



EQUATORIAL PALM OIL

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**SUSTAINABILITY
REPORT 2017**





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EPO in Liberia - building a better future



Note to the reader

This document is a report intended to provide an overview of EPO's long term positions on sustainability, the place of sustainable palm oil in Liberia, and related issues, as well as an update on actions taken since the publication of the Company's last sustainability report a year ago. It is the third in an ongoing series.

Previous sustainability reports can be found at the following links:

2016: <http://www.epoil.co.uk/sustainability-report-2016/>

2015: <http://www.epoil.co.uk/sustainability-report-2015/>

Abbreviations and acronyms

AIM	Alternative Investment Market	JV	Joint venture
CBA	Collective bargaining agreement	KCP	Kernel crushing plant
CPO	Crude palm oil	KLK	Kuala Lumpur Kepong Berhad
CSR	Corporate social responsibility	MOA	Liberian Ministry of Agriculture
ECOWAS	Economic Community of West African States	MOU	Memorandum of understanding
EPO	Equatorial Palm Oil PLC	NGO	Non governmental organization
ESHIA	Environmental, social and health impact assessment	P&D	Pest and disease
FFB	Fresh fruit bunches	PKO	Palm kernel oil
FPIC	Free, prior and informed consent	PPE	Personal protective equipment
GDP	Gross domestic product	RSPO	Roundtable on Sustainable Palm Oil
GIS	Geospatial information systems	SDI	Sustainable Development Initiative (Liberian NGO)
GPS	Global positioning system	SOP(s)	Standard operating procedure(s)
HCS	High carbon stock	STCRSP	Small Tree Crop Revitalization Support Project (World Bank initiative)
HCSA	High Carbon Stock Approach	TB	Tuberculosis
HCV	High conservation value	TFT	The Forest Trust
HIRARC	Hazard identification, risk assessment and risk control	UAV	Unmanned aerial vehicle, or "drone"
HIV	Human immunodeficiency virus	UN	United Nations
HR	Human resources	USAID	United States Agency for International Development
HRIA	Human rights impact assessment	USD	United States dollar
ILO	International Labour Organization		

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FOREWORD

Equatorial Palm Oil plc (EPO or the Company) is pleased to release our 2017 Sustainability Report, which looks at our sustainable palm oil operations in Liberia, West Africa.

This is our third year of reporting on our community responsibilities in Liberia, and in this report we continue to provide independently reviewed information on our sustainability activities, local employment policies, direct community engagement schemes, and tax contributions.

In addition, 2017 has been a year in which we have looked to evolve our best practice social governance to a new level, carrying out an independently reviewed human rights impact assessment (HRIA), and drafting an action plan to follow up on its recommendations. With social engagement at the forefront of our business, we reviewed feedback from key stakeholders and took the decision to engage fully with the United Nations Guiding Principles for Business and Human Rights. Within this report, readers will find a new section explaining this independent assessment of our operations, including details on where EPO has performed well, through established procedures and operating protocols, and the key elements recommended for improvement and development.

EPO is proud of its achievements in workplace contribution and regional social partnering, but fully recognizes the need for accountability and clear benchmarks established by international bodies like the UN, easing cross-border investment into developing nations—and especially within the palm oil business. This report should be read in its entirety to gain a full picture, but I believe that EPO has established an ethical plantation business within Liberia that is committed to monitoring and evolving its working practices.



This commitment is particularly pertinent to EPO as we look to develop our business in Liberia and continue to make further investments in the country.

The 2017 report covers the Company's construction of a new palm oil mill that will be capable (in time) of processing up to 60 metric tonnes of fresh fruit bunches every hour. This mill also boasts Liberia's first ever kernel crushing plant, and is the first palm oil mill in the country to feature a biogas plant, significantly reducing the mill's use of diesel and increasing sustainability. Building our new mill is evidence of how we see Liberia not only as a place for farming, but also as a home for integrated production. Over the next year we will also be looking to work with all key stakeholder groups, including the RSPO, to expand our operations.

2018 will be a key year for EPO as we enter into a new phase of operations and engagement, to see if a long term plantation operation can be created through continued stakeholder consultation. Only through such mechanisms will EPO and our major shareholder, KLK, commit to developing economically viable plantation operations.

The last three years have been an important journey for EPO as we have developed our ethos to integrate social engagement into every part of our decision making process. This commitment will continue during 2018 as we continue to develop Liberia's sustainable palm oil business.

Michael Frayne, Chairman, Equatorial Palm Oil



Michael Frayne,
Chairman, Equatorial Palm Oil

REPORT OBJECTIVES AND SCOPE

The EPO Sustainability Report 2017 was compiled on the basis of:

- Site visits in February-March 2018
- Visits and interviews with communities within the Palm Bay estate region
- Viewing and recording active community programmes and examining corresponding financial detail
- Meeting with employees at all levels of operations
- A desktop review of a range of data

The Company's sustainability work and objectives for 2016-17 were examined in areas including the following:

- Land use commitments and buffer zones
- Concordance with Liberian law
- Continuing previously established best practice around community consultation
- Conduct of an Independent Human Rights Impact Assessment (HRIA)
- Reporting on HRIA
- Taxation and financial contributions
- Protocols and procedures relating to safety and workplace operations
- EPO's new palm oil mill built on the Palm Bay estate, and its context within EPO's sustainable palm oil operations
- Employment-related gender issues
- Training investment and wage commitments
- Contractor monitoring processes for workplace procedures
- Planting and expansion programmes and protocols for 2018-19



EPO: AN INTRODUCTION

EPO is a UK registered company, publicly listed on the AIM market of the London Stock Exchange, focused on producing oil palm products and developing the oil palm industry that once flourished in West Africa. EPO has two estates in Liberia, the Palm Bay estate and the Butaw estate.

The Company is working towards becoming a fully sustainable producer of palm oil through the development of its oil palm estates and expansion lands, along with related infrastructure.

EPO is in a joint venture with KL-Kepong International Limited, a subsidiary of Kuala Lumpur Kepong Berhad (KLK). KLK is one of the main palm oil producers in the world, and EPO benefits greatly from KLK's many years of expertise in sustainable oil palm development.

All the Company's work on its estates is done with the collaboration and consent of host communities, according to the laws and regulations of the Republic of Liberia, and in line with other established approaches including the New Planting Procedures developed by the Roundtable on Sustainable Palm Oil (RSPO)¹ and the High Carbon Stock Approach (HCSA)². More detail on the Company's Sustainability Policy can be found in Appendix 1.

1 <https://rspo.org/>

2 <http://highcarbonstock.org/the-high-carbon-stock-approach/>





EPO IN LIBERIA

EPO currently employs 664 permanent local staff in Liberia, of whom 264, around 40 per cent, are women—a figure that rises to around 57 per cent when contract labour is taken into account. The Company plans to become one of Liberia’s largest employers in the agricultural sector. It has implemented a series of employment and contractor codes of conduct and assessment processes in order to conform to national and global best practice employment standards (see page 44), which are currently being improved further following recommendations from the Company’s first ever Human Rights Impact Assessment, or HRIA (see page 22). Measures include minimum wage compliance, personal skills development and training commitments, safety training and equipment inventory, contractor screening processes, and ongoing monitoring.

EPO has mainstreamed community relations and CSR into its work on sustainable development of oil palm in Liberia, making significant investment in local communities and infrastructure including but not limited to the construction of roads, water pumps, culverts, and bridges; building, maintaining and running schools and health clinics; and assisting and running food security and socio-economic empowerment and capacity building projects.

To achieve these aims EPO focuses on eight key areas:

- 1 Full effective implementation of the operational and social commitments of RSPO membership
- 2 Practicing the key principle of free, prior and informed consent (FPIC) for all developments
- 3 Development only in areas that are not primary forest, high conservation value (HCV) areas or high carbon stock (HCS) areas*
- 4 Providing direct and indirect employment to as many people in local communities as possible
- 5 Identifying skills, training employees and providing opportunities for advancement
- 6 Providing, maintaining and running social and physical infrastructure including: health clinics and services; schools; adult education programmes; housing; access to clean water; roads; bridges; and other infrastructure
- 7 As per concession agreements, upon completion of development, expansion areas will be made available for outgrowers' schemes. At time of writing the concessions are still being developed, and details of the outgrowers' schemes are being worked out by all stakeholders. EPO is also already providing technical input for a smallholder tree crop revitalization support project funded by the World Bank, and an EPO-run vegetable farming project
- 8 Increased transparency on sustainability and corporate social responsibility (CSR), including through a dedicated, frequently-updated website: <http://www.csr21.org/company/equatorial-palm-oil>

*As defined by the HCSA Toolkit

Between 2015 and 2016, much planned development work on the Company's estates was suspended in order to allow outstanding issues—both environmental and those to do with FPIC for land use—to be correctly resolved. This process is now concluded, and following the requisite assessments and consent, development work can restart.

Taxes, duties and concession agreements

EPO has received approval from the ECOWAS¹ Commission for tariff free trade for its oil palm products, allowing the Company to trade free of import and export duties among the countries of the ECOWAS region.

In March 2017, the Company announced publicly that its tax- and duty-free allowance in Liberia had been extended for a further five years under concession agreements granted to the Company's Liberian subsidiaries in 2008 for the development of two existing oil palm estates at Palm Bay and Butaw (see page 40).

EPO operates a transparent fiscal policy in relation to local country taxation and royalty regimes. The Company operates fully within Liberian laws and legislative processes.

1 Economic Community of West African States

EPO and the Roundtable on Sustainable Palm Oil (RSPO)

Through KLK, EPO is a member of the international body tasked with promoting sustainable palm oil production: the RSPO.

Oil palm is cultivated commercially in tropical areas of Asia, Africa and South America, and there are environmental, social and economic pressures on its further expansion. EPO adheres to strict sustainability standards for two reasons: to remain attractive to investors in the global palm oil market and within its supply chain; and to make a positive environmental and social investment that cultivates good relationships with the Company's host communities.

EPO agrees with the conclusion of the 2016 United Nations Environmental Programme/ Great Apes Survival Partnership report *Palm Oil Paradox*¹ that businesses working within the palm oil industry are probably best placed to help protect and preserve forests in areas yet to be exploited by the industry in Africa, and the Company aims to play its part by adhering to relevant sustainability standards. EPO also believes that palm oil offers the best opportunities for human and infrastructural development within host communities and throughout the supply chain, and has committed in good faith to a sustainable, development-oriented approach to managing its estates.

EPO takes any criticism seriously, and always tries to respond.

1 <http://www.un-grasp.org/videos-resources/publications/>



EPO'S COMMITMENT TO "NO DEFORESTATION"

EPO acknowledges the importance of developing a single, coherent high carbon stock (HCS) methodology when implementing its "no deforestation" commitment.

Worldwide agreement was reached some time ago on convergence between the two main existing approaches: HCSA (the High Carbon Stock Approach, a methodology pioneered by The Forest Trust (TFT), Greenpeace and others) and HCS+ (an industry-led HCS Scientific Study). The HCS Convergence Working Group, which is made up of members of the HCSA Executive Committee and additional companies that participated in development of the HCS+ methodology, came to agreement in November 2016 on convergence between the HCSA and HCS+ methodologies. This convergence provides an important platform for implementing the commitment to "No Deforestation" in palm oil operations and supply chains in the future.

The agreement outlines:

- Fundamental elements of the converged methodology that protect HCS forests, HCV areas and peatlands. These include elements to do with forest stratification and decision-making in "young regenerating forest" within fragmented landscapes; the role of carbon; and robust implementation of FPIC and other social requirements
- The intention to carry out functional and institutional integration of HCS with the HCV Resource Network *
- A roadmap for resolving outstanding issues through a collaborative process

* <https://www.hcvnetwork.org/>



The two HCS approaches have many commonalities that are brought together in the converged approach. In particular, the converged approach stipulates that:

- **Conversion for plantations should be restricted to low carbon scrubland and open land**
- **Primary forests, forests subject to moderate levels of logging disturbance and older secondary forests should be conserved**
- **There must be a rigorous assessment and conservation of all HCVs**
- **Robust processes are needed to ensure there is FPIC of local communities that recognises their rights and interests**

There is significant overlap between the data collection, communication and quality assessment requirements of the HCS, HCV and FPIC processes; all three processes are required as part of an HCS assessment, so an integrated approach to implementation is therefore needed.

More details on this agreement can be found at:
<http://highcarbonstock.org/agreement-on-unified-approach-to-implementing-no-deforestation-commitments>

The convergence decisions are now reflected in the revised HCS Assessment Toolkit (version 2.0), which was launched in May 2017. EPO has made a public commitment to adopt this toolkit, and is already applying it.

Version 2.0 of the HCS Assessment Toolkit contains a number of changes reflecting the need for oil palm cultivators to balance environmental concerns with their duty to provide benefits to host communities. These include¹:

- **Guidance on integrating the HCSA with other land use planning approaches in the field, including FPIC and the protection of HCV areas (including peatlands and riparian zones) and areas important to local community livelihoods**
- **The use of LiDAR (a laser-based detection principle similar to RADAR) as an alternate option for vegetation stratification**
- **A greater focus on ecological and social viability and optimisation with decisions on medium and low priority forest patches**
- **Early guidance on the urgent need for protection of HCV areas and HCS forest, including benefits and incentives for local communities.**

Social requirements and best practice

Both the HCSA and HCV approaches include guidance on social best practice or social components, while FPIC is a tool for ensuring social safeguards exist in land development. The HCSA Social Requirements Working Group, chaired by the Forest Peoples Programme, will bring together best practice social requirements from the HCS Approach for palm oil development and align these with best practice for HCV and FPIC processes. A package of broad social requirements is being field trialled.

Source: The High Carbon Stock Approach: an update February 2017:

<http://highcarbonstock.org/wp-content/uploads/2017/05/HCSA-Toolkit-v2.0-Module-1-Introduction-190917-web.pdf>

¹ The High Carbon Stock Approach: an update February 2017:
<http://highcarbonstock.org/wp-content/uploads/2017/05/HCSA-Toolkit-v2.0-Module-1-Introduction-190917-web.pdf>

PALM OIL IN LIBERIA

EPO operates in a challenging environment. Neighbouring communities and workers in Liberia have suffered from two civil wars, the 2014-15 Ebola pandemic, a sharp decline in commodity prices, and poverty.

The Company's presence, and the infrastructure and services it provides to communities on and around its estates, have provided the first opportunities in living memory for community members to have jobs, health care, education for their children, and much-needed roads.

Oil palm cultivation is centrally important to Liberia's economic development. Recent years have not been easy, with the national economy recovering from the effects of Ebola and still affected by a long-term drop off in commodity prices.

In addition, a democratic change of government in early 2018 means a natural movement away from the era of President Ellen Sirleaf Johnson and into the future, with the newly appointed President George Manneh Weah and his ministerial team taking charge of Liberia's development.

While much has been achieved in the time since President Johnson's election in 2006, a great deal remains to be done for Liberia, which was 177th out of 188 countries on the UN's Human Development Index rankings in 2016, in the lowest category of human development available in the index¹.

Against this backdrop, the long term, sustainable economic activity of oil palm and other agricultural projects—working with the land, not taking from it—offers stability and a route to infrastructural and economic development unavailable elsewhere. When responsibly done, in sympathy with the land and the host communities, oil palm cultivation can offer long-term development benefits based on an indefinite commitment to the country and its people.

Furthermore, the outlook for the industry is strong. Palm oil is produced in response to huge worldwide consumer demand that has risen steadily for thirty years and doubled in the last

1 <http://hdr.undp.org/en/composite/HDI>



sixteen. It is the most consumed vegetable oil in the world. It is a healthy, long-term industry with a positive forecast for the foreseeable future: by 2050, the worldwide demand for palm oil is expected to increase from 51 million tonnes in 2015 to between 120 and 156 million tonnes, accounting for around 65% of all oils traded (if it reaches the upper limit).²

Palm oil therefore provides a solid basis for long term economic planning and development, without the boom and bust cycles typical of the extractive industries. The potential life of an oil palm plantation is open-ended, with a just single production cycle lasting 25 years; a new palm takes three years from first planting to first harvest in the field.

The business case for oil palm development demands a long term commitment by producers to their host countries and communities.

² Corley, RVH. Environmental Science and Policy, 2009; 12; 134-139 (<http://aceitedepalmasostenible.es/wp-content/uploads/2017/06/How-much-palm-oil-do-we-need-R.H.V.-Corley.pdf>); quoted in A Shared Vision: 100% Sustainable Palm Oil in Europe: A Snapshot of National Initiatives, RSPO, June 2015 (<https://rspo.org/publications/download/a3a33428fd77380>)

2017-18

NEW MILESTONES AND PLANS

Human Rights Impact Assessment

EPO is aware of the need to respect human rights throughout its operations, and has a sustainability policy which commits the Company to:

“...respect[ing], support[ing] and uphold[ing] fundamental human rights” and “encourag[ing] the application of this Policy amongst [its] business partners including contractors, suppliers, trading and JV partners.”*

* EPO's Sustainability Policy at 'Scope of Policy' and Section 3, 'Drive Positive Socio-Economic Impact for People and Communities.'

Since EPO first received a complaint through the RSPO in 2013¹, the Company has engaged in extensive dialogue with the relevant communities and revised a number of its internal procedures related to obtaining FPIC (see Appendix 3). As noted by community representatives, this process led to the signing of the 2016 Memorandum of Understanding (MoU) with members of the local Jogbahn clan, and demonstrated the Company's efforts to respect the customary rights of local communities to their land—and to respect their wishes to develop or not to develop their land, as the case may be.

In late 2016, however, outside scrutiny highlighted certain issues at the Company's Palm Bay estate, including some related to just remuneration, safe working conditions, and the right to collective bargaining². In response, the Company set out to learn what a human rights impact assessment (HRIA) process entailed, the kinds of impacts it might uncover, and the actions the Company could take to strengthen its approach to human rights.

The resulting report captures the key findings from this HRIA work, and is discussed (on page 22). The full Executive Summary of EPO's HRIA can be found via the “Our Sustainable Approach” section of the Company's website, at:

<http://www.epoil.co.uk/our-sustainable-approach/human-rights/>

1 For more information on the history and resolution of this complaint, see previous EPO sustainability reports, which are available to download at <http://www.epoil.co.uk/documents/>

2 Nomogaia, Human Right Risk Assessment: Equatorial Palm Oil's Palm Bay Plantation (2016), <http://nomogaia.org/wp-content/uploads///2016/10/EPO-HRRA-Final.pdf>



NEW PALM OIL MILL AT PALM BAY ESTATE

EPO has almost completed one of its most significant steps since starting work in Liberia. The new palm oil mill at Palm Bay estate will allow the Company to go into production and start selling oil palm products, creating new jobs and consolidating EPO's long term commitment to Liberia.

The mill

The mill is being constructed in a modular fashion, with two separate lines that can each process 30 metric tonnes of fresh fruit bunches (FFB) per hour. Once the palms on the estate are all sufficiently mature, and if additional areas are planted in order to increase production to expected levels, the mill will be able to process 60 tonnes of FFB per hour. This method of construction allows a more gradual beginning to mill operations, in accordance with the fact that—due to suspensions in planting from 2014-16 in order to resolve land issues with local communities and complete the HCS assessments—it will be some time until the immature area on the estate becomes sufficiently mature to feed a 60-tonne mill.

Once up and running, the mill is a closed, self-sustaining process: the boiler that drives the mill's power-generating turbines is powered by oil palm waste products. Normally, heavy use of generators is required to start the mill running, but EPO's mill has two features unique in Liberia that make this unnecessary.



Biogas plant

The Palm Bay mill will be the only facility in Liberia that incorporates a biogas plant. This section of the mill harvests the methane (a greenhouse gas that would otherwise be released into the atmosphere) that is generated when the palm oil effluent (a waste product) breaks down, and uses it to run a gas turbine that supplements the diesel generators normally used to power up the mill.

Kernel crushing plant

The kernel crushing plant, or KCP, makes use of the palm kernels, which are normally sold on by conventional mills—though until now this been impossible in Liberia due to the lack of any market for them, because there was no KCP facility in the country that might have used them. EPO's new unit therefore not only makes the EPO mill more sustainable, but also provides a local market for products currently going to waste.

Palm Kernel Oil, or PKO, is a saleable product used mainly in cosmetics and food products. The by-product from the KCP, so-called "kernel cake," can either be sold for use as animal feed or used as fuel to help feed the mill's boiler. In the early stages of the mill operations, while the volumes of FFB coming in are still relatively low, the latter use will be prevalent in order to increase the mill's sustainability; as volumes increase and greater amounts of other by-products are available to feed the boiler, kernel cake will be less needed for this purpose, and can be sold.



Mill Superintendent Robertson Faah leaves for training in Malaysia, sent off by Senior General Manager Mr Rajendran

Progress to date

Construction is progressing well, and the commissioning of the mill—that is, the point at which it starts to run and produce crude palm oil, or CPO—is on track to take place in the third quarter of 2018. The first onward shipment of CPO will follow shortly afterwards. Later, as output volumes increase, EPO shipments will start to use a new bulking station that is being built at the port of Buchanan, 24 km from the Palm Bay estate.

In February 2018, Robertson Faah, Mill Superintendent at the Palm Bay estate¹, is in Malaysia to receive training in mill operations and further skills development, as well as to gain exposure to aspects of the palm oil industry that do not currently exist in Liberia.

Bulking station

Palm Bay estate is located 24km from the port of Buchanan, where EPO has leased approximately 4.5 acres of land for a bulking station and export facility in close proximity to the wharf. From this wharf, vessels will load EPO's oil palm produce for onward shipment to customers.

Liberian government approvals for the construction of the bulking station are in place. The same contractor that is building the palm oil mill, Eco-Science, has been selected to construct the bulking station.

The bulking station is scheduled for completion shortly after the mill. However, as detailed above, first shipments of CPO from the bulking station directly into parcel tankers in Buchanan will not take place until sufficient CPO is being produced.

1 For more on Mr Faah, please see the profile on p48 of EPO's Sustainability report 2015

2017

HUMAN RIGHTS IMPACT ASSESSMENT

The full Executive Summary of EPO's Human Rights Impact Assessment can be found via the "Our Sustainable Approach" section of the Company's website, at:

<http://www.epoil.co.uk/our-sustainable-approach/human-rights/>

EPO's HRIA, carried out in 2017, helps highlight the most important EPO-related human rights issues for the Company to address in light of their severity and likelihood, and what EPO can do to strengthen its policies and processes in these areas.

These actions are of central importance as the Company expands. Expansion plans currently include the construction of the new mill at Palm Bay (see page 19) and anticipated exports to crude palm oil buyers via a new bulking station at the port of Buchanan (see page 21). Once all operating sites, including expansion areas, have been fully developed, it is expected that EPO will employ 10,000 workers. Strengthening the Company's approach to its human rights impact will be centrally important to managing this expansion in a responsible manner.

HRIA: why?

There are a number of reasons why palm oil companies in particular are increasingly paying attention to human rights. Companies recognise the importance of this work and the impact it has on their business, and want to know whether their business is being conducted in a human rights-compatible way¹.

In addition, governments, including the governments of Liberia and the United Kingdom, have increased their expectations of palm oil companies, including with regard to human rights transparency²; and the media and civil society have increased their scrutiny of the

1 See for example Hannah Koh, Has the conversation about palm oil moved from environment to people? (April 2017), <http://www.eco-business.com/news/has-the-conversation-about-palm-oil-moved-from-environment-to-people/> (providing statements from Wilmar International and Sime Darby explaining why their focus on human rights has increased in recent years); see, also, Marks & Spencer, Palm Oil, <https://corporate.marksandspencer.com/plan-a/our-approach/food-and-household/product-standards/raw-materials-commodities-and-ingredients/palm-oil> (providing additional criteria to the RSPO standards to be met by its palm oil suppliers).

2 See Tropical Forest Alliance 2020 Marrakesh Declaration for Sustainable Development of the Oil Palm Sector in Africa (November 2016), http://www.proforest.net/en/files/tfa2020_marrakesh_declaration_post-embargoed_april.pdf; see also Amsterdam declaration in support of a fully sustainable palm oil supply chain by 2020, www.euandgvc.nl/documents/publications/2015/december/7/declarations-palm-oil and The Companies, Partnerships and Groups (Accounts and Non-Financial Reporting) Regulations 2016, http://www.legislation.gov.uk/uksi/2016/1245/pdfs/uksi_20161245_en.pdf

human rights conduct of palm oil companies³. Financial institutions, such as banks and investors, have their own responsibility to respect human rights under the UN Guiding Principles on Business and Human Rights⁴, or “Guiding Principles,” and increasingly require evidence of human rights respect by palm oil companies⁵. Finally, consumers are increasingly aware that the products they purchase could have a detrimental effect on people or the planet and are starting to demand evidence of human rights respect from companies that use palm oil in their products⁶.

EPO is committed to respecting internationally recognised human rights throughout its operations, and uses the UN Guiding Principles on Business and Human Rights to help assess relevant policies and processes. The Company’s sustainability policy (See Appendix 1) commits it to respecting, supporting and upholding fundamental human rights, and EPO encourages the application of the policy amongst its business partners including contractors, suppliers and trading and joint venture partners.

EPO has a number of procedures in place to help embed the sustainability policy throughout its operations. These include training, governance structures, contractual provisions and relevant Standard Operating Procedures (SOPs). For instance, there is an SOP which describes the Company’s FPIC procedure to ensure that EPO respects the rights of communities over their land, and an SOP which describes the relevant grievance procedures for communities living in and neighbouring EPO’s estates (see Appendix 3).

All of EPO’s employees are unionised and collective bargaining agreements (CBAs) are in place at both Palm Bay and Butaw estates that provide detail on the labour rights to which EPO has committed, including respect for the freedom of association of all employees and support for full time trade union representatives at both Palm Bay and Butaw. A grievance channel is present for employees, helping assess and address worker issues. Trade union representatives are present on the fields with workers and play an important role in bringing worker issues to management.

3 See, for example, Finnwatch, *The Law of the Jungle – Corporate responsibility of Finnish palm oil purchases* (September 2014), <https://www.finnwatch.org/images/palmoil.pdf>; Amnesty International, *The great palm oil scandal: Labour abuses behind big brand names* (November 2016), <https://www.amnesty.org/en/documents/asa21/5243/2016/en/>; SOMO, *Palming off responsibility, Labour rights violations in the Indonesian palm oil sector* (June 2017), <https://www.somo.nl/wp-content/uploads/2017/06/CNV-report-Palming-Off-Responsibility.pdf>; Benjamin Skinner, *Indonesia’s Palm Oil Industry Rife With Human-Rights Abuses* (July 2013), <https://www.bloomberg.com/news/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>; and Wall Street Journal, *Palm-Oil Migrant Workers Tell of Abuses on Malaysian Plantations* (July 2015), <https://www.wsj.com/articles/palm-oil-migrant-workers-tell-of-abuses-on-malaysian-plantations-1437933321>

4 http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

5 See Norges Bank Investment Management - Government Pension Fund Global, *Annual Report 2016* at p. 79, <https://www.nbim.no/contentassets/2c3377d07c5a4c4fbd442b345e7cfd67/government-pension-fund-global-responsible-investment-2016.pdf> (stating that it has divested from 29 palm oil companies between 2012 and 2015 because they “were considered to produce palm oil unsustainably”); see also Banktrack, *Human Rights Impact Briefing No. 1, Labour Standards Violations in IOI Corporation’s Malaysian Plantations* (February 2016), https://www.banktrack.org/download/ioi_corporation_human_rights_impact_briefing_160216_final.pdf.

6 See Leon Kaye, *NGO Attacks Pepsi’s Palm Oil Sourcing and Links to Deforestation, Human Rights Abuses* (May 2017), <http://www.triplepundit.com/2017/05/ngo-attacks-pepsis-palm-oil-sourcing-links-deforestation-human-rights-abuses/>; see, also, Amnesty International, *Human Rights Abuses in your Shopping Basket* (November 2016), <https://www.amnesty.org/en/latest/news/2016/11/sustainable-palm-oil-abuse-exposed/>. See, also, The Guardian, *From rainforest to your cupboard: the real story of palm oil - interactive* (November 2014), <https://www.theguardian.com/sustainable-business/ng-interactive/2014/nov/10/palm-oil-rainforest-cupboard-interactive>.



Construction of new bridge Palm Bay estate



Workers with PPE

Processes are in place to ensure workers' safety and good health, including providing relevant Personal Protective Equipment (PPE), conducting regular training, and continuously updating health and safety risk assessments. Expansion into new areas of operation (such as the construction of the new mill) has seen completion and approval of environmental and social risk assessments to help EPO manage risks⁷. EPO is eager to understand better where its human rights risks lie, so that they can be more effectively addressed.

⁷ Prior to the construction of the new mill, and after obtaining FPIC from the communities living around the mill site, these assessments were submitted to the Liberian Environmental Protection Agency for approval. EPA site visits were also carried out before the Agency issued the necessary permits for the mill.



Hand water pump in Robert Town



Schoolchildren lining up for assembly at Palm Bay estate school

HRIA: how?

EPO has been working with Anna Triponel, a business and human rights expert with extensive experience in the UN Guiding Principles. Ms Triponel helped the Company identify human rights impacts. These include, as high priorities, issues related to:

- Contractor wages and employment status
- The risk of accidents on the estates due to uneven terrain or use of chemicals
- The impact of EPO's use of land on communities
- Employee housing conditions
- The health and wellbeing of EPO executives
- Exercising the right to freedom of association.

The conclusion of the HRIA executive summary reads:

The Company has made considerable progress on its community-related human rights impacts since a RSPO complaint was first lodged against it in 2013. Community members and non-governmental organisations welcome the Company's approach to seeking FPIC from all neighbouring communities moving forward. At the same time, the Company faces a number of human rights risks and impacts, the most salient of which lie in its workforce. Taking robust steps to address these risks will minimise harm, strengthen relationships with workers and communities and convey a positive message to the Company's stakeholders, including its investors and non-governmental organisations. A number of these steps can be implemented immediately by the Company and require little additional financial resources. Taking these steps will also place the Company at a competitive advantage. An increasing number of palm oil buyers are now seeking assurances from the palm oil companies they source from that human rights are being respected, in addition to compliance with the RSPO Principles and Criteria. Where there are particular challenges in taking certain actions, the Company could benefit from an industry-wide approach in Liberia so that the journey of human rights respect takes place more broadly.

These are the impact areas to which EPO is dedicating the most resources, through a range of actions. Full detail can be found in the Executive Summary of the HRIA, accessible via the link at the beginning of this section.

Other human rights areas that EPO is looking at as medium priority in terms of risk include transportation accidents, child labour, transportation of pregnant workers and employee living wages.

EPO has committed to providing public updates on the actions taken and the lessons learned on its human rights journey in due course.

Taking action

Once the HRIA was completed, the Company set about creating an action plan to act on its recommendations. A meeting of senior management was held in EPO's Buchanan office in March 2018, at which it was agreed to establish measurable, time bound commitments for detailed reviews of and/or action in the areas listed below. Progress in these areas will be announced to the market in due course, and detailed in next year's report.

Wages and employment

- Vetting and enforcing contractors' labour standards, wages and employment practices
- Internal systems for enforcing required standards for working conditions
- Internal review of employment pathways and wages
- Extension of some employee benefits to contractor workforce
- Improving communication between contractor firms and senior EPO management
- Expansion of the Company's grievance mechanism to cover contractors
- Adopting a more consciously human rights-based approach to employees and trades unions
- Staff capacity review
- Feedback processes for executive staff; review of leading Company practices regarding conditions for expatriate staff
- Regular communication of list of pregnant workers from the clinics to the estate managers
- Review of measures to reduce physical workloads for pregnant workers

Child labour

- Enhancing procedures to ensure children between the ages of 15 and 18 are not employed by or through the Company
- Monitoring of unexplained withdrawals of children from schools, and relevant communication with supervisors
- Monitoring and reporting incidents of children supporting parents in the field, including with contractors
- Systems for assigning explicit preventative responsibility to supervisors, shop stewards and contractors to ensure children are not supporting parents in the field
- Systems for conducting spot checks
- Outreach socialisation programmes for local farmers
- Systems for regular feedback from supervisors, shop stewards and contractors regarding any findings related to child labour, including doubts and suspicions



Joseph Summerville, Vaccinator, administrating measles vaccine for community dwellers

Health and safety

- Ground checks and levelling; safety protocols for movement around the estates
- Accident monitoring protocols and remedy to injured workers
- Risk communication protocols
- Accident review protocols and subsequent action planning
- Linking risk assessments and communication more efficiently to the work of the clinic
- Improving communication of the Company's policies and grievance procedure
- Improving monitoring of required PPE usage
- Disciplinary protocols for workers (including contract workers/ contractors) who violate PPE requirements
- Strategy to address root causes of failure to use PPE
- Ensuring that contractors benefit from the same PPE as employees and are subject to the same relevant rules as employees
- Trends analysis for accidents
- Revising appropriate remedies for injured workers

Transportation accidents

- Centralised database for accident reporting
- Improving reporting of near misses to enhance prevention strategies
- Monitoring reporting of accidents and near misses
- Trends analysis for improved safety protocols
- Updated safety policy for drivers
- Communication and reinforcement of safety policy
- Measures to ensure safety policy is followed by drivers from third party companies working with EPO
- Driver training, including advanced or specific additional training where required
- Improved communication of the disaster recovery process



Schoolchildren at Palm Bay school



Local kids in the town

Impact of land use on communities

- Community grievance monitoring and trends and insight analysis
- Building EPO's internal community relations capacities
- Sharing identified lessons and insights; continued strengthening of capacity for effective FPIC
- Systematising and improving the provision of information to communities, including improvement of methods for reaching illiterate audiences and diaspora community members not present on the estates
- Review of additional measures the Company could take (additional to crop compensation) to support community members providing land over the long run
- Providing support to community members on the most effective uses of lump sum compensation payments
- Support for outgrowers programme
- Support for longer-term livelihood measures
- Review of grievance mechanisms

Employee housing

- Construction of additional housing
- Electrification
- Communication of progress to workers
- Communication of results of the Company's regular water testing

Freedom of association

- Regular joint consultative committee/union meetings
- Strengthening worker-management dialogue
- Evaluation of CBA and negotiation of renewed CBA



EPO is naturally dependent on the people who work for the Company and the communities that live in and around its estates. To achieve its full potential EPO must be welcome in Liberia. As made explicit in the Company's Sustainability Report 2015:

... [EPO] must be welcomed by its closest communities as a provider of opportunities to win jobs, salaried and casual; to feed families; and to build small businesses. Where necessary, and where local communities come together to demonstrate need, EPO must help ensure the health and sustainability of these communities by also providing basic education, new infrastructure and development.

...The famous 'social licence' to operate is not something that is applied for and granted, or won over with strategically-timed blue riband CSR projects: rather, it is the product of an ongoing effort to know EPO's host communities and the influencers within them, and respond flexibly and reliably to their needs, for as long as the company is in Liberia.

In May 2016, EPO signed an MOU with local communities (see Land issues: consensus achieved, EPO Sustainability Report 2016, p15) that constituted a joint resolution with regard to the planned development of Palm Bay estate, and which took into account the full participation of all relevant communities—including those not in favour of development at the time.

The signing ceremony, which was witnessed by several local and international press organisations, followed a process whereby EPO, Liberian non governmental organisation (NGO) SDI (Sustainable Development Initiative) and Community representatives jointly mapped areas that can and cannot be developed for oil palm. This joint mapping exercise, coordinated in partnership by EPO and SDI, was inclusive of the consenting and non-consenting communities of the Phase 1 development at Palm Bay and was witnessed by District Officials of District #4 of Grand Bassa County. The map on which the MOU is based, local press cuttings, a facsimile of the signed MOU and photographs from the signing ceremony are available from this page on EPO's CSR microsite:

<http://www.csr21.org/company/equatorial-palm-oil/epo-signs-important-mou-local-communities>

LAND ISSUES: STRATEGY AND MANAGEMENT

The MOU contains the following key information:

- EPO will not develop or plant oil palm on the priority land areas where the Community does not want EPO to develop its oil palm plantation
- A map annexed to the MOU illustrates the priority land area where the Community does not want EPO to develop its oil palm plantation
- EPO will proceed with land development in areas ceded by consenting communities in the Phase 1 boundary as guided by its Sustainability Policy (see Appendix 1)
- EPO will only develop the remainder of the concession land outside of the Phase 1 boundary with adherence to the principles of FPIC
- The Company is allowed to conduct its FPIC processes within the concession land and will respect the decisions of all communities

Ongoing monitoring - joint monitoring exercise

To ensure that this agreement is maintained by all interested parties, and that the recommendations of all past environmental and social assessments are being properly followed, a Joint Monitoring Committee has been set up. This Committee consists of community representatives; local authorities including the District Superintendent; the Liberia Environmental Protection Agency (EPA); and the Company.

Every six months the Committee conducts an assessment of operations. At time of writing, the second such assessment is in preparation, the first having been conducted in November 2017. While the related learning curve is steep and the process for carrying out the assessments will be constantly revised and improved, the current procedure is as follows.

The Joint Monitoring Committee meets at the EPO concession office. The minutes of the previous assessment are discussed. The main assessment tool consists of a checklist table that contains all the recommendations of all the relevant assessments EPO has carried out to date: the HCV; the HCSA; the HRIA; the Environmental, Social and Health Impact Assessment (ESHIA); etc. These recommendations have been compiled into the checklist removing any repetition between the various tools. Before going out, the Committee will go through the checklist point by point, addressing the recommendations and explaining what the Company is currently doing for each one. Any relevant data is then presented to the Committee—for example, the results of regular water sampling.



Sustainable development of oil palm avoiding HCS areas

Images from flights of unmanned aerial vehicles (UAVs or “drones”) (see page 34) are then shown, overlaid with maps enabling accurate examination of buffer zones for communities and rivers, HCV/HCS areas, and the estate development area. Photographs of CSR works are then presented, to update the Committee on work done since the previous assessment¹.

Throughout all these discussions, officers of the Liberian EPA are present to provide their input—for example, by briefing the Committee on laws related to hunting of endangered species and theft of FFB, relevant environmental and social issues, etc.

After going through all recommendations, the Committee then carries out a site visit, following a predetermined route, taking any necessary detours as required. These visits are used to demonstrate signage, check land use and progress on concession activities, raise awareness of social activities and CSR, and address any observed issues. The first assessment used four vehicles travelling in convoy.

At the end of the exercise, a closing session collects recommendations from all parties of what they want to see by the time of the next assessment, and discusses any issues arising. Minutes and the completed checklist table are distributed later to all participants.

These are early days for the Committee, and there is still much to learn. EPO is paying particular attention to soliciting and acting on feedback, and refining the process. After the first exercise, improvements suggested by participants and community members, and which have been put in place for the future, include the recommendation to distribute EPO’s sustainability reports and CSR data to the Committee and community leaders; and the recommendation to carry out future monitoring exercises over longer periods of time.

¹ Monthly reports from the field can be seen on EPO’s CSR microsite at: <https://csr21.org/company/equatorial-palm-oil>



Aerial observation to monitor agreed land use zones

Overlap with HRIA

While the Committee's work was designed before the HRIA (see page 22) took place, its work dovetails well with the HRIA's recommendations.

In particular, the joint monitoring work meets the following requirements of the assessment recommendations:

“Provide the opportunity for team members to share lessons learned and insights regarding what has worked well in FPIC situations, relevant skill sets, and lessons learned. Discussing case studies from other companies could also be relevant to build the learning and capacity of the team.

Find ways to systematise the disclosure provided to communities.

...Consider whether there are additional ways to respect the hierarchy within communities, while reaching a community-based view on FPIC.”

CASE STUDY

GIS, MAPPING AND MONITORING LAND USE

Einstein Aditya is the trainer for satellite imagery and mapping and the use of GIS (geospatial information systems) at the Palm Bay estate, where he oversees the use of a flight of drones to create maps of the estate that are used to track development progress, care for the oil palms, and monitor land use.

I supervise all the mapping. We used to use satellite imagery, but now we use drones. We use quad copters [small drones that fly by means of four rotating blades] because they are very easy to carry around, very light. We can take them to the corners of the [planting] blocks and fly them very quickly.

My job is to supervise the surveyors in the field, to teach local staff how to use basic equipment—handheld GPS units, drones, and the software—and to make sure all the field activities are done properly.

Training

We train staff in the use of mapping software—but because many of our field staff are completely new to computers and some cannot read, this is only at a basic level for now. We give them basic training in the use of handheld GPS units; they can upload data and mapping images to the computer; and they have basic computer skills. They can create basic maps, which I then process. At the moment, I'm the only person doing high level analysis of the maps.

Our long term aim is to train them up to a high level—but they need a strong basic foundation first. The mapping software is quite complex, so in order to teach them fully, they will need full time training. I can't provide that training on one or two days a week - it's too much. Especially given that some of the staff members don't yet have basic literacy.

We've explained this to the Company, and there is a long term strategy to build this capacity. We have been held back by the low starting level of many of the staff, but now EPO is bringing in another staff member from Malaysia, who will join me in doing the GIS work and providing training. This extra person should start work here on the estate in mid 2018.



Einstein analyses the map data



Einstein operating a drone

Surveying

The mapping images are used to track progress in land development. We can assess accurately how much planting has been done, and we can survey for maintenance purposes. We can count and assess the palms using the drones. All of this information improves our ability to manage our supply chain and logistics.

The process works like this: we overfly areas and get the images we need, then stitch these into basic, time-stamped maps covering a few blocks (we have to keep them quite small to make sure the map files don't get too big). These maps are then passed to my surveying team, who count palms manually. Automatic palm counting is technically possible, but it requires a lot of computer processing time, and can give variable results. 90 per cent accuracy is possible, but this depends a lot on the quality of the imagery, which can be affected by a number of things - weather, photography conditions, and artefacts from the image stitching process. So for now, this is an important job for the staff in the estate office—it helps ensure the production capacity of a planted area is not underutilised.

We also use this imaging to monitor EPO's agreed land use zones—check on land use and the maintenance of buffer zones. We ensure that particular types of development, or non-development, remain in the areas they are supposed to, as set out in our agreements.

SMALLHOLDER SUPPORT

World Bank Smallholder Tree Crop Revitalization Support Project—update



In early 2016, EPO began work on a project supporting 33 smallholders in and around the Palm Bay estate who are oil palm farmers. The project targeted farmers with oil palm farms on which the palms were too old to be productive.

This effort, run jointly by EPO and the Liberian Ministry of Agriculture, is a pilot study intended to revitalize smallholder oil palm farmers as part of the Smallholder Tree Crops Revitalization Support Project (STCRSP) devised and funded by the World Bank. For more information, see p18 of EPO's Sustainability Report 2016.

The STCRSP is intended to increase access to finance, inputs, technologies and markets for smallholder tree crop farmers in Liberia, as part of a long term development programme for the tree crops sector in six counties including Grand Bassa, where Palm Bay estate is located.¹ It is the learning phase of a longer term and larger scale tree crop development programme, and will test different rehabilitation, replanting and new planting models, and associated implementation and financing mechanisms for revitalizing the tree crop sector. These models will be implemented in partnerships with concessionaires/large farms (like EPO); specialized input suppliers; NGOs; farmers' organisations; and participating financial institutions.

¹ <http://www.worldbank.org/en/news/press-release/2013/06/24/new-agriculture-project-to-revitalize-tree-crop-sector-in-6-counties-in-liberia-launched>



Smallholder Martha Karr receives wire mesh to protect her palms

The Palm Bay estate activities currently ongoing are intended to provide the information needed to revitalise and replant smallholders' farms and promote a smallholders' programme, supporting those smallholders around Palm Bay who have registered with the programme and are in the recently established Farmers' Cooperative.

The STCRSP farmers on and around Palm Bay have successfully completed the project's felling and replanting stages, including the initial fertilisation. When it became apparent that cane rats were damaging and destroying some of the young plants, EPO responded by providing wire mesh protective sheaths for the palms and technical input on their correct use. This has greatly decreased the incidence of serious damage.

Commencement of the project's second stage is pending commitments from partner agencies.

VEGETABLE FARMING

In an effort to enhance food security and to strengthen socio-economic empowerment of the communities within the Palm Bay estate Phase 1 development area, EPO has initiated planning of a vegetable farming project.

This project is being planned in collaboration with the Liberian Ministry of Agriculture (MOA), but will be fully funded by the Company. Its goal will be to train the targeted communities on vegetable farming, with the expectation that crops will be utilised for consumption and local sales.

The selection of the types of vegetable to be cultivated will be made based on several factors, including local demand and weather. The MOA will provide valuable technical input in the form of local market knowledge, demand statistics, and in depth understanding of other important local conditions.

The communities involved have submitted a list of interested individuals, and a suitable site for the vegetable nursery is being identified in partnership with the MOA.

Future sustainability reports will provide further detail on this project as it progresses.



TERMS, TAXES AND ROYALTIES

Tariff-free trade

Notification has been received from the Ministry of Commerce and Industry in Liberia that Libinc Oil Palm Inc (an EPO subsidiary and the concession holder at Palm Bay estate) has received approval from the ECOWAS Commission for tariff free trade for its oil palm products. This allows EPO to trade free of import and export duties among the countries of the ECOWAS region, which includes Liberia. This approval is significant, as many of the ECOWAS member states—including the large markets of Ghana and Nigeria—are net importers of crude palm oil. Tariff-free trade is important for EPO's business, and to its role in regional development.

Concession terms

In March 2017, the Company announced publicly that its tax- and duty-free allowance had been extended for a further five years under concession agreements granted to the Company's Liberian subsidiaries in 2008 for the development of two existing oil palm estates at Palm Bay and Butaw (the Concession Agreements).

The Concession Agreements became effective on 6 August 2008 and were for a term of 50 years. In accordance with the Concession Agreements, the Company's Liberian subsidiaries were granted certain tax- and duty-free status for the first seven years of its operations (the Rehabilitation Term).

As a consequence of factors outside the Company's control, which resulted in slower than planned development of the concession areas, the government of Liberia approved an amendment to the Concession Agreements for both of the Company's Liberian subsidiaries.



Bulking station site at Buchanan Port

The amendments, which were ratified by the Liberian legislature and authorised by the then President of Liberia, extended the Rehabilitation Term for a further five years from the dates on which the amendments to the Concession Agreements became effective by being published into handbills. The extension of the Rehabilitation Term by five years has resulted in the Concession Agreements also being extended by a similar period, and both shall now end on 6 August 2063—the 55th anniversary of the effective date of the Concession Agreements.

EPO operates a transparent fiscal policy in relation to local country taxation and royalty regimes. The Company operates fully within the Liberian legislative process and its laws.

EPO's tax and royalty regime is framed by the following key dates:

Key dates

- **Concession agreement date:** August 6, 2008
(when published by the Ministry of Foreign Affairs)
- **Rehabilitation term:** until 2022
- **Regular term:** until 2063

US\$ Cost spent (Oct 2016 - Sept 2017)					
	Buchanan Office	Palm Bay Estate	Butaw Estate	Palm Bay Mill	Grand Total
Capital expenditure	48,744.56	371,770.81	162,003.21	56,534.39	639,052.97
Operational expenditure	-	6,917,746.55	2,321,152.87		9,238,899.42
CSR	-	300,323.44	90,603.89		390,927.33
Initial expenditure (New planting)	-	814,645.99			814,645.99
Immature upkeep	-	1,634,119.44	1,061,280.49		2,695,399.93
Total:	48,744.56	10,038,606.23	3,635,040.46	56,534.39	\$13,778,925.64

Income tax

- 25% of net taxable income
- Loss carried forward period 5 years from the 1st year of taxable income

Withholding tax regimes

- 10% on any interest paid to non-resident persons and institutions, multi-lateral financial or development institutions, but not commercial banks, exempt
- 10% on any dividends distributed shall be withheld
- 10% of payments to non-resident contractors and 8% to resident contractors

Surface rental

- Rehabilitation term: USD 1.00 per developed acre and USD 0.50 per undeveloped acre
- Regular term: USD 2.00 per developed acre and USD 1.00 per undeveloped acre

Oil Palm Development Fund

— For long term development of Liberian palm oil industry

- Rehabilitation Term: 0.5% of annual gross sales
- Regular Term: 1% of annual gross sales.

Mandatory community development fund (in the regular term of the concession agreement)

- 1% of annual gross sales

Import duty

EPO has been granted an exemption from import duty until 2022, in order to allow the Company to bring equipment into the country for development.

Anti-corruption measures

EPO operates a zero corruption policy across all levels of its business. Ongoing measures include internal education processes on anti-corruption, structures for passing on anonymous alerts, and regular internal reviews of suppliers, financial lines and inventories.

EMPLOYMENT CONDITIONS AND STRUCTURES

EPO has a stated commitment to provide a free, fair and safe workplace environment. All employees receive wages above the stated minimum wage of Liberia, as well as employee benefits including family healthcare, transport and education scholarships.

EPO is also a full tax contributor, and in 2017 contributed USD 733,961 in various Liberian taxes.

The Company operates an HR policy that prioritises employment of individuals from local community areas, and the development of skills through training.

EPO operates a zero tolerance policy regarding:

- Discrimination in any form
- Physical or verbal assaults
- Unsafe working practices
- Direct or indirect employment of undocumented workers
- Child labour

The Company has established a series of protocols to report issues and grievances.

EPO is evolving its working practices following the recommendations of the HRIA conducted in 2017 (see page 22), and has increased support to pregnant employees. This has been formally addressed by establishing a gender committee for female workers to deal with cases of harassment and pregnancy-related issues (e.g. access to antenatal care and transfer to light duty for field workers). This is a new measure, and protocols are being established. In addition, from 2018 onwards, every employee—male or female—on the estates will receive six-monthly medical check-ups at the estate clinic.

All EPO employees and contractors must provide full government-issued employee numbers for each member of their workforce. Every individual working on an EPO site must have logged this number (only available to registered Liberian citizens aged over 18), and must provide the number if challenged on site. Failure to produce relevant evidence of an employee number will result in immediate removal from the site pending investigation.

EPO will supply employees and contractors with relevant PPE where required, and those



Eco-Science contractors working on the mill, Nyumah T. Nyandebo (L) and Abu Bakar Kromah (R)

employees and contractors are subject to safety inductions, routine and anonymous safety checks for clothing and equipment, and monitoring of working days.

With the development of the new palm oil mill at Palm Bay estate (see page 19), EPO is beginning a lengthy induction process designed to ensure safe and efficient operations. Liberian employees will be trained by experienced palm oil production personnel from KLK, building their skills in readiness for the commissioning of the Palm Bay mill. All employees will receive related hazard identification, risk assessment and risk control (HIRARC) training on safety and risks, as well as a programme of relevant on-the-job training.

CASE STUDIES:

BUILDING LIBERIAN CAREERS

Sam Olu Garyeedea, Occupational Safety and Health Officer

I was recruited as an Occupational Safety and Health Officer. My job is to address health and safety issues and explain the importance of safety at the job sites. I work across the full operation, in the field, in offices, in the mill, providing training, telling the workers how to protect themselves.

I came from ArcelorMittal, where I was a Health and Safety Officer. I applied for the post at EPO and was accepted as a contract worker. I worked in that capacity for one year, after which I passed an assessment of my performance, and now I am a full time employee.

I have a passion for this work. We have opportunities to train and develop our skills. For example, I have done a six-week environmental training course that has made me stronger in the environmental aspects of my work. I learnt to do water sampling, learnt about air pollution.

I love this place, and hope to get ahead here. I hope to train, gain experience and work to go further within this company. I am from this district, Debbah Town, right here. This is my local area. EPO has had a good impact here, sincerely. It's a business. If you compare today with the past ten years, the presence of EPO has brought things that were not there before. The school—in the entire surroundings, there was no school before. So [now] parents don't have to send their kids to Buchanan. My own sisters, my brothers, they can leave their village and take a bus to school. In those days, we didn't have a clinic around here. Today, we have a clinic, taking care of the entire area, no matter where they come from, whether they're an employee or not. And there are jobs now.

What could improve? When we have the mill running and things are good, we can have more impact. We can increase the things we are doing. This company is doing well for the people in the area. It's not because I'm employed. I wouldn't say anything untrue. This is my place, my mother is from here, my father is from here. If you take a tour, go around the district, see the villages... our people used to sleep in mud houses, now we're building with concrete. The company is doing well. I pray for more to come.



Sam Olu Garyeedea



Julius S H Beyell

Julius S. H. Beyell, Store Recording Clerk

Palm Bay has been a story of success for me. I joined as a casual worker, transporting documents between offices. From casual worker, I became a contract worker, and signed a contract to work in administration. And now I'm a full fledged employee of this company. That story, from casual to contractor, from contractor to employee, it's very encouraging. I'm now a recording clerk. I also work in administration and manage the warehouse. We issue items from the warehouse—fertilisers, spare tires, sundry materials, anything needed across the company. I record what goes in and out.

They trained us in the Head Office. We received training on the EFS financial system, and the SS5 system for use in the stores. I'm very happy in the job.

My ambition is to climb the career ladder. As the company expands and grows, my goal is to study accounting, to advance my skills in that, to become an accountant for the company.

I am from here - I was born here and grew up here. I know this region very well. One typical example of EPO's impact here: I live on the plantation... when we were small, the town was very small. Since EPO came here and started employing people, you see a lot more houses. The old structures that were here in our forefathers' time, they have all changed. The living environment is now good there. EPO being here is a plus for us.

When the mill comes on line, things will really, really change. Our living conditions have improved with EPO being here, but when we start to make profit, more things will improve.

In terms of improvement, I would like to see EPO employ more people, and provide more training. Make it so that people can work and live even if the company is not here. More training for staff, more expansion, more jobs.

We as accounts officers deal with the EFS financial system, and the SS5 store system. We make the payroll, write cheques, do tax and contractor payments, collect daily attendance data, and compile it on spreadsheets. We then develop and circulate the record to head office, to regenerate payslips. Then we pay the employees.



**Linda P. Karyeah,
Accounts Officer**

EPO is making a great impact in this district. My village is outside the estate area, and how I wish EPO was in my village. The citizens of this district have first preference for jobs, and the majority of people in the district who want a job are employed.

In terms of improvements, the housing facilities should be improved. There is not enough housing to go around, we have two families in one house. And we lack vehicles to get to and from work around the concession. And if—and only if—the citizens of this district would give more land, it would be good for the company. The more land we have got to plant, the more money can go back into the community.

But I would like to thank EPO for making my dreams of a career as an accountant come true. Working in this company, sometimes I feel overwhelmed... I feel blessed. There are opportunities to train and advance here. I feel optimistic.

We started work in April 2016 together as contract workers, and—based on an assessment of our performance—became employees after one year. After 7-8 months, we had already reached the level of qualification we needed. We were trained in how to use the financial and store systems, which were new to us; we were trained in how to interact with large numbers of people, like the contractors in the field; in how to write reports; and in how to go out and distribute the cash payments.



**Naomi T. Zoegar,
Accounts Officer**

I'm happy in this job because I'm training all the time. Every day I'm learning. I wanted to be a doctor, but because of my family background and a lack of money, I chose to be an accountant. But I will fulfil my dream; I want to work as an accountant and save the money to train as a doctor.

One of the most important things for the company to do is to get more land, in order to increase investment. We should improve the housing and the transportation, and upgrade the school to a high school. In times to come, it will be better.

From the time we started we had a good working relationship with our bosses. They interact with us, they're very friendly. Even our General Manager will come and advise us from time to time, and whenever we need to speak to him, we can access him. The working environment is very conducive for us.



Mothers visiting the Palm Bay estate clinic for post natal treatment

CSR & INFRASTRUCTURE

Good oil palm cultivation relies on a skilled workforce. Currently, Liberia is suffering from low levels of human and physical development, exacerbated by the lingering after-effects of years of war: eroded human and technical capacity, a lack of infrastructure, and a largely unskilled workforce.

To play its part in rebuilding Liberian society, EPO must support the areas hosting and surrounding its estates. Poor nutrition and lack of health, water safety, education and infrastructure facilities have all been major challenges for EPO since its investment in Liberia began in 2008. The Company aims to continue working with the Liberian government to help develop basic services to local communities. In this way, synergy can be created between an economically viable series of estates and supportive local communities benefitting from improved living conditions. All EPO's services—infrastructure, clinics and schools—are provided for the whole community, not just for workers or those living on the estates.

To achieve these aims, as mentioned in the introduction, EPO focuses on the following eight key areas:

1. Full effective implementation of the operational and social commitments of RSPO membership
2. Practicing the key principle of FPIC for all developments
3. Development only in areas that are not primary forest, HCV areas or HCS areas*
4. Providing direct and indirect employment to as many people in local communities as possible
5. Identifying skills, training employees and providing opportunities for advancement
6. Providing, maintaining and running social and physical infrastructure including: health clinics and services; schools; adult education programmes; housing; access to clean water; roads; bridges; and other infrastructure
7. As per concession agreements, upon completion of development, expansion areas will be made available for outgrowers' schemes. At time of writing the concessions are still being developed, and details of the outgrowers' schemes are being worked out by all stakeholders. EPO is also already providing technical input for a smallholder tree crop revitalization support project funded by the World Bank, and an EPO-run vegetable farming project
8. Increased transparency on sustainability and CSR, including through a dedicated, frequently-updated website: www.csr21.org/company/equatorial-palm-oil

* As defined by the HCSA Toolkit

All EPO's community projects are carried out in response to need, as assessed by recording of requests from the community and the work of a full time community liaison team.

Appendix 2 contains a complete breakdown of all CSR initiatives in 2016-17, as well as full user figures and demographics where available.

UPDATE: EPO CLINICS

The medical clinics on both EPO's estates are open to all local communities—not just EPO employees and their families (usage figures can be found in Appendix 2). They offer vaccination programmes, pre- and post-natal facilities, isolation wards, health education and drug dispensation, and are staffed by trained medical professionals. EPO also offers a 24-hour free ambulance service to the clinic and between the clinic and the referral hospital in Buchanan.

EPO also offers a mobile clinic outreach programme, which operates two days a week and serves patients living in areas—both within and outside the concessions—too far away from the clinic for them to access it easily. Non-serious cases are treated in their own communities; patients with more serious ailments are transported by the EPO ambulance to the clinic, and then onward to hospital if necessary. Patients visiting the clinic are admitted and treated, and cases that cannot be resolved in 4-6 hours or less are referred (and transported) onward. This happens 3-4 times a week. Nobody pays for transport to hospital.



Moses Tokpa, Laboratory Assistant at Palm Bay estate clinic



Perry Dolo, Officer in charge for the Palm Bay estate clinic, shows off the new building for the triage centre

New developments

A number of developments have taken place at the clinic at Palm Bay since EPO's last sustainability report. The Company has increased diagnostics capability through the construction of a diagnostics laboratory that is now able to perform tests including, but not limited to, urine analysis; blood checks; and tests for HIV, malaria, TB, hepatitis and other infections.

In addition, a new extension has been built to the clinic that houses an isolation ward (constructed in direct response to the Ebola threat, and used as extra in-patient capacity when isolation facilities are not required). These were newly built at the time of the last report¹, and have been fully operational since around the time it was published—just over a year at time of writing.

Further additions have been made in the last year, together constituting an improved medical waste management system. A new, upgraded waste incinerator has been installed to replace the one constructed during the pandemic. This is complemented by two new safe disposal facilities: one for "sharps" (used needles, scalpels, etc.), and one for the ash generated in the new incinerator.

With assistance from the Liberian Ministry of Health, Healthy Life and the USAID Maternal and Child Survival Program, a further building has also been built in the clinic compound, and is being

1 EPO Sustainability report 2016, p28



fitted out at time of writing. When this becomes operational it will serve as a triage centre (where patients coming into the facility can be assessed and assigned the appropriate care, and isolated if necessary, more quickly and efficiently than currently) and a facility to provide improved maternal and child health services.

Liberia is a malaria-endemic country², and a significant number of malaria cases are treated at the EPO clinics. It is important that this is addressed, not least because it has a significant impact on Company staff. In addition to promoting and building for good sanitation within the concessions (which helps disrupt the breeding cycle of the mosquitoes that spread malaria among humans), EPO is in discussion with the Liberia Ministry of Health to identify a professional malaria control organization with which the Company can partner in order to reduce incidence.

As far as Ebola is concerned, the Company is happy to report that nothing has changed: the biggest perceived risk in Liberia remains that of complacency, and EPO continues to adhere to stringent preventative and precautionary measures at all its sites, in accordance with guidelines set by the Government of Liberia to prevent both the introduction of the disease and the prevention of infection.

2 <https://www.cdc.gov/malaria/about/distribution.html>



UPDATE: EPO SCHOOLS

EPO's Palm Bay and Butaw schools serve students from kindergarten up to grade six, allowing them to complete their elementary schooling. These schools represent the only existing means by which children on or around the concessions can receive a primary education, and they are centrally important to EPO's commitment to education.

In the coming years, the Company intends to expand the Palm Bay school to offer teaching in higher grades, and discussions are underway around the possibility of providing training in basic business and entrepreneurship alongside the existing teaching of the national curriculum.

EPO also provides material and financial support to community schools around the concessions, as shown in the CSR initiatives presented in Appendix 2.



The schools are open to all families, regardless of whether the parents work for EPO, and serve children inside and outside the concession areas—though preference is given to employees’ children. Uptake has been high, with 671 and 463 students currently enrolled in the schools at Palm Bay and Butaw respectively. Even though the Palm Bay school was expanded with four extra classrooms in 2015, in order to conform to national standards on class sizes, education is currently provided in two sittings a day, with different student bodies in the morning and the afternoon.

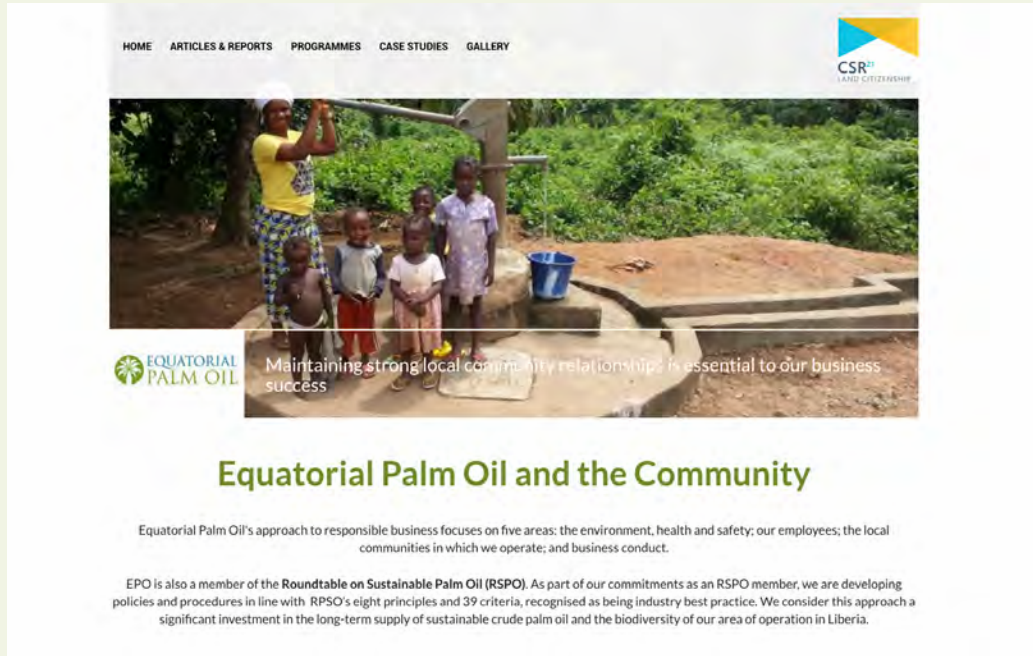
Free EPO school buses take students to and from school; and reading materials, uniforms, textbooks and a daily meal (the latter in collaboration with the World Health Organization) are provided free to all. Following a request from the Principal, EPO plans to create a small library at the Palm Bay school during 2018.



In addition to the work of the primary school, EPO also covers the costs for employees' children attending secondary school outside the estates, as long as proof of enrolment is given to the Company office.

Since EPO's last sustainability report, the school buildings have been improved and expanded to meet demand as EPO has grown and the number of children seeking education has risen. To help meet this demand, EPO has also sent six of the current teaching staff for advanced teacher training in Buchanan.

EPO CSR MICROSITE



In an effort to increase the transparency of its corporate social responsibility (CSR) work and discussions with all local communities, the Company maintains a CSR microsite that provides continuous updates on its CSR activity from the field.

This can be found at:

<http://www.csr21.org/company/equatorial-palm-oil>

The microsite showcases EPO's CSR work to everyone, increasing transparency around what the Company does, with and for whom, and to what effect. It provides a source of feedback that helps drive the Company's key performance indicators for CSR. The site is linked from the front page of EPO's corporate website.

The microsite demonstrates EPO's proactivity and consistency in its social engagement, presenting an up-to-date, visible report of its CSR and public/official relationships. It is a line of communication to governments, investors, NGOs, funds, advocacy groups, pressure groups and the public; and an engaging and accessible complement to annual reports and corporate-facing sustainability webpages.

Increasingly, we intend for the microsite to use photos and videos uploaded from estate operations to give an up-to-date representation of CSR and sustainability initiatives.

The site is regularly updated with reports of progress from EPO's estates. For an impression of how the prosaic work of keeping things running comes together on the ground, please check it out regularly.

CLOSING STATEMENT

It is encouraging that the new Liberian government of President George Manneh Weah has stated that large-scale agriculture is key to Liberia's success in terms of GDP growth, poverty reduction and employment.

Liberia faces a difficult task in rebuilding its economy after the effects of Ebola and the downturn in the natural resources sector, and years of civil war before that. Foreign investors like EPO will be crucial in revitalising the economy. In this context, EPO supports the government's efforts to do all that is necessary to support foreign investors already in Liberia, and those who wish to come here.

EPO has been in Liberia for 12 years, and remains focused on building an ethical, socially responsible and economically viable oil palm business in this country. The commissioning of our new palm oil mill at Palm Bay estate in Q3 2018 will be a significant milestone in this regard, and one that shows in real terms that EPO is committed to this business in Liberia, and to playing its part in revitalising the agriculture industry.

The Human Rights Impact Assessment that was completed in 2017 is testament to the fact that EPO also takes very seriously its obligations to its employees and to the communities in which it operates. EPO has a long-term commitment to Liberia and its people: the hard work and effort that has gone into the HRIA, and the action plan that has been drawn up based on its recommendations, are intended to benefit those most closely affected by our operations. As a result of the HRIA, a number of measures have already been taken on our estates to improve and strengthen processes and procedures.

EPO is committed to the ongoing human rights due diligence process and to striving to adhere to best practices in respect of the Company's operations. Efforts in this regard will continue and develop through the life of the Company.

Sandy Barblett, General Manager - Commercial, Equatorial Palm Oil



Sandy Barblett 4th on right with colleagues at Palm Bay estate



The new palm oil mill in construction at Palm Bay estate with part of the nursery in the foreground



Markus Q. Sahr, GIS trainee analysing drone maps

APPENDIX 1: EPO SUSTAINABILITY POLICY STATEMENTS

EPO's corporate social responsibility (CSR) policy framework supplies a set of guidelines and rules that govern the Company's approach to CSR. It also serves to codify CSR strategy and assist with communication to the Company's stakeholders locally, in the areas where it operates; nationally (particularly in Liberia); and internationally. This supplements the relevant laws, regulations and industry guidelines that apply to EPO's activities.

Through KLK, its JV partner, EPO is a member of Roundtable on Sustainable Palm Oil (RSPO). RSPO is tasked with promoting the growth and use of sustainable palm oil products through the development of credible global standards and engagement of stakeholders. The Company's membership requires it to commit to the adoption of RSPO's eight principles and 43 supporting criteria. More information about RSPO can be found at the organisation's website (www.rspo.org).

Sustainability

EPO is committed to ensuring that its products are produced in a sustainable manner. This is realised through continuous balanced assessment and development of its operations while simultaneously conserving and improving the natural environment, and uplifting the socioeconomic conditions of employees and local communities.

These important aspects are incorporated not only in EPO's daily operations, but also in its decision making processes. Through KLK, EPO adopts the Principles & Criteria set out by RSPO as the foundation of its sustainability practices, and is further guided by the following policy aims:

- No deforestation
- Protection of peat areas
- Drive positive socio-economic impact for people and communities
- Respect and support the Universal Declaration of Human Rights
- Respect and recognise the rights of all employees
- Facilitate the inclusion of smallholders into the supply chain
- Respect land tenure rights
- Respect the rights of indigenous and local communities
- Resolve verifiable complaints and conflicts through an open, transparent and consultative process.

Health and safety

EPO strives to provide a healthy and safe working environment at all times for its employees, agents and contractors. It does this through working closely with its employees, peer group and other stakeholders (such as local and national government authorities) to achieve best practice and encourage knowledge sharing to achieve long-term improvements in standards. In particular the Company will:

- Comply with all applicable laws, regulations, standards and relevant international accords and guidelines
- Conduct communications and regular training activity to ensure that all the Company's employees, agents and contractors are aware of and adopt its policies, processes and procedures
- Investigate all accidents, incidents and occurrences to ensure that appropriate corrective actions are taken.

Occupational health

The health of the Company's employees is an important element of its success. EPO strives to protect and enhance the wellbeing of its employees. In particular it aims to assist its staff in meeting the challenges presented to them by the environment in which they live and work on a daily basis (for example, by taking measures to mitigate the threat posed by the prevalence of malaria throughout Liberia).

Employee matters

The Company recognises that the success of its business is dependent on maintaining mutually rewarding relationships with its employees. The Company works to ensure that the relationships between its employees are cohesive and are conducted with mutual respect. It strives to respect and nurture the cultures and traditions that relate to the localities where it operates. The Company recognises achievement and creates opportunities for individuals at all levels of its business. It complies with national and international regulatory requirements and its obligations under applicable accords and guidelines.

ILO Declaration on Fundamental Principles and Rights At Work

Equatorial Palm Oil supports the four principles outlined in the International Labour Organisation (ILO) Declaration. More information about the Declaration is recorded on the ILO's website¹. This policy means that it will respect freedom of association and the right to collective bargaining.

The Company is committed to offer employment that is freely chosen, with no use of forced or child labour.

The Company will not discriminate according to gender, age, colour, ethnic origin, culture, religion, sexual orientation or disability.

Local communities

The Company will strive to ensure that its relationships with the local communities where it operates (in Liberia and the UK) are conducted with mutual respect and sensitivity. In particular it aims to ensure that the economic benefits generated by its activities are shared through local partnerships.

1 <http://www.ilo.org/global/lang--en/index.htm>



Human Rights

EPO is committed to upholding the principles outlined in the Universal Declaration of Human Rights. The United Kingdom and the Republic of Liberia voted in favour of its adoption by the United Nations General Assembly in December 1948. The Declaration encompasses 30 articles or principles addressing the rights of the individual, spiritual, public and political freedoms, and social, economic and cultural rights. More information is available at the website of the Office of the United Nations High Commission for Human Rights¹.

¹ <http://www.ohchr.org/EN/pages/home.aspx>

Land Access

The Company is also committed to upholding the principles outlined in the United Nations Declaration of the Rights of Indigenous Peoples. This was adopted by the United Nations General Assembly in September 2007 (the UK and the Republic of Liberia supported adoption). Article 10 states that:

"...indigenous peoples shall not be forcibly removed from their lands or territories. No relocation shall take place without the free, prior and informed consent of the indigenous peoples concerned and after agreement on just and fair compensation and, where possible, with the option of return."

More information about this Declaration can be found at the website of the United Nations Permanent Forum on Indigenous Issues¹.

¹ <https://www.un.org/development/desa/indigenouspeoples>



Business Conduct

Bribery and Corruption

The Company will strive to ensure that its relationships with the local communities where it operates (in Liberia and the UK) are conducted with mutual respect and sensitivity. In particular it aims to ensure that the economic benefits generated by its activities are shared through local partnerships.

The Company specifically prohibits any form of bribery and corruption and recognises the requirements of the UK Bribery Act. Its approach to this important area is recorded on the Company's website in line with the Guidance to the UK Bribery Act, which was published in March 2011.

Political Involvement

The Company will not provide financial or logistical support for political purposes as a matter of policy, and will not participate in political activity.

Customers and Suppliers

The Company will conduct its relationships with its suppliers and customers in a fair, responsible and transparent manner. It regards trust and co-operation between its employees, suppliers, agents, contractors and customers as an important part of its success.

It will strive to ensure that its representatives deliver consistently high levels of service with the aim of always meeting its customers' requirements. The Company will ensure that potential suppliers have a reasonable opportunity to win its business. The Company will pay suppliers in a timely manner and in accordance with mutually agreed terms of trade.



Competition

The Company will compete for business in a fair and responsible way. In particular it will not undertake unfair steps to acquire confidential information or unreasonably affect competitor relationships with their stakeholders.

The Company's competitive activity will be conducted in accordance with the applicable laws and regulations that relate to the territories in which it operates.

APPENDIX 2: BREAKDOWN OF EPO CSR INITIATIVES, 2016-2017

What follows is a breakdown of expenditure on labour, education and clinic costs, and CSR projects completed for both Palm Bay and Butaw estates between October 2016 and September 2017.

LABOUR FIGURES

Employee numbers (including contractors)

Palm Bay estate



Male: 446 Female: 272

Butaw estate



Male: 236 Female: 120



WAGES FIGURES

Local wages detail (Palm Bay, Oct 2016 – Sept 2017)

IMMATURE AREA

Fields	Weeding	Drainage	Manuring	Ablation	Pest & Disease	Supplying	Roads & Bridges	Land Prep*	Total
2011 plantings	49,707		164,556	3,529	5,379		10,822		233,993
2012 plantings	25,300		50,476		1,629		851		78,256
2013 plantings	48,772		145,996	6,272	462		4,128		205,630
2014 plantings	311,889	11,205	120,198	28,182	2,780	160,668	144,149		779,071
2015 plantings	166,762		129,839	2,348	538	2,578	8,814		310,879
2017 plantings	9,423		6,347		6,132		4,382	814,646	840,930
TOTAL IMMATURE									\$2,448,759

MATURE AREA

Fields	Weeding	Drainage	Manuring	Ablation	Pest & Disease	Supplying	Roads & Bridges	Total
2011-2013 plantings	291,823		515,543	25,105	6,271		116,917	955,659
TOTAL MATURE								\$955,659

COLLECTION/HARVESTING

Fields	Supervisors	Harvesters	Upkeep	Internal Transport	Tasking	External Transport	Total
2011-2013 plantings	5,107	106,256	32,700	9,110	4,901	203,564	361,638
TOTAL COLLECTION /HARVESTING							\$361,638

OTHER DEPARTMENTS

	Nursery	Workshop	Security	Genset	Office Staff	Drivers	Total
	28,836	71,464	108,639	21,339	31,728	191,728	453,734
TOTAL OTHERS							\$453,734

GRAND TOTAL WAGES PAID \$4,219,790

ONLY labour cost. Exclusive of CSR, Clinic, School & Materials

*Preparation



Local wages detail (Butaw, Oct 2016 – Sept 2017)

IMMATURE AREA

Fields	Weeding	Drainage	Manuring	Ablation	Pest & Disease	Supplying	Roads & Bridges	Total
2012 plantings	20,888		146,730	19,572	411		18,616	206,217
2013 plantings	72,738	702	149,333	42,418	28,749	2,892	43,799	340,631
2014 plantings	35,860		147,487	365	12,914	62,111	25,666	284,403
2015 plantings	57,527		112,825	6,740	5,844	26,979	20,014	229,929

TOTAL IMMATURE \$45,288

OTHER DEPARTMENTS

Nursery	Workshop	Security	Genset	Office Staff	Drivers	Total
45,288	54,996	96,314	13,164	25,250	102,000	337,012

TOTAL OTHERS \$337,012

GRAND TOTAL WAGES PAID \$1,398,192

ONLY labour cost. Exclusive of CSR, Clinic, School & Materials

SCHOOLS



Palm Bay estate

Palm Bay Student detail			
	Male	Female	Total
K-A	49	46	95
K-1	40	57	97
K-2	59	43	102
Grade 1	41	33	74
Grade 2	42	33	75
Grade 3	27	31	58
Grade 4	30	33	63
Grade 5	47	20	67
Grade 6	32	8	40
Total:	357	304	671

Butaw Student detail			
	Male	Female	Total
K-A	18	30	48
K-1	39	45	84
K-2	36	14	50
Grade 1	24	20	44
Grade 2	26	29	55
Grade 3	25	31	56
Grade 4	21	28	49
Grade 5	26	19	45
Grade 6	20	12	32
Total:	235	228	463



Butaw estate

School personnel details

Palm Bay estate	
	No. of individuals
Principal	1
Vice principal	1
Registrar	1
Teachers	9
Support staff	7
Adult literacy facilitators	0
Total:	19

Butaw estate	
	No. of individuals
Principal	1
Vice principal	0
Registrar	1
Teachers	9
Support staff	2
Adult literacy facilitators	0
Total:	13

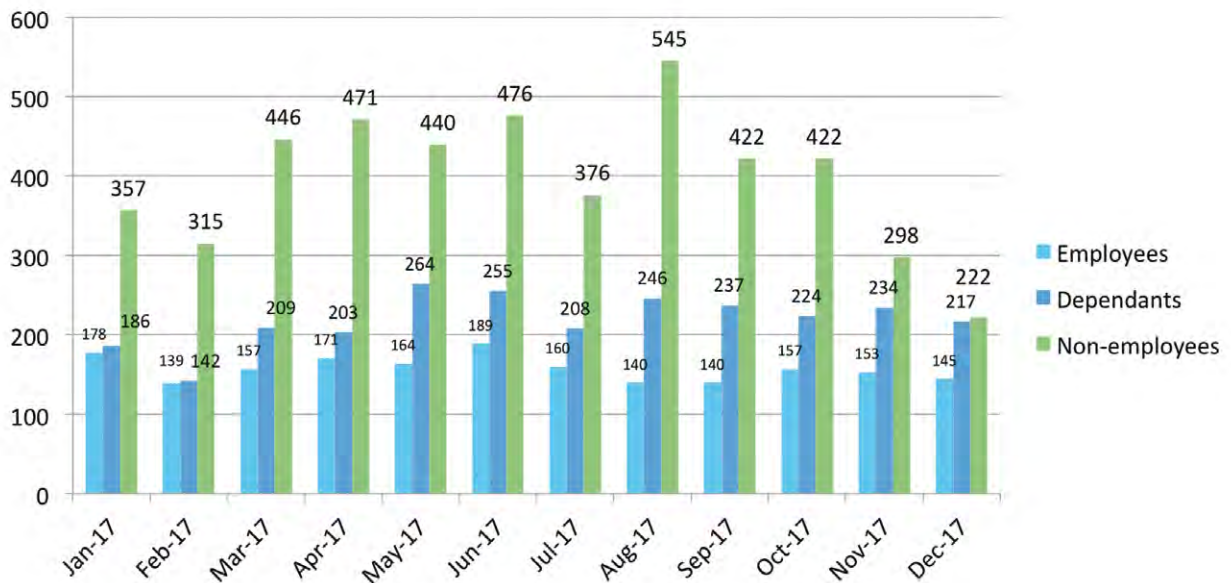
School expenditure details

Palm Bay Expenditure (Oct 2016 - Sept 2017)	
	Amount
Staff salaries	67,896
Vehicle running	19,420
Others	15,719
Total:	\$103,035

Butaw Expenditure (Oct 2016 - Sept 2017)	
	Amount
Staff salaries	54,277
Vehicle running	9,712
Others	31,503
Total:	\$95,492

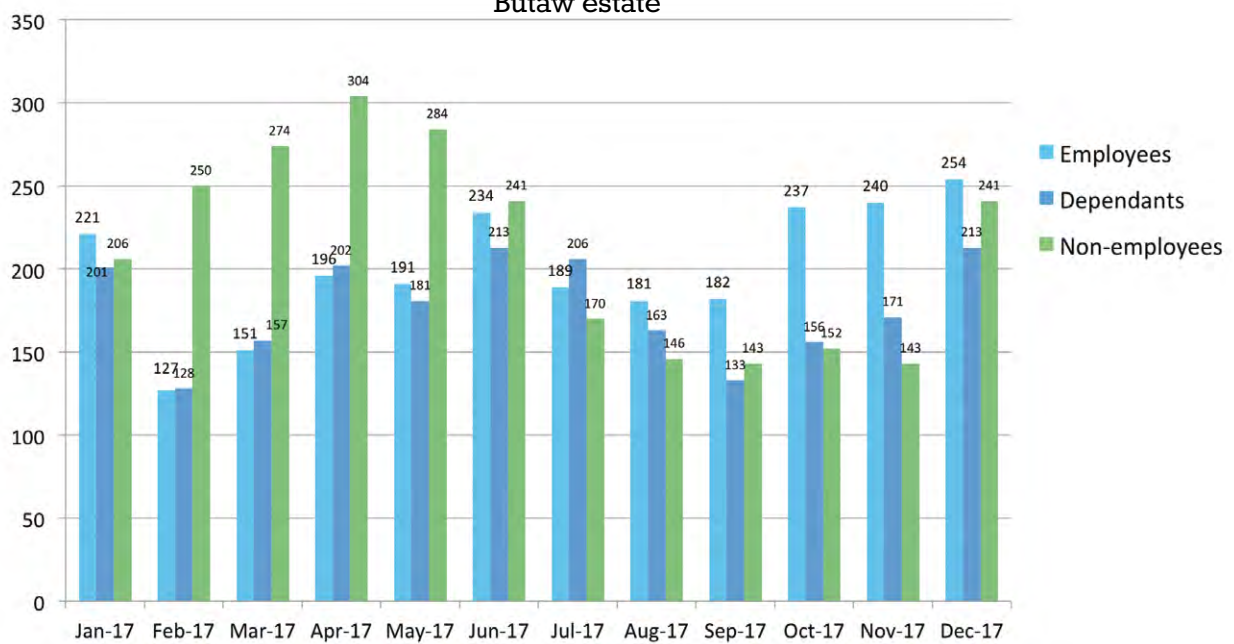
CLINICS

Palm Bay estate



Average number of patients per month = 775

Butaw estate



Average number of patients per month = 590



Treatment for non-employees/villagers

Palm Bay estate		
Month	Total	% Treated
Jan-17	357	49%
Feb-17	315	53%
Mar-17	446	55%
Apr-17	471	56%
May-17	440	51%
Jun-17	476	52%
Jul-17	376	50%
Aug-17	545	58%
Sept-17	422	53%
Oct-17	803	53%
Nov-17	685	43%
Dec-17	584	38%
Total:	4,790	51%

Butaw estate		
Month	Total	% Treated
Jan-17	206	33%
Feb-17	250	49%
Mar-17	274	47%
Apr-17	304	43%
May-17	284	43%
Jun-17	241	35%
Jul-17	170	30%
Aug-17	146	30%
Sept-17	143	31%
Oct-17	152	28%
Nov-17	143	26%
Dec-17	241	34%
Total:	3,326	43%

Clinic personnel details

Palm Bay estate	
	No. of individuals
Officer in Charge	1
Midwives	2
Traditional midwives	1
Registrar	1
Dispenser	1
Nurses	2
Nurse aid	3
Dressers	2
Vaccinator	1
Cleaner	1
Total:	15

Butaw estate	
	No. of individuals
Officer in Charge	1
Midwives	1
Traditional midwives	1
Registrar	1
Dispenser	1
Nurses	1
Nurse aid	1
Dressers	0
Vaccinator	1
Cleaner	1
Total:	9

Clinic expenditure details

Palm Bay Expenditure (Oct 2016 - Sept 2017)	
	Amount
Staff salaries	90,846
Transport/vehicle	37,715
Medicines	37,426
Sick pay	16,542
Total:	\$182,529

Butaw Expenditure (Oct 2016 - Sept 2017)	
	Amount
Staff salaries	46,559
Transport/vehicle	10,147
Medicines	16,685
Sick pay	19,339
Total:	\$92,730



Alfred Gbordoe, Vaccinator, preparing the monthly report for Palm Bay clinic

CSR PROJECTS COMPLETED

OCT 2016 — DEC 2017

Palm Bay estate

Month	Description	Details
Oct 2016	i. Additional pit latrines for Yeaway Camp ii. Clinic upgrade to add fencing iii. Clinic incinerator rehab	Pit latrines to increase sanitation Security upgrade Sanitation standards to maintained
Nov 2016	i. Road grading works	2.5 km from main gate to Behn Intersection (todate: 2.5 km, grand total 278.4km)
Dec 2016	i. Mosquito net contribution ii. Christmas & New Year contributions	By the MOH through the County Health Team. This focused pregnant women to avoid Malaria during pregnancy. Communities within and around the concession benefited from contribution by the management. A total of USD 1,200 and 78 bags of rice were distributed.
Jan 2017	i. River Blindness and Elephantiasis treatment	9 camps & villages covering 2901 individuals
Mar 2017	i. Road maintenance works	Outside the concession from Gio Town to Little Kola (10.5 km)
Apr 2017	i. Road maintenance works ii. Felling commences for Smallholder Tree Crop Revitalization Support Project (STCRSP)	Outside the concession to Little Kola (6.5 km) In collaboration with Ministry of Agriculture and World Bank
May 2017	i. Palm Bay clinic expansion completed ii. Road rehabilitation and culvert installation iii. STCRSP lining, holing and replanting commences	Triage center funded by the Ministry of Health Nuhn Town out of Phase 1 area (0.5km) Replanting works also provided training to farmers
Jun 2017	i. STCRSP replanting completed	33 farmers had their oil palm farm replanted
Jul 2017	i. Visit by the National Legislative Caucus's Agriculture Committee ii. Human Rights Impact Assessment (HRIA) conducted iii. Contribution to community schools iv. Independence Day contributions v. Contribution to community football team vi. Rice and funds contribution for community queen contest	Site visit by the lawmakers to witness progress made by the Company Voluntary assessment to further improve the Company operations Qlapojelay and Gbah Town both located in phase 2 received 30 and 40 cement bags respectively to assist in the construction of their community schools. A total of 77 bags of rice were distributed among communities around the concession Jerseys and football gear for Qlapojelay football team In Blayah Town, out of Phase 1 area
Aug 2017	i. Workshop by National Social Security and Welfare Cooperation (NASSCORP)	To raise awareness among workforce

Palm Bay estate

Month	Description	Details
Sep 2017	i. Internship students training	2 months training for various departments within the estate
	ii. Visit to the clinic by USAID and county health team	Clinic equipment donated by the visitors to the clinic and also visited the newly constructed triage center.
	iii. Lawn mower contribution to Buchanan City Court	Assist to the lawn maintenance of the court's compound
Oct 2017	i. New handpump constructed	Payes Town in Phase 1 area
	ii. Road maintenance works	Buchanan – Rivercess main road (11.5km)
	iii. Labour compliance training – PPE usage	Training on PPE usage as part of labour compliance
Nov 2017	i. Community vegetable farming project	Effort to train and assist farmers on vegetable farming as part of a food security measure in collaboration with Ministry of Agriculture
	ii. Joint Monitoring exercise	Initiated a 6 monthly exercise that will involve various stakeholders to monitor social and environmental aspect of the Company operations.
	iv. Road maintenance works	District road passing through the estate (5 km)
Dec 2017	i. Wire mesh installation for STCRSP farmer	To prevent rodent attack on newly replanted farms
	ii. Christmas contributions	Community members from within and around the concession received the season's contribution of rice bags and soup kind expenses.

Butaw estate

Month	Description	Details
Oct 2016	i. Pit latrines ii. LFPI school recreational and sporting activities Bridges rehabilitation	2 units of 5 cubicles at Field 3 Tarsue, Flone & Paris Bridge
Nov 2016	i. Workshop upgrading fencing	
Dec 2016	i. Road maintenance works ii. Palava hut construction in Fofana Hill iii. Hand pump rehabilitation	8.5km towards Baffu Camp For the use of communities living in Fofana Hill
Jan 2017	i. Road maintenance ii. New school bus	7.0 km from Fofana Hill towards Signboard Town Facilitating students travel to and from LFPI School
Feb 2017	i. Wooden bridge rehab works ii. Vacation students training	Main roads to Baffu Bay 1 student trained on oil palm cultivation
Mar 2017	i. Road maintenance works ii. Seedlings sales for Dube plantation in Grand Gedeh County	Outside the concession from Karpu Town to Komanah Town (17 km) A World Bank funded project for smallholders
Apr 2017	i. Road maintenance works	Outside the concession from Karpu Town to Greenville City (20 km)
May 2017	i. STCRSP replanting completed ii. Construction of new hand pumps iii. Inspection of hand pumps	33 farmers had their oil palm farm replanted 3 units at Fofana Hill, Baffu Camp and Signboard - Conducted by Ministry of Public and Wash Sinoe County
Jun 2017	i. Rehabilitation of bridges	2 bridges rehabilitated Baffu Camp to Komanah Town and Paros to Baffu Bay both of which are out of the concession
Jul 2017	i. School closing ceremony and graduation ii. Independence Day celebrations	Effort to recognise graduated students Football match among the various communities in the concession
Aug 2017	i. Thanksgiving programme by Tarsue & Karbor communities	Event to express solidarity between the two chiefdoms
Sep 2017	i. Liberia National Capacity Building Workshop on No Deforestation	Training of RSPO principles & criteria's and other conservation approaches
Oct 2017	i. Tarsue community school visit ii. HIV awareness workshop	LFPI's management visited the school on a friendly note to advice and see progress of the school operations Awareness on HIV prevention
Nov 2017	i. Contribution of school benches and desks ii. Community school rehabilitation iii. LFPI school sports	To the Tarsue community school in Komanah Town Tarsue community school flooring was rehabilitated by the Company Recreational and sporting programmes for the students lasting for a week



New concrete bridge replacing old wooden bridge at Robert Town

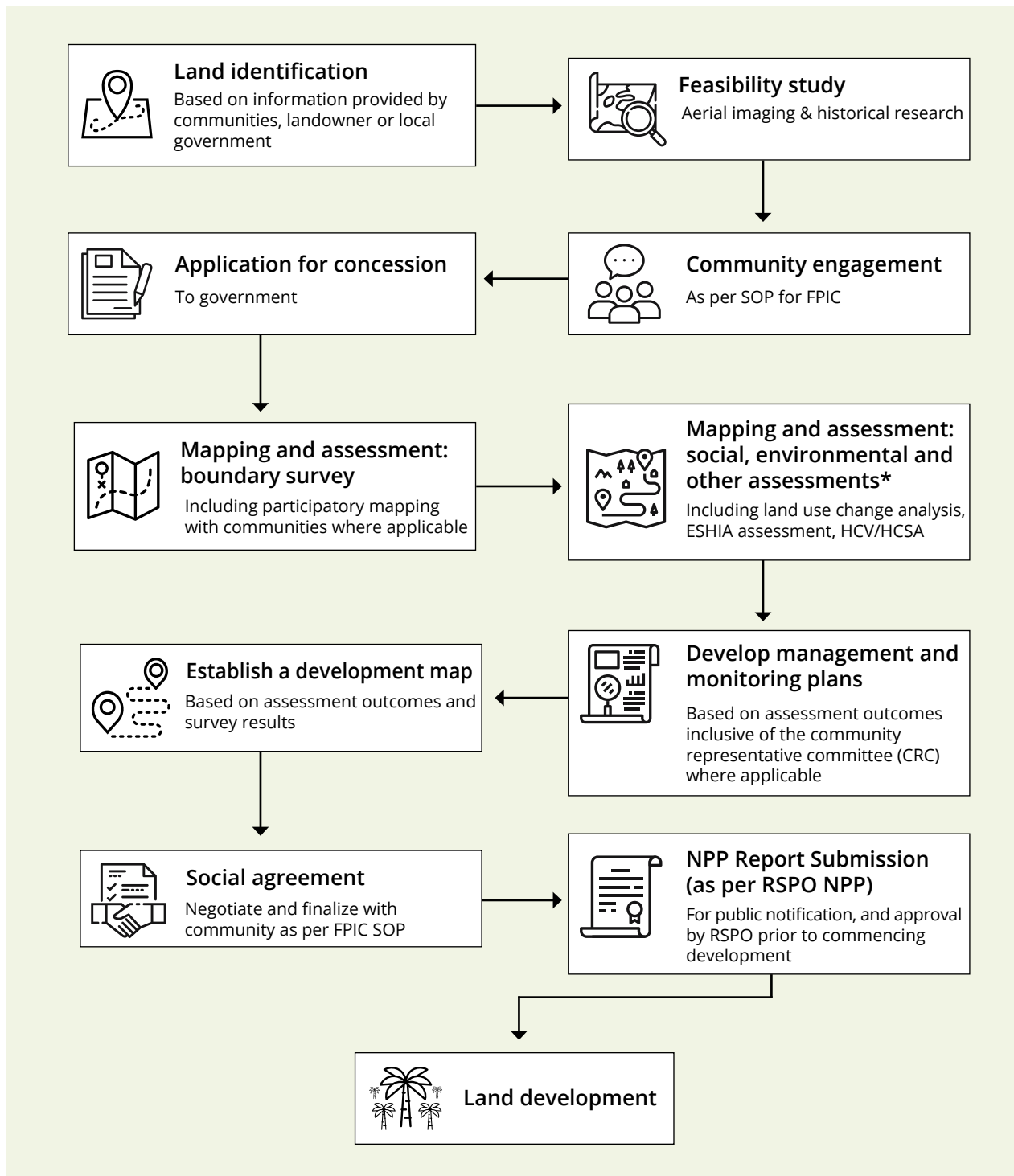


Employees receive training

APPENDIX 3:

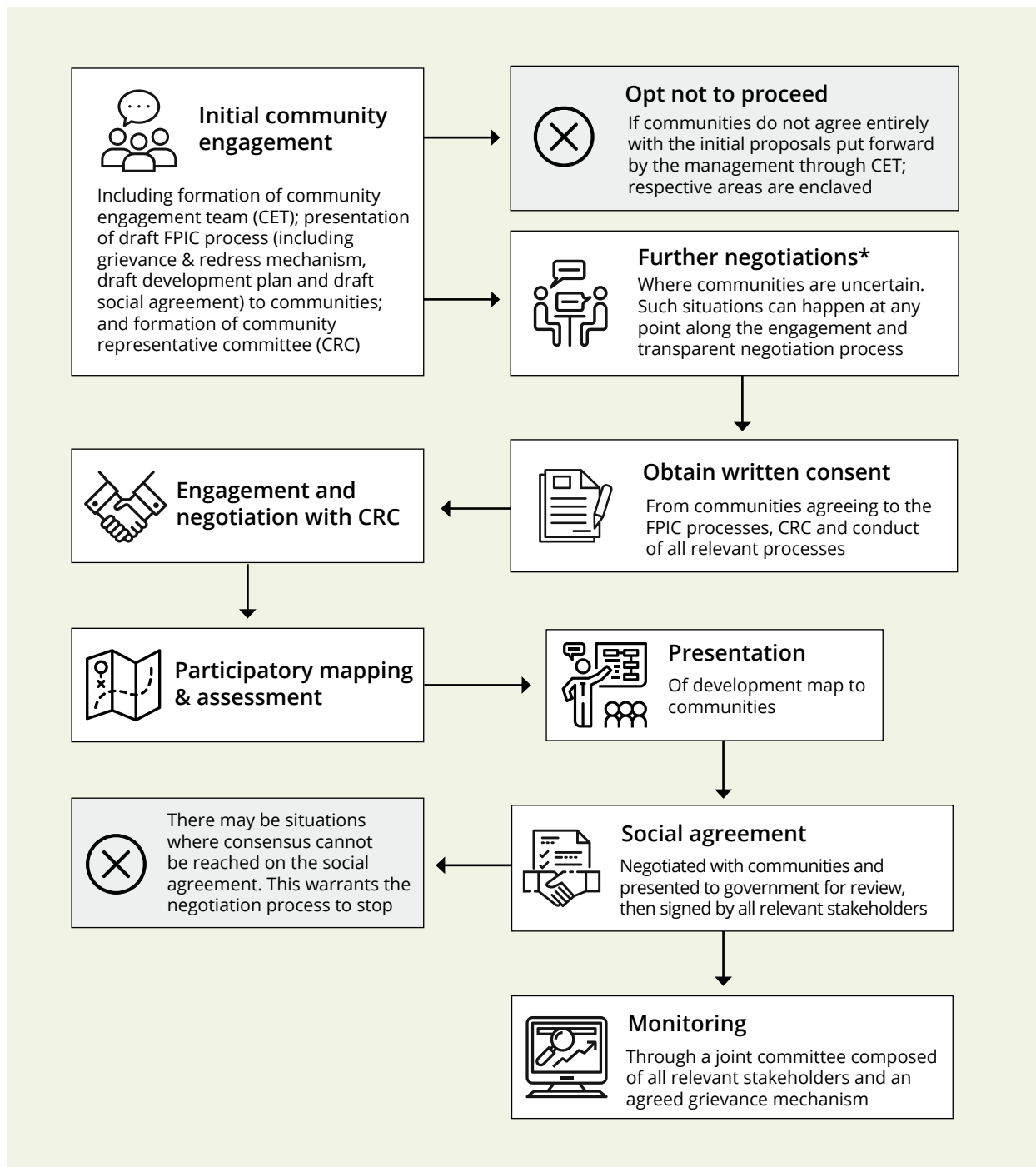
STANDARD OPERATING PROCEDURE (SOP)

New development



* as per RSPO New Planting Procedure (NPP), regulatory and internal requirements

Free, prior and informed consent (FPIC)



* Communities can decide not to proceed with the negotiation at any stage of this process



SUSTAINABILITY REPORT 2017

EPO in Liberia - building a better future



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