



ACIS – Better Business Together

Corporate Social Responsibility – New Forests

The following is one of a series of profiles of Corporate Social Responsibility Activities undertaken by ACIS member companies.

We believe it is important to share this information, since many companies contribute more to development than employment creation and payment of taxes.

If you would like further details about the company described in the profile or their CSR activities, their contact details are provided at the end of this email.

If you would like your company CSR activities profiled please contact acis@acismoz.com

For details of other CSR activities, which our members are involved in or to find projects to participate in visit the CSR page on our web site www.acismoz.com



New Forests for a New World The Company

The New Forests Company (NFC) is a green-field, profit-oriented company operating in sub-Saharan Africa, supplying sustainable value-added timber products to local and regional markets. NFC grows high-quality, exotic tree species - pine and eucalyptus - on degraded lands. Timber is used to supply East Africa's construction and infrastructure boom: for new buildings and electricity transmission poles, for renewable energy production and value-added wood products. On a continent experiencing fuelwood and timber shortages as well as rapid population growth, New Forests is uniquely positioned to deliver a commodity otherwise in sharp decline.

New Forests S.A., part of the New Forests Company group, was established in Niassa Province in late 2007, with the administration office in Lichinga and the Chiconono plantation operations in Ligogolo village, Muembe District. Pines and eucalyptus are grown for sawtimber production in an environmentally sustainable way. To date, over 2000 hectares of plantation forests have been planted. New Forests has a strong social commitment to work with and uplift local communities through education, health and income-generation projects.



Chiuanjota Maternidade, during ante-natal check ups
New Forests – Who We Are

The company is a unique fusion of European business acumen and African entrepreneurship. NFC recruits Africa's finest technical

foresters, pole treatment experts, community development practitioners and traditional corporate talent in finance, management, planning and human resources.

NFC Holdings' Board of Directors consists of six members, including: the Chairman who is a founding shareholder of the Virgin Group; the current Chairman of the Man Group, a FTSE100 company; a representative of Agri-Vie, a pan-African agri-business fund, and the Managing Director, HSBC Principle Investments Emerging Market Africa Team. Country subsidiaries exist to allow for relevant decision-making to be made according to local contexts and needs, as described below.

What we stand for:

Our environmental and social commitments are imbedded in all aspects of operations, from the women we employ in our nurseries, the preventative healthcare we provide for our workers, the young, rural students we support and to the hundreds of hectares of pristine indigenous forests and wetlands we preserve for Africa's posterity.

“In the twenty first century, in an era in Africa of continuing rapid population growth and devastating deforestation of natural forests, it was always clear that the company should focus on building a renewable and sustainable plantation resource...and operate to the highest international standards of best environmental practices.” – Julian Ozanne, Group CEO

Environmental Integrity: NFC actively preserves any indigenous forest, wetland and riverine zones that are found within the boundaries of its plantation holdings. These “high conservation value” areas house rich species diversity and if left unprotected risk destruction through the regular practice of shifting slash-and-burn agriculture. At the company’s Namwasa plantation, in Uganda, more than 400 hectares of vulnerable indigenous landscape is under conservation.

Social Responsibility: Corporate Responsibility (CR), and in particular social and economic community development, is a critical part of NFC’s business model and sustainability philosophy. While many foreign aid development interventions have historically perpetuated a dependency mindset, NFC’s community development initiatives empower communities to identify their own development priorities and contribute to the project which NFC then subsidizes ensuring the projects are community led, owned and maintained and thus sustainable in the long-term. Given the long-term horizon of investment in tree farming and forestry, the company also



Maternidade in Chiuanjota Village, Muembe District

remains in field to ensure the success, longevity and sustainability of its projects. Any project failures in neighbouring communities cannot be abandoned as they would negatively impact the company's business.



Construction of Ligogolo Primary School

CR within NFC is done in a responsible, intentional manner and all projects must satisfy the following criteria in order to be selected for implementation; namely, all projects must be: demand-driven (inspired and owned by the local communities), involve local and national partnerships, be sustainable, have a measurable impact on communities, be located such that the project can positively benefit NFC as a business (by improving the supply-side of timber products or positively impact the regard for tree growing nationally), satisfy local and regional stakeholders and provide value-add to the company.

In just a matter of years, NFC has distinguished itself as an innovator in the field of corporate responsibility. Plantation-based community development officers interact directly and on a daily basis with community members. The Group Head of Corporate Responsibility oversees all development work and stakeholder management across the company's multi-country portfolio. Interventions are guided by a participative approach, whereby community members have an active role to play in defining the scope and types of intervention most relevant to the local context. Our investment in schools, clinics, HIV education, water treatment, maternity services for rural women, apiculture projects and an innovative out-growers scheme underpin the creation of value for our employees and their communities.

The New Forests Company's community development activities are carried out in the parishes directly adjacent to the areas in which we are operating. In Mozambique, this includes Muembe District. The community development officers (CDOs) conduct Participatory Rural Appraisals (PRAs) in the communities before any projects begin.

Through this process, the communities identify their own greatest challenges and needs and the projects they think would help them overcome these challenges. Then the communities identify what they can contribute to these projects and what other resources are needed. According to the outcome of the PRA, the CDO assesses the most relevant projects to implement. The CDOs also conduct a social infrastructure survey (including GPS mapping of social infrastructure locations) to assist in identifying the most needy areas.

To date, NFC has completed the following development projects in Muembe District:

- Construction of Ligogolo Primary School infrastructure: a double



Shallow Well in Ligogolo Village

classroom block, administrative block, teachers accommodation and a five stance ventilated improved pit (VIP) latrine

- Construction and oversight of the Chiuanjota Maternidade
- Coordination and funding of monthly District health visits to Ligogolo Village, facilitating access to adequate healthcare for NFC labour and community members
- Management of an ever-growing adult education programme that includes basic alpha and numeric literacy, household budgeting, business book-keeping and basic financial literacy
- Annual funding of the Community Development Fund (CDF) and ongoing support and mentoring in project and fund management
- Construction or renovation of 13 shallow wells in the seven villages surrounding Chiconono
- Sponsorship of the Ligogolo Football team
- Provision of seedlings and technical training to five tree out growers associations
- Use of local builders and suppliers for all projects

To learn more, visit us at:

www.newforestscompany.com

www.newforestsroles.com

Or contact:

Kate Sharum

Group Head of Corporate Responsibility

P.O. Box 81285

Parkhurst, 2120

South Africa

M: +27 71 67 53 490

T: +27 11 44 77 344

F: +27 11 44 77 345

kate.sharum@newforests.net