

# Socfin Agricultural Company



**Sustainability report**  
**2018**

# Contents

- I. Introduction .....6
  - 1. Message from the General Manager .....6
  - 2. Commitment to environmental, social, societal and transparency aspects.....6
  - 3. General profile .....7
  - 4. Geographical presence in the country .....7
  - 5. Hierarchical organization chart of the plantation.....8
  - 6. Capital structure (Shareholding) .....8
  - 7. Key dates.....8
- II. Economic performance in figures ..... 10
  - 1. Turnover and planted area by type of crop ..... 10
  - 2. Palm oil and palm kernel productions..... 10
  - 3. Research and development projects ..... 10
  - 4. Objectives and perspectives ..... 10
- III. Responsible governance ..... 11
  - 1. Governance structure and management approach ..... 11
  - 2. Policies, charters and code of conduct ..... 11
  - 3. Compliance with legal requirement ..... 11
    - a. National environmental and social laws..... 11
    - b. Fight against child labor ..... 12
    - c. Fight against forced or compulsory labour ..... 12
    - d. Fight against corruption ..... 13
    - e. Anti-competitive behavior..... 13
    - f. Social contributions ..... 13
    - g. Compliance with labour laws (associations, unions) ..... 13
  - 4. Voluntary compliance with other standards..... 14
    - a. RSPO ..... 14
    - B. ISO 14001..... 14
    - c. OHSAS 18001 ..... 14
    - d. High Carbon Stock approach (HCS)..... 14
    - e. Free, Prior and informed Consent (FPIC) ..... 14
  - 5. Supply chain and traceability..... 15
    - A. Identification ..... 15
    - b. Transparency and fair procurement ..... 15
    - c. Taking into account environmental and social aspects in the supply chain ..... 15
  - 6. Clients’ standards ..... 15
  - 7. Third Party Evaluations ..... 15

8.	Complaints and grievance .....	16
9.	Memberships and Associations .....	16
10.	Objectives and perspectives .....	16
IV.	Strong social commitment.....	17
1.	Company's social commitment .....	17
2.	Overall assessment of key social indicators .....	17
a.	Staff.....	17
b.	Protection of employees.....	19
c.	Internal complaints management .....	19
d.	Meeting the financial needs of employees.....	19
e.	Human resources key figures .....	20
f.	Training opportunity: employee's capacity building.....	20
g.	Membership and freedom of association of employees.....	20
3.	Availability of infrastructure for employees .....	20
a.	In the villages .....	21
b.	Investments in infrastructure .....	21
c.	Mobility.....	23
4.	Security of people and property .....	23
5.	Health: a driving force for development.....	23
a.	Health policy .....	23
b.	Staff and health infrastructure .....	24
c.	Meeting the financial needs of employees (sanitary loans).....	25
d.	Prevention, detection and treatment of diseases.....	25
e.	Family planning .....	25
f.	Data collection .....	25
g.	Preparedness for emergency situations .....	26
6.	Supporting education and training.....	26
a.	Education policy .....	26
b.	Infrastructure and staff.....	27
c.	Financial support and donations.....	27
7.	Micro-projects.....	28
8.	Perspectives and performance .....	28
V.	Ensuring employee safety .....	29
1.	Safety management system .....	29
2.	Occupational health and safety policy .....	29
3.	Occupational health and safety committees .....	29
4.	Risk analysis (realized this year or updated).....	30

5.	Programs and plans.....	31
6.	Achievements .....	31
7.	Training and sensitization .....	31
8.	Medical check-up .....	32
9.	Monitoring.....	32
10.	Number of accidents (loss greater than one day) .....	33
11.	Accident rate per 200 000 hours of work .....	33
12.	The safety of people in the supply chain .....	33
13.	Evolution over time.....	33
14.	Objective for the next year .....	34
VI.	Management of natural resources.....	35
1.	Environmental management system .....	35
2.	Status of certifications in progress .....	35
3.	Policies .....	35
a.	Water .....	35
b.	Soil protection.....	36
c.	Waste management .....	36
d.	Protection and enhancement of biodiversity.....	37
e.	Air emissions and ambient air .....	37
f.	Materials used .....	38
g.	Energy .....	38
h.	Impacts on climate change.....	38
i.	Preservation of High Conservation Values and High Carbon Stock Forests .....	38
4.	Environmental impact assessments.....	39
5.	High Conservation Value Studies and High Carbon Stock Approaches (HCV-HCSA).....	39
6.	Environmental non-compliances .....	39
7.	Programs and plans (existing and developed this year) .....	39
8.	Achievements .....	40
9.	Trainings .....	40
10.	Monitoring.....	40
11.	Number of environmental accidents (details).....	41
12.	Environmental accident rate for 200 000 hours of work.....	41
13.	Evolution over the time.....	41
14.	Relations with Government / administrations .....	41
15.	Environmental aspects in the supply chain (training, audits, etc.).....	42
16.	Objective for the next year .....	42
VII.	Contribution to local development .....	43

1.	Local partners .....	43
a.	Subcontractors .....	43
b.	Stakeholders engagement plan .....	43
2.	Community development plan .....	43
3.	Neighbourly relations with local communities .....	45
a.	Access to health and education for communities.....	47
b.	Energy and water supply.....	47
c.	Opening and maintenance of roads.....	47
d.	Donations.....	47
4.	Partners in local development projects.....	48
a.	With communities.....	48
VIII.	Internal and external communication .....	49
1.	Strengthening internal communication .....	49
2.	Strengthening external communication.....	49
3.	External communication results.....	49
IX.	Objectives and perspectives 2019-2020-2021 .....	50
X.	Glossary .....	51

## I. Introduction

### 1. Message from the General Manager

In 2018 saw many positive steps at Socfin Agricultural Company (SAC), a significant increase in the production of palm oil and exportation of over 15 000 tons of Crude Palm Oil (CPO) in flexitanks was a major achievement made and significant work in the Corporate Social Responsibility (CSR) was carried out, the most notable being the building and commissioning of a community radio station and one new school which was opened by the Socfin CEO. SAC has invested and installed a 2 700 tons CPO tank as well a second boiler in the mill. Roads within the Chiefdom and feeder roads are some of the best in the country with SAC's contributions to maintaining them. The repair of the main road from Bo city including a new bridge over the Sewa River is expected to be completed in 2019 and is also significant to infrastructural support to the Southern region of Sierra Leone and SAC itself.

SAC continues to be the major player in the Sierra Leonean agricultural sector and is recognized to be the largest agricultural company in the country contributing significantly to exports of Sierra Leone. SAC being a member of the Commercial Agricultural Producers & Processors Association (CAPPA) [www.cappasl.org](http://www.cappasl.org) of which the General Manager was elected Chairman for the second year moves from strength to strength. CAPPA was invited to meet the President in December 2018 to provide ideas and solutions to expanding the agricultural sector and increase investment in the sector. The Association has taken on a consultant to promote, lobby and engage government and other institutions to improve the enabling environment within the agricultural sector.

Large challenges still remain with poor and expensive port facilities, lack of reliable transporters and bureaucracy through all the various government agencies and ministries. In 2018 the construction of a bulk port facility started at the port and completion will be made in 2019 to enable bulk exports to begin.

We look forward to 2019 with the starting of bulk shipments of CPO to the port for export which will move the Company into a stronger and more reliable position for CPO sales.



Philip Tonks, SAC General Manager

### 2. Commitment to environmental, social, societal and transparency aspects

The project operates on a 18 473 ha concession of land located in the Pujehun District in the Southern Province of Sierra Leone. The project has been built around 52 communities who co-exist with the plantation. One of the key objectives of SAC is to minimize the impacts of its operations on these communities by ensuring an open dialogue with these stakeholders and developing a strong Environmental, Social and Health Impact Assessment (ESHIA) along with the management plan in place.

SAC's ESHIA was carried out in January 2011 by a Sierra Leonean Environmental Consultancy Office who developed and made public disclosures of the project plan before the establishment of the Company in Malen Chiefdom. This assessment and its Public Disclosure (June 2011) serve to identify the key actions that must complement the design and implementation of the



project to address identified environmental and social issues and impacts. These actions are closely controlled by the various stakeholders involved in order to ensure that SAC respects its commitment in the fields of environment, transparency, health, sociology and education.

The following presents some of the various control mechanisms put in place to/by SAC in its strategy for the short, medium and long-term:

- Monthly Social and Grievances Committee Meetings with Chiefdom Authorities and Representatives, SAC’s Management, Women and Youth Interest Groups and District Authorities etc.;
- Quarterly Environmental Monitoring Report to the Environment Protection Agency of Sierra Leone (EPA-SL);
- Quarterly Audit conducted by the EPA-SL;
- Annual Environmental Impact Assessment (EIA) Licence;
- Annual Corporate and Social Responsibility report description for Ministries;
- Annual Assessment from the Ministry of Labour and Social Security (MLSS) on the employee safety at work and status;
- Annual environmental internal audit.

Considering the impacts of the Company’s operations on the environment, protection and conservation of natural resources has become a pillar of social responsibility for the business. Therefore, the Company decided to be certified following the ISO 14001:2015 standard for the entire Company’s activities. The Company commits to constantly improve its environmental responsibilities and agricultural practices by the recognition, prevention and minimization of the impact of its activities on the natural resources and the communities.

### 3. General profile

SAC is a subsidiary of the Socfin Group and is located in Sahn Malen - Pujehun District (Southern province of Sierra Leone). It has a concession of 18 473 ha and a plantation of 12 349 ha of oil palm and a mill of 30 T/h with 1 biomass boiler.

The Company register and postal address 5 Guouji Estates, Lumley Beach Road, Freetown however all its operations and workforce are located in Malen Chiefdom on the plantation.

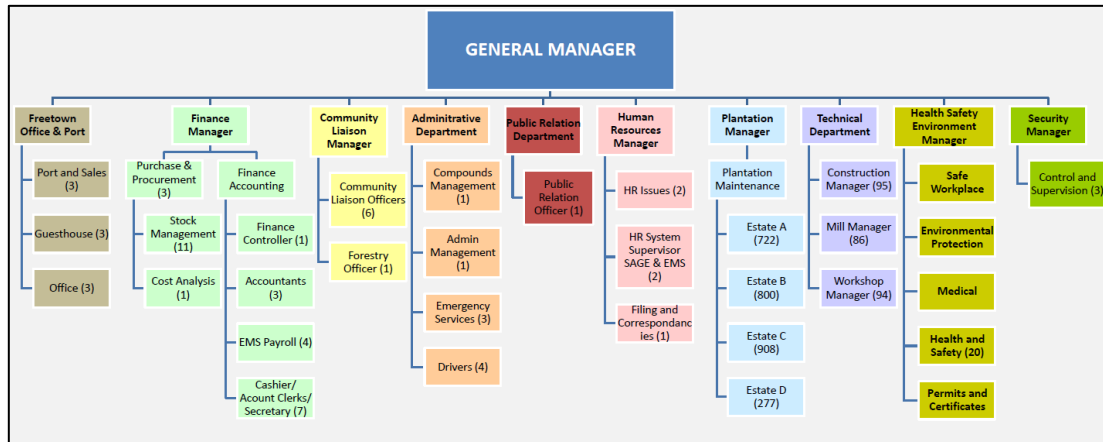
### 4. Geographical presence in the country

The map below locates the plantation in the Pujehun District, Southern province of Sierra Leone.



## 5. Hierarchical organization chart of the plantation

The graph below shows the management organogram of the Plantation in 2018.



## 6. Capital structure (Shareholding)

Socfin Agricultural Company SL LTD Limited Liability Company has two shareholders, the main shareholder being Socfinaf with 93% shareholding and Agrifinal with 7% shareholding.

## 7. Key dates

<b>2011</b>	Land compensation and starting of operations
<b>January 2011</b>	Environmental, Social and Health Impact Assessment (ESHIA)
<b>January-June 2011</b>	Public disclosure of the ESHIA among the stakeholders
<b>April - August 2012</b>	Planting of the first estate called "Estate A"
<b>April - August 2013</b>	Planting of the second estate called "Estate B"
<b>December 2013</b>	Creation of SAC internal quarterly Newspaper called "SAC News"
<b>April - August 2014</b>	Planting of the third estate called "Estate C"
<b>April - August 2015</b>	Planting of the fourth estate called "Estate D"
<b>2013 - 2015</b>	Construction of the palm oil mill
<b>July 2014</b>	Completion of the building of Sahn Malen Mosque
<b>November 2014</b>	First "Protected Forest" established in the plantation
<b>2 December 2014</b>	Unanimous ratification of the Memorandum Of Understanding (MOU) between the Company and the Sierra Leonean Government
<b>December 2014</b>	Collaboration with the phone company AFRICEL to provide phone coverage in the entire Malen Chiefdom
<b>14 February 2015</b>	Organization of the village health competition - Ebola prevention
<b>March 2015</b>	Beginning of the processing of Fresh Fruit Bunches (FFB) in estate A
<b>March 2015</b>	Construction of the workers entertainment center: the canteen
<b>March 2015</b>	Official opening of the GTBank built by the Company
<b>June 2015</b>	Inauguration of the extension of the health center of Sahn Malen
<b>June 2015</b>	ERM assessment against International Finance Cooperation (IFC) and Roundtable on Sustainable Palm Oil (RSPO) standards
<b>October 2015</b>	Creation of the forest nursery



<b>November 2015</b>	Biodiversity and Ecosystem Services Impact Assessment (BESIA) and Biodiversity Management Plan (BMP)
<b>December 2015</b>	Waste Management Plan (WMP) study
<b>18 December 2015</b>	Official ending date of the presence of the Ebola virus in Sierra Leone
<b>February 2016</b>	Construction of 2 health posts in Malen Chiefdom
<b>March 2016</b>	Starting of micro credit fund of 45 million Leones
<b>April 2016</b>	Commissioning of the mill
<b>May 2016</b>	Beginning of the harvesting in estate B
<b>May 2016</b>	Construction of fish ponds and aquaculture projects
<b>August 2016</b>	Completion of reforestation projects of 8 000 trees
<b>September 2016</b>	Commissioning of Sieraphil fuel station in Sahn Malen
<b>May 2017</b>	ISO 14001:2004 certificate by Bureau Veritas
<b>November 2017</b>	Fruits trees reforestation project in 5 schools and Bee Hives in PF's
<b>March 2018</b>	ISO 14001:2015 certificate by Bureau Veritas
<b>July 2018</b>	Beginning of the compliance to the principles and criteria's for RSPO
<b>October 2018</b>	Construction of the Sahn Malen community radio
<b>December 2018</b>	High Conservation Value (HCV) assessment by Montrose

## **II. Economic performance in figures**

### **1. Turnover and planted area by type of crop**

Throughout the year, the total FFB delivered and processed at the mill was 88 879 tons delivered from SAC's plantation called "estates".

In 2018, SAC produced about 19,154 tons of CPO with 20 381tons sold.

### **2. Palm oil and palm kernel productions**

In 2018 the total FFB delivered and processed at the palm oil mill was 88 879 tons which produced 19 154 tons of CPO and 2 709 tons of kernel. The oil extraction rate (OER) was 21.6%.

The mill has a capacity of processing 30 tons of FFB per hour and was commissioned in April 2016 in the presence of the President of Sierra Leone, Ernest Bai Koroma. Power for the mill is provided by a steam boiler that runs on shell and fibre from the FFB. Steam is used for processing and to run a 1.2 MW powered turbine generator.

### **3. Research and development projects**

SAC works in collaboration with the main universities of Sierra Leone in the agriculture, environmental and technical sectors. Partnerships are set up in the mean of internships supports for several months (including accommodation). SAC provides training opportunities with external institutions inside and outside the country (Cameroon, Nigeria, Liberia, Côte d'Ivoire, etc.) and collaborates with various universities laboratories for water and air analysis and services.

### **4. Objectives and perspectives**

The key aim and objective in 2019 is to generate the necessary revenues to support SAC's operational and investment costs. This also includes the ISO 14001 audit to obtain the renewal of the certification and in 2019 SAC will be carrying out various environmental and social studies developing the path to RSPO compliance.

### III. Responsible governance

#### 1. Governance structure and management approach

SAC is managed by a General Manager who oversees Departmental Managers that have the delegated authority to carry out their functions. Head of Departments (HOD) report directly to the General Manager. Consultation with stakeholders is organized at the departmental level with approval of the General Manager:

- Environmental Agency representatives will be managed by the Health, Safety and Environmental Manager;
- Land Owners representatives will be consulted by the Community Liaison Officer;
- District Authorities will be received by the General Manager;
- Police and Security issues will be addressed to the Security Manager;
- Labour Union will be received by the Human Resources Manager^;
- Factory Inspectors will annually visits the Mill Manager;
- Etc.

#### 2. Policies, charters and code of conduct

The Company has developed the following policies that are displayed on notice boards for all employees. All these policies are annually described to all the working staff in the mean of minutes in local languages at the morning muster calls, also at the time of employment to all new employees and to all third parties engaged with SAC.

The Company has among others developed a HSE policy outlining its engagement in terms of environmental and social impacts and mitigation measures, safety of its employees and legal compliance. SAC Code of Conduct has been determined by the Human Resources Manager and is communicated to all employees.

- Policy for Responsible Management
- Environmental Policy
- Contractor Policy
- Supplier Policy
- Replacement Policy
- Sexual Harassment Policy
- Human Right Policy
- Equal Opportunities Policy
- Reproductive Rights Policy
- Special Labour Policy
- Child Labour Policy
- Health and Safety Policy
- Code of Conduct
- Code of Ethics

#### 3. Compliance with legal requirement

##### a. National environmental and social laws

SAC commits itself to respect environmental and social laws by following all national requirements, updating its permits and certificates and evaluating its legal compliance through an annual revision of its legal obligations.

SAC is fully compliant with the labour laws as stated by the Employer and Employee Act by the Government of Sierra Leone, the Government Gazette, Legislations, the Local Content Act, the Child Labour Act, the Collective Bargaining Agreement (CBA), the workers constitution, etc. as working documents to maintain standards.

The company follows the requirement of the “Terms and Conditions on the issuance of an Environmental Impact Assessment (EIA) License” granted by the EPA-SL in pursuance of the Environment Protection Agency Act, 2008 (Section 24 (f), 29 and 30) as amended in 2010 and the Environmental Impact Assessment License Regulations, 2010.

The list below describes the permits and certificates obtained by the company.

Valid permits	Issue date	Expiry date	Law	SAC Compliance
MOU - Memorandum of Understanding	24.09.12	/	Ministry of Finance and Economic Development	Compliant
EIA License (Environmental Impact Assessment License)	05.01.12	/	EPA-SL Act, 2008 amended in 2010	Compliant
EIA License (Annual Renewal)	19.01.13	18.01.19	EPA-SL Act, 2008 amended in 2010	Compliant
Certificate of Business Registration	01.09.10	/	The Business Registration Act, NO. 18/2007	Compliant
Sub Lease Agreement (A)	01.11.12	30.10.60	The Government of Sierra Leone	Compliant
Sub Lease Agreement (B)	01.10.13	30.10.62	The Government of Sierra Leone	Compliant
Sub Lease Agreement (C)	01.11.13	31.10.63	The Government of Sierra Leone	Compliant
Certificate of Registration of a Factory <ul style="list-style-type: none"> <li>- Processing of Palm Fruits to Produce Palm Oil Kernels</li> <li>- Mechanical Workshop</li> <li>- Water Treatment Plan</li> <li>- Motor Vehicle Maintenance</li> </ul>	01.01.15	31.12.18	The Factory Act, NO. 3/1974	Compliant

#### b. Fight against child labor

The minimum legal age of employment in Sierra Leone is 18 years old (CBA and the Constitution of 1991). SAC complies with this legal requirement as it is clearly stated in the recruitment policy. Child labour is strictly forbidden; thus, a worker is engaged based on proof of age using biometric and non-biometric voter ID cards, drivers’ License, national ID card, etc. On a monthly basis, all ID cards are checked at the payment of salary to avoid any disrespect to this policy and identity fraud.

SAC shared its commitments and requirements to its supply chain by the communication of the Health, Safety and Environment (HSE) policy which is signed by all contractors and suppliers working with the company. Negligence and disrespect from its third parties are reported to the General Manager and HSE Manager in charge of taking action against the party concerned. Records of misconduct are filed by the HSE Manager.

#### c. Fight against forced or compulsory labour

Contractors and suppliers must agree with the HSE Policy of the Company before starting any collaboration and by signing the HSE policy requires respect and compliance of environmental, occupational health and safety matters, no child labour, no forced labour to name some. This policy and the Code of Conduct for employees are communicated to all employees via trainings and HSE minutes (section 5, chapter 7).

#### **d. Fight against corruption**

SAC evidences on its fight against corruption can be observed in the transparency of its documents and the respect of the national requirements stated in the CBA. Minutes of meetings and all other type of communication are recorded to ensure traceability with SAC's interested parties. In addition, SAC develops policies to promote anti-corruption, transparent communication and open dialogue inside its activities.

#### **e. Anti-competitive behavior**

SAC demands invoices for all its goods and services and pays the GST (Good and Services Tax) and WHT (Withholding Tax) taxes to ensure compliance with collection of taxation. SAC code of conduct provides extensive guidance to employees on transparency and anti-competitive behaviour.

#### **f. Social contributions**

SAC follows the legal obligations to contribute to the social security system in place within the country. The National Social Security and Insurance Trust (NASSIT) requires 5% of the basic salary paid by the employee and the company contributes 10% of the basic salary to NASSIT on monthly basis for each permanent and fixed term employee.

In terms of occupational accidents, the follows have Workmen's Compensation insurance in order to comply with the Workman's Compensation Act by taking immediate responsibility for treatment, medication and after care. In the event of an industrial accident involving a worker, payment is made based on the reports made by medical practitioners and the Workman's Compensation insurance. On a quarterly basis, a report on work accidents is sent to the Environmental Protection Agency.

All employees have the free right to be represented by the union of their choice; in 2018 the NUFPAW (National Union Forestry Plantation for Agricultural Worker) comprising 45% of the workforce was superseded by the URPICE (Union of Railway Plantation Mineral/Mining Industrial Construction of Employee) comprising 70% of the workforce by the end of the year.

#### **g. Compliance with labour laws (associations, unions)**

The Company is complying with the Labour Laws of Sierra Leone in the area of training and awareness by partnering with ministries (MLSS, EPA-SL, etc.) and the development of procedures regularly updated with illustrative signs and diagrams for all employees.

As and when necessary, Labour Officers carry out audits on the Human Resources (HR) Department and by extension the Company for labour laws compliance. EPA-SL also audits the Company's operations on approved environmental compliances; hence the license is renewed every year.

SAC is fully compliant with the labor laws as stated by the Employer and Employee Act by the Government of Sierra Leone, the Government Gazette, Legislations, the Local Content Act, the Child Labour Act, the CBA, the workers constitution, etc.

## 4. Voluntary compliance with other standards

### a. RSPO

In 2015, SAC commissioned “Environmental Resources Management” (ERM) to conduct a gap analysis assessment of its operations against the requirements of the IFC Performance Standards (2012), HSE Guidelines, RSPO Principles (2013) and the National Laws and Regulation.

In 2018, SAC has conducted a baseline audit against the RSPO Principles and Criteria’s (2013).

At the end of 2018, SAC engaged Montrose to conduct a High Conservation Value (HCV) assessment in order to develop management and monitoring plans.

### b. ISO 14001

SAC is certified ISO 14001 since May 2017.

### c. OHSAS 18001

In 2017, the HSE Manager was trained on OHSAS 18001 in order to start the implementation of this certification within the plantation.

However, due to the standardization of ISO norms, the Company will rather move to ISO 45001 instead of OHSAS 18001.

### d. High Carbon Stock approach (HCS)

In 2018, SAC has started its High Conservation Value Areas (HCVA) assessment with a High Carbon Stock (HCS) approach which will be finalized in January 2019. As part of the HCS approach the Company follows a “no-deforestation” policy with a reforestation program supported by the Ministry of Agriculture, Forestry and Food Security (see chapter 6).

### e. Free, Prior and informed Consent (FPIC)

Prior to the establishment of the project, from January to June 2011, a public disclosure of the ESHIA has been conducted among all communities in order to describe the project and collect the free, prior and informed consent of all stakeholders. Minutes and attendance lists with signatures have been collected during these 6 months meetings. This document has not been called an “FPIC” by the Sierra Leonean Environmental Consultancy Office in charge of the survey but a “Public Disclosure” as the term “FPIC” (Free Prior and Informed Consent) has been officialised by RSPO in their Principles and Criteria’s of 2013.

SAC also adheres to the Socfin Group policy for responsible management by committing itself to:

- Identify and respect the customary and individual rights of the local and indigenous communities through participative mapping;
- Ensure that the laws and the best international practices in FPIC are implemented for all its operations.





The Company has established bottom up participation and consultation of stakeholders with an open dialogue channel based on internal and external grievances mechanisms, the availability of community liaison officers and social officers and monthly meetings with community representatives.

## 5. Supply chain and traceability

### a. Identification

SAC has a 100% traceability as its fresh fruit bunches production are sourced in its own plantation.

SAC adheres to the Socfin Group responsible management policy by committing itself to work in collaboration with its suppliers to make its supply chain transparent whilst taking into account the complexity of the supply chains for certain raw materials.

### b. Transparency and fair procurement

Transparency is one of the objectives of the Environmental policy signed by the General Manager. The General Manager uses memos to communicate to all staff as and when required. maps, policies etc. may be provided to interested parties if requested. At the end of every year, a summary of the development of the Company (social, environmental, infrastructure, Corporate Social Responsibilities, etc.) is prepared and displayed to all Ministries as a general overview of SAC's operations.

### c. Taking into account environmental and social aspects in the supply chain

All suppliers and contractors are informed on the environmental and social aspects through inductions and the signature of the Company policy.

Spontaneous audits can be conducted by SAC to its supply chain to ensure respect to the Company's requirements. Reports and action plans are developed after these audits. In case of registration of non-conformities, SAC may revoke the contract.

## 6. Clients' standards

The major part of SAC sells of CPO and palm kernels is in the sub-region.

The clients' standards of SAC products (crude palm oil and palm kernels) are the ISO 14001 certificate, a report of analysis from independent inspectors, certificates of export and ECOWAS certificate of origin.

## 7. Third Party Evaluations

In 2018, around 146 meetings have been organized between SAC and its stakeholders with around 50 meetings with Ministries (EPA-SL, MLSS, MAFFS (Ministry of Agriculture, Forestry and Food Security), State House, etc.), 48 meetings with the communities, 6 meetings with Non-Governmental Organisation (NGO) (Maloa, Fian, Green Scenary, etc.) and 40 with representatives of SAC supply chains.

The evaluation of SAC consultation and conformity of its “Third Party” is one of the requirements of ISO 14001.

## 8. Complaints and grievance

SAC determines procedures for the management of grievances which are divided into two categories “Internal” and “External”. Internal grievances (raised by SAC employees) are managed by the Human Resource department and the External grievances (raised by SAC third parties) are managed by the Community Liaison department.

The grievance resolution mechanism contains 3 phases:

1. Effective management of public grievance that contains the details of the grievance (i.e. name of complainant, location, Community Liaison Officer (CLO) in charge of the case);
2. Resolution mechanisms with the investigation, timing of resolving, compensations details, etc.;
3. Action’s effectiveness with the action taken to avoid occurrence, efficiency of the measure, etc.

## 9. Memberships and Associations

SAC is a member of the Commercial Agricultural Producers and Processors Association (CAPPAs) [www.cappasl.org](http://www.cappasl.org). The General Manager of Socfin was elected the 2018 Chairman of CAPPAs. The primary objective of this association is to act as the principal coordinating body representing all Commercial, Agricultural Producers and Processing companies in Sierra Leone and elsewhere to provide:

- A unified approach that positively influences the activities of all Sierra Leonean based agricultural producers, processing companies and rural communities;
- Improve the enabling environment for agricultural production in Sierra Leone and to initiate, foster and maintain a consultative, cooperative and communicative approach to dealing with issues with Government, Government institutions, Ministries and other relevant institutions.

The founding members of CAPPAs are Miro Forestry Company, Socfin Agricultural Company, Sierra Land Development, Lion Mountains, Natural Habitats, Goldtree, Sunbird, Sierra Tropical and Carmanor.

## 10. Objectives and perspectives

SAC aims to produce and supply quality CPO through an environmentally and sustainable approach and market it locally and regionally. SAC is the largest producer of CPO in Sierra Leone and has already stimulated downstream value addition with the investment by a Sierra Leonean company of a new refinery in Freetown due for commissioning in 2019.

## IV. Strong social commitment

This chapter is dedicated to the Group's social commitment to its employees. Please see chapter 7 for engagement with local communities.

### 1. Company's social commitment

The Company's commits to ensure and encourage best management practices in terms of social security by respecting all national social and regulations applicable to its operations.

Roughly 3 300 people are engaged to support plantation operations, SAC being one of the largest private employers in Sierra Leone.

### 2. Overall assessment of key social indicators

#### a. Staff

##### i. Workforce distribution by department

At the end of the year 2018, the total number of direct employees was 1 301 with the following distribution by department:

Department		Employees
General Management		9
Human Ressources (+ teachers & others...)		6
Health center/Hospital/Clinic		1
Agro.	Oil palm	858
Industrial	Rubber factory	0
	Palm oil mill	122
	Palm kernel crushing plant	82
	Ateliers	89
	Workshop	94
Finance and administration		19
Sust. Development	HSE/ quality/ safety/RSPO	8
Purchase/sales		13
<b>TOTAL</b>		<b>1 301</b>

##### ii. Workforce distribution by category and gender

At the end of the year 2018, 226 women and 1 075 men were engaged giving a ratio of 17% of female workers and 83% of male workers with the following distribution by department.

Department		Male	Female
General Management		8	1
Human Ressources (+ teachers & others...)		5	1
Health center/Hospital/Clinic		0	1
Agro.	Oil palm	672	186
Industrial	Rubber factory	0	0
	Palm oil mill	120	2
	Palm kernel crushing plant	75	7
	Ateliers	86	3
	Workshop	71	23
Finance and administration		18	1
Sust. Development	HSE/ quality/ safety/RSPO	7	1
Purchase/sales		13	0
<b>TOTAL</b>		<b>1 075</b>	<b>226</b>

An objective of SAC is to always bring equality and reduce the divide however traditionally many jobs are still classified on gender basis by community people.

### iii. Presentation of the different kind of employee's status and global distribution

Hiring is made upon job availability and is categorized into 4 separate forms:

- 1) Seasonal recruitment: when workers are engaged in seasonal work;
- 2) Casual recruitment: when workers are engaged for occasional jobs;
- 3) Permanent/fixed term recruitment: when adverts are placed inviting both intern and external candidates to apply and due process is followed in selecting the most qualified person/s. Succession planning strategy is considered to fill in such vacancies promoting internally;
- 4) Contractor recruitment: when workers are engaged for specific tasks (i.e. pruning, slashing) according to the seasons and production period.

At the end of the year 2018, the total number of employees was 3 365 with 1 301 permanent employees and 2 064 seasonal employees.

Benefits for SAC employees are working with a stable Company following the national laws and which includes Workman's Compensation to compensate employee in the unfortunate case of an accident or death, health care, parental leave, retirement provision, etc.

The maternity leave consists in 12 working weeks as agreed by CAPP in the last CBA agreement.

The leave entitlement consists of 22 working days for 1-5 years employment, 25 working days for 5-10 years employment and 29 days for more than 10 years employment as per the CBA agreement.

The overtime is 1.5 times the daily rate/basic on week days and 2 times daily rate/basic for Sundays and public holidays.

The payment of entitlements is prepared as followed:

- ✓ Salaries are paid monthly (never defaulted);
- ✓ NASSIT contributions are paid regularly and on time;
- ✓ PAYEE contributions are paid as legislated;
- ✓ End of service benefits are paid accordingly;
- ✓ Leaves/holidays are observed (annual leave, maternity, UPA, etc.);
- ✓ Workman's compensation is paid when necessary

The Company provides access to medical facilities for employees and their dependents. SAC provides an ambulance service to collect and drop off at homes, workplaces and hospitals. Permanent employees are covered by the Company for all medical costs whilst all other categories of workers are fully covered for work accidents.

#### iv. Integration of young people into the working world

To facilitate the integration of young people into the working world, SAC accepts trainees and interns recommended from universities.

#### b. Protection of employees

The Company has a Code of Business and Employee Conduct that determines the roles and responsibilities of the employee and employer in case of different situations. In terms of communication, the Human Resources department is in charge of the internal grievances mechanisms to receive and resolve the complaints raised by the employee.

#### c. Internal complaints management

Internal grievances are the grievances raised by employees of all categories, permanent, fixed term, casual and seasonal. The internal grievance mechanism is overseen and managed by the Human Resources Department (Mende Speaking) which follows the Human Resources ethics and confidentiality process. Depending on the circumstance, the complainant may be accompanied by a companion to express its claim.

The internal grievance resolution mechanism contains 3 phases:

1. Effective management of public grievance that contains the details of the grievance (i.e. name of complainant, location, CLO in charge of the case);
2. Resolution mechanisms with the investigation, timing of resolving, compensations detail, etc. if deemed necessary;
3. Action's effectiveness with the action taken to avoid occurrence, efficiency of the measure, etc.

In 2018, 5 internal grievances have been recorded and resolved. No grievances were pending at the end of the year.

#### d. Meeting the financial needs of employees

The Company respects the local minimum wage set up by the Government of Sierra Leone at 500 000 Leones in 2018. The Company has a minimum wage of 630 000 Leones and a side agreement with the Union to work two more hours a week to 42 hours per week providing an

additional 5% payment for this. SAC's salaries exceed the national stipulated amount by 20%. In addition, the revision of the basic minimum salary has been reviewed together with other aspects of employment benefits through the Collective Bargaining Agreement (CBA) with the Trade Council taking effect from January 2018.

SAC encourages employee's promotion via several performance initiatives such as the annual appraisals conducted by all managers, performance bonus', a year end Party and prizes and awards for best drivers, commitment to work, ISO recognition, compounds cleanliness competition, etc.

To meet the financial needs of employees, the Company puts in place loans which in 2019 will be channelled through the local bank.

#### **e. Human resources key figures**

On the 1<sup>st</sup> January 2018, SAC employed 1 178 persons against 1 301 on the 31<sup>st</sup> December 2018. The staff turnover is about 15% with the hiring of 311 persons and the termination of 187 employees (layoffs and voluntary departures).

#### **f. Training opportunity: employee's capacity building**

The planning and organization of training/retraining is approved on a yearly basis at the Management Review by all managers. Each department must provide/review its training list according to the needs observed during the year, the type of operations and the level of competences.

The surveillance and management of this training calendar (support, attendance list, contents, evaluation of competences, etc.) is managed by the HSE department which prepares a yearly Training Calendar and reports on a monthly basis on the non-conformities observed against this planning.

For the year 2018, the table placed on chapter 7 "Training and Sensitization" page 31 gives the data for an average of 3 200 workers per month.

#### **g. Membership and freedom of association of employees**

SAC follows national labour laws and all other aspects such as worker organization and collective bargaining. Workers may be part of a union and there is a functional collective bargaining process and agreements in place. SAC and the workers union have a good working relationship and maintain an open dialog to address grievances.

### **3. Availability of infrastructure for employees**

The SAC plantation has the particularity to being established around 52 community villages employing local people from communities to work in the plantation. 94% of the employees are therefore living in their own villages and have a short commute home and to work. Senior staff and mill workers are housed in company-provided accommodations called "compounds".

SAC has built 7 compounds for the housing of its employees.



### a. In the villages

One of the commitments of the Company is the promotion of employing local people from surrounding communities to work inside the plantation. SAC employs the majority of its employees from Malen Chiefdom where they have their family houses.

#### i. Employees' personal utilities

SAC has seven compounds for the accommodation of its employees. These compounds are built according to the Socfin Group design set up. In 2019, an eighth compound will be built in the North of the plantation.

Kitchens, toilets, showers and leisure facilities are provided. Electricity and water are supplied in these compounds. Each compound has an elected chairman in charge to manage and report all issues raised by the occupants to the management. Monthly meetings are organized with chairman in order to ensure open dialogue.

#### ii. Leisure facilities

All these compounds have their particularities and differences such as:

- ✓ Some of the leisure facilities: Football field, Basketball fields, Volleyball field;
- ✓ Green spaces and personal gardens;
- ✓ Gathering places: canteen, club house, guest house;
- ✓ Waste management: sorting and cleaning of the waste, collection of waste, etc.

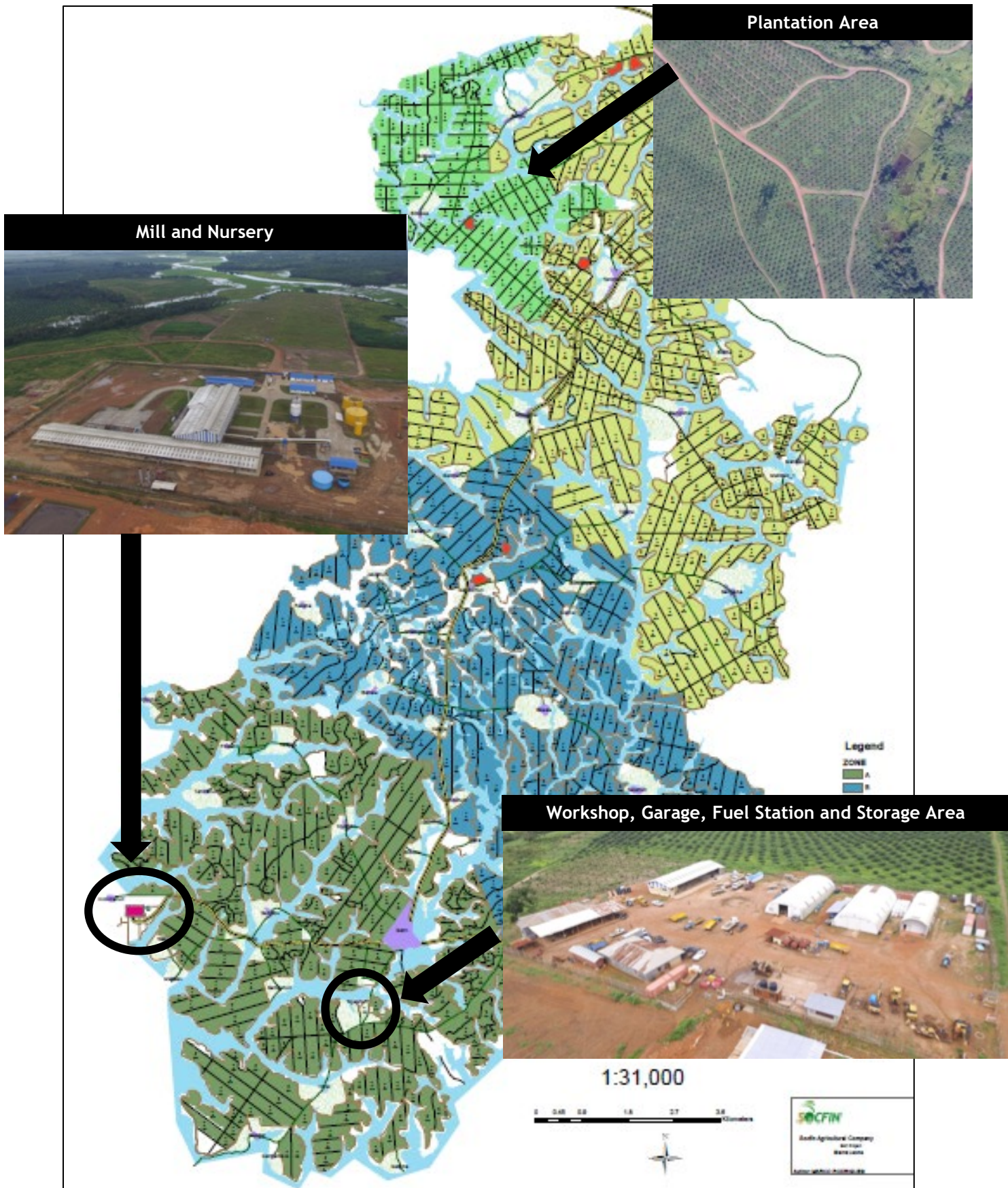
In addition of these compounds, SAC has built an entertainment centre called the "canteen" composed by a volleyball field, satellite reception with two televisions, music and 24-hour power. This compound was built in 2015 and is 218 m<sup>2</sup> in size.

As part of the leisure activities, employees enjoy an "End of the Year Party" which reunites all employees with food and refreshments, site attractions and a live band show. (Budget of over 18 000 USD).

### b. Investments in infrastructure

The investments that have been made in the compounds in 2018 for a budget of 1 463 808 USD are mainly the purchase and supply of mattresses, the maintenance operations such as painting, air conditioning maintenance, water and electrical appliances repairs, etc.

The operator quarters are in the process of being rehabilitated and power installed.



### c. Mobility

One of the strengths of the Company is to have its employee living in the villages around the plantation which reduces the commute. In average, the minimum distance that an employee will have between his village and his work place is about 1 km and the maximum distance will be 3 km. In 2019 SAC will introduce a daily transport allowance in accordance to the amount given in the CBA agreement to each employee to assist in their movements.

Means of transport available for the employees are cars, minivans, bus, bikes, tractors and trucks, however more than 70% of the employees are walking to reach their workplace. When provided, transport is managed at the departmental level for specific functions such as spraying, firefighting (dry season), waste collection (tricycle), road maintenance (tractors) or for particular departments such as the employees for the mill that are housed in the Y-Junction and transported with the minivan or bus.

SAC provides senior staff Company motorbikes to carry out their duties and work requirements, whilst supervisors and staff needing mobility for their work are provided local TVS motorbikes to carry out their duties, however these bikes are sold on a “Hire Purchase Scheme” over 3 years and a usage monthly allowance is paid to them together with an allocation of fuel. The contract that links the employer and the employee states that after a certain period (about 36 month), the bikes become the property of the employee.



## 4. Security of people and property

SAC has a “third party” security service called Sharp Security Services operating around the plantation. This security service is in place is to ensure the security of FFB, company property and its employees and families. Over 350 people on monthly basis are employed by this company. The Sharp Security’s manager oversees and has the responsibility to respect the company policies in term of trainings, personal protective equipment supply, road safety, emergency procedures, restricted access, etc.

In addition, in 2015, the Company has created a Security Department managed by a Security Manager and eight supervisors that oversee security of the plantation and activities of the private security firm. This department is in charge of ensuring trainings, inductions on SAC policies (see chapter 3.2) and respect of SAC procedures from Sharp Security.

Farm guards selected by the community villages are also posted to report fires and fruit theft around the plantation.

## 5. Health: a driving force for development

### a. Health policy

SAC health policy aims to promote a safe and healthy workplace to all its employee and their family by:



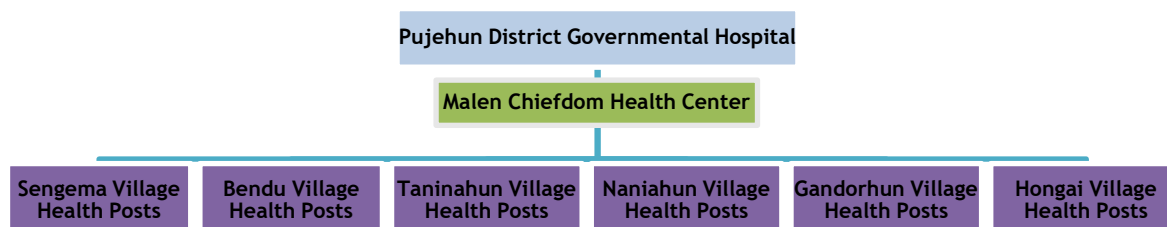
- Recognizing and respecting the rights of all workers and local communities;
- Preventing and reducing work accidents;
- Informing employees on the risks of accidents and environmental degradation;
- Displaying HSE Notice Boards at every workplace with the identification of hazards, precautions, prohibition signs, emergency services and situations, etc.;
- Sensitizing employees on their social and environmental responsibilities via trainings, awareness, sensitizations, minutes and inductions.

### b. Staff and health infrastructure

The Company supports medical services costs for all its permanent staff and their dependants (3 below 18 years old and 1 above 18 years), and emergency services (ambulance, emergency line, firefighting team, first aid team, evacuation procedures, etc.). All SAC's employees are covered for work accidents irrespective of the employment category.

In the South, the health infrastructure available to support the medical care of the employee is the health centre of Malen Chiefdom managed by a full-time Health Officer and nursing staff. In the North, the health infrastructures available are the health posts of Taninahun, Bendu and Sengema.

The health facilities are managed by the Ministry of Health and Sanitation (MoHS) headed by the District Medical Officer (DMO) of Pujehun. SAC has provided solar lighting to all external clinics and provides 24 hours power to the clinic in Sahn Malen. The HSE department meets on a regular basis with the MoHS to discuss about health topics such as children vaccination, Malaria, HIV-Aids, diarrhoea, Ebola and other medical services. The graph below summarizes the three levels of health facilities:



SAC does not manage these infrastructures but organizes their rehabilitation and construction (to reduce the distance from some villages), assists the nursing staff in the administration and medical files, provides water and electricity 24 h/day and prepares the payment of the consultation and drugs prescribed to Socfin staff and families. The table below summarizes the medical data.

Ambulances	1
Doctors	0
Nurses	0
Midwives	0
Other staff (Clinic Health Officers, Clinic Health Assistants, Community Health Aids...	1

In 2018, the total expense on health cares and infrastructures was 95 411 USD (energy supply, rehabilitation of buildings, staff assistance, etc.).

**c. Meeting the financial needs of employees (sanitary loans)**

The Company provided in loans up to 85 166 USD in 2018. Currently the Company is engaging with the local bank to set up credit facilities for workers.

**d. Prevention, detection and treatment of diseases**

The prevention strategies and treatments implemented regarding health on the plantation are developed at two levels. The first level is the medical staff that organizes their prevention plan against Human Immunodeficiency Virus (HIV), children disease, vaccination, malaria, etc. For example, every year at the same period, the governmental health posts and centre are supplied with vaccines and starts their campaign of vaccination of children less than 5 years of age.

The second level is the sensitization organized by the HSE department regarding health and environmental issues. In 2014-2015, the Company supported the Ebola prevention with a budget of 454 400 USD. Every 1<sup>st</sup> December, SAC puts in place its prevention campaign on HIV. Sensitizations, jingles and radio messages are carried out with a condom distribution to the workers and communities. In 2018, the campaign was prepared in collaboration with the Pujehun District Council, the National HIV/AIDS Secretariat and a new association called “Eyes of Sierra Leone” that is supplying the Health Centres with condoms and posters.



**e. Family planning**

Family planning is organized at the level of the health centres/posts and villages (i.e. women associations in Sinjo village). Members of the Sahn health team go to the primary and secondary schools in Sahn to raise awareness on family planning including teenage pregnancy, HIV/sexually transmitted diseases and all contraceptive and family planning techniques available at all clinics in Malen. In 2018, family planning awareness sessions have taken place in schools in the surrounding villages across the chiefdom. Free contraceptives including condoms, pills, IUDs, implants and injectable contraceptives are available at all clinics in the chiefdom.

**f. Data collection**

The medical statistics are owned and managed by the Ministry of Health and Sanitation. However, in a spirit of improvement on medical statistics, at the end of 2018, SAC employed a Medical Administrator as a consultant to oversee all medical cares provided to the company’ employees.

### g. Preparedness for emergency situations

The Company allocates a staff of 1 people in charge of the emergency services (ambulance and calls), the registration of the bills, the contact with the doctors in clinics and the medical archives. One ambulances are provided and run by the Company and are at the disposal of the entire Chiefdom in order to offer a rapid medical assistance to the community people and also to provide transport means in case of emergency or transfer of patients to the District Governmental Hospital for medium and major cases (surgery, etc.).

Employees and communities are well aware of the Company' emergency procedures as there is an emergency line available 24 h/day, electricity provided at the health centre 24 h/day and ambulance services 24 h/day.

On annual basis, the emergency services procedure is reminded to all employees during the HSE minutes and also at the time of the employment of a new employee.

**A good example of the efficiency of SAC emergency services was the Ebola experience where the success of the organization and the reactivity helped to follow all Ebola suspicious case and become the first declared District Ebola free.**

## 6. Supporting education and training

### a. Education policy

The Company supports the state school system by the development of a specific function inside the Community Liaison department in charge of the education programs and school communication. The SAC employee sitting at this function is a former headmaster of the Roman Catholic (RC) primary school of Sahn Malen which makes him well known and respected among the communities. Due to his personal experience, Mr. Kuyateh has a particular knowledge on the issues in terms of education and provides SAC a pertinent action program to be implemented.

In 2018, a total budget of 57 047 USD has been allocated to education programs such as:

- Purchase of text books;
- Nature Club to sensitize the children of primary and secondary schools about the environmental and waste issues (waste management, road safety, water and sanitation, protection of the forests, HIV, Malaria, Ebola, etc.);
- Fruit Forestry project (5 000 fruit trees) with the establishment of nurseries in 5 primary schools to sensitize the young generation on the benefits and management of fruits trees planting. In this project, bye-laws with local communities, trainings and sensitizations are provided to the members of the committees and schools in charge of the nursery;
- Rehabilitation of teacher's accommodation quarters (water wells, rooms, etc.);
- Bee hives project (in 5 protected forests) that aims to sensitize the children on the benefits and management of bee hives;
- Meetings and invitation of several ministries to support sensitization programs and actions (Ministry of Water Resources (MWR), MAFFS, National HIV/AIDS Secretariat, etc.);
- Purchase and construction of benches, desks, chairs, cupboards, tables and office table, etc.;



- Construction of toilets and football fields in schools;
- Support to development projects and school programs such as World Teacher Day, June 16, sport competitions and interschool kid clubs, cultural shows, remedial classes for Basic Education Certificate Examination (BECE), summer school debate, World Teacher Day, Cross Country, health sensitizations, etc.;
- Rehabilitation and construction of 3 new schools (Sinjo, Bendu, Maly and Kotumahun);
- Provision of transport and feeding for BECE students;
- Payment of stipends to teachers and security guards;
- Provision of scholarships of which 57 scholarships were awarded in 2018

#### b. Infrastructure and staff

The concession counts 25 public schools with 2 nursery schools, 21 primary schools and 2 secondary schools. The average ratio of students per teacher is 50.

There are 170 students and 9 teachers in the nursery schools, 4 519 students for 87 teachers in the 21 primary schools and 529 students with 25 teachers in the secondary schools.

On yearly basis, SAC provides assistance and financial support to non-registered teachers, security guards and scholarships. In 2018, the amount allocated for stipend and payment of security was 7 003 USD for 20 teachers and 4 security guards from January to December.

#### c. Financial support and donations

##### i. Student loans

A significant improvement in terms of education is the scholarship scheme developed to assist hard working pupils of Malen Junior Secondary School (MJSS) that pass their BECE exams into senior school. As MJSS is the only secondary school in the chiefdom, the Company attaches a particular importance to support its students and assist them to pass their examination for the senior school.

The program was set up where by students achieving an aggregate of 30 or less would qualify for a scholarship which has since been moved to <25 in 2018. Since the beginning of this program in 2013, the level of success of pupils has drastically increased (table below); whilst the ratio of success in 2014 was 1 on 28, in 2015 the ratio passed to 44 on 50.

In 2018 32 students (on 36) received scholarships and the Sahn Junior Secondary school achieved the best results in Pujehun District.

Scholarship Details 2013-2018			
Year	Student	Promotion	Budget
2013/14	1 student passed		300 000 Le
2014/15	44 students passed		300 000 Le
		1 student promoted to SS1	300 000 Le
2015/16	29 students passed		300 000 Le
		1 student promoted to SS1	300 000 Le
2016/17	23 students passed		300 000 Le
		10 students promoted to SS1	300 000 Le
		21 students promoted to SS2	300 000 Le
2017/18	32 students passed		500 000 Le
		6 students promoted to SS1	500 000 Le

		25 students promoted to SS2	500 000 Le
		28 students promoted to SS3	500 000 Le
<b>TOTAL - 87 000 000 Leones (Le) - 17 000 USD (average exchange rate)</b>			

## ii. School transport

SAC always participates in feeding and transporting students at examination time, for inter school galas, for social functions and other school related activities in and out of the chiefdom. In 2018, a budget of 934 USD has been allocated to the transport and feeding of teachers and pupils during National Primary School Exams (NPSE) and BECE.

## 7. Micro-projects

At the end of 2018, SAC dedicated a total of 160 million Leones (21 334 USD) in the support of micro-credits. The project has its own bank account. The micro credit project has proved extremely successful and has been running for over 2 years with zero defaults to date. The interest rate is 10% per annum. Local traders are extremely happy for the project which allows them to develop their businesses.



2017-2018 - Microcredits Reception

## 8. Perspectives and performance

In 2018, one new school has been built and handed over by SAC at the village of Mallay providing suitable facilities for children to learn and another school started in Kortumahun which has been approved by the Ministry of Education and will be completed in 2019. The construction has started and will be completed in 2019.

The building (design, location, size, classrooms etc.) of schools has to be approved and decided by the Government. All new schools built by SAC have 4 classrooms, an office for the Director, a store, toilets and a water well. The budget for the construction of a school is 16 000 USD.

## V. Ensuring employee safety

### 1. Safety management system

The safety management system has highlighted the main area of risks and impacts on which action plan and targets are established and monitored. On a monthly basis, statistics are interpreted and issues must be identified and explained by the department concerned in order to develop mitigation measures. As per legal requirements, all accidents and statistics reports are communicated to the relevant ministries to ensure transparency.

### 2. Occupational health and safety policy

The Company's occupational health and safety management system aims to present the roles and responsibilities attached to the health and safety of the employee. This Occupational Health and Safety (OH&S) management system comprised a management plan with the definition of objectives, procedures and monitoring reports that are needed to reach and respects the statements of the health and safety policy.

SAC OH&S management system and plan are a legal requirement monitored by the EPA -SL on quarterly basis and by the MLSS on annual basis. During these audits, the officers will assess the Personal Protective Equipment (PPE) requirements, training and education programs, complaints mechanisms, etc.

The objectives of the Company are reviewed annually by managers and stated in the health and safety policy signed by the General Manager (last revision: 15.10.2018). For 2018, SAC engages itself to promote a safe and healthy workplace by:

- ❖ Recognising and respecting the rights of all workers and local communities;
- ❖ Preventing and reducing work accidents;
- ❖ Informing the employees on the risks of accidents and environmental degradation;
- ❖ Displaying HSE notice boards at all workplaces with the identification of:
  - Hazards, precautions and prohibition signs;
  - Emergency services, situations and plan and work related instructions.
- ❖ Supporting and encouraging its suppliers and contractors to implement this policy.
- ❖ Sensitizing the employees on their social and environmental responsibilities via:
  - Training of employees to prevent accidents and pollution;
  - Thursdays "HSE Minutes" on various safety topics (chapter 5, section 7).

### 3. Occupational health and safety committees

To ensure the employee safety SAC has created since 2012 a HSE department which is managed by a full-time expatriate. This department is responsible for the establishment and implementation of safety procedures, the surveillance of the workers accidents, the communication with the working staff about HSE topics, etc.

The HSE department is composed of 8 employees with the following functions related to the occupational health and safety:

- 1) Health and Safety Officer: Mr. Koroma is in charge of the surveillance and respect of the Company' safety policies. Cases of non-compliance are recorded, reported to the managers with the development of an agreed action plan. He is the controller of the

emergency procedure by testing the efficiency of the response situations, the reactivity and awareness of the employee and the availability of emergency plans;

- 2) Health and Safety Imputer: Mr. Kamara is in charge of the statistics development and interpretation. Offsets to targets are notified to managers with the establishment of an action plan to readjust the results and respect the targets. He provides all managers with the work accidents statistics and medical data's;
- 3) Supply Assistant: Mr. Moiwo is the controller of the personal protective equipment provided to employees. He must ensure that the procedure on supply is respected (timing, quantities, records, etc.) and that appropriate equipment's are provided for each function.

In addition, in 2018, a "Safety Committee" has been created in regards with RSPO principles and Criteria's requirements. This committee is composed by 11 representatives on health and safety for each department. They all have been trained on first aid by the Red Cross. This committee meets on a monthly basis to discuss safety concerns rose by their departmental workers and to give a feedback on the conformities/assimilation to the procedures and trainings.

#### 4. Risk analysis (realized this year or updated)

The risk analysis of the Company has been prepared by the HSE Manager and uses the following analytical methodology.

Health and Safety hazard identification / Risk Assessment					
Severity			Likelihood		
1	Insignificant	No injuries, low financial loss, negligible environmental impact	A	Almost certain	Is expected to occur in most circumstances
2	Minor	First aid treatment, on-site release immediately contained, medium financial loss, small impact area	B	Likely	Will probably occur in most circumstances
3	Moderate	Medical treatment required, on-site release contained with outside assistance, high financial loss	C	Possible	Might occur at some time
4	Major	Extensive injuries, delay to construction, off-site release with no detrimental effects, major financial loss	D	Unlikely	Could occur at some time
5	Catastrophic	Death, toxic release off-site with detrimental effect, huge financial loss	E	Rare	May occur only in exceptional circumstances

The risk analysis is reviewed on annual basis to ensure all operations have been taken in account. This analysis details potential occupational hazards and injuries linked to each of the company's operations. Prevention measures are adopted to avoid these risks with the development of a Personal Protective Equipment (PPE) database that aims to support each manager in their purchase of preventive equipment for their workers. Trainings and minutes on health and safety are organized to workers in all departments to ensure that they are informed on the risks linked to their functions and the type of prevention the company put in place to protect them.

## 5. Programs and plans

The Company has defined an “emergency response and preparedness plan” based on the accidental situations that have been determined for all activities in the plantation. The list of accidental situations (and their responses) is reviewed on annual basis according to the occurrence of potential accidents, the creation of new functions, the issues raised by employee during emergency exercises and the efficiency of the mitigation measures.

The emergency response and preparedness plans defines two types of measures, first the prevention means put in place to avoid that potential accidents occur, and secondly the response action and related services if it occurs. All emergency situations are tested to verify the efficiency of the response and to ensure employees are prepared to face an accident. For instance, emergency exercises are organized periodically at all workplaces to test the efficiency of the response plan and the awareness of the workers. During these exercises, 10 minutes are allocated for questions, comments, observations and keys for improvement.

Emergency services are the first aid team (trained by Sierra Leone Red Cross), the firefighting team (equipment controlled by the National Fire Force), the hazardous waste management (supported from Bo District), etc.

## 6. Achievements

In 2018, SAC has developed an action plan on the improvement of the noise level at the mill (earmuffs, silencer) as a second boiler will be commissioned (in 2019) leading to higher decibel exposure for the employee. In 2018 a silencer has been purchased to reduce the level of noise in the mill.

The achievements in terms of employee safety could firstly be observed in the reduction of complaints raised by the employee on health and safety issues. Secondly, by the development of health and safety procedures this guides employers and employees on the rules to follow to promote safety at the workplace. Thirdly, the development of medical statistics allows understanding the circumstances of accidental situations and therefore to develop prevention measures against this type of situation such as the purchase of personal protective equipment (PPE) or the organization of training to the employees.

Finally, even if the development of HSE Minutes on Thursdays was encouraging in 2018 with 1 916 minutes organized and 23 694 workers sensitized (chapter 5, section 7). SAC wishes to continue its improvement in terms of communication with its working staff to ensure issues raised are taken in account by management and to reduce the amount of non-conformities (28 HSE minutes not done as planned).

## 7. Training and sensitization

The planning and organization of training/retraining is approved on a yearly basis at the management review by all managers. Each department must provide/review its training list according to the needs observed during the year, the type of operations and the level of competences.

The surveillance and management of this training calendar (support, attendance list, contents, evaluation of competences, etc.) is managed by the HSE department which prepares a yearly training calendar and reports on a monthly basis on the non-conformities observed against this planning.



Every month at the “Safety Committee” meetings (chapter 3), the compliance to the training calendar is assessed in each department. Concerns raised by the employee after HSE minutes and trainings are reported for development of solutions; below is a list of complaints raised by workers and resolved in 2018:

- Replacement of notice boards;
- Repair of the road access to muster points;
- Provision of CUG (phones) for particular functions;
- Cleaning and slashing of the canteen (workers entertainment center);
- Provision of fire equipment’s in compounds;
- PPE improvements (aprons for sprayers, foot leather protection for welders, etc.);
- Waste pictures displayed on waste bins for illiterate staff;
- Placement of emergency meeting points and provision of fire alarms;
- Work orders preparation (fence closing, repair of infrastructures, showers for sprayers, etc.);
- Etc.

To improve the employee performance and professional development, SAC regularly engages external facilitators to conduct training on various competencies with examinations and issuance of certificates. In 2018, 2 employees have been sent to Cameroon to be trained by The Center for Social Excellence - set up by Earthworm Foundation (Ex-TFT), 17 employees were certified by the Red Cross on first aid training, 1 employee was sent in Côte d’Ivoire for a RSPO training by Proforest.

For the year 2018, the table below gives the data for an average of 3 200 workers per month. **Inductions** are given at hiring by the HSE department and describe the company’s policies, department functions and emergency services. **HSE Minutes** are 10 minutes of safety talks organized on Thursdays with a short time for the collection of issues and suggestions raised by employees on the topic discussed. **Training (Calendar)** are the trainings listed in the Training Calendar which are divided in three categories “departmental training”, the “mandatory competency trainings” and “trainings linked to environmental significant aspects”. The **other trainings** are the sensitizations and training not planned that have been done within the year.

	Inductions	HSE Minutes	Trainings (Calendar)	Trainings (Other)
<b>Total</b>	442	1916	178	172
<b>Duration</b>	30 minutes	10 minutes	1 hour minimum	1 hour minimum
<b>Total duration</b>	13 260 minutes	19 160 minutes	178 (minimum) hours	170 (minimum) hours
<b>Total employees</b>	442	23 694	7 380	7 273

### 8. Medical check-up

All new permanent staff entering into the company are required to have a medical check-up. Annual medical check-ups are also put in place for drivers to ensure their eye sight is in good order to drive.

### 9. Monitoring

Statistics are developed in order to calculate the amount of work accidents, to register the frequency of injuries relative to the total time worked, to understand the circumstances of the

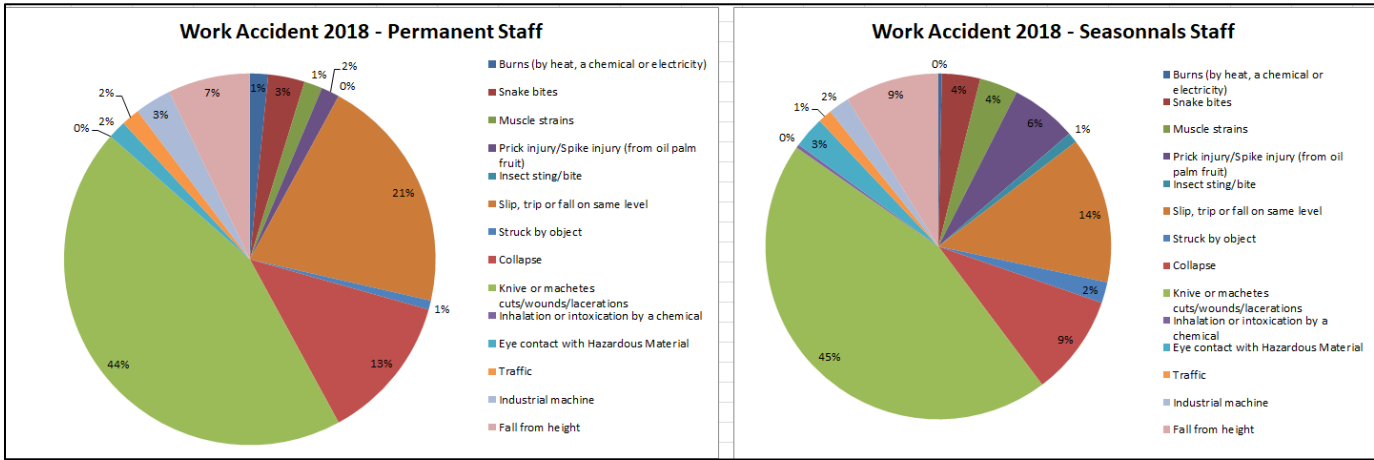


accidents and to put in place mitigation measures to prevent these accidents. These statistics are recorded and developed by the HSE department and the Medical Administrator in charge of the reporting to the Head of Department (HOD) and the implementation of action plans.

**10. Number of accidents (loss greater than one day)**

SAC records the number of accidents among workers, especially accidents that could result in lost work time, different levels of disability, or fatalities.

The number of accidents is categorized by nature of accident as detailed in the graph below for 2018. Statistics are developed on monthly basis and submitted to managers in charge of the development of action plans (budget, personal protective equipment, collective protective equipment, mitigation measures, etc.). The communication to the working staff on the work accidents statistics is done on notice boards displayed at all workplaces.



**11. Accident rate per 200 000 hours of work**

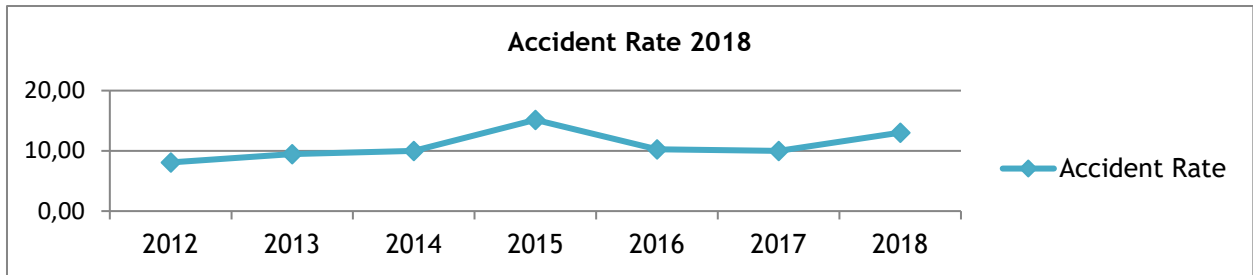
The 2018 accident rate per 200 000 hours of work is 12.20. An increase of the rate is observed due to the mill and the plantation being in full production (milling increase, harvesting, transportation of fruits, loading operations...). However, this rate increase is also due to the improvement of SAC record of accidents and mitigation measures.

**12. The safety of people in the supply chain**

Suppliers and contractors employed by the Company are required to sign a contract which includes the occupational health and safety requirements of the Company (wearing of PPE, respect of minimum age of employment, respect of waste management, trainings of workers, etc.).

**13. Evolution over time**

In 2018, the total amount of work accident was 433 for an average of 3 200 workers per month which gives an accident rate of 12.20. The graph below shows the evolution over time of this accident rate.



#### 14. Objective for the next year

For 2019, SAC wishes to improve on the medical statistics by:

- 1) Concentrate on the source of the work accidents in order to reduce the accident rate;
- 2) Compile all medical statistics under one cost center which includes the costs made outside the concession (referrals to other clinics);
- 3) Develop a reliable follow-up for dependents medical costs;
- 4) Improve the development of action plans according to accident reported;
- 5) Continual open dialogue with Ministry of Labour and Social Security and Environmental Protection Agency - SL on the reporting of accidents;
- 6) Build a strong relationship with clinics outside concession;
- 7) Develop verification tools for the availability and quality of the medical services, medical check-ups and medical leaves;
- 8) Ensure the medical procedure is respected and implemented in all public health units located inside the concession with an efficient reporting.

## VI. Management of natural resources

### 1. Environmental management system

The purpose of ISO 14001 is to provide a framework to protect the environment as it specifies requirements that enable SAC to achieve the intended outcomes it sets for its Environmental Management System (EMS).

To support its EMS the Company has defined an environmental assessment for all its scope of activities in order to determine its environmental impacts and environmental significant aspects. To address its impacts, the Company's activities are divided in processes managed by pilots for whose roles and responsibilities have been defined and approved by the General Manager. Every year, an environmental management program is set up, revised, readjusted and approved in management review with the establishment of targets and objectives to be reached within an agreed timeline. These objectives are communicated to all working staff and interested parties through the health and safety policy, procedures and trainings.

### 2. Status of certifications in progress

The Company is certified ISO 14001:2015 and has started the documentation and action plan for the RSPO certification.

### 3. Policies

#### a. Water

The impacts of the Company's activities on the water (water consumption and waste water generation) are assessed in the EMS and considered as Environmental Significant Aspects (ESA) also specified in the Company environmental policy. Objectives and targets have been established on the water consumption and the control of water pollution in order to continuously monitor the impacts of the company's activities:

- ✓ Total volume of water withdrawn from ground water and surface water for the company's activities is monthly measured with water meters. SAC has 7 boreholes located at the Mill (Kortumahun), the Hill Station and offices (Sahn Malen), the compounds and Mixing centers (Jao and Naniahun). Water consumption data is communicated on quarterly basis to the EPA-SL and every year to the MWR. SAC follows the national requirements for the payment and use of water ("Water Bills"). In 2018, total volume of water withdrawn was around 140 000 m<sup>3</sup>;
- ✓ Targets on water consumption are established for the Company's activities and for domestic purpose. Records are monitored and offsets are set as non-conformities with the development of action plans and mitigation measures;
- ✓ Rainwater is measured for statistics but not directly collected nor stored by the Company;
- ✓ Total volume of effluent treated in the lagoons is measured and monthly monitored to ensure efficiency of the effluent ponds;
- ✓ Water quality control is conducted on quarterly basis and sent to the EPA-SL in monitoring reports.

The water sources that are affected by the withdrawal of water is the Malen river located at the extreme South of the plantation where the mill is located. All other operation sites where the water is consumed are using boreholes:

- Herbicides mixing centers;
- Washing Areas and workshops;
- Compounds and offices;
- Etc.

### b. Soil protection

The impacts of the Company's activities on the soil have been evaluated for all company's activities and defined with an action plan. The strategy of the Company for the soil protection consists in:

- 1) Ensure storage procedures against leakages are respected (retention tanks to avoid leakages, spillage procedure, storage of hazardous materials in closed area with no contact with the soil, etc.);
- 2) Waste management of hazardous products (collection of spills, disposal in a closed area, monitoring of waste with reporting on non-conformities, etc.);
- 3) Training on soil pollution to all people having a function linked to hazardous products (handling, storage, mechanics, electricians, fuel supply staff, store keepers, etc.);
- 4) Sampling of soil for analysis. SAC follows the EPA-SL Act (2010) which requires that soil analysis must be conducted every year;
- 5) Development of erosion control techniques (cover crop broadcasting between trees, vetiver planted in slopes, drains and culverts placed on road to prevent flooding, rock barriers, etc.);
- 6) Consideration of erosion control in the planting method and orientation of palm oil trees. The topography is undulating with little slope inclinations and the soil type is predominantly lateritic including stones and rocks that provide high eroding resistance to surface water.

### c. Waste management

The Company's strategy for managing waste is summarized in the Waste Management Plan (WMP) that lists the type of waste generated by SAC' operations, their quantities, the collection means, their temporally disposal methods and their final disposal method with the name and certificate of the recyclers. This plan contains the different category of waste (i.e. liquid and solid waste, hazardous and non-hazardous, waste water, etc.). The WMP must be sent to the EPA-SL and approved by them during their annual audit.

Waste generated by the Company is monitored on stock cards until collection by the recyclers. Monitoring of the quantities is recorded in the HSE monthly report in order to keep tractability of all waste. The recyclers working with the Company are audited during monitoring visits to ensure they are respecting their contract engagement with SAC.

Waste from the processing plant are reused in the field (Empty Fruit Bunch (EFB), ashes, etc.) or for the biomass boiler of the mill (fiber and shells).

Waste water is sent to effluent anaerobic and aerobic ponds called "lagoons" located outside the mill. In 2018, a total of 92 205 m<sup>3</sup> of effluent was sent to the lagoons.

The Company works in close collaboration with the Waste Management Department of Bo District Council, with Welt Hunger Hilfe (WHH), with the Regional Office of the EPA-SL to find approved recycling outlets, and with the Pujehun District Council for the approval of landfill. SAC has built its landfill in 2013 composed with five containers (used to store plastics, metals, electrical and IT waste, small batteries and empty bags), two stores and workshops, four retention areas (for the storage of hazardous products, waste oils and coolants) and a compost hole.

To communicate its waste management strategy, the HSE department is using the following methods:

- 1) Training to all staff having a function linked to hazardous waste management;
- 2) Sensitization of communities by the preparation of Bye-Laws, meetings with chiefs, “Clean Village Competitions”, support to waste management and collection, etc.;
- 3) HSE Minutes on waste management on Thursdays;
- 4) Inductions to new employees and visitors;
- 5) Evaluation of competences of the HSE department staff.

#### d. Protection and enhancement of biodiversity

SAC’s engagement to protect and enhance biodiversity is stated and communicated to its third parties through the Company’s Environmental Policy. The concession comprises of 18 473 ha of land with 12 349 ha of oil palm trees and 6 124 ha of non-planted area which includes; 3 712 ha of swamp, 1 226 ha of greenbelts, 91 ha of tertiary protected forest, 66 ha of reforested areas, 1 037 ha of villages and roads.

The biodiversity management plan prepared by the Ministry of Agriculture, Forestry and Food Security (MAFFS) in 2015 serves as a guide for the Company in terms of biodiversity and ecosystem protection. Examples of SAC’s strategy to enhance biodiversity are the reforestation project of 91 ha planted at the nursery, the collaboration with the MAFFS on report of illegal cuttings in protected forests, the two hectares allocated to the preservation of the threatened species “ Ceiba Pattendra”, the project of 5 bee hives in protected forests and the 5 000 fruits trees forestation with the establishment of nurseries in 5 primary schools to sensitize the young generation on the benefits of fruit tree planting.

However, in addition to this BESIA, SAC engage Montrose to conduct an HCV assessment on his concession which will be then translated into management plans in 2019.

#### e. Air emissions and ambient air

On annual basis, SAC conducts air analysis at the mill’s chimney by an external body recommended by the EPA-SL who are experts in their field from Njala University. Results of this report have shown that emissions levels are within IFC standards. Annual monitoring will be conducted through the following year as the mill will be running on a more frequent basis.

To limit its emissions, the mill is equipped with a biomass boiler that is using by-products from the processing plant. All equipment/machineries are subjected to regular maintenance followed and recorded by the Workshop Manager in its monthly report. The generators and machines are maintained every 250 hours, trucks, tractors, cars are controlled every 5 000 km decreasing pollution risks.

Dust suppression programs are developed during the dry season by spraying water on the busiest roads of the plantation and in Sahn town. Speed controls and tracking systems are put in place to ensure limits are respected (below 60 km/h on roads and 40 km/h in village) to reduce the level of dust emissions during the dry season.

The Company has a non-burning policy to avoid the burning of the windrows, waste and uncontrolled fires in the field. Several projects of reforestation have been done and are ongoing for carbon fixation.

#### f. Materials used

The consumption of all materials is followed on monthly basis by the HSE department and reported to the General Manager. This report gives the details of consumption for all materials used per month (fuel, paper, cement, sand, FFB, inks, water, etc.) with the targets of the Company. Offsets are highlighted and justified by the department concerned that is in charge of readjusting its consumption with an action plan.

Agrochemical usage (fertilizers, herbicides, fungicides and insecticides) are purchased on a need basis.

#### g. Energy

The electricity used by SAC is produced by 10 generators and 10 solar street lights that SAC supplies in the village of Sahn Malen. Power for the mill is provided by a steam boiler that runs on shell and fiber from the FFB. Workplaces are provided with daytime electricity. Compounds and some clinics are provided with day and night electricity.

The total energy consumption for 2018 is 702 431 kWh.

#### h. Impacts on climate change

In terms of rainfalls, 2018 has recorded 2 112 mm of rain in the North and 2 416 mm in the South.

#### i. Preservation of High Conservation Values and High Carbon Stock Forests

The Company has engaged Montrose to conduct a study on HCV assessment. This has been started in 2018 and will be completed by February 2019.

SAC follows Socfin Group commitment to eliminate deforestation and to respect the rights and consent of local communities in all its operations and supply chains. To that purpose SAC commits to:

- Identify, maintain and protect High Carbon Stock (HCS) areas;
- Identify, maintain and protect High Conservation Values (HCV) areas;
- Identify, maintain and protect the peatland areas;
- Respect the right of indigenous populations and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to all operations affecting the land or resources on which they have legal, community or customary rights.



#### **4. Environmental impact assessments**

The environmental impact assessment starts with the identification of all Company's activities, their environmental impacts and aspects and the calculation of their frequency, level of severity, level of control and legal compliance. This calculation gives a total sum that will be considered as a "significant aspect" if above a level established by the Company. Once designated as significant, action plans and environmental performance with responsibilities are identified, addressed and discussed with HOD for validation.

Action plans are approved by the General Manager who releases the required resources to achieve the environmental objectives and targets. The environmental assessment is yearly revisited in management review with every responsible to control the progress and if needed to propose action plans on new significant aspect or to consider new development, activities, products or services.

#### **5. High Conservation Value Studies and High Carbon Stock Approaches (HCV-HCSA)**

SAC has engaged Montrose to conduct a study on HCV assessment. This has been started in 2018 and will be completed by February 2019.

#### **6. Environmental non-compliances**

The HSE department is audited four times a year by the EPA-SL and twice with the ISO 14001 certification (internal audit and certification audit). Non-conformities to the EPA-SL and ISO related audits are recorded in an action board and monitored by the HSE Manager.

In 2018, 96 non-conformities have been recorded of which 59 have been resolved and 37 were in progress at the end of the year. The increase of record of non-conformities is explained by the improvement of the environmental management system, by SAC objective for continual improvement and by the involvement of all departments to record deviances to the procedures and implement mitigation measures to strengthen the management system. No major non-conformities have been recorded. Sources of these non-conformities were linked to the EMS (documents, interpretation of results, dates on documents, certificates missing, etc.) and to the field (waste management, storage, temperature and noise, etc.). A lot of non-conformities have been opened at the end of the year with the findings of the internal audit.

#### **7. Programs and plans (existing and developed this year)**

The Company follows the EPA-SL Act (2010) requirements which states that an Environmental Management Plan (EMP) comprising the Company's environmental impacts with appropriate mitigation measures must be sent to their agency on a quarterly basis.

In 2018, the environmental action plans of the Company were divided in the following five main objectives:

- 1) To continuously compile its efforts to decrease its needs of energy and natural resources;
- 2) To implement mitigation measures to reduce the risks of pollution from its activities;
- 3) Comply with applicable laws, regulations and other requirements;
- 4) Ensure and encourage fair and transparent communication and open dialogue with working staff and collaborators;

- 5) Promote a safe and healthy workplace.

These objectives have been completed with 72% attainment. The balance of actions that has not been completed was discussed in management review and placed as significant aspect for 2019.

## 8. Achievements

The main achievement in term of environmental management in 2018 is the successful renewal of the EIA license provided by the EPA-SL and the certification ISO 14001 with the improvement on reporting and action plans implementation.

## 9. Trainings

The planning and organization of training/retraining is approved on a yearly basis at the Management Review by all managers. Each department must provide/review its training list according to the needs observed during the year, the type of operations and the level of competences.

The surveillance and management of this training calendar (support, attendance list, contents, evaluation of competences, etc.) is managed by the HSE department which prepares a yearly Training Calendar and reports on a monthly basis on the non-conformities observed against this planning. The details of training for the year 2018 are described above in chapter 7 “Training and Sensitization” page 31.

In 2018, SAC has implemented an evaluation of competences which aims to conduct spontaneous controls of training competences on all operation sites on random workers. During this evaluation, a test is conducted with scores; in 2018; 31 persons have been controlled with 2 that failed their tests. These evaluations serve the Company to also evaluate their facilitator in charge of the training (tools used for the training, language, etc.).

## 10. Monitoring

At the end of 2018, SAC counted 51 procedures to support its environmental management system. The communication, implementation and control of Standard Operation Procedure (SOP)'s are the responsibility of the HSE department which is externally audited by the EPA-SL and internally audited with the ISO 14001 certification as described above in chapter 6.

In 2018, the following results have been compiled in the monthly reports:

- 1) Planting: no additional planting of oil palm trees has been done in 2018. The concession remains 18 473 ha with 12 349 ha of oil palm trees, 3 712 ha of swamp, 1 226 ha of greenbelts, 91 ha of tertiary protected forest, 66 ha of reforested areas, 1 037 ha of villages and roads;
- 2) Quality Analysis: 2 air analysis, 21 soil analysis, 288 noise measurements and 60 water analyses have been conducted in boreholes, water wells, rivers effluents points;
- 3) Communication: 171 internal meetings with 4 487 participants and 146 external meeting with a total of 4 556 participants have been organized;
- 4) Audits: some 4 audits from the EPA-SL, 5 from the MLSS, 1 from the Standard Bureau (calibration Body), 2 on ISO 14001, 2 store audits from BDO (Binder Dijker Otte), 8 from the Ministry of Water Resources, 5 from the NASSIT, etc;

- 5) CSR: a total amount of 372 553 USD has been spent for the support of Corporate Social Responsibility (CSR) projects and communities as well as general assistance to the District (Council, Police, Military, MAFFS, Ministry of Education, District Office, etc.);
- 6) Forestation: 5 000 fruit trees have been placed in nursery for planting in schools, 22.2 ha of afforestation was done with a total of 4 018 trees (Acacia, Melina, Cashew nuts, etc.);
- 7) Waste Management; a total of 18 525 kg (plastics, iron, cans, tins, etc.), 163 637 pieces (glasses, tires, tools, cartridges, etc.) have been collected by a registered dealer for a total benefit of 6 859 USD.

### 11. Number of environmental accidents (details)

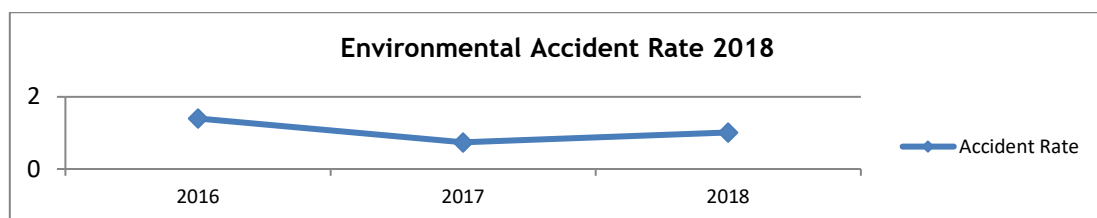
In 2018, 36 minor environmental accidents have been recorded with 31 resolved and 5 in progress.

### 12. Environmental accident rate for 200 000 hours of work

Considering the total of environmental accidents for 2018 and the total amount of work days, SAC environmental accidental rate per 200 000 hours work is 1.01.

### 13. Evolution over the time

The evolution over time of the environmental accident rate is stagnant as shown in the table below. An increase of the rate is observed due to the mill and the plantation being in full production (milling increase, harvesting, transportation of fruits, loading operations...). However, this rate increase is also due to the improvement of SAC record of accidents and mitigation measures.



### 14. Relations with Government / administrations

In 2018 around 146 meetings (4 556 participants) have been organized with 49 meetings with communities, 48 with the Government, 6 with NGO's, 20 with suppliers and 3 with the media. The increase of this amount from 2017 is due to SAC objective to improve its communication with its stakeholders and its recording methodology (attendance list, minutes of meetings, record of issues raised, action plans on observations...).

The HSE and community liaison departments meet regularly with several stakeholders such as the communities, the MWR, the MAFFS, the EPA-SL, the Sierra Leone House of Parliament, the Sierra Leone Road Safety Authority, the National Fire Force, the MLSS, etc.

On a monthly basis, meetings are organized with the MWR in Pujehun to share figures and projects on Water, Sanitation and Hygiene (WASH meetings). The forestry officer of the MAFFS meets the HSE manager on the reforestation projects, the Forest Nursery and the HCV areas.

Every quarter the EPA-SL conducts an audit on the plantation to monitor the compliance with the environmental impact assessment license and the implementation of the environmental management plan.

Regular meetings are organized with the Sierra Leone Road Safety Authority in order to promote safety on the road and reduce the quantity of accidents. Ongoing collaboration with the Waste Management department of the Bo District Council who develops a recycling program in collaboration with Welt Hunger Hilfe (WHH).

### **15. Environmental aspects in the supply chain (training, audits, etc.)**

SAC shared its commitments and exigencies to its supply chain by the communication of the Environmental policy which is signed by all contractors and suppliers working with the Company. Negligence and non-compliance from third parties are reported to the General Manager and HSE Manager in charge of taking action against the party concerned. Records of misconduct are filed by the HSE Manager.

All suppliers and contractors have been informed on the environmental and social aspects through inductions and the signature of the Company policy. Spontaneous audits are conducted to suppliers, recyclers and contractors to ensure compliance of the Company's requirements.

The Company keeps a traceability of all documents linked to its suppliers and contractors including:

- An updated copy of the supplier' business registration or certificate;
- The Company's "Preferred Supplier Agreement";
- The HSE Policy for suppliers;
- Warnings in case of non-respect of the contract requirements.

### **16. Objective for the next year**

SAC will conduct an ISO 14001:2015 audit in February 2019 in order to maintain certification. Additionally, the Company aims to continue its progress into the RSPO implementation process through putting in place HCV monitoring plans and develop best management practices.

## VII. Contribution to local development

### 1. Local partners

#### a. Subcontractors

The Company respects the Local Content Policy of Sierra Leone by promoting partnerships with local partners in various areas such as:

- 1) Contracting local contractors to carry out plantation work employing up to 600 people;
- 2) The collection and recycling of the waste (plastic, metals, rubber materials, electrical and plumbing waste, IT equipment's, etc.);
- 3) All security personnel are contracted by Sharp Security Services which is a local partner Company based in Freetown;
- 4) Fuel is provided by Sierraphil at the Sahn Malen Fuel Station in Sahn Malen which is a local company;
- 5) CPO is transported by local company and local sales are to two main local traders who distribute in Sierra Leone;
- 6) Local initiatives are promoted in terms of suppliers such as the purchase of the Company's uniforms from a tailor in Sahn Malen amounting to over 30 000 USD to this one local supplier alone in Sahn Malen, providing empowerment and jobs.

#### b. Stakeholders engagement plan

A Stakeholder Engagement Plan (SEP) has been developed to maintain a two-way dialogue with stakeholders to ensure awareness and efficient management of their concerns. The SEP is a living plan, reviewed at least once a year in Management Review where major grievances are addressed to and discussed with managers.

As part of its ISO 14001 requirements, the Company has identified all its interested parties with the definitions of their needs and the impacts generated by SAC on their activities. All interested parties (communities, chiefdom authorities, police, SAC employees, ministries, customers, shareholders, associations, unions, etc.) are evaluated by a level of requirements to which SAC must comply (certificate, licences, agreement, bye-laws, monthly reports, etc.).

### 2. Community development plan

The Company's Community Development Action Plan (CDAP) defines the Company strategy for the period 2016 to 2021. Effective community development helps to establish sustainable relationships and alliances between plantations, communities and governments. The CDAP aims to provide guidance on the implementation of short, medium and long-term investment in the communities surrounding the plantation. The CDAP is divided in two phases, which are the short-term investment, or "preliminary phase", and the long term or "ongoing phase".

Short-term community investment are the mitigation measures detailed in the Environmental and Social Health Impact Assessment (ESHIA) report made in 2011, with medium and long-term commitments developed in collaboration with local communities, following the Public Disclosure of the ESHIA. This is a living document that should be referred to and updated on a regular basis by the Community Liaison Officers and the HSE department.

The first phase includes working with local stakeholders to design and implement livelihood and economic diversification programs, developing partnerships to implement health programs, with a focus on HIV/AIDS and malaria, and the development of community infrastructure. The long-term phase compiles the “ongoing” measures implemented by the Company which focuses on:

- Livelihood diversification: local livelihoods are rural based and dependent on farming, fishing and forestry. SAC have committed to assisting in the diversification of local livelihoods through the implementation of small-scale projects. In 2018, SAC allocated 57 375 USD to the annual rice cultivation scheme been developed for the development of other livelihood diversification schemes (Ploughing and harrowing of 605 acres of boliland, provision of 822 bushels to boliland farmers, Provision of 822 bushels seed rice to boli land farmers, provision of 480 bushels of Inland Valley Swamps (IVS) seed rice to swamp farmers, etc.);



12.12.2018 - Rice Cultivation Project in Hongai

- Education: SAC is committed to increasing local educational standards through the delivery of local training programs catering for a range of skills (i.e. hygiene promotion, waste management, fire exercises, Malaria and HIV World Day, etc.);
- Sanitation: SAC has committed to installing water wells and latrines in communities with training of a local representative in the repair of water wells to ensure autonomy and continuous management. Analysis on the water quality is conducted on annual basis by the company on all water wells used in the village in order to ensure portability of the water consumed;
- Health: improvements to health care is a key focus area for SAC’s CDAP. Specific measures include an emergency line and ambulance for transporting local community members to hospital, working closely with the MoHS on awareness programs in relation to HIV/AIDs and malaria;
- Road infrastructure: the Company is maintaining the roads inside the Malen Chiefdom including the roads leading to the concession from Pujehun to Sahn Malen and from Koribundu to Sahn Malen;



- Communication: the Company built a community radio station in 2018 which provides communities with local news, programs and interests of the Chiefdom. The radio station is loved by everyone.



14.10.2018 - Radio Station in Sahn Malen

Several of the community development initiatives outlined above will continue until 2021, including the provision of emergency response vehicle and telephone line. Special care will be taken to ensure that vulnerable groups, including women, are part of this engagement process and that all voices are heard. As already stated, investment packages for the other communities will be planned to ensure that the community development program is as far reaching as possible.

### **3. Neighbourly relations with local communities**

SAC built a strong social commitment in the Malen Chiefdom by encouraging and maintaining an open and cordial working relationship within its concession due to the creation of the Social and Grievance Committee and organizing an end of the Year Party for all its 3 365 employees.

In 2011, a Social and Grievance Committee was founded. It is chaired by the Paramount Chief P.C. B.V.S. Kebbie III (in his absence the Chieftom Speaker) and composed by the stakeholders of the Malen Chieftom (Town and Section Chiefs, District Representatives, Women and Youth Leaders, etc.). This committee meets every month with the General Manager, the Human Resources Manager and the CLD to discuss pertinent issues, enhance communication, approach and resolve grievances, etc. This committee selected a sub-committee who is in charge of the proposition, prioritization and planning of the Corporate Social Responsibility (CSR) Projects to be discussed and implemented by the Company. During such meetings, reviews will be made of the progress of on-going and committed projects in their respective areas to ensure that they are being done in the way and manner planned, and to discuss any occurrences that may necessitate changes in plans.

Additionally, SAC employs full time Community Liaison Officers (Mende speaking) responsible for managing communication and relations with stakeholders. These officers have experience of communication and liaising with communities and are reporting directly to the General Manager on consultation, grievances, results and progress, either successful or unsuccessful, and with ideas or impacts relating to the project. This department is known around the workforce via HSE Minutes and Induction and around the communities by regular visits to villages and communities. At the end of 2018, SAC engaged two additional officers who are in charge of the management of the HCV and the communication of the implementation of RSPO inside the communities. Land disputes that may arise are handled by the Liaison Officers first and where necessary, the social and grievance committee will intervene. This forum is also used to address issues of this nature and decide on Corporate Social Responsibility programs.

Two members of the liaison team sit on the social and grievance committee. All social and grievance committee meetings have minutes and attendances signed. Issues linked to neighbouring populations are recorded in the external grievance logging file.



12.12.2018 - Stakeholder Meeting at Sahun

#### a. Access to health and education for communities

Inside the concession, there are 52 communities' villages with 25 public schools and 7 Public Health Units (PHU). Sahn Malen being the capital of Malen Chiefdom is the biggest in the plantation with a police station, bars and restaurants, a Community Health Center (CHC), SAC offices and the House of the Paramount Chief.

Section	Quantity of villages	Village Names
Bahoin	7	Semabu, Sinjo, Massao, Walleh, Kortumahun, Taneinehun, Sembehun 2
Kakpanda	7	Libbie, Taninahun, Bendu Junction, Bendu, Borbuwa, Borbuwlo, Blamawulo
Kemoh	3	Nianyahun, Saahun, Jumbu
Korwa	7	Ngiema, Basalleh, Sahn, Ngiyehun, Borbu, Bombohun, Macca
Lower Pemba	5	Gboyama, Sembehun 1, Gandorhun, Bomuvulahun, Malay
Seijeila	5	Bamba, Hongai, Gangama, Hinai, Gambia
Taukunor	14	Senehun, Jolahun, Njaluahun, Kpangba, Kpangba Junction, Fakaba, Banaleh, Kanga, Jombohun, Gbongboma, Potain, Kassay, Kpombu, Mornogor
Upper Pemba	4	Manowulo, Kpanguma, Sengema, Tissana

#### b. Energy and water supply

In 2018, the Company repaired 64 wells from January to December. 3 new toilet buildings at Nanyahun and Potain have been built including VIP toilets for chiefdom authorities with 1 repaired at Kassay. The total budget spent by SAC in water supplies in 2018 is 8 380 USD.

#### c. Opening and maintenance of roads

In 2018, SAC spent 106 727 USD in the maintenance of roads. This cost includes the repair and running costs of the use of the machines (excavators, graders, dozers, dumpers, compactor, etc.). Around 42 km of public roads have been rehabilitated from Koribundu to Sahn Malen. Several roads have been repaired with the replacement of culverts and the repair/construction of bridges to access villages as requested in the Social and Grievance Committee Meetings.

#### d. Donations

Socfin provided a donation of rice during Ramadan for a value of 3 727 USD and around 600 USD to the Ministry of Agriculture for the Food World Day. Various supports have been provided to the Malen communities and District for a total amount of 372 553 USD in 2018.

## 4. Partners in local development projects

### a. With communities

The Company benefits some strategic partnerships with communities, government, NGOs and other stakeholders which involve joint activities and collaborative efforts based on a common interest. The list of partnerships and stakeholders with the assessment of the viability and effectiveness of potential partnership is among the Stakeholders Engagement Plan (SEP) such as the following:

- Partnership with the Ministry of Health and Sanitation through the organization of environmental sensitization in primary and secondary schools in Malen Chiefdom;
- The Company is sharing common objectives with the MAFFS by the development of rice cultivation, beehives, protected forest and reforestation projects;
- Partnership with the Pujehun District Council via financial support or in-kind resources to ensure and secure an ongoing health care for the Malen Chiefdom;
- Partnership with the MWR through the implementation of water quality sensitization in villages, the organization of water well chlorination and the sharing of information regarding the water quality monitoring, the water wells and boreholes GPS data;
- Partnership with Njala University via several internships to assist students in practical learning;
- Partnership with HIV associations (Eyes SL) and the National HIV/AIDS Secretariat for the commemoration of the World Aids Day;
- Partnership with Worldvision inside the community's relationships (Ebola prevention, wells maintenance, etc.);
- Partnership with Peace Core by the creation of Nature Clubs in schools and other projects linked to the education and pupils' sensitizations.



01.12.2018 - HIV Commemoration: Partnership SAC - Eyes - MoHS

The Company expensed 372 553 USD in 2018 for the financial support to communities.



## **VIII. Internal and external communication**

### **1. Strengthening internal communication**

In 2018, SAC has published its SAC News on quarterly basis. This newsletter aims to give an overview of all SAC operations to all departments.

Also, in 2018, SAC improved its internal communication by increasing its communication of procedures and policies to its staff and conducting random control on the level of knowledge of its staff on these requirements.

### **2. Strengthening external communication**

In 2018 SAC has built a community radio station which will be used extensively to communicate with both internal and external audiences. The radio station is a community project requested by Sahn Malen town to develop communication inside the Malen Chiefdom on various topics. SAC assisted the community with the construction and will engage the radio for the sharing of communication (public holiday announcement, advertisements, World's Days sensitization (Malaria, HIV, Safe Workplace...), etc.).

### **3. External communication results**

In some Facebook publications over 70 000 people are reached and over 6 000 likes received on published stories which mainly pertain to CSR work carried out.

At the end of 2018, SAC Facebook page has 11 920 fans, an increase of 3000 more than last year.

Over the Malen Community radio SAC provides updates of information about the Company, which provides listeners with details about Company policy and any changes that may happen.

## IX. Objectives and perspectives 2019-2020-2021

SAC has a strategic plan to develop the plantation into a sustainable and profitable project... Additionally, commercial, social and environmental plans are as follows:

- In 2019 onwards, great awareness of all plantation activities and information will be possible with the building and commissioning of a community radio station;
- An additional boiler with a capacity of 30 T/h will be installed in the mill in 2019;
- In 2019 a 155 Kva solar plant will be installed at Hongai reducing fossil fuel requirements by using green energy;
- Centralizing the power generation and distribution to the main consumers on the plantation (workshops, houses, offices, and construction) will be done using a 33 kva line. This project will be realized in 2021. This will allow power to be supplied by the turbine generator and reduce fossil fuel consumption bringing an enormous saving to the Company;
- The extension of the mill to 60 T/h will take start in 2019 and be completed by 2021.



## X. Glossary

BDO	Binder Dijker Otte
BECE	Basic Education Certificate Examination
BESIA	Biodiversity and Ecosystem Services Impact Assessment
BMP	Biodiversity Management Plan
CAPPA	Commercial Agricultural Producers & Processors Association
CBA	Collective Bargaining Agreement
CDP	Community Development Action Plan
CLO	Community Liaison Officer
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DMO	District Medical Officer
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMS	Environmental Management System
EPA-SL	Environment Protection Agency of Sierra Leone
ERM	Environmental Resources Management
ESA	Environmental Significant Aspects
ESHIA	Environmental, Social and Health Impact Assessment
FFB	Fresh Fruit Bunches
FPIC	Free Prior and Informed Consent
GM	General Manager
GST	Good and Services Tax
Ha	Hectares
HCS	High Carbon Stock
HCV	High Conservation Value
HCVA	High Conservation Value Area
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HR	Human Resources
HSE	Health Safety & Environment
IFC	International Finance Cooperation
ISO	International Standard Organization
IVS	Inland Valley Swamps
MAFFS	Ministry of Agriculture, Forestry and Food Security
MJSS	Malen Junior Secondary School
MLSS	Ministry of Labour and Social Security
MLSS	Ministry of Labour and Social Security

MOHS	Ministry of Health and Sanitation
MOU	Memorandum of Understanding
MWR	Ministry of Water Resources
NASSIT	National Social Security and Insurance Trust
NPSE	National Primary School Exams
NGO	Non-Gouvernemental Organization
OH&S	Occupational Health and Safety
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SAC	Socfin Agricultural Company
SEP	Stakeholder Engagement Plan
SOP	Standard Operating Procedure
TFT/EF	The Forest Trust/Earthworm Foundation
WASH	Water, Sanitation and Hygiene
WHH	Welt Hunger Hilfe
WHT	Withholding Tax
WMP	Waste Management Plan