

 Early Warning System

FMO-63750

York Timbers (Proprietary) Limited



Quick Facts

Countries	South Africa
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2024-04-12
Borrower	York Timbers Proprietary Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 13.95 million



Project Description

According to the Bank's website, the investment aims to refinance existing long-term debt facilities, to fund land acquisition and relevant planting activities, and to support general working capital.

York Timbers is an integrated forestry company owning and managing pine plantations and operating efficient wood processing plants. According to the Bank, this is a strong fit with FMO's Forestry Strategy. FMO's facility will match with the maturity profile of the plantations, which will further support York Timbers to reduce its dependency on third-party wood supply, improving cost competitiveness. FMO's additionality is evident by establishing enduring partnerships with York Timbers for the long term.



Early Warning System Project Analysis

York Timbers falls under E&S category A due to the permanent nature of its activities, the significant footprint (about 60,000ha of 80,000ha), diverse nature of operations (Forestry and Fleet, Processing, Wholesale, and Agriculture) and potential impact on local communities and biodiversity. FMO's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with certain IFC Performance Standards (PS). PS1 to PS4 and PS6 (biodiversity) will be applicable to all operations. Additionally, PS5 (Land Acquisition) will be applicable to the use of proceeds. The absence of Indigenous People (PS7) has been confirmed. Cultural Heritage (PS8) sites on York Timbers' existing landholdings have been identified, documented and mapped, with management plans implemented. York Timbers has implemented management measures to limit the risk and offset the potential impacts including receiving FSC certification for the forestry operations.



Investment Description

- Netherlands Development Finance Company (FMO)

Funding: FMO NV



Private Actors Description

York Timbers Proprietary Limited is a subsidiary fully owned by York Timber Holdings Limited, listed on the Johannesburg Stock Exchange. York is the largest solid wood, lumber and plywood producer in South Africa, with operations centred in two main geographic areas namely; the Highveld operations in Jessievale and Escarpment Operations in Sabie. As an integrated forestry company, York Timbers manages approximately 60,000 hectares of FSC-certified high-quality pine plantations and around 30,000 hectares of high conservation area, and operates two sawmills and one plywood mill. York has also recently diversified into agriculture and crops (i.e. avocado, macadamia, and soft citrus).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	York Timber Holdings Limited	Parent Company	-
-	-	-	-	York Timbers Proprietary Limited	Client	-



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>