SUSTAINABILITY REPORT

ULTIMATE FORESTS COMPANY LIMITED



Ultimate Forests Company

"Your Sustainable Timber Partner"

FY23/24

Map of Nyungwe

















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Ultimate Forests Company Limited

"Your Sustainable Timber Partner"



01

CEO STATEMENT

CHIEF EXECUTIVE OFFICER STATEMENT



JEAN RINDIRO

CEO

At Ultimate Forests Company Limited, we are deeply committed to the sustainable management of our forest resources. We recognize the importance of environmentally friendly production practices and are acutely aware of the impact of climate change.

Our operations are guided by sustainable yield calculations, and we prioritize replanting efforts to ensure the long-term health of our forests.

We conduct biodiversity studies and environmental impact assessments to minimize our ecological footprint. We are proud to be FSC certified and compliant with all environmental laws and regulations.

Furthermore, we actively engage with local communities in sustainable environment management and collaborate with different partners to advance our sustainability goals.

We carefully manage our water and chemical usage, as well as our energy consumption, and are committed to responsible waste management. Our goal is to contribute to global reforestation efforts while providing high-quality forestry products.

2 COMPANY PROFILE



Ultimate Forests Company Limited (UFCL), is a sustainable forestry and wood development company operating in Rwanda. Our primary business is to create and manage forests in a sustainable way that generates economic, environmental, and community benefits. By growing high-quality commercial trees that also contribute to global reforestation, mitigation of climate change and prioritizing sustainable forestry management best practices, the company ensures a consistent supply of wood products, including but not limited to sawn timber, Kiln dried timber, and value-added timber for construction and manufacturing; wooden poles that are used for electrical transmission and fencing supplied to local and regional markets.

UFCL focuses on 3 key areas while doing operations: community, Environmental conservation and business. These affect the success of the company on the same level. To work and engage the community, UFCL also engages in other projects like Bio-energy production, managing carbon sequestration, and other community engagements. This creates harmony and mitigates risks that may arise from a dissatisfied community.





VISION

To be the leading regional partner for sustainable timber products.

Ultimate Forests Company Limited

'Your Sustainable Timber Partner'

MISSION

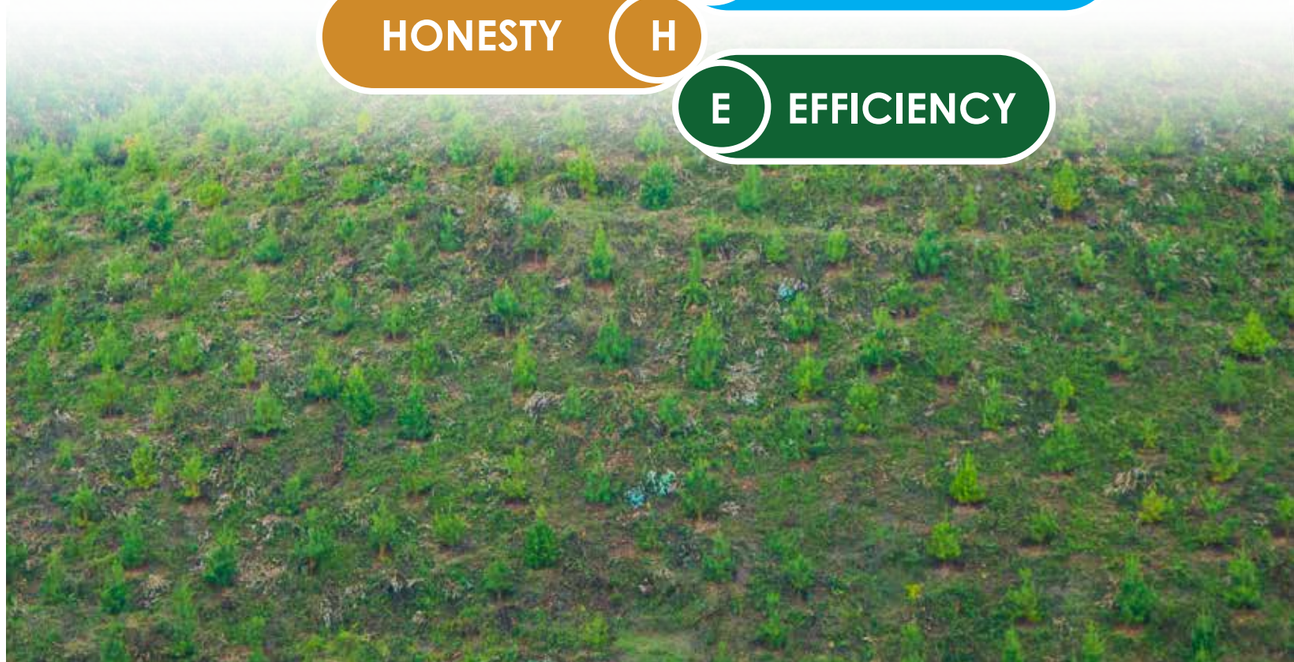
To provide our customers with high-quality would products that meet the highest international standards.

To create value for our communities and for our stakeholders.

To manage our forests responsibly and sustainably.

CORE VALUES

- **I** INTERGRITY
- **S** SUSTAINABILITY
- **H** HONESTY
- **E** EFFICIENCY



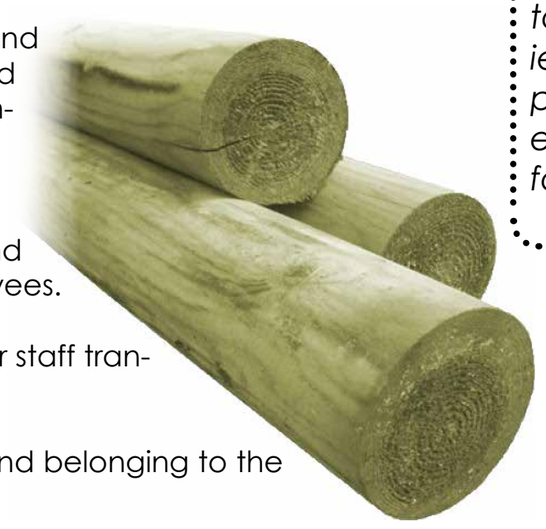
Human Resources



In the last couple of years, UFCL hasW employed over 2000 for the years FYI 23 and FYI 24.

	Men				Women			
FY	Full time Employee	Contractor	Seasonal		Full time Employee	Contractor	Seasonal	Total
2023	111	41	1630		21	3	698	2504
2024	106	41	714		24	3	306	1194

Markets
UFCL markets are driven by the strong growth and demand for timber products and wooden poles, which are used in the construction, manufacturing and electrification industries.



Employment
We focused on some HR strategies that improved and transformed both work and personal lives of the employees.

Succession plan - Ensures that UFCL is well-positioned for staff transitions without any disruptions.

Leadership and commitment - Driving growth stability and belonging to the company.

Policies and Procedures - Complying with policies and procedures to ensure smooth operations and increased productivity.

Systems and Structures - Ensures that there are the right structures, systems, competencies, and processes to support efficient and effective productivity and, eventually sustainable growth of the company.

Coaching and staff development - Focuses on improving talent development coupled with staff welfare progress.

Recognition and compensation - Recognising performing staff and ensuring staff are well paid.

For the last couple of years, among other things, UFCL has been focusing on staff welfare and mental health so we strived to improve the working environment. We guarantee to provide and maintain a work environment that safeguards our employees' physical and psychological health.

Our company specializes in the production of high quality treated wooden poles, designed for various applications such as: Utility, Constructions and land scaping. We use CCA as preservation to ensure durability, strength and resilience to certain elements. Our Treated poles are environmentally friendly, cost effective and meet industrial standards for safety and performance.

RUHUMURIZA EGIDE

POLE PLANT MANAGER





Key development 2023 and 2024

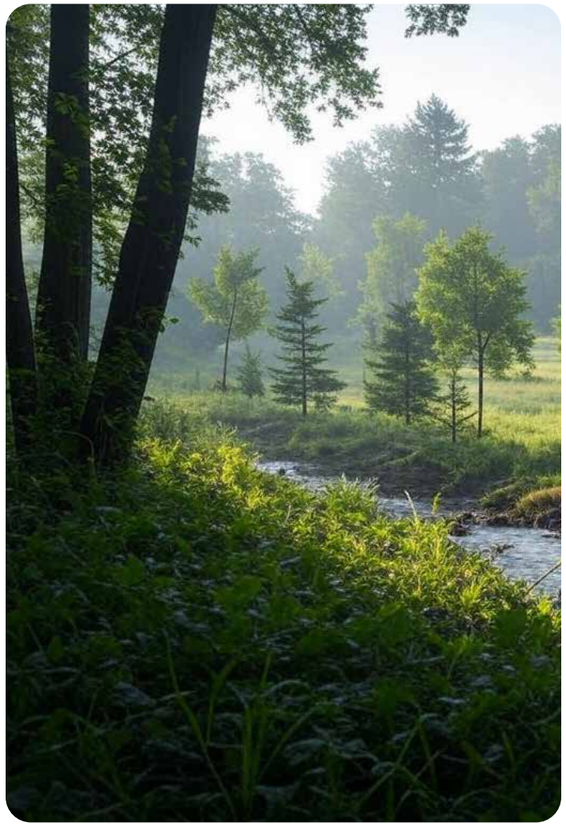
Despite Rwanda's construction and manufacturing industries' slow but steady growth and amidst harsh climate and challenging terrain to work with, UFCL has managed to increase its timber production over the last couple of years, and sales have been inherently increasing.

The number of trees planted has increased by 34.3%. A total of 136 hectares were planted with over 151,096 trees planted and a vast area of forest maintenance through pruning and thinning.

UFCL, still the main provider of poles and timber these couple of years, boosted the sales however, importing primary products (chemicals) used for timber/ pole treatment, and spare parts of machines greatly affected profit margins. To fill this gap plus manage the terrible terrain, we introduced more than 2 mobile sawmills which boosted our production.

Partners and Associations

UFCL is proudly associated with international and local partnerships.



Threats and Opportunities

Threats

Natural disasters like wildfires, heavy rain may affect young planted trees, consequently reducing expected productivity or disrupting supply chains.
Climate change impacts, such as shifting growing zones and pest outbreaks, can affect timber quality and yield.

Market Risks

UFCL has experienced a fluctuation in demand for timber products due to the economic crisis observed globally after Covid-19.
The Price volatility for raw timber, is driven by market competition at the local level and competitors without the same obligations of compliance with different standards and certifications.
Having to import most machinery spare parts.

Key Opportunities

Certifications

UFCL is the only forestry company in Rwanda that is FSC certified. This represents a huge opportunity in terms of company reputation in wood products and forest management. The certification also gives a special advantage for UFCL to supply its various products to the international markets.

Carbon Credits and Offsets

With the ongoing climate change, and through the carbon credit agenda being pushed worldwide, UFCL is already fully engaging in conversations on how to register, manage and offset carbon credits, which will eventually become a revenue source. With reafforestation and sustainable forestry, UFCL will be able to qualify for carbon offset programs that will be benefited from as additional revenue streams.



EXTERNAL EVALUATIONS

In FY23/24, UFCL successfully underwent all the annual and regular external evaluations. These auditors included but not limited FSC, ASI, RSB and others. These audits assess performance, conformance and compliance with both local and international regulatory obligations and standards. e.g: FSC-STD-RWA-01-2017.

One of the main goals of these audits is to determine the level of confidence and the effectiveness of the certification process implemented by ultimate forests company Limited.

Some of the areas of operation that are usually audited are, Finance, Forestry Management, Human Resource, Health and safety, Community operations to mention but a few.

PARTNERS

Some of the partners include Soil Association, Private Sector Federation, Rwanda Forestry Authority, Rwanda Development Board, Rwanda Social Security Board, Development Bank of Rwanda, Wood Association, Rwanda Standard Board

> ***A highlight was the successful FSC external Audits***
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> ”

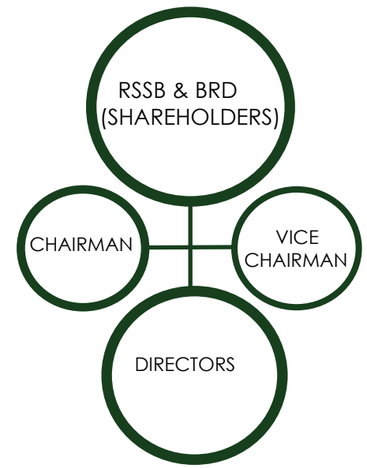


GOVERNANCE



UFCL's highest governing body is the Board of Directors which is made up of 5 Directors. They report to the Shareholders of the company who also appoint them. Board members are required to declare their conflicts of interest before and immediately they arise during their tenure. UFCL shareholders are Rwanda Social Security Board and the Development Bank of Rwanda, two institutions that are crucial to the country's economy.

The Management's main mandate is to drive the Mission and Vision as an ongoing activity. The Management and staff is made up of Managers, Department heads, Coordinators, Supervisors and Technicians.



Compliance

UFCL's employees and operations are governed by policies and procedures internally plus other external regulations the company is fully compliant to.

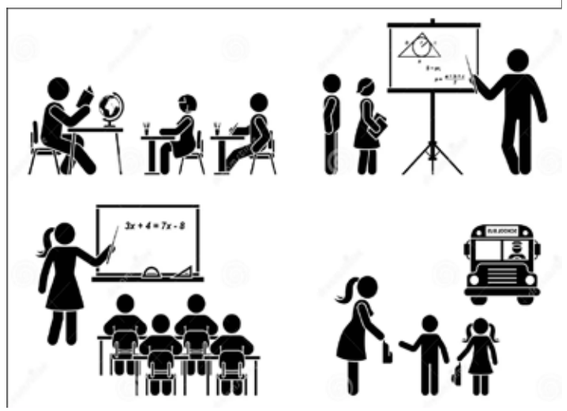
03 COMMUNITY

3 LOCAL COMMUNITY



UFCL through it's Corporate and Social Responsibility department endeavors to work and live in harmony with the communities that surround the buffer zone by engaging them in income generating activities that improve their livelihood. It is through these innovative projects that UFCL intends to promote rural development. These projects include but are not limited to; Apiculture, Village savings and loans association groups, out-growers, Education, Infrastructure (roads, bridges etc). In FY23 UFCL as a way of contributing to reaforestation donated 2,000 seedings to Kicukiro district one of the districts of Kigali province, In FY24 UFCL also gave 4,400 seedlings to Karongi District in the Western Province these will benefit the districts as a whole and may even spill over to the neighboring communities.

Education



Through CSR initiatives, UFCL is also committed to enhancing education by providing essential resources needed for kids to be able to go to school. The company by availing its staff to participate in curriculum development and teaching in the forestry sector courses in higher education institutions.

UFCL entered into a Memorandum of Understanding with the Integrated Polytechnic Regional College (IPRC) aimed at fostering a collaborative relationship. This partnership is designed to facilitate the exchange of skills, knowledge, and expertise between the two institutions on forestry and wood technology. UFCL also allows forestry students from all over the country to have practical experience by offering industrial training through internships and field visits to the forestry and wood sector students. They take time to work and visit the sites which include but not limited to sawmills, drying kilns, treatment plants, workshops etc. With this both institutions build a sustainable future in forestry and wood technology through enhanced education and skill development in the country as a whole

UFCL also contributed to electrification of community households by donating treated wooden poles worth $9,000 to 16 residential houses of survivors of the genocide against Tutsi in Rwabicuma and Busoro sites in Nyanza District. Also another $8,000 worth of poles was given to the same district for social economic activities that included among other things construction of bridges.



Out-growers

In the past years UFCL started to expand outgrowing outside the Nyungwe area and many trees were planted in different districts to sustain our supply as we in turn also contribute to the livelihood of communities beyond the concession area. The company continues to invest and support out-growers in different areas like technical skills, free seedlings distribution, and ways to produce good quality commercial trees while conserving the environment. Through the out-growers' program, UFCL is sure to fill the gap of wooden pole supply and other commercial trees in order to meet the market needs.



I live in cell Mudengeri, Nkomane sector, Kavumu village.
"Beekeeping operation is of very great importance, beekeeping does not require much attention as like cattle, bees does not require to be neither grazed, nor watered, beekeeping is a business that can take you from point A to point B economically. Since I started the honey business, my family no longer lacks anything, thanks to the sale of the honey that my bees provide me, I provide my family with their needs in terms of health, nutrition and educationfor children'. I thank UFCL for the support and enabling us to carry out this business.

Since my young age, I have always practiced beekeeping, I started this business when I was 20 years old until today at 67 years. 47 years in this profession means a lot to me, everything I have today I owe to beekeeping with UFCL support. This activity allowed me to build my house and family. The sale of honey allows me to meet the needs of my family without difficulty. The problem we are facing today is the honey market which is not stable and agriculture, the use of chemicals, which are killing our bees and this worries us seriously.





My name is MBAZIBOSE Vedaste, I live in the Gatovu village of Gatovu cell in Musebeya sector. I recently received 500 Eucalyptus tree seedlings from UFCL with the intention of increasing the planted area, surrounding Nyungwe national park, and also for pole production. These trees are five years old, and in the next two to three years, we anticipate staring harvesting the mature trees and selling them to UFCL. You understand that if I hadn't gotten them, I could have purchased trees somewhere else. I also utilized the thinning product to build the house I currently reside in.

Apiculture

With the current 6 groups of beekeepers who work in associations, over 1000 household members benefit. They use a mixture of both modern and traditional bee hives which unfortunately produced less than 1000kgs of honey this time round, even then it was sold and the members get an income to support their family livelihoods. Bee keeping also contributes to tree growth through pollination hence conservation. UFCL has continued to provide all necessary support technically, environmentally and socially in order to continuously increase both the quantity and quality of honey.

The main challenge the lead to the reduced production of honey was the sourrounding farmers who used pesticided that killed the bees. The other challenge is with the animals(baboons) in the forest that steal the honey and always end up spoiling the beehives, this slows down the production and subsequently the income of the households.

Stakeholder Engagement.

UFCL's relationships with different stakeholders are critical to its success, and we take a holistic approach in identifying and engaging these stakeholders, to reflect our focus on business, environmental conservation and communities.



INTERNAL

EXTERNAL

RELATIONSHIP MANAGEMENT

Each level of our stakeholders ecosystem has different level of engagement:

INTERNAL	EXTERNAL
• Shareholders • Board Of Directors • Employees	• Observers • NGOs both locally and internationally, media, Experts, Critics
• Local and Central Government. • Clients and Suppliers. • Certifying organisations. • Development investors	• Proactively engage local players and respond when engaged by international parties
• Daily Interactions, regular meetings, official grievance mechanism	• Regular meetings, reports as requested, sustainability reports for 2 years

Stakeholder interactions

UFCL is very intentional and consistently collaborates with a diverse array of partners and stake holders. These partnerships are essential for fostering sustainable practices and promoting environmental stewardship within the region. By listening to their proposals, observations and desires, these stakeholders play a crucial role in creating and supporting UFCL's initiatives plus enhancing its impact on the community and the economy. Furthermore, UFCL engages with the Soil Association, Forest Stewardship consul, and the Rwanda Standard Board, Ministry of Environment among others, to ensure that its operations align with industry standards and best practices. This collaborative approach strengthens UFCL's mission and contributes to the overall development of Rwanda's forestry and environmental sectors.

Community

UFCL has regular meetings and interactions with these stakeholders through its Community Development Initiatives. There are official complaints and grievance mechanisms, Participatory Rural Appraisals are carried out to have communityengagement and inclusion in the decision making on the kinds of development projects that are brought to the communities

Mitigation

UFCL continuously engages and works with stakeholders and communities for their development and growth. This continues to be one of the most crucial steps in mitigating negative impacts on both the communities and plantations. Total investment in the community included the areas of education, agriculture, road maintenance, health, to mention but a few.

The company has had a positive impact on the communities around and this is defined as improving peoples livelihoods through income generating projects, education,improved health care, village savings, access and safety through road and bridge maintenance and associations among others. Even with this positive impact sometimes the communities are affected negatively by the operations in the plantations as well as the plantations being affected negatively by the activities of the communities. Some of the negative impacts include but not limited to; fires, erosion, destruction of gardens while harvesting, displacement of grazing for their animals but also destruction of young trees growing by animals grazing in the forest, noise and dust pollution, land encroachment from the plantation.



Participatory Rural Appraisal(PRA) Community Propasal

HEALTH	EDUCATION	AGRICULTURE	INFRASTRUCTURE	SANITATION	INCOME GENERATION
There are few scattered health centers. Recommendation: Additional buildings are needed, power, clean running water.	Many parents are poor and this leads to many dropouts. Recommendation: Equiping classroom, Buildings libralies.	Most of populationof Nyamagabe rely on farming activities. Recommendation: Provide quality seeds, Organic fertilizer, Livestock.	Poor access roads for daily use, so as to access to basic needs. Recommendation: Create good roads, Repair existing ones.	Most of the community members rely on streams of water. Recommendation: Build water sources, Build toilets for thosewho dont have.	Some of the projects improved the community livelihoods. Recommendation: Bee keeping, Smallretain shops.

Community Employment

the area where UFCL's operations and forest management activities are, plays a vital role in supporting local communities in many ways one of which is providing employment opportunities that generate income through the salaries they earn from the work they do for the company more that 80% of UFCL's workforce comes from the surrounding communities. Most of these we take on are skilled, semi-skilled and even sometimes unskilled this is where we invest and train them to become skillful employees. We usually hire a total of over 200 employees on a daily basis. Employment of these community members provides social and economic benefits to the communities and beyond. However much we hire locally we still focus on hiring people who are trustworthy, diligent, productive, dedicated, committed and disciplined. High levels of integrity, self-drive and flexibility are also important virtues for our employees.

On top of the direct employment the company also contributes to the development of the community indirectly through its suppliers. UFCL endeavors to source and buy most of the things it uses locally.

UFCL is dedicated to fostering an environment of respect and dignity for all individuals, appreciating diversity and inclusivity in the work place, and upholding their rights as employees. The organization promotes open and honest communication among employees, encouraging active listening across all levels and positions. Understanding that outstanding quality is rooted in its people, UFCL empowers its staff to leverage their individual and collective strengths to provide high-quality products and services to both internal and external clients.

UFCL places great importance on fostering small business initiatives within the communities which allows for the cultivation of meaningful community partnerships and the strengthening of stakeholder connections.

HR drives a culture and organizational structure that supports the key business strategy of growing shareholder value, which is supported now and into the future.

Preventing Forced Labor



At UFCL, every plantation and timber processing facility is dedicated to actively preventing child and forced labor. The company ensures that all workers are verified and are over eighteen years old by utilizing the National Identity cards issued by every citizen of Rwanda. Furthermore, employment opportunities are offered to local residents, who have the autonomy to accept or decline positions.

Recruitment

In the last couple of years, UFCL has made significant strides in promoting gender diversity in recruitment across all levels of the organization, from ground operations to the head Office in Kigali.

The representation of females in the workforce has continually increased over recent years and is now at 37%. Initiatives to attract female talent include a review of the organization's sourcing strategy and employee value proposition, which has resulted in an increase in female applications, translating to 67% percent of recruits being female at UFCL Kigali Office.

The HR policy mandates recruitment to be for locals unless the skill and or expertise cannot be sourced locally or a skill cannot be trained in a short time to guarantee effective work. All vacancies are advertised locally in all available media and avenues with local leaders of the community being involved in the recruitment system. Women are always encouraged to apply and they are given the same competitive advantage. The HR office with support from other recruitment members go through the whole process starting from advertising , shortlisting, interviewing, and finally selection of successful candidates.

Culture

A workplace culture is a collection of behaviors or a method for how things are done at the workplace. Both stakeholders and employees are impacted by this and for UFCL, culture is vital.

Employee behavior needs to change in order to create a healthy culture and working environment.

In this fast-paced industry, UFCL takes pride in its employees' ability to collaborate as a team. This facilitates the sharing and exchange of experiences and expertise. Being adaptable and enthusiastic about one's work also attracts and enhances employees' sense of belonging.

Among other things, fairness and inclusiveness are crucial in determining the company's destiny. It fosters employee innovation by enabling their perspectives and viewpoints to be considered in business choices that otherwise would not have been included.

Sensitization, Training and Development

In terms of training and sensitization, UFCL has persisted in interacting with the community and its staff. The company offers a spectrum of teaching avenues which includes but not limited to coaching, mentoring, online training, on- and off-the-job training, and formal and informal training packages. Technical and leadership trainings are part of the different training that happens to the staff members. To enable smoothness in this training sessions, UFCL gives employees as much flexibility as possible to guarantee that they will take advantage of training opportunities from any location in the nation. A number o f Employees have successfully completed training programs covering a number of short in and out house courses that include but not limited to; Quality Management System (QMS), Inclusive HR practices Training, Microforest program, Operational Health and Safety management System (OHS). Environment Management systems. Other courses that staff are pursuing are different Masters, professional courses like CPA, ACCA, PMP etc. These are comprehensive courses and training that equip staff with essential knowledge and skills to navigate their work effectively. Moving forward UFCL is planning to intensify training and a number of initiatives will be implemented. UFCL shall continue focusing on areas of safety, employee wellbeing, as well as technical and compliance among others. These upcoming sessions will be designed to enhance the overall competency, effectiveness and preparedness of the workforce in various operational aspects.

The commitment to continuous professional development is evident in the planned training expansions, which aim to foster efficiency and effectiveness in work . By investing in these educational opportunities, the organization underscores its dedication to maintaining high standards of practice and employee support and improvement.

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Sawmill and forestry staff after a meeting with the HR and Legal Managers. These are frequent meetings that enable back and forth dialogue on how to improve staff effectiveness and efficiency





Health and Safety

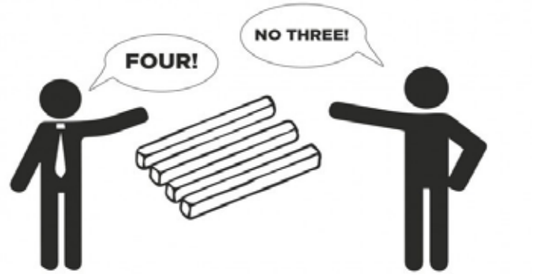
The majority of our operational locations, that is the sawmill, pole factory, timber value addition premises plus harvesting and silviculture sites, have not seen any significant health and safety-related incidents in 2023/2024. For their complete safety, the company ensured that each employee had personal protective equipment plus continued training. In the last couple of years there have occasionally been a few accidents here and there, but by the end of 2024 they had drastically decreased with further training and rigorous adherence to the health and safety rules.

Scattered Illegal operations continued mildly throughout the 2 years especially the dry seasons due to the nearby population's demand for firewood, which resulted in a significant rise in illegal activities within the concession.

Human Rights

Human rights and social effects are taken into account in all of UFCL's operations and agreements with its partners. Human rights awareness campaigns are conducted throughout the community by the CSR department and teams. No human rights violations against locals were reported by the company in the year FY23/24.

Grievance and resolution



During FY23/24 there were no new grievances related to human rights apart from a usual few complaints here and there that concern land boundaries between the concession and the community's land.

In Nyamagabe District, approximately 5 complaints were submitted by local communities regarding the delineation of land boundaries between the concession operated by UFCL and the plots owned by the community.

These situations pose a risk of discontent among neighboring communities who are also landowners, and may also feel wronged by the company's actions, however all these issues through discussions with the affected communities that were facilitated by Rwanda Forestry Authority and local administrative bodies from the areas of Kitabi and Uwinkingi were amicably solved. This



collaborative approach aimed to address the grievances raised and foster a better understanding of the land boundaries in question.

Boundary disputes between neighboring communities are not uncommon, but we have consistently worked towards amicable resolutions. Through open dialogue and mediation, we have successfully resolved a number of issues, leading to the official closure of the disputes. Our commitment to maintaining positive relationships with the communities is paramount, and we strive to ensure that all parties feel respected and understood in these matters.

Dates Received	Complaints	Description	Resolution taken	Location	Date solved
Nov-22	6	Forest harvesting rights	In kind compassation	Kitabi	Dec-24
Jun-23	2	Forest harvesting rights	In kind compassation	KItabi	Dec-24

04 ENVIRONMENTAL CONSERVATION

4 ENVIRONMENT CONSERVATION

Ecological monitoring

Ultimate Forests Company Ltd places a strong emphasis on the preservation of ecosystems as well as the native flora and fauna within its operational areas. To this end, 10% of the concession is designated as a conservation area, which is excluded from any harvesting activities. The responsibility for maintaining this area in its natural state falls to UFCL, ensuring that these vital ecosystems are protected and preserved for future generations.

To support these conservation efforts, UFCL employs the “Microforest” System, which facilitates regular monitoring of the protected areas by the planning and extension team. This proactive approach is essential for maintaining the health and viability of the ecosystems, allowing for timely interventions and assessments to ensure that the natural balance is upheld.

The company’s harvesting strategies are designed to create a diverse mosaic of forest ages, which includes the protection of native trees, riparian zones, wildlife and its habitats. By establishing linking corridors and exclusion zones, UFCL enhances the conservation of individual species based on thorough surveys, thereby promoting biodiversity and ecological integrity within the managed plantations.



Climate change

One of the biggest threats to the environment and to people, who benefit from a healthy environment, has been identified as climate change. The best and most economical method of preserving the environment and slowing down climate change has been thought to be forestry. Through appropriate and established sustainable forestry activities and procedures plus operations which are consistently in line with controlling climate change, UFCL is contributing towards climate change management/ control which essentially is controlling global warming.

UFCL recognizes the significant challenges posed by climate change to the forest ecosystem and acknowledges its responsibility as a corporate entity to aid in reducing carbon emissions from the atmosphere through outgrower programs, reforestation, the preservation of native trees, and riparian zones. This plan directly feeds into The Government of Rwanda's ambitious climate action agenda that features a 38% reduction of greenhouse gas emissions by 2030. The out grower program not only promotes reforestation but also empowers local communities to participate actively in climate change mitigation efforts.

Environmental compliance and conformance

The prescriptions that regulate forestry operations are designed to provide high levels of environmental protection. UFCL undertakes continuous routine monitoring for compliance and conformance, along with both internal and external audits that support monitoring of compliance and as a result, UFCL received no convictions or penalty of any non compliance in the FY23/34.

Biodiversity

Our operations in the plantations which are in highly protected regions, such as all riparian zones, did not have any appreciable detrimental effects on biodiversity in FY23/24. By educating our own employees on how to monitor the biodiversity of the Nyungwe buffer zone, regular monitoring has been done and this protects one of the richest biodiversity places, while strengthening conservation of the environment. Wetlands, streams, rivers, indigenous and unusual flora, and all the fauna in the areas where UFCL operates and beyond are among the areas that the company protects. As a result, we have observed an increase in the variety of animals and plants in the surrounding area.

The UFCL Safety, Health, Environment, and Quality (SHEQ) specialist is the one responsible for the biodiversity monitoring activities and plans that were created based on the biological assets in each particular area.

Through the Annual Plan of Activities (APO), the system delineates suitable activities for each designated area, ensuring that management practices are both effective and responsible. This strategic planning not only supports the conservation of biodiversity but also fosters sustainable development within the region. With the co existance of integration of conservation values and timber production, Ultimate Forests Company demonstrates a commitment to environmental stewardship and community well-being .





Land

The area has remained in its natural state and is covered in diverse types of trees and plants plus the riparian zones areas which has water areas and sources. The biggest part of the land is planted with pine, eucalyptus, and Accacia, with a minor portion set aside for business offices, access roads, and workshops.

UFCL operates on a land base containing 9048.56 hectares, of which 8052.4 hectares are planted, and 1032.16 areas have been set aside to be maintained as conservation made up of high-biodiversity areas such as wetlands, indegenous trees, water sources, and valleys. We have 71.6% of the area planted with Pinus patula, 11.1% of Eucalyptus grandis, 8% of Acacia,2.5 % Cupressus spp and the remianing area of 6.2% has mixed species.

MU name	Total Production Forest Area	Total Non-Production Forest	Total Area of MU	Natural Forest Area	Plantation area	Replanted Forest Area	Conservation Area	Non Timber Forest Plantation Area
Nyaruguru Plantation	1,044.70	80.24	1,124.94	80.24	1,044.70	21.82	80.24	87.40
Nyamagabe Plantation	2,776.20	333.45	3,109.65	333.45	2,776.20	871.71	333.45	33.22
Karongi Plantation	1,563.20	134.73	1,697.93	134.73	1,563.20	0.00	134.73	57.37
Nyamasheke Plantation	2,668.30	483.74	3,152.04	483.74	2,668.30	97.71	483.74	53.56
Total	8,052.40	1,032.16	9,084.56	1,032.16	8,052.40	991.24	1,032.16	231.55

Use of Water and Chemical.

Water and Sanitation Corporation (WASAC) provides and monitors the water that UFCL uses appropriately.Because of diluting copper chrome arsenate (CCA), pole treatment is typically the process that requires the most water in the whole operation. This coating shields the poles and wood from potential harm from weather, insects, and other factors. Pole plant treatment procedure is the primary operation that has the most potential to generate hazardous waste in the whole operation, however there is a clear system to prevent waste from being produced as much as it would have. Even with our advanced technology, which continuously recycles the chemical to keep it in the system, occasionally a few CCA remnants are discovered on gloves, tiny wood fragments which are then all gathered & properly disposed off, while adhering to safety and health precautions.





CONSERVATION

Generally; Conservation of certain landscape features within Nyungwe Buffer zone, communities and habitat components is an important part of maintaining a balance between timber production and conservation outcomes. Ultimate Forests Company's landscape management system; "Microforest", uses a spatial format to classify each area of the Concession in line with the national agreed conservation criteria. The Microforest system differentiates between areas of the forest that are specifically set aside for conservation and areas that are available for commercial. Ensures forest management contributes both to national biodiversity and provision of a constant and sustainable supply of timber to local market. The Microforest through APO (Annual Plan of Activities) outlines what activities are appropriate in each area.
Since Pines species are one among other invasive species, the planning and extension Department make regular evaluation of all management units to track all conserved area, and conducted appropriate corrective action regarding all invaded place.



For safety and reduced exposure, CCA is stored in smaller 48 kilogram tanks, barrels, or containers that are subsequently housed in bigger 20 or 40 foot containers. In the event of a spill, we have procedures in place to minimize any harm and neutralize it. In FY23/24 UFCL used CCA worth around 266 million for about 60480 to treat both poles and timber but there was no spill recorded.
On top of our operations using water, we also provide water through the plantations. The forest is characterized by a network of rivers and streams that converge to create larger bodies of water, ultimately forming an essential water supply for the region. These waterways play a crucial role in sustaining the local ecosystem and the communities that rely on them for their daily water needs.

ENERGY

The overall energy consumption for all of UFCL's operations in FY23/24 was controlled and not more than the previous years but only that proportionate to the increase of production. In the near future, the company is planning on producing and selling its own energy generated from its bio products.



05 BUSINESS

5 BUSINESS

UFCL is the leading supplier of treated poles and timber products on the Rwandan market. It is renowned for its honesty, integrity, and high quality. In all of our forestry operations, we strictly abide by national and international norms and practices. For FY23/24, we operated and engaged in value addition, sawmilling, silviculture, and the pole plant activities. Among other things we produce both treated and non-treated timber used in the construction and manufacturing sectors, and CCA treated wooden poles for electricity transmission and fencing projects.

Job Creation

UFCL continues to generate both direct and indirect jobs within the neighboring communities plus relevant partnerships in FY23/24. Together with other indirect employment established through our suppliers and other partners, a number of households benefited and subsequently improved their livelihoods.

As part of our partnership programs, UFCL prioritizes the communities around our operations when hiring. Because most of them have a low level of education and no forestry knowledge or technical skills, we also provide additional training.





Quality

The company values quality and has a Quality Assurance Specialist who closely monitors all quality components starting from the initial processes to the final products ready for sale. UFCL places a high value on quality and guarantees that quality controls and management are in place in all of our activity lines and products. To ensure that thecompany is in conformity, close consults with both national and international standards are done. In FY23/24, UFCL had no fines to pay for breaking quality-related rules or regulations.

UFCL mantains different certifications of which one of them is for its Quality Management System, this means all of our products have the S-mark, a guarantee of its high quality.



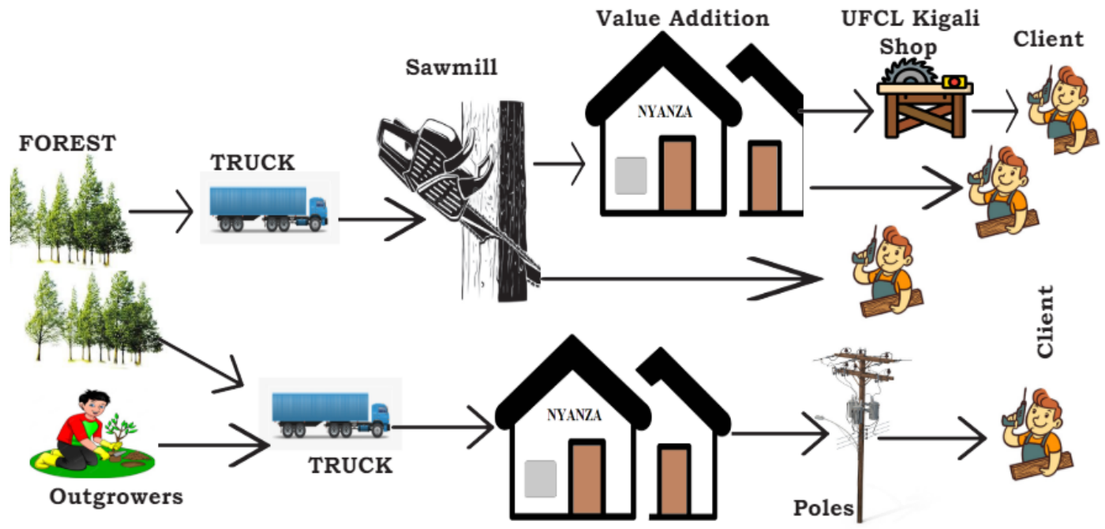


SUPPLY CHAIN

Working with local suppliers is a top priority for UFCL as a way to to support our communities and ensure that the majority of the money is spent locally.

The typical needs for logistics at on-site operation include but not limited to transport, road maintenance and construction equipment, new machinery, vehicles and tractors, electrical equipment, personal protective equipment, fuel, treatment chemicals e.g. CCA, tree seeds, and poles as raw materials, as well as machine and vehicle spare parts following wear, tear and or damage. External suppliers are only taken into consideration by UFCL when local providers are either unable to match the company's needs or are substantially more expensive.

The procurement, logistics, pole plant and sawmill teams have put in place a systematic system of supply chain for all the company operations and offices to better the whole supply function from planning to delivery. The system shall include all sources of poles in which our out-growers will be given priority.



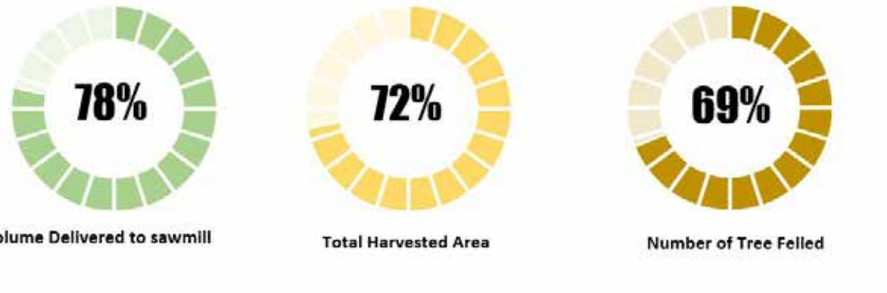
Key development

Harvesting

UFCL Harvesting activities of the forests is based on annual plan of operations which is developed using a computerized system called "Microforest", this shows the areas we plan to harvest. The number of harvesting operations undertaken in the concession each year and the volume of timber removed is guided by the sustainable yield calculations.

For this FY 2023 the Forestry harvesting Department have harvested a total volume of 32,398.21m3.







The fully equipped sawmill together with the well trained staff, the sawmill sites were fully operational and even with some challenges here and there in the last couple of years UFCL has managed to have a bountiful production.

Forestry Planning, Silviculture and Extension

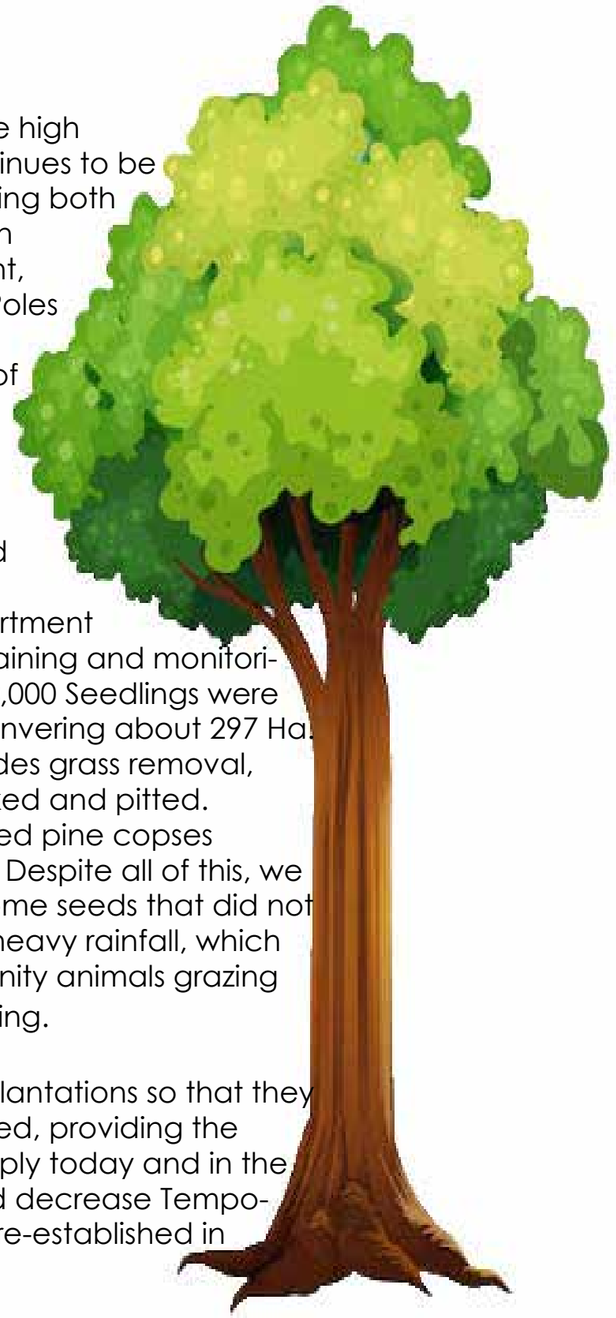


Sawmilling

Ultimate Forests Company Limited aims to maximize the potential for growth and development of commercial trees in Rwanda and wood products while maintaining a firm commitment to manage the concession in a socially and environmentally responsible way.

Service quality

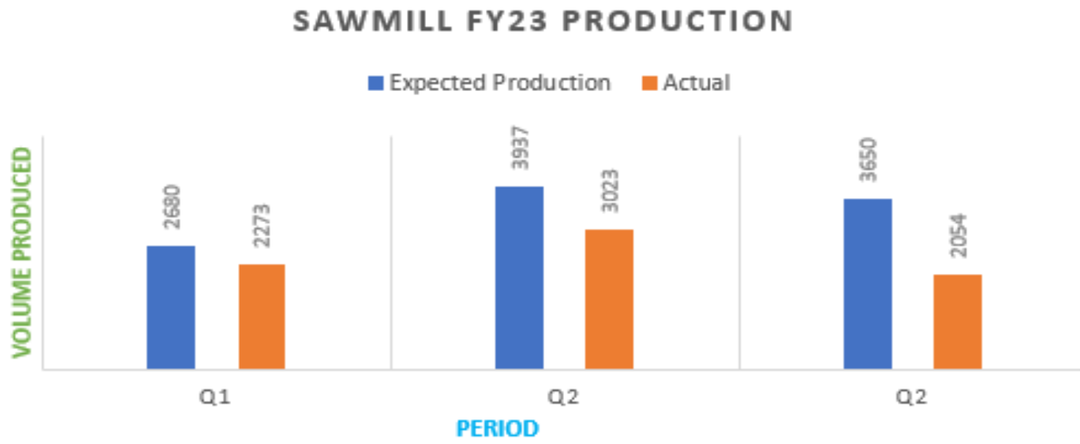
The Country's local markets greatly value the high quality of UFCL timber products. Timber continues to be the backbone of regional economies, fostering both job creation and business development. With quality control and competent management, UFCL is the country's leading company of Poles and timber; quality control teams work to ensure the uniformity and optimal handling of our products.

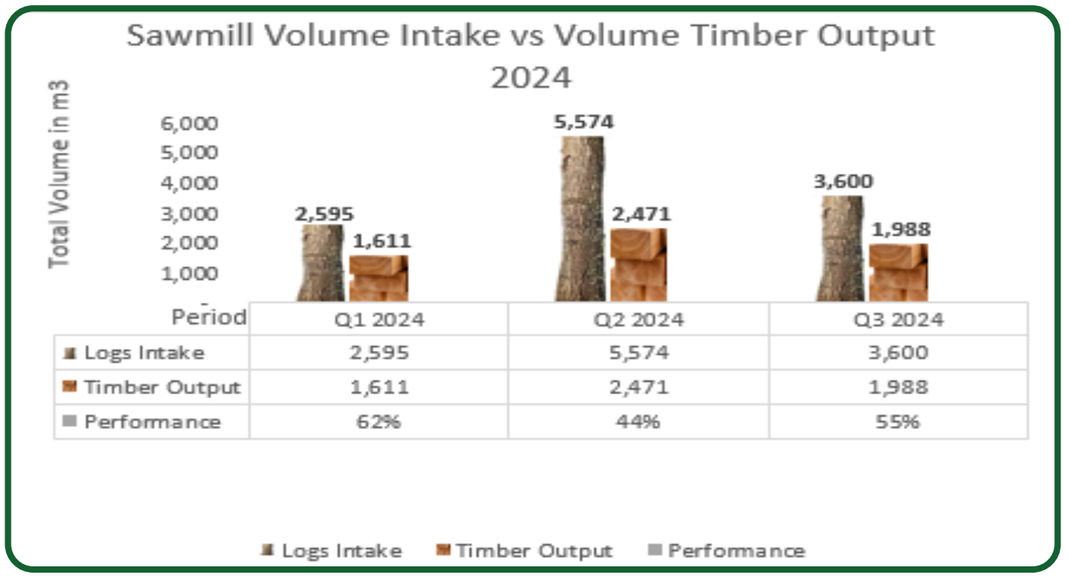


Forestry Planning, Silviculture and Extension

The silviculture activities for FY23/24 included but limited to; weeding, thinning, and pruning the younger trees. The forestry department also made time to visit the out-growers for training and monitoring as part of the CSR initiative. A total of 330,000 Seedlings were planted (pine and eucalyptus seedlings), convering about 297 Ha. A big chunk of area was prepared this includes grass removal, bush clearing etc. Part of the area was marked and pitted. Thinning and pruning of naturally regenerated pine copses and other dangerous weeds was also done. Despite all of this, we still encountered a few difficulties, such as some seeds that did not germinate properly plus the areas frequent heavy rainfall, which occasionally stops activities plus the community animals grazing that end up destroying the young tree seedling.

UFCL oversees the management of timber plantations so that they may be continuously harvested and replanted, providing the Rwandan market with sustainable wood supply today and in the future. In order to optimize planted area and decrease Temporarily Unplanted Plots (TUPs), plantations are re-established in intervals of 12 to 15 months after harvesting.

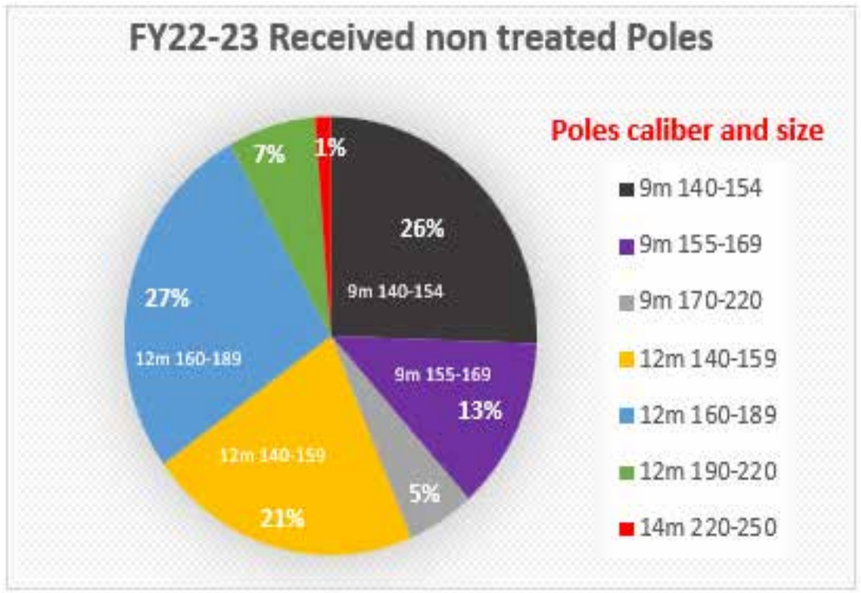




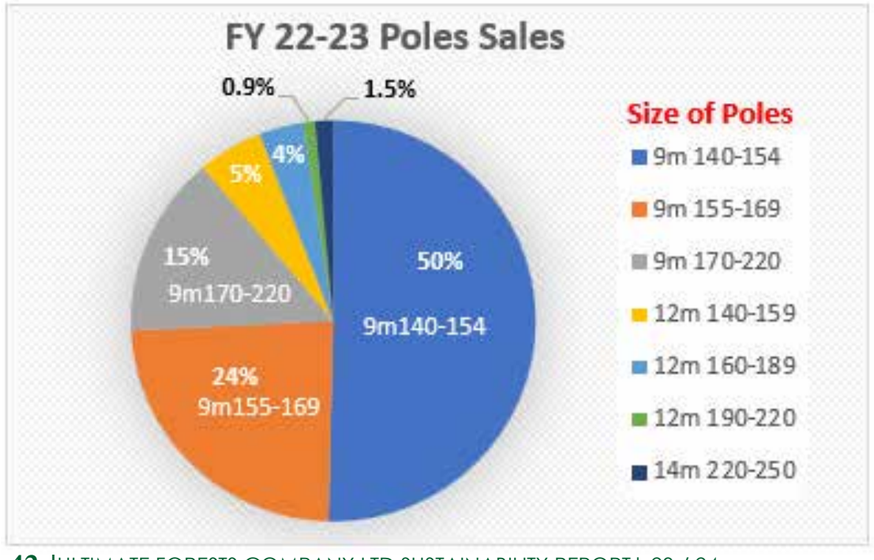


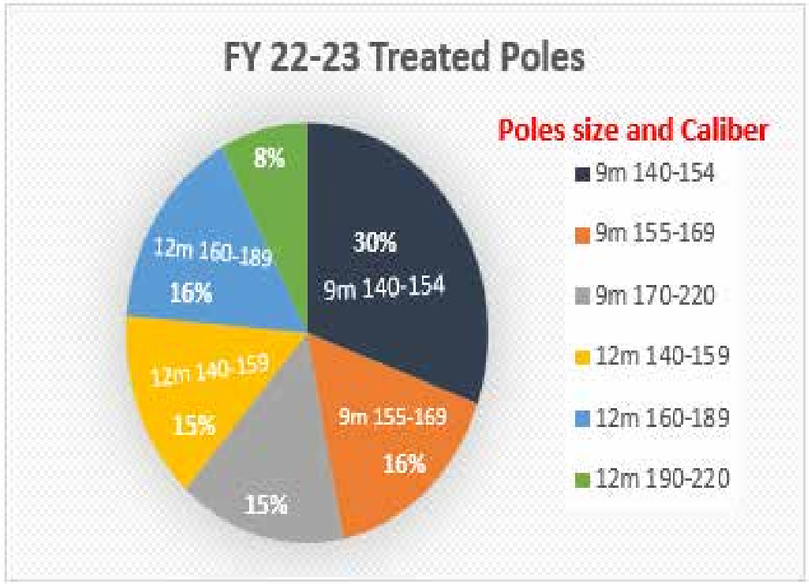
Poles Plant

The introduction of locally produced electric poles by UFCL marked a significant shift in Rwanda's electrification process, which had previously depended on imports. The Rwandan market, characterized by its robust regulatory framework, has allowed UFCL to establish itself as the exclusive producer in this sector. By treating poles locally, we enhance the quality of the products and provide substantial economic benefits to the nation.



The majority of received poles were small and medium size and 30% of the treated poles with CCA (Copper Chrome Arsenate) where small size.





Starting with the receipt of poles from our plantations and outside growers, the pole plant chain activity begins with the seasoning and quality inspection of the poles, followed by their preparation, treatment, and delivery to clients. The entire procedure is carried out in accordance with client specifications. This continues to put UFCL in a steady position to supply high quality poles enough to satisfy the local market demand.



Value Addition
By employing a state-of-the-art technology, UFCL added value to timber in FY23/24. The need to use biomass and a method that produces the highest quality timber at a fair price are what motivate this technology.

Depending on the needs of the customer, the wood is additionally treated with Chromium Copper Arsenic (CCA), which protects the wood from deterioration brought on by insects, fungi, weather, and other bacteria. It gives treated wood a greenish color, just like other copper-based wood preservatives. Additionally, CCA treatment increases timber's lifespan.

CLARISSE ABAYISENGA

POLE PLANT OPERATOR



"As a woman working in the forest sector am proud to say that I have gained a lot of experience and technical skills in the wood sector particularly the value addition section. UFCL gives us equal opportunities as men which improves effeciency and motivation. Who invest in themselves grow stronger like the wood they preserve, protects what others overlook, safeguards what nature started and create herself more innovations in Wood technology"

"As a person who manages people, I firmly believe that a strong and positive company culture is the foundation of our success. It's not just about policies or procedures but about fostering an environment where every employee feels valued, supported, and connected to a shared purpose. By aligning individual roles with the company's vision, encouraging collaboration, and ensuring open communication, we create a space where everyone is accountable and proud of their contributions. Additionally, I recognize the importance of supporting the mental health of our employees, as their well-being directly impacts their performance and happiness at work. By providing resources such as counseling services, promoting a healthy work-life balance, and creating a culture of openness where employees feel comfortable seeking help, we can build a resilient, motivated team. A culture built on trust, respect, and shared goals not only drives performance but also inspires innovation and ensures we thrive together as a team."

UMULISA CYNTHIA

PEOPLE DEPARTMENT



UFCL SUSTAINABILITY FINANCIAL IMPACT

Ultimate Forests Company Limited (UFCL) benefits financially from its commitment to sustainability, as demonstrated by its Forest Stewardship Council (FSC) and International Organization for Standardization (ISO) certifications.



BALINDA GATWARE

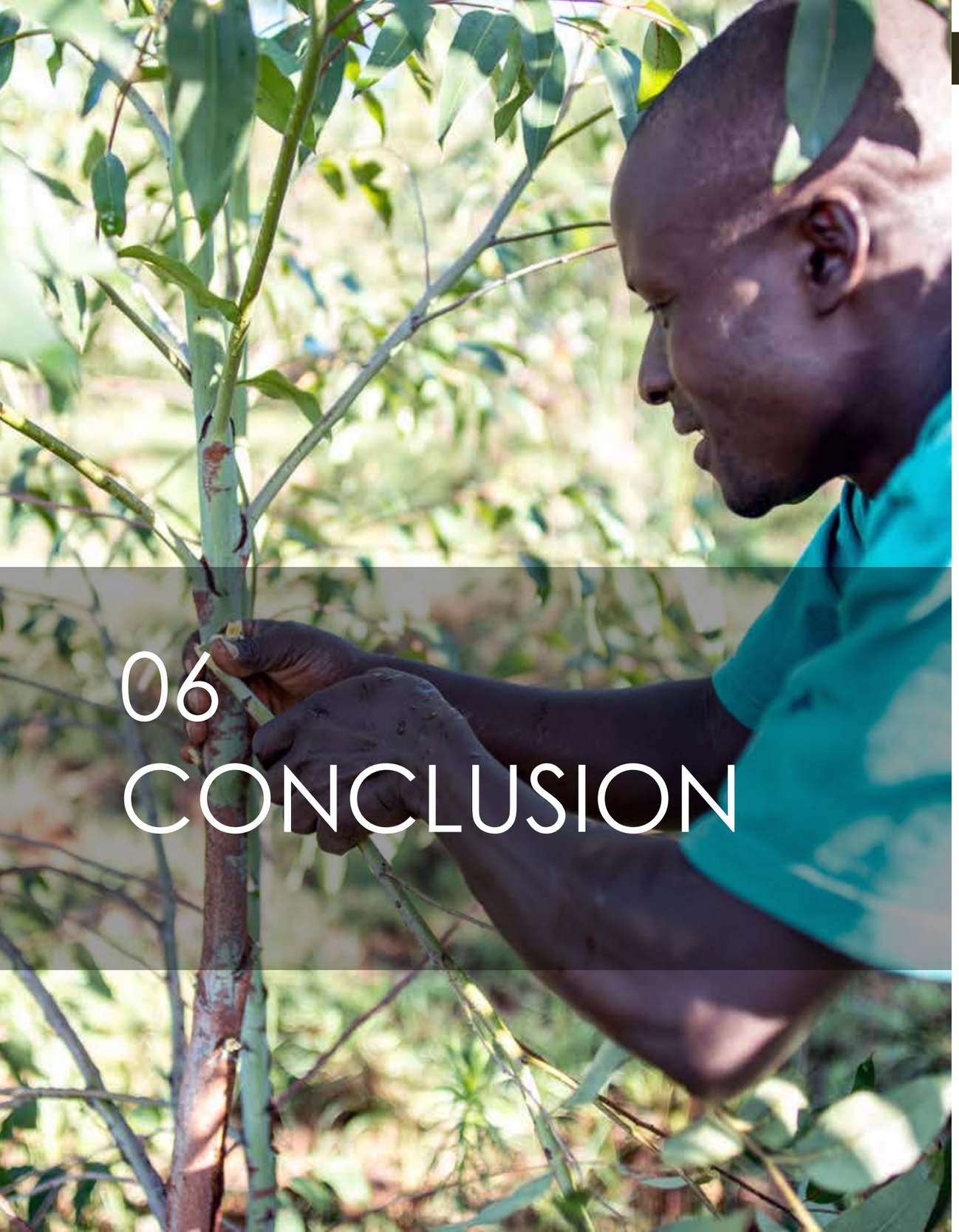
CFO

These certifications validate UFCL's sustainable forestry and quality management practices,
enhancing its market position and opening new revenue streams.
FSC certification ensures UFCL's forestry practices meet high environmental and
social standards, leading to cost savings through efficient resource management and
reduced waste. This helps UFCL avoid costs associated with environmental degradation and regulatory penalties, while also accessing government incentives
and subsidies.
ISO certifications, such as ISO 9001 for quality management and ISO 14001 for environmental management, improve UFCL's operational efficiency, reduce errors, and enhance customer satisfaction. These certifications ensure effective environmental management, reducing the risk of incidents and associated costs, resulting in streamlined operations and improved profitability.
Market advantages of sustainability are significant, with certifications granting access to premium markets willing to pay more for sustainably sourced products. FSC and ISO certifications enhance UFCL's brand reputation, attracting new customers and fostering loyalty among environmentally conscious clients, leading to higher revenue and long-term contracts.
Moreover, UFCL adherence to sustainability standards enhances its competitiveness both locally and internationally. Domestically, UFCL stands out as a leader in environmentally responsible forestry practices, attracting support from environmentally conscious consumers and businesses. Internationally, UFCL gains access to markets that prioritize sustainability, giving it a competitive edge against companies that do not uphold similar standards. This increased competitiveness strengthens UFCL's position in the global marketplace, paving the way for sustained growth and success.





As part of UFCL recognition and appreciation program, On 1st May_Labour Day we recognised more than 6 employees across all departments. Certificates and gifts were given to a happy lot of employees which in turn lead to motivation and effectiveness at work. In the pictures above are our staff recieving the certificates



06 CONCLUSION

PROFILE

Ultimate Forests company publishes a sustainability report and, this particular one is covering the fiscal years of 2023 and 2024. Most of the areas of operation have been tackled in the report. These include but are not limited to the administrative offices, plantations, Pole and Value Addition Plants, Saw mill, and communities.

Queries and comments can be sent to:

EMAIL: info@ultimateforests.rw

PHONE: 0788 380 100

ADDRESS: P.O Box 5590, Grand Pension Plaza 4Th Floor, Nyarugenge | Kigali.

WAY FORWARD

Continue focusing on sustainable forestry management best practices as the company provides a broad range of products and values derived from our forests. Through its commercial focus, UFCL generates the resources to maintain these products and values into the future. The better our environmental performance, the better the products.

LIMITATIONS

The terrain of the concession that is available for harvesting is not easily accessible for forestry activities, and meeting expectations of a growing profit from timber revenue is not relatively easy. To optimize commercial returns, Ultimate Forests Company intends to diversify customers and sell different products from Forestry.

MATERIALITY

The performance of the company over the two years of 2023 and 2024 were reviewed by UFCL's Management and the Board of Directors. The criteria for determining materials for this report was also checked and supported by the Management and the Board of Directors. Compiling of the report includes engagement of shareholders, partners, and staff.


START
SEED COLLECTION
SEEDLINGS
NURSERY
SILVICULTURE
EUCALUPTUS
OUTGROWERS
ACACIA
CUPRESSUS
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