, providing planting services for restoration to customers.

The long-term objectives are to have a more qualified female workforce available for our operations and to create a better business environment for women in general.

Female employees in Switzerland work in administration or management as we do not have forest operations in Switzerland. In 2023, they represented 50.6 % of our workforce in Switzerland (2022: 53.6 %). Enough qualified female workforce is available on the job market, gender equality is implemented, and we do not face barriers or need to take action.

Occupational Health, Safety and Training



In forestry and timber processing, heavy equipment is often used in challenging work environments, increasing the risk of work accidents. The accident rate was 11.4 % (2022: 6 %), and we have had no fatal accidents since 2015. Still, we consider that every accident is one accident too much. We aimed to push the accident rate below 6 % by 2024 and already achieved this aim in 2021 and 2022. However, in 2023, we did not reach our target due to an increase in accidents in Brazil, mainly in the sawmill. We identified technical problems in the sawmill surveillance system and organizational problems as the primary source of this heavy increase. We took the necessary measures and are now closely monitoring the development in 2024 to decrease the number of accidents again.

Our Health and Safety Teams in Gabon and Brazil continually improve awareness and knowledge among employees. Personal protective equipment is delivered to all employees to comply with the International Labour Organization's and FSC and PEFC certification

rules. Safety officers supervise if safety rules are applied and if all safety equipment is in place and properly functioning.

In Gabon, the Health and Safety team introduced the "half-hour safety meetings," regular short safety sessions held in all departments to keep awareness high. In Brazil, safety officers pass by every team regularly for discussions about physical and mental occupational health.

Additionally, we run regular sensitization training, and designated employees undergo first-aid training regularly. We maintain our own fire brigades, trained by internal and external experts. Advanced professional training is provided to specialized employees occupying critical and crucial positions. For example, an external specialist in Gabon trains loggers and sharpeners every year to strengthen and enlarge their professional skills. The decrease in training hours is due to extensive pandemic-related training measures in 2021 and a catch-up of professional training in 2022, that was not possible during the pandemic.



Number of accidents

	2021	2022	2023
Brazil	14	20	61
Women	0	1	0
Men	14	19	61
Gabon	59	73	82
Women	0	1	17
Men	59	72	65
Holding	0	0	0
Total	73	93	143
Accident rate %	4.7	6.0	11.4
Fatal accidents	0	0	0



Occupational Health and Safety Training

Total training hours	
2021	1 237
2022	773
2023	352

Social Responsibility and Education



We believe that every society and individual must have the possibility to progress according to their personal needs and wishes. One of the most fundamental steps towards these goals is a solid basic education for everyone. It is the only way towards a sustainable social and economic evolution and an encompassing ecological understanding. We see it as our obligation to support such developments beyond legal obligations.

 **10 676**
consultations of
our medical staff

Our employees and their families in Brazil benefit from preferred access to health services and doctor's consultations, an offer that has been used 1 934 times in 2023 (2022: 4 890). We also regularly sponsor local events and the construction of public open spaces, such as playgrounds.

Providing first professional experiences to the next generation is one of our significant objectives. Every year, we partner with local education facilities to provide internships for students. In 2023, we welcomed 13 trainees, of whom 4 were women, for their first professional experience at Precious Woods (2020: 46/20).

In Gabon, when we released the 2021 edition of this report, most employees¹ and their families lived in one of our 649 houses, studios, or rooms in our own camps and benefited from free access to electricity and potable water. Moreover, grocery

stores, as well as waste management, were provided and organized by Precious Woods for all employees in the main camp, "Bambidie" and the two satellite camps. In 2020, when we moved to new harvesting zones, one of the two satellite camps was closed; in 2023, the second camp followed for the same reason. The concerned employees now receive subsidies to rent appropriate houses in the city of Okondja for themselves and their families. This set-up has the advantage that employees and their families live closer to public health services, secondary education facilities, and enhanced shopping possibilities.

In the last decade, the city of Lastourville underwent a striking development, making it a decent city with all the necessary infrastructure and amenities. At the same time, it became more and more complicated to maintain and organize an independent camp. Starting in 2023, we are thus gradually reducing the Bambidie camp. The employees and their families relocate to Lastourville and receive subsidies for decent housing. Employees use company-provided buses to make the 35 km commute. The new system has proven its viability; in December 2023, only 160 employees and their families still lived in Bambidie. The reorganization of the camp Bambidie is planned to be finalized in 2024.

The doctor and nurses handled 2 488 consultations of employees, 5 768 of employees' families, and 393 community members in our infirmary in 2023, totalling 8 649 consultations (2022: 10 680).

¹ Employees working for Compagnie Equatoriale des Bois, site Bambidie and Lelama

Isolated in the forest, the cultural offer on our sites in Gabon is limited. This is why we initiated a unique cultural project to promote social development and sustainability in 2016. In 2017, the cultural centre opened its doors. For the past six years, the PW-CEB Cultural Centre has welcomed the people of Camp Bambidie, provided access to a library, computers, cultural activities and training, and organized events for the public. In 2023, most employees and their families settled in the city of Lastourville, which marked a cornerstone in the history of PW-CEB. These significant changes also lead to the Cultural Centre reducing and finally suspending its activities.

The Center was a major success, even though we are sad that this project ended. At the same time, we look back on many emotional moments and are proud of what all the volunteers and the CEB social staff achieved with this unique social project.

We also support Gabon's public education system in its efforts to provide education for everyone. To do so, we built and maintained school buildings in Bambidie. However, the school is managed by the authorities, who will also decide on the school's future, as there will be a lower enrollment due to the relocation of many families to Lastourville.

A lack of learning material is one of the main issues, as schools often do not accept children if they cannot bring their respective materials. It mainly affects the youngest children of large families, the weakest amongst the weakest, and therefore, excludes them from education. Since 2019, the Cultural Center has carried out an annual campaign to provide learning

material to the children at a discount rate. In cooperation with the local parents' organization and financially supported by the Swiss foundation "Verein Bambidie," the cultural Center purchased teaching material in large quantities in Libreville. Depending on the parents' income class, they are sold to more than 500 employees' children at subsidized prices. The initiative significantly reduced the number of children being refused by the schools at the beginning of the school year. The learning material campaign continued in 2023.



Local Communities and Development



393

health care consultations provided to community members

Important indirect economic impact

Not only our employees and their families are benefiting from our activities but the entire population living in and around our forests. Being amongst the most significant regional operators and employers, our demand for governmental and private services and our staff's purchase power also fosters the economy of entire regions. We estimate that – besides our employees' families - more than 10 000 people do directly and indirectly benefit from our operations. Thus, we contribute directly to the Sustainable Development Goals to fight poverty and hunger and foster economic growth.

- We contribute and support local economic development
- We favor local employees
- We support the communities in sound and sustainable use of natural resources
- We encourage improvements in education and health care

In Gabon, our health care service is also accessible for the communities and was used more than 393 times in 2023 (2022: 532).

Successful coexistence and partnership

Nine communities in Brazil and 44 in Gabon are located inside the perimeter of our operations. These communities have lived with, in, and from the forest for a long time. Guaranteeing their customary rights of use is an inviolable part of our business ethic. In Brazil and Gabon, specially trained teams under the direct supervision of the local general managers do guarantee the exchange and interaction with the communities.

Our Free, Prior, and Informed Consent (FPIC) procedures ensure that all stakeholders have the same rights during decision-making. We always try to mediate conflicts in direct discussions and elaborate pragmatic solutions. In case this does not lead to a solution – or if such mediation is not desired – all employees and stakeholders can fill a grievance and start our grievance procedures. Details of our FPIC and Grievance procedures are explained on page 46. Eight new grievances were addressed in 2023 (2022: 3), and eleven grievances were solved to the satisfaction of all parties (2022: 3).

We believe that only the successful development of a whole region can lead to sustainable social, ecological, and economic success. That is why we assist the communities inside our forests to facilitate sustainable development.

Grievances 2023

	Brazil	Gabon
Opened	0	8
Solved	3*	8
Ongoing	1	0

* from 2022

Community support and projects for development

In 2023, the north of Brazil experienced one of the worst periods of drought, and many inhabitants suffered from low water levels. Due to the low water level of the rivers, access to drinking water and transportation was difficult for the population. Given this critical situation, Mil Madeiras Preciosas donated lumber for the construction of bridges and platforms to access the rivers.

Mil Madeiras Preciosas also organized a road safety campaign for employees and the local population in collaboration with the authorities. This campaign aimed to raise awareness, reduce the number of road accidents in general, and prevent the death of wild animals.

The agricultural development program for local communities was also continued. The focus in 2023 was to provide technical support for sustainable farming methods and to supplement the traditional knowledge of the local population. In addition, workshops were held to explain the possibilities of local development loans to the communities.

Mil Madeiras Preciosas supported the local community administrations in cleaning up the public landfill. In addition, local residents were offered waste management training to prevent environmental damage and the spread of disease.

We partner in various community projects to support communities in their economic development. In Brazil, communities are

supported in handicraft projects that help preserve and valorize their traditional knowledge. In 2020, on an old log yard, a coffee plantation of around 5 600 plants had been realized on 2 ha with communities. The project was initiated by Precious Woods to provide a sustainable income to the communities that we will accompany throughout the project. The first years of the project has been a success, and the plants are successfully growing thanks to the care of the communities. The project might even be enlarged in the coming years.

It is not meant to impose projects; thus, similar agricultural projects in Gabon have been stopped due to the disinterest of the communities.





Science for Sustainability



Tropical forests are crucial in international efforts to curb carbon emissions and maintain biodiversity. Tropical forests still have an enormous potential for pioneering research to tackle these and other challenges. We support scientists in their efforts to provide new knowledge on forests and fauna to develop new tools for sustainable forest management, fauna protection, and carbon market development.

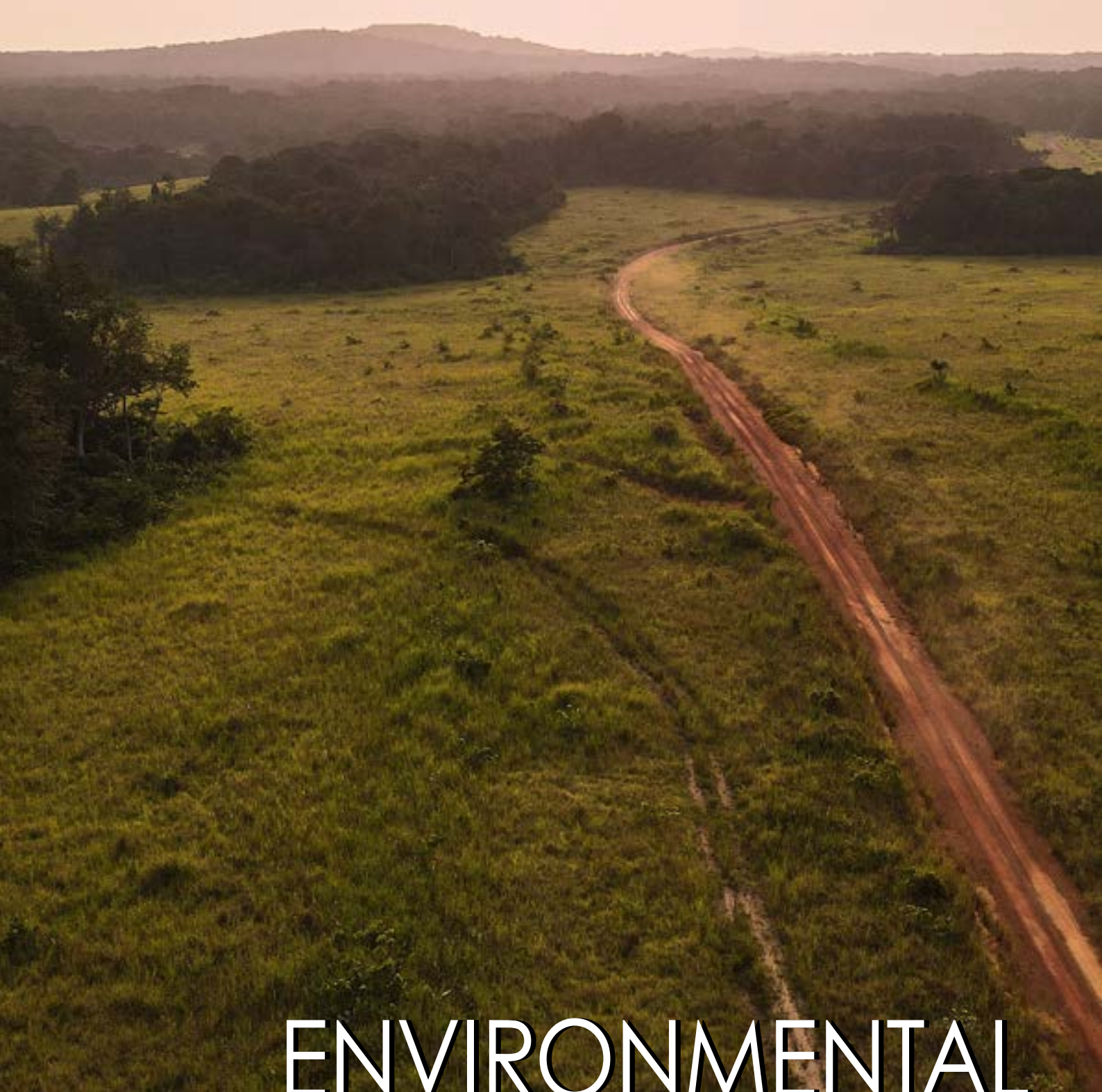
Applied research also connects young professionals to the private industry, adding an essential aspect to their curriculum and bringing new ideas to Precious Woods. Moreover, it is an important recruitment channel for us, and several former students work in various positions in our company today. Our Chief Technical Officer, our Certification Director in Brazil, our Senior Forest Manager in Gabon, and many more started as students at Precious Woods. These experiences foster our motivation to invest in research and higher education. In 2023 we supported projects of five research institutions from Gabon, Brazil, and Belgium.

We promoted eight projects financially as well as with logistical support and local knowledge in 2023. The projects range from fauna inventory and management, over tree growth and carbon dynamics, valorization of timber species, optimization in timber processing, the impact of our operations on the fauna, and the improvement of Sustainable Forest Management. Moreover, the research in our forests provides data on the long-term, transnational projects on the dynamics of tropical forests P3FAC-AFRITIMB, AfriTRON, and RAINFOR.

One research focus in Brazil was on the fauna in collaboration with the State University of Amazonas (UEA). One study looked at the influence of forest management on the bird population and concluded that sustainable forest management does not affect the bird population. A similar study was also carried out on mammals and proved that our management method sustainably protects the fauna.



8 967
trees planted for
research purpose



ENVIRONMENTAL PERSPECTIVE

Sustainable Forest Management to Protect the Forests



Classical forest management solely focuses on economic aspects, whereas Precious Woods' sustainable and certified forest management follows a holistic, social, environmental, and economic approach.

Sustainable forest operations range from inventories to road construction, reduced impact operations, processing, and, finally, transport. These activities and their linkage require sound and proactive planning, with every step organized by skilled and experienced staff.

With harvesting cycles of 35 years in Brazil and 25 in Gabon, we guarantee that the forests can always fulfil their role as the world's green lung and the safe haven for magnificent fauna and flora. The average harvesting volume per hectare decreased to 13.7 m³/ha (2022: 15.3 m³/ha). In Brazil, the volume per hectare increased in 2022 and 2023 as our forest area is very heterogeneous, with some areas featuring higher tree density and volumes than others. This does not change the principle of always respecting sustainable regeneration rates. In Gabon, we exited areas with a

high tree density and tree volumes in 2022, which explains the continuing decrease in volume harvested by hectare. These harvesting volumes are sustainable and below the legal limits of 30 m³/ha in Gabon and 25 m³/ha in Brazil. It guarantees natural regeneration over the timespan of one rotation period and the holistic protection of our forests.

Roads represent one of the important impacts on forest operations, and we try to minimize it through sustainable forest management and reduced-impact logging procedures. Most importantly, we reduce the number of new main roads to a minimum. We prefer to open small secondary roads and, in Gabon, reopen roads built during the last harvest cycle. Thanks to this approach and proactive planning, only 11 km of new main roads have been constructed out of the 95 km of roads being worked in 2023, meaning that impact-reducing reopening accounts for 88.4 % (2022: 100/462/78.3 %). 70 km of old roads that will no longer be used have been restored (2022: 45).

 **70 km**
of old roads restored

m³ harvest harvested

	2021	2022	2023
Brazil	160 271	187 961	85 516
Gabon	233 716	228 882	162 756
Total	393 987	416 843	249 272

m³ harvest per hectare

	2021	2022	2023
Brazil	12.5	16.6	17.3
Gabon	15.8	14.3	13.0
Total	14.3	15.3	13.7



Combining protection and conservation

We guarantee that 1.1 million ha of natural tropical forests are protected from deforestation, that the biodiversity will not diminish, and that the forests can fulfill their functions as a living environment for flora, fauna, and humanity. As conservation is an integrated part of certified and sustainable forest management, we also put more than 12 % of our forest area under strict conservation and monitor these areas closely. Besides some legally binding protection areas, voluntary conservation zones are identified through FSC and PEFC procedures. This well-balanced mix of sustainable and certified forest management and forest conservation is the only way to maintain our world's natural tropical forests and their role as the green lung of the planet.

Forest area (ha) 2023

Brazil	
Total forest area	572 892
whereof own land	395 658 / 69.1 %
where of public concessions	117 233 / 20.5 %
where of private concessions	60 000 / 10.5 %
Conservation & community area	70 064 / 12.2 %
whereof conseravtion (other than water)	19 264 / 3.4 %
whereof watershed protection	44 024 / 7.7 %
whereof community area	6 776 / 1.2 %
Gabon	
Total forest area	596 822
where of public concessions	596 822 / 100 %
Conservation & community area	75 255 / 12.6 %
whereof conseravtion (other than water)	56 489 / 9.5 %
whereof watershed protection	4 230 / 0.7 %
whereof community area	14 536 / 2.4 %
Precious Woods	
Total forest area	1 169 715
whereof own land	395 658 / 33.8 %
where of public concessions	714 056 / 61.0 %
where of private concessions	60 000 / 5.1 %
Conservation & community area	145 319 / 12.4 %
whereof conseravtion (other than water)	75 753 / 6.5 %
whereof watershed protectionwe	48 254 / 4.1 %
whereof community area	21 312 / 1.8 %



Ecosystem Services Certification

At Precious Woods, we strive to live up to our reputation as pioneers in certified and sustainable forest management. We confirmed this aspiration in 2020 when Mil Madeiras was the second company worldwide to successfully pass the new FSC Ecosystem Services Certification for Carbon Sequestration and Storage¹. In 2021, Mil Madeiras Preciosas also obtained the FSC Ecosystem Services Certification for Watershed Services. The certificate proves that our sustainable forest management permanently protects 51 000 ha of watercourses inside our forest area. Amazonian watercourses are inter-connected, the foundation of all life, and the basis of the existence of many communities. The protection of these waters is thus crucial. Unsustainable harvesting operations and poor road construction can impact watercourses, causing sedimentation, blockings, and contamination. Therefore, we are proud that we could prove that certified and sustainable forest management is a part of the solution to watercourse protection.

The certificate for Carbon Sequestration and Storage confirms that the carbon stock in our forests has been stable since 2008 and that around 76.5 million tonnes of carbon (tC) are permanently stored in our Brazilian forests. The numbers changed slightly compared to the Sustainability and Transparency Report 2020. The auditors changed the methodology and the scope of the area certified to ecosystem service standards in 2021. It reduced the total amount of carbon in our forests from 81 to 76.5 million tC and to 42.5 million tC inside the scope of the certificate. The changes were caused by vagueness in the standard, a reality we must accept when applying new and innovative standards. The FSC has identified this shortcoming and the standard is now under revision. However, this does not affect the forest management certification and does not change the fact that 76.5 million tC are permanently stored in the entire forest area. This being said, it is evident that sustainable forest management is one of the solutions to protect our world's carbon stocks, and we are proud to be part of this solution.

¹ <https://fsc.org/en/for-forests/ecosystem-services>

“ No deforestation in our supply chain ”

A supply chain free of deforestation and conversion

FSC does not accept any deforestation and conversion, while PEFC accepts small-scale conversion only if it “contributes to long-term conservation, economic, and social benefits.” For all own operations and our FSC-certified supply, we thus commit automatically to a deforestation- and conversion-free supply chain and extend this commitment to all natural ecosystems. We also commit only to source PEFC certified products if they originate from countries where deforestation and conversion are not tolerated by the law and where the legislation is enforced reliably. Today, we only source FSC or PEFC certified¹ products or products complying with our Procurement Policy. If, despite all efforts, non-compliant deforestation or conversion should have occurred in our operations after 2009, we commit to reforesting these areas to their original state.

We also closely monitor our forest area to detect and avoid third parties' deforestation. Sometimes, land use rights such as mining are superposing with our forests, providing legal permits to other companies that deforest particular areas. In the past years, only two single events of deforestation were reported. In 2018, a mining company cleared a surface of 4.9 ha inside our Gabonese forest concession to open gravel quarries for road construction. The quarries were reforested in 2019 by Precious Woods on behalf of the mining company. Moreover, a Brazilian oil company deforested 6.57 ha for test drillings in 2014 and 2015. After concluding the test drilling in these areas, the company has realized a restoration project since 2018. Both companies hold valid authorizations, and their operations meet legal standards. The companies cooperate to minimize their impact inside our forest area, and we regularly patrol the respective regions. In 2022, an oil and gas company holding valid permissions entered our forest in Brazil and deforested a total of 9.55 ha in four different places in 2022 and 2023. To reduce the impact, they reuse our old roads. We are in close and regular contact with the company, and they respect their legal obligations towards Precious Woods as the forest owner. The company has a legal obligation to renaturalize other areas for this loss. However, these areas are not in the sphere of influence of Precious Woods. Once they leave our forest after completing their operations, they are obliged to reforest the deforested area inside our forests.

Public-private Partnership and Wildlife Protection



Public-private partnership to protect the fauna in Gabon

In Gabon, our forests are home to various endangered species, such as forest elephants, Gorillas, Chimpanzees, and panthers. As we patrol and control our area with our own wildlife team to prevent poaching, our concession has become a safe haven for the stunning fauna. Nevertheless, poaching in areas bordering our forests and bush meet trafficking on departmental roads through our concession seems to be on the rise. Therefore, in 2019, the Gabonese government, the NGO Conservation Justice, and Precious Woods signed a public-private partnership agreement to join forces against illegal hunting. The convention was implemented in mid-2020 to detect and prosecute poaching and sensitize the local population. One of the main advantages of this public-private partnership is that it brings together all necessary knowledge under one umbrella. Where long processes and coordination were required in the past, very efficient and streamlined procedures are in place today. Conservation Justice backs the project with judicial advice and social work for sensitization, the authorities lead the joint missions and enforce the state authority, and Precious Woods provides logistical and technical support. With the increasing frequency of missions, reported incidents and prosecuted cases also increased. This is, of course, a double-edged success that motivates all parties to keep this convention running at a high pace to bring illegal activities to an end. We cannot communicate on specific cases for confidentiality reasons and as the legal prosecution is governed by the authorities. We are happy that no Precious Woods employees have been arrested, which proves the efficiency of the internal anti-poaching sensitization that has been in place for years.

The project shows the importance of strong public-private partnerships, as only the combined know-how of all three parties can guarantee the project's success. The first project funding expired in 2022, but a follow-up financing was realized, with Precious Woods and Conservation Justice injecting the significant financial contribution needed to continue this vital project.

Precious Woods' Wildlife Management

Our Gabonese wildlife team also monitors legal subsistence hunting activities of local communities. It also advises, controls, supervises, and reports hunting of our employees during hunting seasons to guarantee that only sustainable and legal hunting occurs inside our concession area. In 2023, 148 patrolling days were completed (2022: 189).

In Brazil, scientists monitor specific aspects of fauna as well. Around 200 designated community members from nine communities act as scouts, indicating potential illegal activities to our monitoring team. The team then transfers this information to the authorities. Our wildlife team conducts weekly wildlife patrolling. Missions are coordinated and sometimes undertaken jointly with the Military Police and the Environmental Secretariat of Silves and Itacoatiara. Besides legal subsistence hunting, hunting is banned in our Brazilian forests.

Anti-poaching activities are important, but an even more profound knowledge of fauna populations, dynamics, and behaviour is needed even better to protect the fauna. Thus, fauna-related research has become one of the main directions of the research we support. Scientists from Gabon, Brazil and Belgium work jointly on fauna inventories and the coexistence of fauna and sustainable forest management. They are using the newest methodologies, such as experimental phonetic wildlife monitoring equipment, to refine and expand our understanding of the fauna and the measures to protect it.

Anti-poaching patrols¹

Gabon	2021	2022	2023	Brazil	2021	2022	2023
Days of patrolling	125	189	148	Days of patrolling	92	85	68
Foots patrols (km)	1 106	1 750	1 099	Foots patrols (km)	29	45	30
Boat patrols (km)	35	0	0	Boat patrols (km)	102	35	36
Car patrols (km)	13 536	23 692	16 287	Car patrols (km)	386	445	325
Arms seized	26	1	3	Arms seized	0	0	0
Infractions reported to authorities	*	*	*	Infractions reported to authorities	6	3	4

¹ Due to different local conditions numbers cannot be compared between Gabon and Brazil

* Due to the new concept, infractions are recorded directly by the authorities.

Watercourses as a Source of Life



Watercourses are essential resources of life for humans, animals, and flora. In Gabon and Brazil, they are thus protected by various regulations, mostly depending on their width. FSC and PEFC certification even obliges us to strengthen our efforts to protect them. Buffer zones around rivers are defined by Brazilian legislation¹. Harvesting trees alongside major rivers is forbidden in Gabon, and the law determines buffer zones while harvesting next to smaller rivers and streamlets is regulated. One of our colleagues has a background in harvesting education and training and instructs the loggers in techniques that avoid harming these streams.

“Successful FSC Ecosystem Services Certification for watershed services”

To demonstrate our efforts and commitments, we decided that Precious Woods Amazon should be one of the first companies to pass a certification audit for the new FSC Ecosystem Services Certification for Watershed Services. The certificate proves that we are actively contributing to the long-term protection of these eminent important life resources. We are proud to be a pioneer in this future-oriented approach.

¹ Buffers are part of the Área de Preservação Permanente (APP, permanent conservation area)



Landscape-level Approach to Biodiversity Conservation



“Wildlife protection convention renews”

As mentioned before, the wildlife protection convention has been implemented in Gabon. The convention's geographical scope covers parts of the CEB concession and the bordering buffer zone to the Ivindo National Parc. It implements fauna conservation and anti-poaching measures in the landscape spanning the Ivindo National Parc and Precious Woods concession area. The convention has been negotiated and agreed upon by the end of 2018 and implemented in 2020. Joint patrols with the authorities in this area had already been conducted before, but the convention increased the number of activities and their success.



Carbon Stock, CO₂ Emission & Bioenergy



Our forests permanently stock millions of tonnes of carbon, and as they grow, they permanently extract CO₂ from the atmosphere. While oxygen is released into the atmosphere and helps regulate the climate, every additional tonne of wood permanently stores about 0.5 tonnes of carbon. That is why forests are an active and indispensable part of reducing and mitigating carbon emissions and climate change.

Forest Carbon projects in Brazil

The worldwide trend to compensate emissions through carbon credits and a new focus on forests to provide such credits is also of interest to Precious Woods. Most projects run under the umbrella of the United Nations REDD+ framework. The idea behind REDD+ methodologies is to account for the carbon stock in forests and for the improved carbon sequestration or reduced carbon emissions through all forms of responsible forest management, including forest plantations.

In early 2023, we joined forces with BRCarbon, an experienced carbon project developer, for an "Avoided unplanned deforestation" carbon project according to the highest VERRA and CCB standards, guaranteeing not only positive impacts on carbon but also for the biodiversity and the communities. The project has been registered under project number 4542 in the VERRA registry and will generate approximately 124 000 credits annually.



It was planned to have the project certified in early 2024. Due to a delayed release of new VERRA standards, the project has been delayed, and certification will happen later in 2024, with the first credits expected for 2025.

Certified Carbon Stock in Brazil

At Precious Woods, we always strive to live up to our reputation as pioneers in certified and sustainable forest management. We confirmed this aspiration in 2020 when Mil Madeiras was the second company worldwide to successfully pass the new FSC Ecosystem Services Certification for Carbon Sequestration and Storage¹. The certificate confirms that the carbon stock in our forests has been stable since 2008 and that around 76.5 million tonnes of carbon are permanently stored in our Brazilian forests.

Carbon Project in Gabon

The national carbon project in Gabon was temporarily stopped for reassessment after the change of government in August 2023. The government signalled that it is interested in carbon projects in the future. Once the direction is clear, we stand ready to contribute to developing carbon projects to contribute to social and economic welfare and promote the role of Gabon as a high-forest-cover-low-deforestation (HFLD) country.

CO₂ Neutral Energy Production and Trade in Carbon Credits

In 2021, Precious Woods acquired all shares in the 9-megawatt cogeneration plant BK Energia, situated next to our sawmill in Brazil. Under its new name, MIL Energieia Renovável, the plant consumes around 100 000 m³ of residues from our sawmill annually and, therefore, uses exclusively FSC and PEFC-certified wood for energy production. 45 000 MWh are produced annually, and a small portion is used to run our plants and offices. In the past, MIL Energieia Renovável delivered more than 75 % of the energy to the nearby city of Itacoatiara, which would otherwise use around 10 million litres of diesel annually to produce the same energy. The green energy produced by MIL Energieia Renovável corresponded to a total saving of around 35 000 tCO₂. In 2023, Itacoatiara was connected to the national grid, and the grid operator's need for energy from MER was reduced significantly. Even though we are still delivering to the grid, prices for renewable energy are very low due to the high availability of green hydroenergy. The availability of hydro energy has always been subjected to periodicity in Brazil, and it can be foreseen that needs and prices will rise again in the future.

MIL Energieia Renovável was the first company to produce Carbon Emission Reduction certificates (CER) exclusively from FSC-certified wood. Our CERs are eligible to the Gold Standard label for CERs², and MIL Energieia Renovável can provide up to 47 000 credits annually, corresponding to 47 000 tonnes of CO₂ equivalents. Since the start of the project in 2002, 472 891 carbon credits have been issued. A specialized partner, the Swiss NGO Myclimate³, handles the trade with our CERs. After 21 years, the MER carbon project

1 <https://fsc.org/en/for-forests/ecosystem-services>

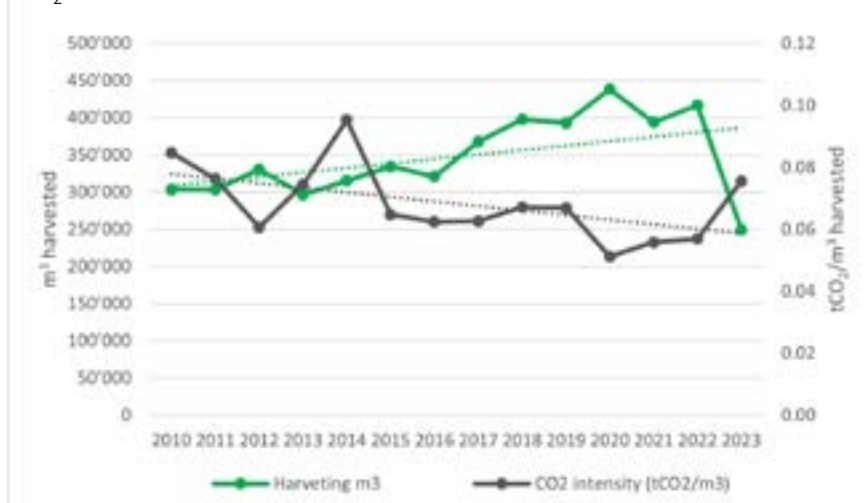
2 <https://registry.goldstandard.org/projects/details/1181>

3 <https://www.myclimate.org/de/informieren/klimaschutzprojekte/detail-klimaschutzprojekte/brasilien-biomasse-7123-1/>

4 https://www.gembloux.uliege.be/cms/c_4135397/en/p3fac-new-research-project-for-sustainable-forest-management

ended, and no new credits can be produced since October 2023. A new project cannot be developed, as the standards for carbon projects from bioenergy have been adapted so that the grid-connected MER plant would no longer be eligible. The final account of 21 years of the MER carbon project will only be available in 2025 as credits will still be sold in 2025.

CO₂ Intensity per m³ harvested



Precious Woods' Carbon Account

We report Level 1 to 3 CO₂ emissions yearly, but we believe these numbers do not reflect Precious Woods' impact correctly. As our forests sequester an important amount of Carbon every year, these carbon inputs must be considered when calculating our carbon footprint. To know how much carbon is sequestered annually, one needs to know the growth rate, which is usually higher in managed than unmanaged areas. This was also proved in studies with local Brazilian universities. In our Gabonese concession, the multi-stakeholder research project P3FAC⁴ investigates growth dynamics in central African forests. We expect to have in-depth knowledge of growth rates and, consequently, carbon sequestration in Gabon in the coming years. These research data will help us improve and refine our carbon account over the coming years and provide a realistic picture of the positive impact of sustainable forest management.

Our CO₂ emission is calculated using the classification of the World Resources Institute (WRI). The main indicator of making these emissions comparable over time is linking them to the core of our business, the harvesting volume. As a parameter, we use the carbon intensity per m³ and, thus, the tonne of Carbon emitted per m³ harvested. Since 2010, we have continuously increased our harvesting volumes while simultaneously reducing our carbon intensity. Between 2015 and 2022, our carbon intensity was constantly below 0.07 t CO₂/m³/year. In 2023, our total CO₂ emission decreased sharply to 18 842 tCO₂ (2022: 23752 tCO₂). Due to the reduced harvesting volume, the use of fossil fuels also decreased, explaining this 20 % decrease compared to the 2022 level. However, the emission intensity increased significantly in 2023 to 0.075 tCO₂/m³ (2022: 0.055 tCO₂/m³). Two main factors can explain this increase. The distance from the forest to the sawmill in Brazil increased again in 2023, meaning that every m³ must be transported over a longer distance than in the preceding year, using more fossil fuel per m³. In addition, reducing the harvesting volumes cannot entirely translate into a linear decrease in emissions, as several support functions must be maintained independent of the volume, mainly concerning electricity and transportation for accommodation, administration, health and safety and mechanics.

Emission intensity in Gabon is higher since we run two sawmills instead of one in Brazil. In Gabon, we must also produce energy from fossil fuels while using renewable energy in Brazil. The CO₂ emission intensity is also linked to the distance of the harvesting area, the condition of the public road and railway network, and weather conditions. We do not have any or only limited influence on these facts.

Nevertheless, transport distances will notably reduce in Brazil in 2024 and we aim to reduce our overall intensity to below 0.07 tCO₂/m³/year in 2024. All our emissions reduction must happen from improved operations and not from offsetting. We believe that offsetting our own emissions through offsetting mechanisms, such as carbon credits, is only dislocating but not solving the problem.

Tonnes CO₂

	2021		2022		2023	
Level 1 - Direct emissions	14 974	68.1 %	16 343	68.8 %	12 241	65 %
Level 2 - Indirect emissions	171	0.8 %	167	0.7 %	79	0.4 %
Level 3 - Travel	245	1.1 %	333	1.4 %	330	1.7 %
Level 3 - Transport	6 611	30.0 %	6 910	29.1 %	6 193	32.9 %
Total tCO ₂	22 001	100 %	23 752	100 %	18 842	100 %
Harvesting m ³	393 987		416 843		249 272	
CO₂ intensity (tCO₂/m³)	0.0558		0.0570		0.0756	

Wildfire Monitoring and Management

Our certification and sustainability managers and their teams monitor wildfires in Brazil and Gabon. However, identification and verification on the ground are only possible if the fires occur close to accessible areas, e.g., in case of fires set by communities. As most of our forest area is inaccessible, we rely on remote sensing data for our fire monitoring activities. It explains that the numbers are approximations. In Brazil, we use data from the National Institute for Space Research (INPE). For monitoring in Gabon, we rely on FIRMS-VIIRS data provided by NASA¹.

“Sustainably managed forest to prevent wildfires”

In the southern and eastern parts, our concession in Gabon contains a vast network of savannas, some of which are classified as High Conservation Values (HCV) as they host a stunning Flora and Fauna. Naturally, these savannas sometimes catch fire at the end of dry seasons. When approaching the forest border, these fires fade as well-managed and healthy tropical forests are too humid to catch fire. We rarely observe natural wildfires in our Brazilian forests as these forest lands do not contain savannas or other drylands. If trees are ignited by natural events such as lightning, these events stay isolated and do not spread. No natural wildfires occurred inside our forests in Brazil, and no wildfires were reported in supplier operations in 2023. In Gabon, we detected four wildfires in 2023, all in savannas and without impact on the forest.

In Brazil and Gabon, farmers inside our concessional have the right to apply slash-and-burn practices for subsistence agriculture in predefined areas bordering their communities. These practices are only applied at the fringes of our forests and do not affect them. We monitor these fires to ensure they are only used purposively and avoid illegal forest conversion or degradation of agricultural land.

Wildfires 2023

	Brazil	Gabon
Natural wildfires	0	4
Slash-and-burn	16	2



Drinking Water and Water Treatment



A sufficient supply of drinking water is crucial for the health and provided to all our employees in Brazil and Gabon. All camps in Gabon are connected to our potable water network. Water is treated on site, and we perform quality tests regularly.

One of our major concerns is not letting water run-off from our operations penetrate nature. Run-off from our production sites in Brazil and Gabon is directed to clarifying basins for treatment before release. These installations are authorized and controlled by authorities regularly. In 2019, we performed Chemical Oxygen Demand (COD) tests at our clarifying basin in Gabon for the first time, but the results did not stay within the limits set by the Gabonese legislation¹. We immediately revised our installations and procedures and committed to improving this situation in last year's Sustainability and Transparency Report. The second test in 2020 proved the efficiency of these measures with a COD level below the legal limit, which is at 40 ppm. In 2022 and 2023, tests were performed at the sawmill and the workshop. In 2022, the results at the "sawmill" sampling point were not satisfying,

and measures were successfully taken, with the new 2023 analyses being below the legal minimum. Unfortunately, the opposite was the case for the "workshop" sampling point. As in 2019, we identified malfunctions in the facilities and maintenance issues as the main reasons for this and have already initiated the necessary corrective actions.

However, COD levels do not influence the quality of drinking water that we purify in a closed system and whose quality is regularly checked by accredited laboratories.



Fuels, Chemicals and Pest Management



To guarantee the supply of clean drinking water and, in addition to other filtering methods, we use chlorine for potable water conditioning. We only use non-toxic components approved by FSC and PEFC in our forest and milling operations, for instance, for the protection of logs. Still, we do not use any other chemicals, such as fertilizers or pesticides, in our sustainable forest operations.

We rely on fossil fuels to run our forest operations in Brazil and Gabon and our

processing plants and camps in Gabon. In 2023 we used 4.53 million litres of diesel (2022: 5.95 mio. l), corresponding to 18.1 litres per m³ harvested (2022: 14.2 l/m³). Two main factors can explain this sharp increase in litres used per m³ harvested. The distance from the forest to the sawmill in Brazil increased again in 2023, meaning that every m³ must be transported over a longer distance than in the preceding year, using more fossil fuel per m³. In addition, reducing the harvesting volumes can not entirely trans-

late into a linear decrease in emissions, as several support functions must be maintained independent of the volume, mainly concerning electricity and transportation for accommodation, administration, health and safety and mechanics.

We also use other fuel products like oils, petrol, and grease, following legal regulations and certification standards. Waste oil and used filters are collected and disposed of by accredited companies. We regularly collect all non-hazardous waste from our operations and Gabonese camps to avoid any negative environmental impact. It is disposed of in designated and secured landfills, which are also controlled by certification bodies.

Integrated Pest Management (IPM) is compulsory under PEFC certification², and FSC certification obliges us to develop and apply IPM through its International Standard³ and its Pesticides Policy³. For the use of Highly Hazardous Pesticides (HPP), we follow the PEFC standards and FSC Pesticides Policy. We strictly commit not to use HPP listed under international agreements and respect these agreements in their entirety.



1 Decree N°00198/MRS/E/PN/CENAP on the Gabonese Environmental Law of 2014

2 PEFC ST 1003:2018, Requirement 8.2.6;

3 FSC-STD-01-001 V5-2 EN, Criteria 10.7 and FSC-POL-30-001 V3-0 EN



ECONOMIC PERSPECTIVE

Industrial Development and Cooperation



Precious Woods is a worldwide leader in the tropical forest industry, timber processing, and timber trade¹. Our long-term approach to social, environmental, and economic development implies investing in industrial projects and increasing added value in remote areas. Of course, other strategies, such as the sale of logs, would have been easier and cheaper to implement than investing in local industrial development. Still, they are totally against our beliefs and business practices.

New business activities - environmental services for third parties

In early 2023, we could start a reforestation project for one of the major Oil and Gas operators in Gabon, Maurel & Prom. The company operates on-shore oil permits in the west of Gabon. Maurel & Prom decided to gradually restore these platforms of around 0.5 to 2 hectares to their original state. PW-CEB is happy to have been chosen as the provider for this project with our longstanding experience in forest inventory, seed collection, building and operating of tree nurseries, planting of native tree species and scientific follow-up. Our specialists provide these services to guarantee that Maurel & Prom can achieve its environmental goals while restoring the forest area.

We also participated in tenders for other projects from other companies that have not yet been finalized by the end of 2023.

We see this new business activity as a valuable addition to our forest and timber processing activities, as it helps our clients achieve their environmental goals thanks to our experience.

¹ International Standard Industrial Classification of All Economic Activities (2008): classes 0210, 0220, 0240, 1610, 3510, 4610, 4661 through own operations; 1621 through minority shares in CPL



Wood Supply and Volumes



Precious Woods' four sawmills and one veneer plant only processed wood harvested under FSC and PEFC certification inside our forests or concession areas. We neither process third-party roundwood nor processed timber products as input for our milling operations. All volumes of products produced, processed, and traded can be found in our annual reports, which are publicly available on our website.

As part of our trading activities, we also trade timber and timber products of third parties that must be either FSC or PEFC certified or comply with our Procurement Policy¹. We will immediately suspend any cooperation with third parties if they lose their certificates or do not comply with our Procurement Policy. However, we will encourage them to undertake all necessary actions to regain certification. In 2023, timber products traded from third parties originated from forests in France, Hungary, Switzerland, and Gabon² were either FSC or PEFC certified or in compliance with our Procurement Policy. Additionally, we traded FSC-certified furniture produced in Vietnam by an FSC-certified company with FSC-certified timber from Precious Woods in Brazil. This project was a test with a low volume and was not pursued further.

Origin of Precious Woods timber products 2023

		Volume m ³	From own operations****	FSC*	PEFC*
Brazil	→ Sawn wood	30 905	100 %	100 %	100 %
	→ Logs	115	100 %	100 %	100 %
	→ Biomass**	51 589	100 %	100 %	100 %
Gabon	→ Sawn wood	38 022	100 %	100 %	100 %
	→ Logs***	66 545	100 %	100 %	100 %
Netherlands	→ Sawn wood	1 260	100 %	100 %	100 %
Trading of third-part timber without physical possession	→ Sawn wood	4 073	0 %	0 %	100 %
	→ Logs	13 181	0 %	0 %	100 %
	→ Veneer***	29 853	100 %	79.90 %	79.9 %
Total		235 543	80 %	91.22 %	96.98 %

FSC or PEFC certified **97.45 %**

Controlled according to our procurement guidelines **100 %**

¹ https://www.preciouswoods.com/domains/preciouswoods_com/data/free_docs/Precious_Woods_Procurement_Policy_Public_Version.pdf

² Via the Hong Kong-based parent company of our Gabonese partner

* PEFC FM/CoC or Controlled Sources

** Sold to own and third-party operations

*** Parts of this volume are delivered to CPL and transformed into veneer. Parts of this volume are thus also reflected in the numbers "Veneer".

**** Including CPL operations (Precious Woods with 49% minority share)



TRANSPARENCY

Our Business Ethics Guidelines



Our strict business ethics guidelines span a comprehensive range of topics, from compliance with the law, anti-corruption policies, and ethical conduct to equal opportunities and other issues. The Corruption Perceptions Index 2023 of Transparency International has rated Brazil and Gabon as countries with a high risk for corruption¹. This means that all our forest and milling operations are exposed to a high risk of corruption, making strict implementation of our anti-corruption policy even more important. Switzerland and the Netherlands, where we only have offices, are assessed with low risk.

Our business ethics guidelines also contain whistleblowing procedures for employees, and they designate the Corporate Ethics Officials and the ombudsman. They are the focal points for any complaint and must always ensure adherence to the guidelines if any infractions are reported. All employees, shareholders, and stakeholders can access our Business Ethics Guideline at any time on our website². Our business ethics guidelines were fully implemented in 2016, and no violations or corruption cases were reported between 2016 and 2023.

¹ <https://www.transparency.org/en/cpi/2021>

FPIC, Grievance and Whistleblowing Procedures



Free, Prior, and Informed Consent (FPIC) assures that all stakeholders potentially affected by our operations have the same rights during decision-making before any operation can take place. Everyone has the right to consent or dissent freely while being informed of all details prior to decision-making. FPIC is an absolute condition for PEFC and FSC certification, and we consider FPIC an unalterable process in Sustainable Forest Management.

Sometimes, differences of opinion can occur internally and/or with external stakeholders. We always try to mediate such conflicts in direct discussions and elaborate pragmatic solutions. In case this does not lead to a solution – or if such mediation is not desired – all employees and stakeholders can file a grievance and start our grievance procedures. Due to local legislation, habits, and cultures, the mechanisms and their application differ in Brazil and Gabon.

FPIC, grievance and whistleblowing mechanisms in Brazil

Our Brazilian Sustainability Department, Departamento de Sustentabilidade (DS), is responsible for implementing and supervising FPIC and Grievance procedures and acts as the contact point for all FPIC- and grievance-related tasks. Our grievance and PFIC processes for communities follow the model on page 47, while our grievance procedure for employees is structured as shown in page 47.

Three meetings are held annually in each community to streamline community grievance processes. The meetings serve to declare, negotiate and solve grievances. From the moment of the declaration to the solution of a grievance, a maximum period of three months must be respected. Grievances, especially urgent ones, can also be initiated by the communities at any moment by phone, by meeting the DS team on our site, or when meeting the DS team on the ground. All grievances of employees can be brought forward during business hours by directly contacting the Human Resources department, the DS, or the Occupational Safety Team. However, employees might prefer to stay anonymous, and the procedure pictured in REFERENZ EINFügen has been designed to ensure this need for privacy and anonymity. Therefore, employees can use our grievance forms and pens, freely available on several points, and transmit them through designed letterboxes without disclosing their names.

All employees can always and at any time direct their complaints anonymously to the Corporate Ethics Officials designated in Precious Woods’ business Ethics Guideline¹.

Grievances 2023

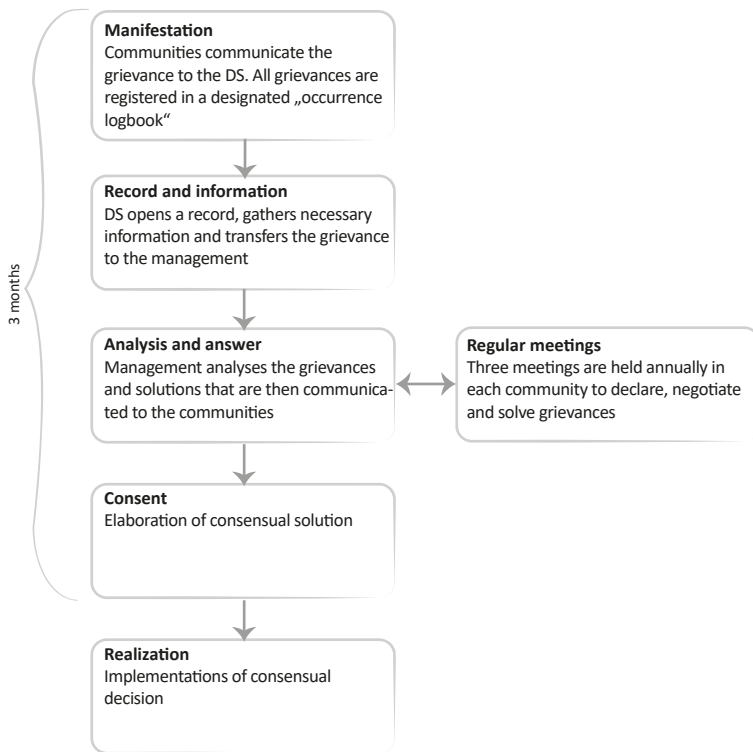
	Brazil	Gabon
Opened	0	8
Solved	3*	8
Ongoing	1	0

*from 2022

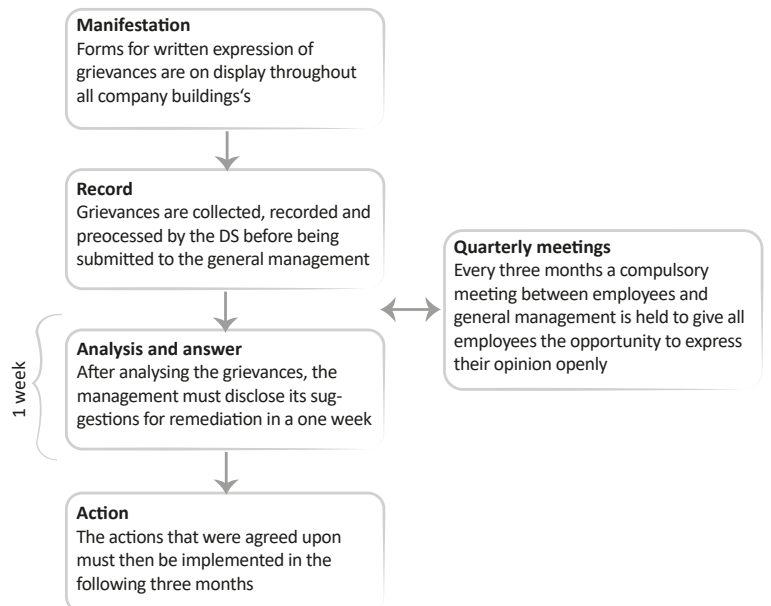
¹ https://www.preciouswoods.com/domains/preciouswoods_com/data/free_docs/2_1%20Business%20Ethics%20Guidelines%20PW-Group_2016_en.pdf



FPIC and grievance procedure for communities

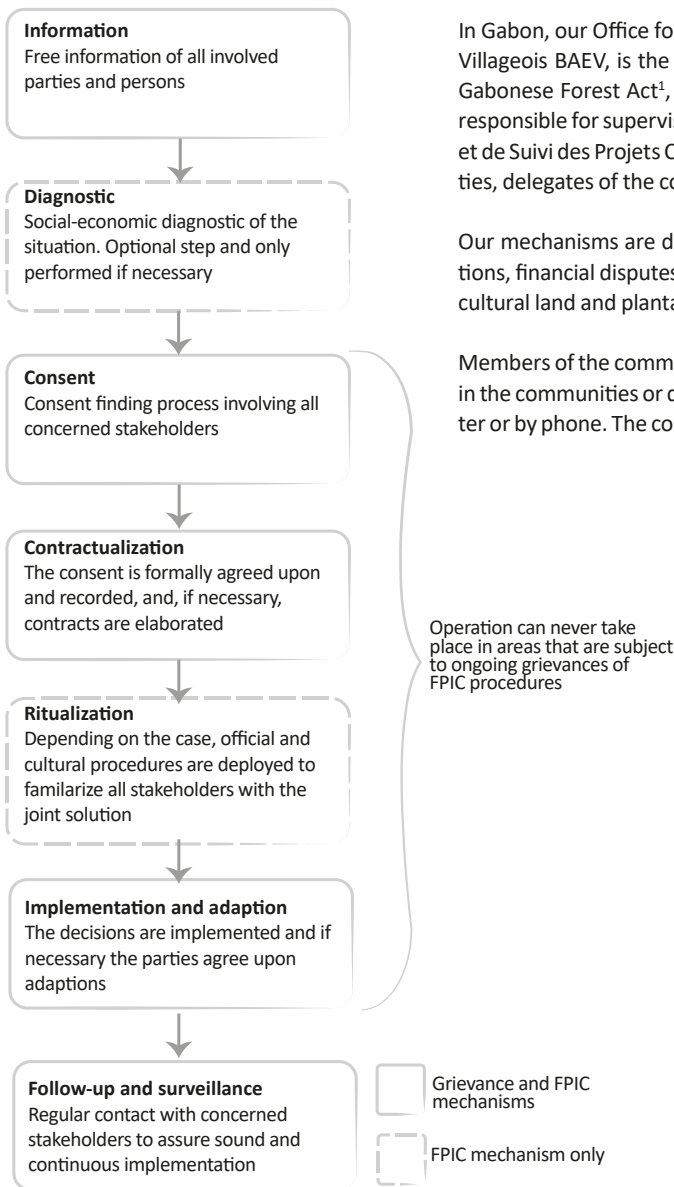


Grievance mechanisms for employees





FPIC, grievance and whistleblowing mechanisms in Gabon



In Gabon, our Office for the Support of the Communities, Bureau d'Appui à l'Environnement Villageois BAEV, is the counterpart of the DS in Brazil. Following specific regulations of the Gabonese Forest Act¹, a multi-stakeholder committee for managing community projects is responsible for supervising the FPIC and grievances process. This so-called Comité de Gestion et de Suivi des Projets CGSP comprises representatives of the relevant civil and forest authorities, delegates of the communities, and BAEV members.

Our mechanisms are designed for four main areas of conflict; conflicts linked to our operations, financial disputes, destruction of socio-cultural values, and destructive impact on agricultural land and plantations.

Members of the communities can address conflicts by the word of mouth during BAEV visits in the communities or directly at the BAEV office. The mechanisms can also be initiated by letter or by phone. The company's radio system can be used in areas without network coverage.

After the reception of the grievance, a record is opened for every conflict. Next, a meeting in the communities is scheduled accompanied, if necessary, by forest authorities. These visits aim to identify details of the grievance, collect evidence, e.g., in case of damage to plantations, and negotiate consensual solutions between community leaders, designated authorities, and the BAEV. If no consensual solution can be agreed upon, the grievances are brought to the CGSP and, if no solution could be found neither, to the court in charge. On the left is shown the general structure of grievance and FPIC procedures for all stakeholders.

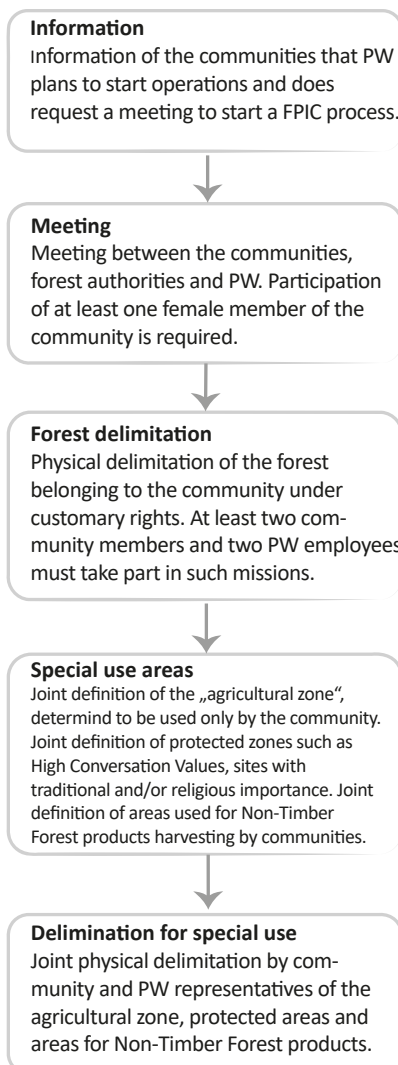
As illiteracy occurs amongst employees in Gabon, grievances of employees are addressed through the members of the works council. The works council is a legally binding entity, and the employees elect its members, with every department having its own representatives. Employees

address their concerns to the representative of their trust, which can also be a council member of another department. If the grievance must be handled anonymously, the work council member transmits the grievance to the Human Resources department or the management in written form or by word of mouth. In any other case, the grievance is transmitted by the employee accompanied by one or more members of the works council.

All employees can always and at any time direct their complaints anonymously to the Corporate Ethics Officials designated in Precious Woods' business Ethics Guideline².

Specific FPIC procedure for community mapping and rights of use in Gabon

All forests managed by PW in Gabon are state property with customary rights of use for the surrounding communities. A specific procedure exists to guarantee FPIC before forest operations can occur inside these forests. This procedure does ensure FPIC through the five main steps shown on the right.



Whistleblowing mechanisms in Switzerland

All Swiss employees can always and at any time direct their complaints anonymously to the Corporate Ethics Officials designated in Precious Woods' Business Ethics Guideline².

¹ Arrêté n° 105/MFEPRN/SG/DGF/DDF/SACF du 06 mai 2014 fixant le mode le de cahier de charges contractuelles

Procurement and Independent Suppliers



Procurement policy

We commit to only source from FSC or PEFC certified suppliers or follow our strict procurement guidelines to assess our round wood and timber suppliers in line with PEFC Due Diligence Standards¹. Our Procurement Policy is available on our website. All direct and indirect supply to all our activities complied with this policy in 2023.

Suppliers covered by this disclosure

This disclosure is limited to third parties supplying round wood to our mills and third parties supplying our trading activities with processed timber products or logs. We did not purchase any round wood for our mills from third parties in 2023.

Small-scale producers

We only accept products in our supply chain produced under FSC or PEFC certification or in compliance with our Procurement Policy. It often appears difficult for small-scale producers in tropical areas to meet these criteria. Therefore, we promote small-scale producers in our supply chain that meet these requirements or strive toward compliance. We do, for example, partner with FSC certified cooperatives in South-America composed of several small-scale producers.

Commitment to sustainability along the supply chain

We believe that we must ensure legality and sustainability along the entire supply chain, and thus, our commitments also apply to our suppliers. We commit to only sourcing wood for our trading activities from FSC or PEFC certified suppliers or suppliers that comply with our Procurement Policy. Most of the commitments made throughout this report also apply to our suppliers. They must respect the principles of FPIC, workers' rights, gender equality, indigenous and local communities' rights, and legal and customary land rights. They shall also act ethically, exclude any corruption, pay minimum wages² and address occupational health and safety³. They shall apply sustainable hunting, reduced impact logging, best management practices for soils and not plant on peatland of any depth. They shall minimize the use of chemicals, including pesticides and chemical fertilizers, and not use genetically modified organisms. They must protect forests and other natural ecosystems from deforestation, conversion, and other illegal activities, restore non-compliant deforestation or conversion if it has happened after 2018, and commit to biodiversity conservation. Suppliers shall not use WHO Class 1A and 1B pesticide chemicals listed under the Stockholm and the Rotterdam Convention and always respect Fundamental ILO Conventions⁴ or Free and Fair Labour Principles. If third-party suppliers

violate these requirements, we will immediately terminate any collaboration. No deforestation was recorded for suppliers' operations in 2023.

In 2023, we only had wood suppliers for our trading operations, but we did not process logs from third parties in our mills and veneer plants. We require all these suppliers to be either FSC or PEFC certified¹ or to be in line with our Procurement Policy, which implies that they respect the principles of Free, Prior, and Informed Consent (FPIC) in the scope of their operations. Some third-party assessment schemes ask us to expand this FPIC commitment to all our suppliers' operations, even if they are not linked to the certified operations and even if they are not related to forestry. We strongly disagree with this approach, which would be an unverifiable and irresponsible commitment

1 PEFC:ST 2002:2020

2 If the minimum wage is below the living wage, the commitment applies for living wages.

3 According to ILO Code of Practice on Safety and Health in Forestry Work

4 Notably ILO convention No.87, No.98, No. 29, No. 105, No.138, No. 100, No. 111, No. 155 and No. 187

Supply Chain, Traceability Systems and EU Legality Documentation



Forest and processing operations (Brazil and Gabon)

We commit to always applying a supply chain and traceability system, later referred to as Chain of Custody System (CoC). Our CoC system allows us to control our supply chain and ensure traceability at every stage of our production, processing, and trading activities. The need for our CoC systems is based on:

1. Legal requirements
2. FSC or PEFC requirements
3. Internal control and process management

Trees are all numbered with a unique number during inventory and harvesting planning. Once harvested, the unique number is marked on the tree and the stump. If the log is subdivided into multiple sections, the number of the section is added to the log. During the production processes, the log's unique number is assigned to the respective production campaign. The timber from one campaign can be sorted into various sales contracts whereby all relevant campaign numbers must be assigned to the sales contract. The sales contracts are packed into bundles that are assigned specific bundle numbers. Before transport, every log is marked with its unique number and every bundle with its specific bundle number, allowing to trace back the log or timber bundle. Our CoC system does guarantee that every log harvested can be traced back to the stump and that every timber product can be traced back to the annual harvesting area.

Trading activities

Information is recorded on paper during the production process. To avoid fraud, guarantee data consistency, and streamline our processes, these data are then saved into traceability software. These specialized software solutions avoid unauthorized data alterations. This CoC software allows us to locate every log and timber product at any time.

The consistency of our paper based and electronic CoC systems is checked by authorities several times a year and once a year during FSC and PEFC certification audits.

Due to certification requirements and internal process management, we apply the CoC system described above to our whole supply chain, whether we are trading our own or third-party products. The CoC system does guarantee that every log or timber product can be traced back to the annual harvesting area. We apply our CoC systems to all our trading activities, even if this might not be a legal requirement in some countries in which we operate.



EUTR, EUDR and other legality documentation

Since 2013, our clients and our Dutch company have had to comply with the EU Timber Regulation (EUTR) when importing timber into the EU. The EUTR will be replaced by the EU Deforestation Regulation (EUDR) end of 2024. While the EUTR did not cover all timber products, the EUDR will cover a broader range of timber products and, more importantly, a variety of agricultural products. Another major change is that the EUDR will also request stricter control of products produced inside the Union's borders. We are preparing, together with the ATIBT and our clients, for compliance with the EUDR, which will be enforced from January 2025 onwards. Due to our experience with the EUTR, we are well prepared, and we expect that only minor changes to our procedure will be necessary. While many see the EUDR with a critical eye, we welcome this new regulation as it creates a level playing field for all timber products and, more importantly, integrates one of the major drivers of deforestation: agriculture.

Since 2021, we have also provided relevant legal documentation for Gabon to the online platform of the Open Timber Portal (OTP) of the World Resources Institute (WRI). Customers and interested third parties can thus quickly check our legal documentation. We are amongst the leading companies and, moreover, helped the WRI better understand Gabon's legal framework during the development and implementation of the Gabonese part of the platform. However, we remain critical as we fear that the users might only refer to the percentage of documents provided without checking the validity of the documents. Yet, we experienced that the process of document validation is still error-prone and that documents can be validated or stay on the platform even if they are not entirely compliant or expired. We also feel that FSC and PEFC-certified companies have already invested a lot in legality and sustainability. Too many of our resources are bound for platforms that do not improve our operations. We cannot provide data for Brazil as OTP does not yet include Brazil.

GRI Content Index

Statement of use

Precious Woods has reported the information cited in this GRI content index for the period from 01.01.2023 to 31.12.2023 with reference to the GRI Standards.

GRI 1 used

The GRI 1 standard used for this purpose was GRI 1: Foundation 2021

Statement on material topics, Disclosure 3-3 in GRI 3, and external assurance

As explained in the introduction to this report, we decided only to produce a report with reference to the GRI standard. This means that we do not apply the entire set of standards and do not follow all the steps required for full disclosure. We chose this proceeding because much is changing regarding sustainability reporting, and we must bundle our capacities to align them with all relevant voluntary and mandatory sustainability reporting needs. We also foresee only reporting with reference to the GRI standard in the future, as this seems better adapted to the size of our company. Thus, we do not report according to GRI 3: Material Topics 2021.

As we only disclose a report with reference to the GRI, we also refrain from external assurance.

Abbreviations used in the Content Index

SaTR: Sustainability and Transparency Report

AR: Annual Report, accessible at our homepage

GRI STANDARD	DISCLOSURE			LOCATION
GRI 2: General Disclosures 2021	2-1	Organizational details	a, b, c, d	SATR 2023
	2-2	Entities included in the organization's sustainability reporting	a, b	SATR 2023
		Entities included in the organization's sustainability reporting	c (i, ii)	AR 2023
	2-3	Reporting period, frequency and contact point–	a, c, d	SATR 2023
	2-3	Reporting period, frequency and contact point	b	AR 2023
	2-4	Restatements of information	a	SATR 2023
	2-5	External assurance	a	SATR 2023
	2-6	Activities, value chain and other business relationships	a, b (i, ii), c, d	SATR 2023
				AR 2023
	2-7	Employees	a, b, c, d, e	SATR 2023
	2-9	Governance structure and composition	a, b, c (i, v)	SATR 2023
	2-11	Chair of the highest governance body	a, b	AR 2023
	2-12	Role of the highest governance body in overseeing the management of impacts	a	SATR 2023
				Website
	2-13	Delegation of responsibility for managing impacts	a (i, ii)	SATR 2023
	2-14	Role of the highest governance body in sustainability reporting	a	SATR 2023
	2-19	Remuneration policies	a (i)	Compensation Regulations for the Board of Directors of Precious Woods Holding Ltd.
	2-23	Policy commitments	a (iv), b (i), c, d, e	SATR 2023
				Website
	2-25	Processes to remediate negative impacts	a, b, e	SATR 2023
2-26	Mechanisms for seeking advice and raising concerns	a (i, ii)	Business Ethics Guideline	
2-28	Membership associations	a	SATR 2023	
2-29	Approach to stakeholder engagement	a (i, ii, iii)	SATR 2023	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	All	AR 2023
	201-4	Financial assistance received from government	a	AR 2023
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	a, c	SATR 2023
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	b, c	SATR 2023
	203-2	Significant indirect economic impacts	All	SATR 2023

	OMISSION		
	Requirement	Reason	Explanation
Page 6			
Page 6f			
Precious Woods Group financial statement Precious Woods Holding Ltd. financial statement			
Page 7, 9, 53			
https://www.preciouswoods.com/en/investor-relations/annual-reports			
Page 9			
Page 10, 53			
Page 33, 34, 41, 43			
Precious Woods Group financial statement Precious Woods Holding Ltd. financial statement			
Page 15			
Page 6, 15			
Corporate Governance			
Page 7			
https://www.preciouswoods.com/en/about-us/our-commitments			
Page 9			
Page 7	Responsibility for material topics	Material topics not included	GRI 3: Material Topics 2021 not part of the report
https://www.preciouswoods.com/domains/preciouswoods_com/data/free_docs/PW-VR-Vergütungsreglement-2017.pdf			
Page 50			
https://www.preciouswoods.com/en/about-us/our-commitments			
Page 44 - 49			
https://www.preciouswoods.com/domains/preciouswoods_com/data/free_docs/2_1%20Business%20Ethics%20Guidelines%20PW-Group_2022_en_def.pdf			
Page 10			
Page 20 to 21	Identification process for stakeholders	No identification process	Identification of stakeholders happens on customary basis
Precious Woods Group financial statements Precious Woods Holding Ltd financial statements			
Income Taxes			
Page 15	Reporting by gender	Data not available	Data not yet compiled to this level
Page 21			
Page 20			

GRI STANDARD	DISCLOSURE			LOCATION
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	All	SATR 2023
	205-3	Confirmed incidents of corruption and actions taken	All	SATR 2023
GRI 207: Tax 2019	207-1	Approach to tax	a (i, ii, iii)	Precious Woods Tax Policy
GRI 301: Materials 2016	301-1	Materials used by weight or volume	a (ii)	SATR 2023
GRI 302: Energy 2016	302-1	Energy consumption within the organization	a	SATR 2023
			c (i), d (i), e	AR 2023
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a (i, ii, iii, iv, v, vii)	SATR 2023
	304-2	Significant impacts of activities, products and services on biodiversity	a (i, ii, iii), b (ii, ii, iv)	SATR 2023
	304-3	Habitats protected or restored	a, d	SATR 2023
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	a, g	SATR 2023
	305-2	Energy indirect (Scope 2) GHG emissions	a, g	SATR 2023
	305-3	Other indirect (Scope 3) GHG emissions	a, g	SATR 2023
	305-4	GHG emissions intensity	a, b, c	SATR 2023
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	All	SATR 2023
	308-2	Negative environmental impacts in the supply chain and actions taken	All	SATR 2023
GR 401: Employment 2016	401-1	New employee hires and employee turnover	b	SATR 2023
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	All	SATR 2023
	403-6	Promotion of worker health	All	SATR 2023
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	All	SATR 2023
	403-9	Work-related injuries	a (i,iii), c (i, iii), d	SATR 2023
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	All	SATR 2023
				AR 2023, Sustainability
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	a (i), b (i)	SATR 2023
	405-2	Ratio of basic salary and remuneration of women to men	a	SATR 2023
GR 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	a (iv, vi, viii)	SATR 2023
GRI 417: Marketing and Labelling– 2016	417-1	Requirements for product and service information and labelling	a (i, ii), b	SATR 2023
	417-2	Incidents of non-compliance concerning product and service information and labelling	All	SATR 2023

	OMMISSION		
	Requirement	Reason	Explanation
Page 45			
Page 45			
https://www.preciouswoods.com/domains/preciouswoods_com/data/free_docs/Precious_Woods_Tax_Policy.pdf			
Page 25, 43			
Page 39			
Carbon Footprint			
Page 26, 32, 45			
Page 25, 26, 27, 38			
Page 26, 28			
Page 33 ff			
Page 33 ff	Not location-based	Not yet disclosed, data available	Level of detail not required for other standards will be done in the coming reports
Page 33 ff			
Page 33 ff	2.7.2, Scope 1, 2, and 3 intensities not separately disclosed	Considered not to be meaningful	We believe that all emissions must be reduced and that only the overall reduction of our intensity is relevant to measure success. Scope 3 emissions are substantial in our operations and should not be neglected or treated separately.
Page 50			
Page 50			
Page 15	Age group, gender, and region not reported	Data not available	Data not yet compiled to this level
Page 17			
Page 18	Specific health risk and confidentiality	Was not included so far as no other standard asked for it. Not all data available.	Will be reported in the coming years
Page 17			
Page 17			
Page 17	a (i, ii)	Data not available	Data not yet compiled to this level of detail
Page 15, 16			
Page 15, 16	By employee category; significant locations	Data not available to this level; Switzerland not included	Data not yet compiled to this level of details
Page 20, 21			
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Page 10, 43, 50			



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PRECIOUS WOODS