

Socfin Agricultural Company



Sustainability report 2017

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¹ The legend of all pictures of this report is placed in annex.

I. Introduction

1. Message from the General Manager

SAC has now transitioned from a green field project to production and in 2017 the Company produced ten thousand tons of Crude palm Oil. Great strides have been made over the last 5 years to establish the plantation which now has an excellent infrastructure.

The establishment of the 12,349 Ha plantation in Sierra Leone was completed in 2015 and the last planted area will begin production in 2018. SAC was certified ISO 14001 and has successfully passed its first follow-up audit in 2017.

SAC continues to be a major player in the Sierra Leonean agricultural sector and was one of the founding company's who set up an association to bring a collective strength of common goals and be the mouth piece for companies. The Association called Commercial Agricultural Producers & Processors Association (CAPPA) www.cappasl.org was finalized in the early part of 2017 and in the annual general meeting held in December the General Manager of SAC was elected Chairman for 2018.

SAC is well known with Government and is seen to be the leader in commercial agriculture in Sierra Leone. Large challenges still remain with poor and expensive port facilities. In 2018 the construction of a bulk port facility will be made to enable bulk exports to start. Exports to date have been done using flexi tanks for which SAC was the first in the Group to use them on a large scale basis. The transition of flexi tank exports to bulk will transition in 2018.



Philip Tonks, SAC General Manager

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

The project operates in 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) with management plan in place.

SAC's ESHIA was realized 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) serves 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, social 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 (EPA-SL);
- Quarterly Audit conducted by the EPA-SL;
- Annual Environmental Impact Assessment Licence;
- Annual Corporate and Social Responsibility Report Description for Ministries;
- 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 palm oil plantation of 12,349 Ha and processing plant, started in 2011 following the conclusion of the agreement on the project proposal with the Government of Sierra Leone and agreement on the land acquisition with the Chiefdom and landowners. The organization's activities are divided into two main categories which are « Maintenance » and « Production ».

The maintenance's category concerns all supporting activities; i.e. support areas such as the repair of the vehicles, agronomy support including slashing, weeding, pruning, the application of fertilizers and agro chemicals to palm trees and the waste management, etc. Production's activities are the harvesting, the transport of fruits, the processing of fruit in mill, the maintenance of the mill, etc.

The mill has a capacity of processing 30 tons (t) 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 1.2MW powered turbine generator. Produced palm oil is stored in tanks on site. Storage capacity is two 2,000 ton tanks and one production tank of 200 tons providing a total capacity of 4,200 tons (t). In 2018 an additional tank will be installed of 2,700 ton capacity.

The plantation has developed around employing local people from communities to work in the plantation. The majority of the employees are therefore living in their own villages and have a short commute home and to work. Over 3,500 people are engaged to support plantation operations, SAC being one of the largest private employers in Sierra Leone. Senior staff and Mill workers are housed in company-provided accommodations called "compounds". SAC management staff comprises of 11 expatriate and 5 local people with more local management being trained.



The 52 communities are not managed by the Company, although support is provided through sensitization programs and “Corporate Social Responsibilities” projects such as water wells, public toilets, community Barry’s, an administration and drug store for the local health center, electrification of a rural health post, football fields, street lights for the town, a large mosque, mechanical rice cultivation and in-valley swamp rice production, three constructed schools, schools rehabilitation, assistance support to teachers, new roads and access to villages, to name but a few.

The monitoring of the CSR projects, the surveillance of the open dialogue with communities and the control of environmental and social issues are managed by the Community Liaison Department (CLD) and the Health, Safety and Environment (HSE) Department comprised of 20 employees.

In terms of Health facilities, there is a government Health Center managed by a full-time Health Officer and nursing staff. The Company supports medical services through supporting all costs for workers and their families, and emergency services by providing an Ambulance and fuel for it, power and water to the main health centre, an Emergency Line, Fire Fighting Team, First Aid Team, Evacuation Procedures, etc.).



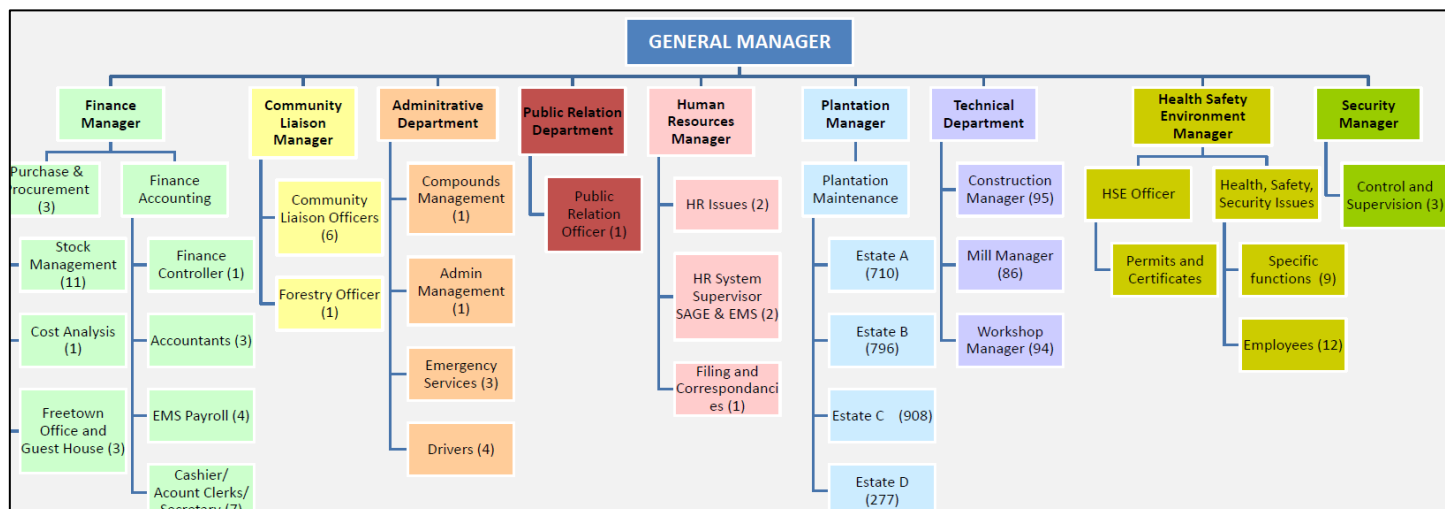
4. Geographical presence in the country

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 2017.



6. Capital structure (Shareholding)

Socfin Agricultural Company SL LTD Limited Liability Company has two shareholders, the main shareholder being SocfinFR with 93% shareholding and Agrifinal with 7% shareholding. With the last phase of planting in 2015 the project has reached its final size of 12 349 Ha of palm oil plantation.

7. Key dates

2011	Land Compensation and Starting of Operations
January-June 2011	Environmental and Social Impact Assessment (ESIA) and Public Disclosure
April - August 2012	Planting of the first Estate called "Estate A"
April - August 2013	Planting of the second Estate called "Estate B"
December 2013	Creation of SAC internal Newspaper called "SAC News" publish every quarter
April - August 2014	Planting of the third Estate called "Estate C"
April - August 2015	Planting of the fourth Estate called "Estate D"
2013 - 2015	Construction of the Mill
July 2014	Completion of the building of Sahn Malen Mosque
November 2014	First "Protected Forest" established in the Plantation
02 December 2014	Unanimous ratification of the MOU between the Company and the Sierra Leonean Government
December 2014	Collaboration with the Phone Company AFRICEL to improve the communication and ensure phone coverage in the Malen Chiefdom
14 February 2015	Organization of the Village Health Competition
March 2015	Beginning of the processing of FFB in Estate A
March 2015	Construction of the Workers Entertainment Center: the Canteen
March 2015	Official Opening of the GTBank built by the Company
June 2015	Inauguration of the extension of the Health Center of Sahn Malen
June 2015	ERM Assessment against IFC and RSPO Standards
October 2015	Creation of the Forest Nursery
November 2015	Biodiversity and Ecosystem Services Impact Assessment (BESIA) and Biodiversity Management Plan (BMP)

December 2015	Waste Management Plan (WMP) Study
18 December 2015	Official Ending Date of the presence of the Ebola Virus in Sierra Leone
February 2016	Beginning of the construction of 2 Health Posts in Malen Chiefdom
March 2016	Starting of Micro credit fund of 45 million leone
April 2016	Commissioning of the Mill
May 2016	Beginning of the Harvesting in Estate B
May 2016	Construction of Fish Ponds and Aquaculture projects
June 2016	41 Socfin scholarships were awarded
August 2016	Completion of reforestation projects of 8,000 trees
September 2016	Commissioning of Sieraphil Fuel Station in Sahn Malen
December 2016	SAC's End of the Year Party with 4000 attendees
April 2017	ISO 14001 :2004 Certificate by Bureau Veritas
November 2017	Fruits Trees reforestation project in 5 schools and Bee Hives in PF's
December 2017	ISO 14001 :2015 Certificate by Bureau Veritas

II. Economic performance in figures

1. Turnover and planted area by type of crop

The plantation of SAC is composed by four estates planted from the South to the North within a period of four years, from 2012 to 2015. Estate A comprised 3,002 ha, Estate B 3,905 ha, Estate C 3,995 ha and Estate D 1,447 ha. The Company produced ten thousand tons of palm oil and was able to sell 8,880 tons.



2. Palm oil and palm kernel productions

At the end of the year 2017 some 500 persons per day were employed in the palm oil production operations with 92 attached at the Mill and 408 in field operations. Throughout the year, the total FFB delivered and processed at the mill was 49,735 tons against 14,756 tons in 2016.

3. Research and development projects

In 2018, SAC will install a 155Kva solar plant at the management compound in Hongai as part of the Company's goals to reduce the burning of fossil fuels and move to green energy generation.

4. Impacts of climate change on operations

In terms of rainfalls, 2017 has recorded 3,234 mm of rain in the north and 3,640 mm in the south against 2,331 mm in 2015. The low volume of rainfall in 2015 (2,331 mm) has impacted the production of 2016.

5. Objectives and Perspectives

The key aim and objective in 2018 is to move into production in Estate A, B, C and D and generate the necessary revenues to support SAC's own costs within the respect of the ISO 14001 certification.



III. Responsible governance


1. Governance structure and management approach

SAC is managed by a General Manager at the head of 9 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,
- ...

2. Policies, charters and code of conduct

The Company has developed an HSE policy outlining its engagement in terms of environmental and social impacts and mitigation measures, safety of its employees and legal compliance. This policy is communicated to all employees and signed by all its third parties. Code of conduct has been determined by the Human Resources Manager and is communicated to all employees.

	ENVIRONMENTAL POLICY STATEMENT	Reference POL_001_P1
<p>Health and Safety issues are of paramount importance to Socfin Agricultural Company (SAC). The welfare of its employees and contractors is such that the Company wants them to work and live in a safe environment; this is a priority for the Company.</p> <p>The conservation of natural resources and biodiversity is an integral part of the Company's values. SAC commits to constantly improve its agricultural practices by identifying, prevent and minimize the environmental impact (pollution of water, ground and air emissions of greenhouse gases...) of its activities on biodiversity and local communities with the aim of higher yields utilizing a minimum of inputs and natural resources.</p> <p>Considering the impacts of the Company's operations on the biotope, protection of the environment and conservation of natural resources and biodiversity has become a pillar of social responsibility for the business. Therefore the Company has decided to be certified following the ISO 14001 standard for the entire of its activities.</p> <p>The Company engages itself to:</p> <ul style="list-style-type: none"> - Continuously compile its efforts to decrease its needs of energy and natural resources by: <ul style="list-style-type: none"> o Installing water meters to monitor 100% of the water used; o Recording the water and fuel consumption on monthly basis following determined indicators; o Reporting the gaps and deviations on Monthly Pilot Report to every manager and monitor all corrective actions developed per department; o Obtain traceability for 100% of its raw materials supplies; o Identify, maintain and protect High Carbon Stock (HCS) and High Conservation Values (HCV) areas. - Implement mitigation measures to reduce the risks of pollution from its activities by: <ul style="list-style-type: none"> o Having all spraying staff trained and aware on the risks and hazards of chemicals; o Implementing preventive maintenance on Air Conditioners with a monthly report; o Suppressing the dust by spraying water to limit footprints of wind-blown surfaces; o Managing, sorting, reusing and recycling all waste generated by the Company. - Comply with the local and international laws, regulations and other requirements applicable to its operations. - Encourage and maintain fair and transparent communication and open dialogue with its interested parties by: <ul style="list-style-type: none"> o Respecting and supporting the Universal Declaration of Human Rights; o Respecting the rights and consent of local communities in all its operations and supply chains; o Consulting and collaborating with all the relevant stakeholders (internal and externally); o Implementing an open, transparent and consultative grievance management mechanism. - Promote a safe and healthy workplace by: <ul style="list-style-type: none"> o Recognising and respecting the rights of all workers and local communities; o Preventing and reducing of work accidents; o Informing the employees on the risks of accidents and environmental degradation; o Displaying HSE Notice Boards at all workplaces with the identification of: <ul style="list-style-type: none"> ▪ Hazards, precautions and prohibition signs; ▪ Emergency Services, Situations and Plan and Work Related Instructions. o Supporting and encouraging its suppliers and contractors to implement this policy. o Sensitizing the employees on their social and environmental responsibilities via: <ul style="list-style-type: none"> ▪ Training of employees to prevent accidents and pollution; ▪ Thursdays "HSE Minutes" on various safety topics. <p>The Employees engage themselves to adhere to the safety and environmental protection principles by:</p> <ul style="list-style-type: none"> o Respecting the Company safety and environmental regulations and documented information; o Respecting the safety and environmental instructions and signs of the Company; o Reporting the dangers and helping on risk prevention at the workplace. <p>The General Manager engages himself to support and promote this Environmental Policy by controlling and managing its implementation, respect and efficiency, by fixing and reviewing yearly objectives and goals and by making available the human and financial resources necessary for the proper implementation of this policy. The General Manager assumes his environmental responsibility by engaging himself to promote the use of appropriate best practices in agriculture, to be aware on the potential of renewable energy sources, to conduct continuous improvement on biodiversity protection and to promote a safe and healthy work environment where each worker can feel secure.</p> <p style="text-align: right;">..... 23-11-17 Dated and signed by the General Manager</p> <p>Creation: 28 February 2014 Revision: 21 November 2017 Revision Status: 7</p>		

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 review which compiles the legal and other requirements and ratified documents with a short description of the Law or Text, the type of document, the availability of the document (with its web link when possible), the applicability of the law for the Company and when applying the compliance of the Company (details, evidence, date of analysis, etc.).

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. In addition, internal policies have been established by the Company to ensure consideration of interested parties' requirements, compliance, implementation and respect to the employees, the communities of the Malen Chiefdom and their environment.

Valid permits	Issue date	Expiry date	Law
MOU - Memorandum of Understanding	24-09-12	/	Ministry of Finance and Economic Development
EIA License (Environmental Impact Assessment License)	05-01-12	/	EPA-SL Act, 2008 amended in 2010
EIA License (Annual Renewal)	19-01-13	18-01-19	EPA-SL Act, 2008 amended in 2010
Certificate of Business Registration	01-09-10	/	The Business Registration Act, NO. 18/2007
Sub Lease Agreement (A)	1-11-12	30-10-60	The Government of Sierra Leone
Sub Lease Agreement (B)	01-10-13	30-0-62	The Government of Sierra Leone
Sub Lease Agreement (C)	1-11-13	31-10-63	The Government of Sierra Leone
Certificate of Registration of a Factory <ul style="list-style-type: none"> - Processing of Palm Fruits to Produce Palm Oil Kernels - Mechanical Workshop - Water Treatment Plan - Motor Vehicle Maintenance 	01-01-15	31-12-18	The Factory Act, NO. 3/1974

b. Fight against child labor

SAC official age of employment is 18 years and beyond which 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 controlled at the payment of salary to avoid any disrespect to this policy and identity fraud.

SAC shared its commitments and exigencies to its supply chain by the communication of the 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 filing by the HSE Manager.

c. Fight against forced or compulsory labor

The HSE Policy, signed by all suppliers and contractors, states on the Company's environmental responsibilities, occupational health and safety objectives, child labor, forced labor to name some. This policy and the Code of Conduct for employee are communicated to all employees via trainings and HSE minutes.

d. Fight against corruption

The HSE Policy, signed by all suppliers and contractors, states on the need of transparent communication and open dialogue. Minutes of meetings and all other type of communication are recorded to ensure tractability with SAC interested parties.

e. Anti-competitive behavior

SAC demands invoices for all its goods and services and pays the GST or WHT taxes to ensure compliance with collection of taxation.

f. Social contributions (pensions, occupational accidents, associations, unions)

SAC follows the legal obligations to contribute to the social security of the country. The National Social Security and Insurance Trust (Nassit) corresponds at 5% of the Basic Salary of Employee and the Employer Pays 10% of the Basic Salary to Nassit on monthly basis for each permanent employee.

In terms of occupational accidents, the Company follows the Workmen's Compensation Act by taking immediate responsibility for medication, by organizing a medical insurance and compensation in case of industrial accidents involving a worker when it occurs. On a quarterly basis, a report on work accidents is sent to the Environmental Protection Agency.

In December 2017 SAC commissioned the Ministry of Labour and Social Security (MLSS) to conduct training on the safety and the risks of accidents at the workplaces to 150 employees.



g. Compliance with labor laws (associations, unions)

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

In terms of communication, SAC communicates with the communities, government officers, media, and also with the Labour Officers on various issues by;

- Reporting Industrial Accidents to the Ministry of Labour,
- Attending Industrial related meetings,
- Exchanging correspondences via emails and mobile phones as and when necessary with Labour Officers
- Receiving feedback with recommendations on relevant Industrial matters

As and when necessary, Labour Officers carry out audit on the HR Department and by extension the company for labour laws compliance. EPA SL also audit the Company's operations on approved environmental compliances, hence the license is renew every year.



SAC is in fully compliant with labour laws thereby using the Employer and Employee Act by Government of Sierra Leone, the Government Gazette, Legislations, the Local content Act, the Child Labour Act, the CBA, the workers constitution, etc. as working document to maintain standards.

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 does provide medical facilities for employees and their dependents. SAC provides an ambulance services to collect from homes, place of work and hospitals, drop off from hospitals and respective homes. Permanent employees are covered by the Company for all medical costs whilst all other categories of workers are fully covered for work accidents.

4. Voluntary compliance with other standards

a. RSPO

In 2015, SAC has commissioned “Environmental Resources Management” (ERM) to conduct an assessment of its operations against the environmental and social requirements of the IFC Performance Standards (2012) and RSPO Principles (2013) with the goal to identify areas for improvement.

This assessment aimed to provide a gap analysis and action plan against the requirements of the IFC Performance Standards, HSE Guidelines, RSPO and National Laws and Regulation. The gap analysis was based on documentation review, field inspections, and consultations with SAC's management, local communities (internal and external), workers, small holders and out growers.

In 2017, SAC has revised the status of its action against RSPO with the planning of action plan and trainings in 2018.

b. ISO 14001

SAC has been audited by Bureau Veritas for ISO 14001:2004 in December 2016 and certified in May 2017. In 2017, the Company worked to keep its certification and prepare itself for the transition audit from the ISO 14001:2004 version to ISO 14001:2015 version.

To support its Environmental Management System (EMS) the Company has prepared an environmental assessment for all its scope of activities in order to determine its environmental impacts and environmental significant aspects. Every year, an environmental program is set up, revised, readjust and approved in a 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 HSE policy, procedures and trainings.

c. OHSAS 18001

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

d. High Carbon Stock approach (HCS)

As part of the high carbon stock approach the Company follows a « no-deforestation » policy with a reforestation program supported by the MAFFS. In this program, as requested by the Ministry, two hectares have been allocated to the preservation of a threatened species called « Ceiba Pattendra » or « Cotton Tree » which is the symbol of Sierra Leone.



In December 2017, SAC has initiated a project of 5 bee hives in protected forests and 5,000 fruits trees forestation with the establishment of nurseries in 5 primary schools to sensitize the young generation on the benefits of fruits trees planting.

In addition to this project, bye-laws with local communities, trainings and sensitizations are provided to the members of the committees in charge of the nursery at Kpangba village.



e. Free, Prior and informed Consent (FPIC)

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 monthly meetings with community representatives.

5. Supply chain and traceability

a. Identification

All employees employed by SAC are recorded and managed by the department concerned. The disrespect to the Company policies is sanctioned and may lead disciplinary action or revoking of the employee’s contract.

SAC respects the Local Content Policy of Sierra Leone by prioritizing local products and local employment unless the materials are not available or of a suitable quality.

In terms of traceability, all purchases are imputed in a database called Hermes with the details on suppliers, products, costs, etc.

b. Transparency and fair procurement

Transparency is one of the objectives of the HSE 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 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 respects of the company’ requirements.

6. Clients' standards (Michelin, Goodyear, Continental, Nestlé, etc.)

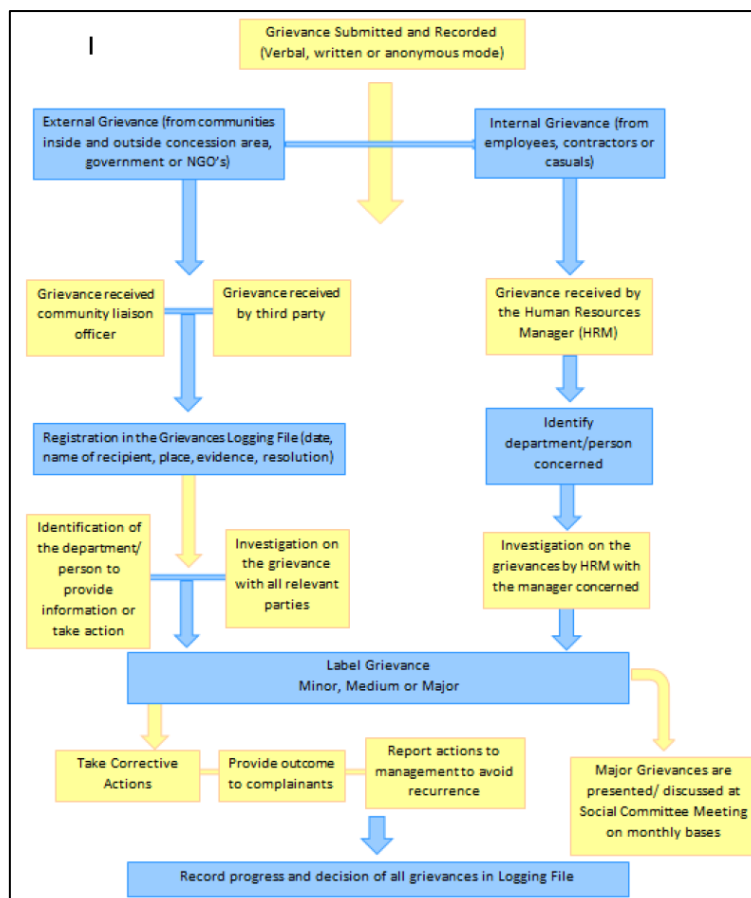
One of the standards requested by the main customers of CPO is the RSPO certificate. For this reason as well as the Company's environmental commitment, SAC has started to build the documentation regarding its process of certification.

7. Third Party Evaluations (State, Client, Bank or TFT Partner)

In terms of quality and quantity control customers require an external certificatory body to assist on the loading at the Mill and to conduct analysis of the CPO (Crude Palm Oil).

8. Complaints and grievance

SAC determines different procedures for the management of grievances, complaints and requests. The graph below summarized the mechanisms used to address and resolve the grievances and complains separated into two categories "Internal" and "External".

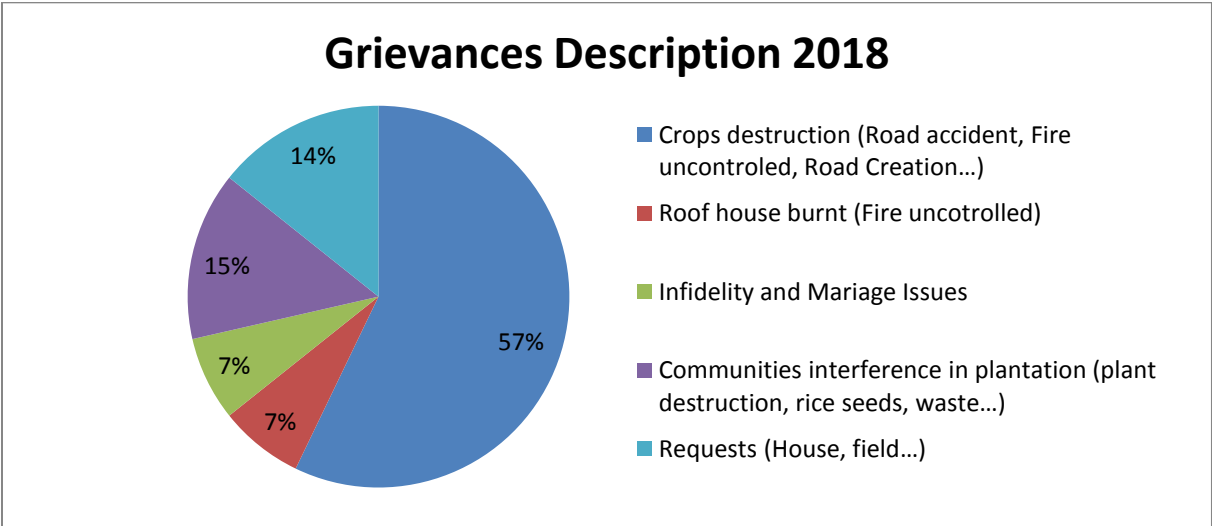


Internal grievances are complaints raised by employees of all categories, permanent, fixed term, casual and seasonal. The internal grievance mechanism is overseen and managed by the Human Resources Department. In 2017, 1 internal grievance has been recorded and resolved (including the ones pending from the previous year). No grievances were pending at the end of the year.

External grievances are managed by the Community Liaison department (CLD) composed by officers in charge of collecting and resolving the grievances raised by communities. A grievance mechanism procedure has been set up by the Company in order to manage public grievances through a complaint logging system and grievance resolution mechanisms. The Grievance Mechanism aims to define the communication channel of the Company in order to ensure transparency, monitoring and follow-up of the grievances.

The External Grievances Logging File is the official document which compiles the details of the grievance, the time of action, the resolution and investigation to ensure that adequate care has been taken to resolve the grievance and or compensate the affected individual/s or communities.

Requests raised by communities are not considered as grievances as they are addressed through a different channel of communication which is; the “Social and Grievances Committee Meeting” conducted on the last Friday of every month. In 2017, around 14 external grievances have been recorded and 17 resolved (including the ones pending from the previous year). At the end of 2017, 3 grievances were pending.



9. Memberships and Associations

SAC is a member of the Commercial Agricultural Producers and Processors Association (CAPPAs) 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 listed below:

- Miro Forestry Company
- Socfin Agricultural Company
- Sierra Land Development
- Lion Mountains
- Natural Habitats
- Goldtree
- Sunbird
- Sierra Tropical
- 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.

IV. Strong social commitment

1. Company's social commitment

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 3,500 employees.

The Social and Grievance Committee is composed by the stakeholders of the Malen Chiefdom (Town and Section Chiefs, District Representatives, Women and Youth Leaders, etc.) and its Chairman is the Paramount Chief P.C. B.V.S. Kebbie III. This committee has been established to ensure transparency in the process of request, reporting and dealing on issues or recommendations and to allow all stakeholders to provide input and determine priorities.

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.

2. Overall assessment of key social indicators

a. Staff

i. Workforce distribution by department

At the end of the year 2017, the total number of employee was 3,075 with the following distribution by department:

Mill	Agric	Construction	Security	WS	Finance, Sales, Purchase, Public Relation and Administration	HSE	General Management	Community Liaison	HR
86	2,624	95	5	94	136	20	2	9	4

ii. Workforce distribution by category and gender

In December 2017, 892 women and 2,183 men were engaged giving a ratio of 29% of female workers and 71% of male workers. 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. This recruitment is done mostly by managers out in the field according to SAC recruitment policies.
- 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 2017, SAC employed 3,075 employees with 1,021 contract staff and 2,054 seasonal and casual staff. The approximate number of workers employed by sub-contractors was 450.

Benefits for SAC employees are following the national laws and include life insurance, health care, parental leave, retirement provision, etc. The maternity leave consists in 10 working weeks as legislated. The leave entitlement consists of 20 working days permitted per annum. The overtime is 1.5 time daily rate/basic on week days and 2 time daily rate/basic for Sundays and public holidays.

iv. Integration of young people into the working world

The young workforce is classified as between 18 years and 40 years old. The older workforce is as well classified between 41 years and 60 years old. SAC employs around 81% of young workforce (male and female) and around 19% of older workforce (male & female).

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.

Internal grievances are logged and recorded in the “Internal Grievances Logging File” by the Human Resources Manager who will act on it and consult the Union for opinion and/or elevate it to the General Manager when necessary. In 2017, 1 internal grievance has been recorded and resolved (including the ones pending from the previous year). No grievances were pending at the end of the year.

This logging file, monitored by the HSE Manager on monthly basis, contains the following information;

- Status of the Grievance,
- Employee data,
- Description of the source and details of the grievance,
- Resolution mechanisms.

d. Meeting the financial needs of employees

The Company respects the local minimum wage set up by the Government of Sierra Leone. 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. The new National Minimum Wage in Sierra Leone in the CBA agreement is Le 600,000/month however SAC will pay Le 635,000Le per month as negotiated in a side agreement with the NUFPAW Union.

SAC encourage the employee 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 competition, etc.

To meet the financial needs of employees, the Company puts in place loans which in 2018 will be channelled through the local bank.

e. Human resources key figures

In 2017, SAC has employed 132 new employees whilst 86 have left (Layoffs and voluntary departures). Around 99% of the employees have taken their leaves (20 working days) with 1% that have been paid for their leaves.

f. Training opportunity: employee's capacity building

The planning and organization of training/retraining is approved on 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. Trainings are divided into three categories which are "departmental training", "mandatory competency trainings" and "trainings linked to environmental significant aspects".

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

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 2017, 50 employees have been certified on driving rules by Forestry Solutions (South Africa), 150 employees have been certified by the Ministry of Labour and Social Security (MLSS) on Occupational Health and Safety...



For the year 2017, the table below gives the data's for the 3,075 employees.

	Inductions	HSE Minutes	Trainings (Calendar)	Trainings (Other)
Total	131	1930	150	214
Duration	30 minutes	10 minutes	1 hour minimum	1 hour minimum
Total Duration	3,930 minutes	19,300 minutes	150 hours (minimum)	214 hours (minimum)
Total Employee	131	24, 060	NA	13,009

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 maybe 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. SAC workers are represented by a Union called the “National Union of Forestry, Plantation and Agricultural Workers” (NUFPAW). The contribution by employee members to the NUFPAW is Le 10,000 per person per month.

3. Availability of infrastructure for employees

The plantation of SAC has the particularity to being established around 52 community villages where 94% of the employees are living. SAC has built 7 infrastructures for the housing of its employees.

a. In the villages

The spirit of the company is the promotion of employing local people from surrounding communities to work inside the plantation. However senior staff and Mill workers (skills not available locally) are housed in company-provided accommodations called “compounds”. SAC employs the majority of its employees from Malen Chiefdom where they have their family houses.

Village/Camp Information				Population		
1. Plantation	2. Village/Camp name	3. Division	4. Date founded	6. Total population	7. Workers with the right to a house	8. Dependents of workers with the right to a house
SAC	Y Junction Quarters	A	2014	350	130	220
SAC	T2 Quarters	A	2015	15	8	7
SAC	T3 Quarters	A	2014	48	18	30
SAC	Single Quarters	A	2012	32	8	24
SAC	Old management quarters	A	2011	4	4	0
SAC	Operators Quarter	A	2014	10	4	6
SAC	Hongai Quarter	A	2013	17	10	7

i. Employees' personal utilities

SAC has seven compounds for the accommodation of its employees. These compounds are built according to the design T1 (one room), T2 (two rooms), T3 (three rooms), T4 (four rooms), T5 (five rooms), T6 (six rooms). Kitchens, toilets, showers, leisure facilities are provided. Electricity and water are supplied in these compounds. Each compound has a 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:

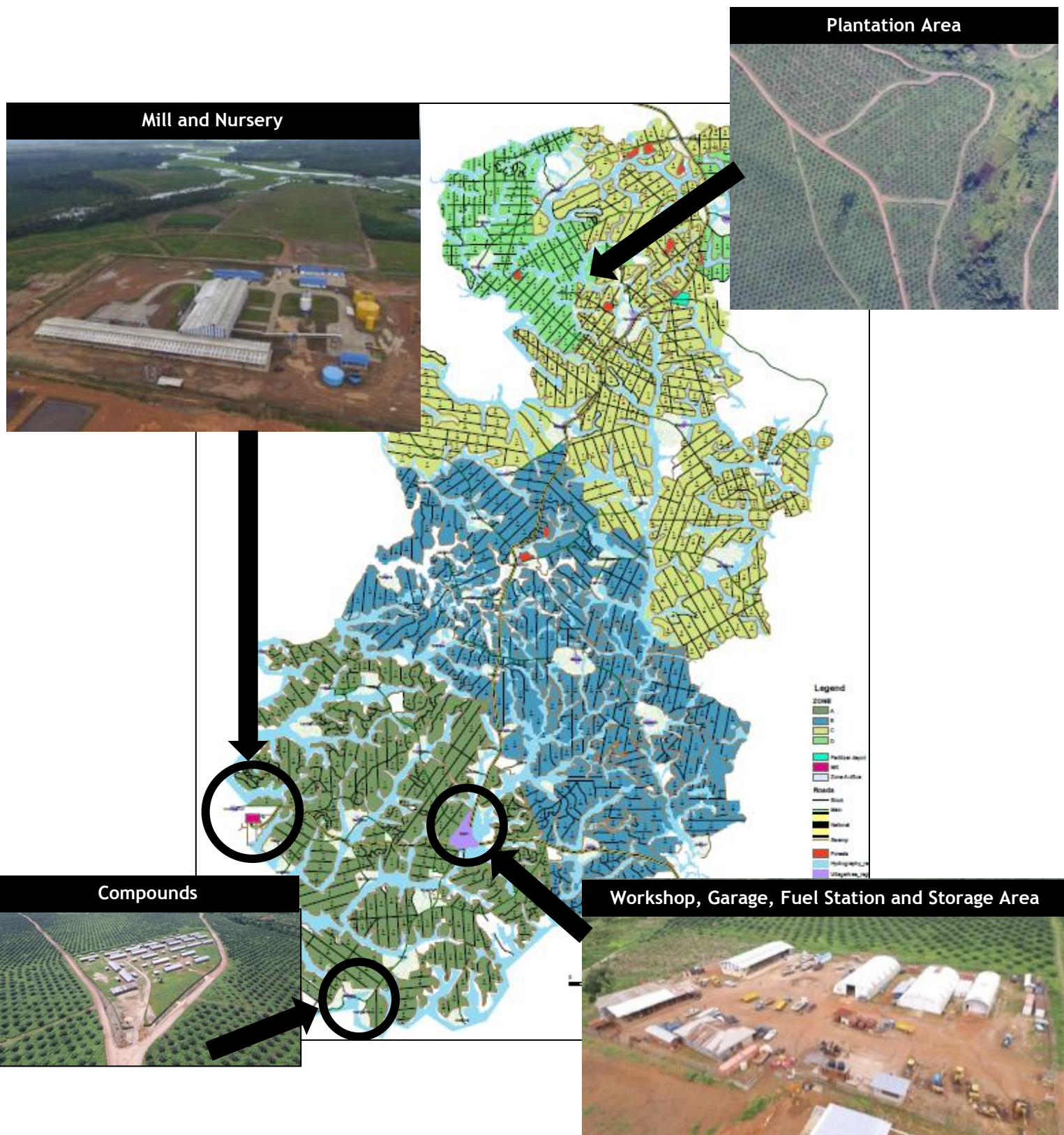
- ✓ Their sizes: housing from 4 to 130 occupants,
- ✓ Their locations: Sahn Malen, Hongai, Semabu,
- ✓ Their leisure facilities: Football field, Basketball fields, Tennis Court, Volley Ball Field and Swimming Pool,
- ✓ The size of the green spaces and personal gardens,
- ✓ Their gathering places: canteen, club house, guest house,
- ✓ Their waste management: sorting and cleaning of the waste, collection of waste...

In addition of these compounds, SAC has built an entertainment centre called “Canteen” composed by a volley ball field, satellite reception with two televisions, music and 24 hour power. This compound has been built in 2015 as per requested by the Workers Association and comprises 218 m².

b. Investments in infrastructure

The investments that have been made in the compounds in 2017 are mainly the purchase and supply of mattresses, the maintenance operations such as painting, AC maintenance, water and electrical appliances repairs, etc.

The operator quarters are in the process of being rehabilitated and power instaured which explains the small amount of occupant for this compound currently.

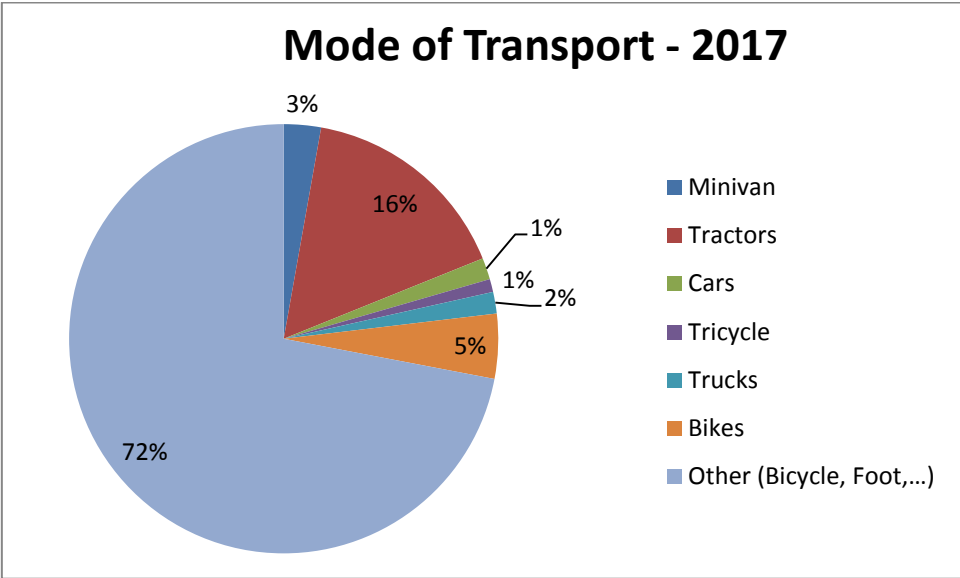


c. Mobility

One of the strength of the Company is to have its employee living in the villages around the plantation which reduces the commute home-work. In average, the minimum distance that an employee will have between his village and his work place is about 1km and the maximum distance will be 3kms.

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, fire fighting

(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 owned 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. The contract that linked 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 call Sharp Security Services operating around the plantation providing security services. This security service is in place is to ensure the security of FFB, company property and its employees and families. Over 220 people 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 four supervisors that oversee security of the plantation and oversee the activities of the private security firms. All staff employed inside the security department are trained as per following the Training Calendar.

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:

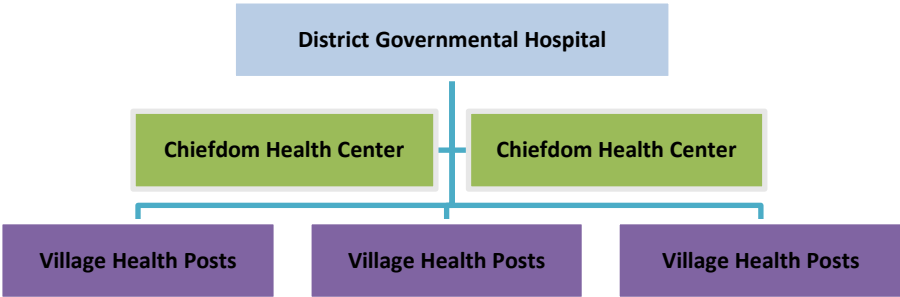
- Recognizing and respect the rights of all workers and local communities;
- Preventing and reducing of work accidents;
- Informing employees on the risks of accidents and environmental degradation;
- Displaying HSE Notice Boards at every workplace with the identification of hazards, precautions, prohibition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

a. Staff and health infrastructure

The Company supports medical services through care costs for workers and their families, and emergency services (Ambulance, Emergency Line, Fire Fighting Team, First Aid Team, Evacuation Procedures, etc.).

In December 2017, SAC employed 3,075 workers with 74% working in the South of the plantation and 26% in the North. 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. 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 24hr/day and prepares the payment of the consultation and drugs prescribed to Socfin staff and families.

The Health Center of Sahn Malen is managed by 1 part-time doctor, 13 nurses, 1 midwife, 1 laboratory assistant and 1 pharmacist. Services provided at this centre are paediatric medicine, minor surgery services (without anaesthesia), pre-natal cares, maternity and post-natal cares. The laboratory is able to practice Malaria Rapid Test, Tuberculosis microscopy, urine testing and syphilis testing.

b. Meeting the financial needs of employees (sanitary loans)

The Company provided in loans up to 500 million Leones, however stopped issue of loans in November due to abuse. Currently the Company is engaging the local bank to set up credit facilities for workers.

c. 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 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. The Company supported the Ebola Prevention with a budget of US\$454,400. Every 1st December, SAC puts in place its prevention campaign on HIV. Sensitizations, Jingles and Radio messages are spread with a condom distribution to the workers and communities. This campaign is prepared in collaboration with the National HIV/AIDS Secretariat that is supplying the Health Centres with condoms and posters.



d. Family planning

Family planning's are organized at the level of the health centres/posts and villages (i.e. women associations in Sinjo village). The family planning at the health centre is in charge of the vaccination campaign (pregnant women, children, etc.).

e. Data collection

The medical statistics are owned and managed by the Ministry of Health and Sanitation. All data's concerned the work accidents are analysed by the HSE department however to respect the privacy of employee all medical data's are not shared by the clinics.

f. Preparedness for emergency situations

The Company allocates a staff of 3 people in charge of the emergency services (ambulance and calls), the registration of the bills and the medical archives. The ambulance is provided and run by the Company and is 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 24hr/day, electricity provided at the health centre 24hr/day and ambulance services 24hr/day.

6. Supporting education and training

a. Education policy

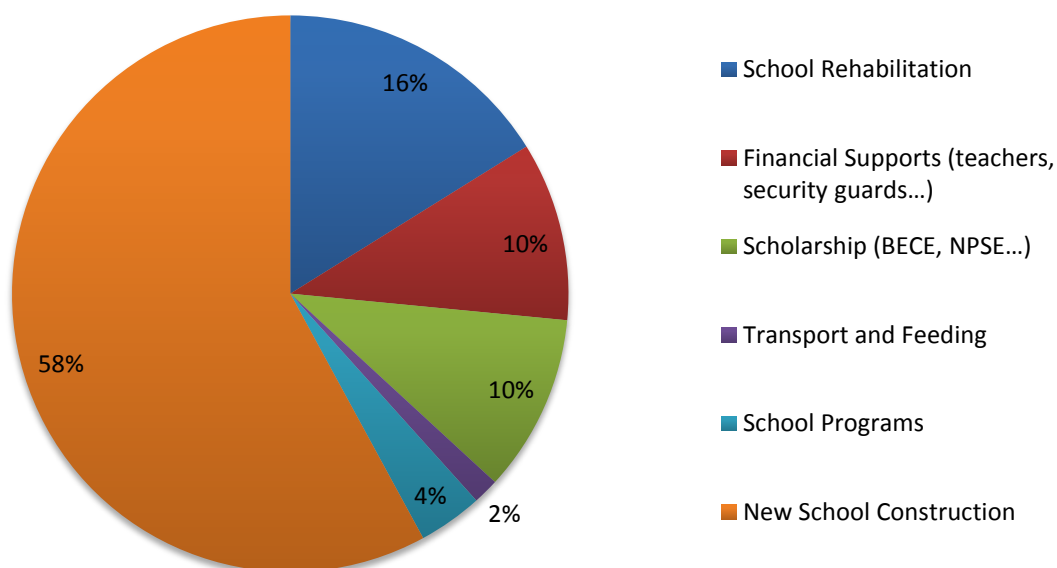
The company supports the state school system by the development of a specific function inside the Community Liaison department in charge of the education programs and school communication. The SAC employee sitting at this function is a former head master of the RC Primary School of Sahn Malen which makes 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.

The Company supports education programs and trainings for the communities of Malen Chiefdom such as:

- Purchase of text books,
- Nature Club to sensitize the children of primary and secondary schools about the environment (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...),
- 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 (MWR, MAFFS, National HIV/AIDS Secretariat, etc.),
- Purchase and construction of benches, desks, chairs, cupboards, tables and office table...,
- 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 BECE, summer school debate, World Teacher Day, Cross Country, Health Sensitizations...,
- Rehabilitation of schools (Malen Junior Secondary School, Kassay Primary School, Cultural Center, R.C. School),
- Construction of new schools (Bendu, Mallay)
- etc.

The chart below summarizes the repartition of the education program allocated in 2017 for a total budget of \$55,103 US.

Education Budget 2017



b. Infrastructure and staff

The table below lists the schools located in the community's village inside the plantation.

School Name	Village	School management (Company, Private or Public)	School level	Totals Students
Sierra Leone United Islamic Mission	Jumbu Village	Public	Primary school	273
National Islamic Primary School	Kassay Malen	Public	Primary school	240
Roman Catholic (R.C.) Primary School	Kpombu Malen	Public	Primary school	102
National Islamic Mission	Gboyama	Public	Primary school	219
Sierra leone United Islamic Mission	Sinjo Malen	Public	Primary school	286
R.C. Primary School	Taninahun	Public	Primary school	205
A.C.B.C. Primary School	Libbye Malen	Public	Primary school	176
United Methodist Church	Bendu Malen	Public	Primary school	260
Community Primary School	Kpanguma	Public	Primary school	120
National Islamic Primary School	Sahn Malen	Public	Primary school	393
Pujehun District Council (P.D.C)	Hinai	Public	Primary school	93
P.D.C Primary School	Banaleh	Public	Primary school	152
Sierra Leone Muslim Brotherhood (SLMB) Primary	Kpangba	Public	Primary school	155
Roman Catholic Primary	Sengema	Public	Primary school	160
Roman Catholic Primary	Gandorhun	Public	Primary school	229
P.D.C	Mallay	Public	Primary school	115

Sierra Leone Muslim Brotherhood (S.L.M.B)	Basaleh	Public	Primary school	105
Roman Catholic Primary School	Nianyahun	Public	Primary school	210
R. C. Primary School	Sahn Malen	Public	Primary school	616
Nationl islamic primary school	Taninahun	Public	Primary school	80
Malen Junior Secondary School	Sahn Malen	Public	Secondary school	345
Gboyama Junior secondary school	Gboyama Malen	Private (not by the plantation)	Secondary school	30
Christ Ambassador Preparatory Scholl CAPS	Sahn Malen	Private (not by the plantation)	Nusery School(Pre school/Kindergatin school)	58
ST Paul's Pre School	Sahn Malen	Public	Nusery School(Pre school/Kindergatin school)	34

c. Financial support and donations

i. Student loans

On yearly basis, SAC provides assistance and financial support to non-registered teachers, security guards and scholarships. In 2017, the amount allocated for stipend and payment of security was \$5,724 US, the budget of scholarship was \$5,683 US.

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 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. Since the beginning of this program in 2013, the level of success of pupils has drastically increased; whilst the ratio of success in 2014 was 1 on 28, in 2015 the ratio passed to 44 on 50 and to 23/66 in 2016.

In 2017 the achievement level was lowered to an aggregate of 25 and the student scholarship increased to 500,000Le. In 2017 32 students (on 36) received scholarships and the Sahn Junior Secondary school achieved the best results in Pujehun District.



ii. School transport

SAC always participates to the feeding and the transport for students at examination time, for inter school galas, for social functions and other school related activities in and out of the chiefdom. In 2017, a budget of US\$827 has been allocated to the transport and feeding of teachers and pupils during National Primary School Exams (NPSE) and BECE, the visit of District Director...

7. Micro-projects

At the end of 2017, SAC spent a budget of US\$10,203 in the support of micro-credits and the construction of the meeting house in Sinjo for microcredit.



8. Perspectives and performance

Two new schools were built in the plantation in 2017 providing suitable facilities for children to learn. In 2018 it is planned another two schools will be built.

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 offsets must be identified and justified 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 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 HSE Policy. The OH&S Management System and Plan are a legal requirements monitored by the EPA on quarterly basis.

The objectives of the company are annually reviewed by managers and stated in the HSE policy signed by the General Manager (last revision: 25/11/2017). For 2017-2018, 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 of 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.

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 by 20 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. Deviances to the procedure 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...) and that appropriate equipment's are provided for each function.

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 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 (existing and developed this year)

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 Plan 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 on monthly basis at all workplace 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 Fire Fighting Team (equipment controlled by the National Fire Force), the Hazardous Waste Management (Supported from Bo District), etc.

As the Emergency Response and Preparedness Plan is a legal requirement, it is audited by the EPA-SL on annual basis.

6. Achievements

For the next year, SAC has developed an action plan on the improvement on the noise level at the Mill (ear muffs, silencer) as a second boiler will be installed leading to highest decibel exposure for the employee.

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 which 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 2017 with 1,930 minutes organized and 24,060 workers sensitized, SAC wish to continue its improvement in terms of communication with its working staff to ensure issues raised are taking in account by management, discussed and resolved.

7. Training and sensitization

The planning and organization of training/retraining is approved on 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...) 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.

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 2017, 50 employees have been certified on driving rules by Forestry Solutions (South Africa), 150 employees have been certified by the Ministry of Labour and Social Security (MLSS) on Occupational Health and Safety...

For the year 2017, the table below gives the data for the 3,075 employees. 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 training 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)
Total	131	1930	150	214
Duration	30 minutes	10 minutes	1 hour minimum	1 hour minimum
Total Duration	3,930 minutes	19,300 minutes	150 hours (minimum)	214 hours (minimum)
Total Employee	131	24, 060	NA	13,009

8. Medical check-up

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

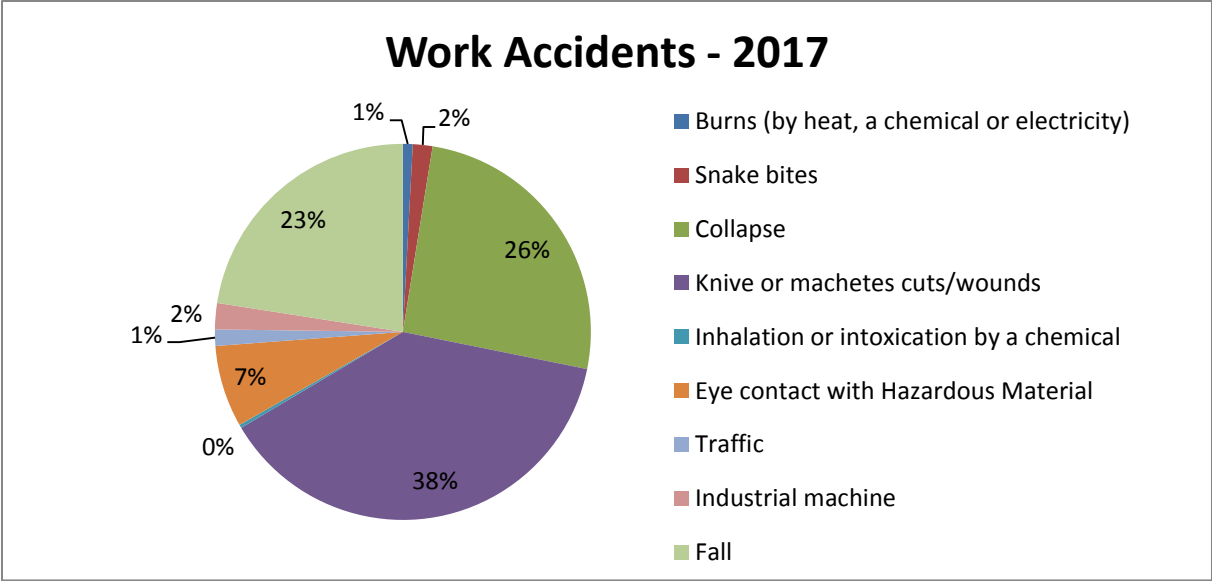
9. Monitoring

Medical 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 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. 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...).

The communication to the working staff on the work accidents statistics is done on Notice Boards displayed at all workplaces. The graph below summarizes the work accident by category for 2017.



11. Accident rate per 200 000 hours of work

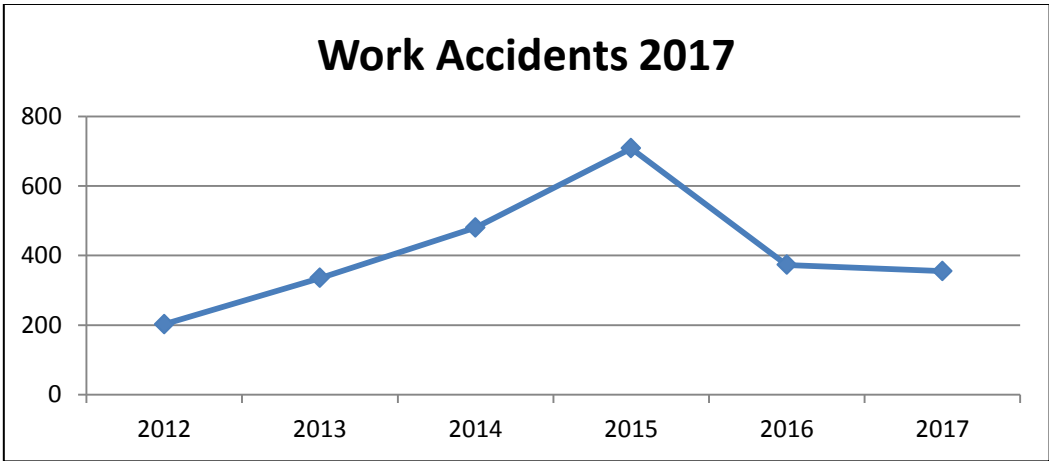
The accident rate per 200,000 hours of work is 10.

12. The safety of people in the supply chain (training, audits)

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 2017, the total amount of work accident was 355 for 3,075 workers which shows an improvement from 2016 (373/3,116) and 2015 (408/4,125). The graph below represents the evolution of the quantity of work accidents counted per year since 2012 (without consideration of the quantity of workers). The accident rate per 200,000 hours of work in 2016 was 10 and is also 10 in 2017.



14. Objective for the next year

For 2018, SAC wishes to improve on the medical statistics by:

- 1) Increase the rapidity of reporting from the hospital to SAC (medical forms, payment, medical days inputting...),

- 2) Improve the development of action plans according to accident reported,
- 3) Continual open dialogue with Ministry of Labour and Social Security and Environmental Protection Agency - SL on the reporting of accidents,
- 4) Ensure the medical form procedure is respected and implemented in all health centres and pots (North and South) 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 who roles and responsibilities have been defined and approved by the General Manager.

Every year, an environmental management program is set up, revised, readjust 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 is working staff and interested parties through the HSE 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.


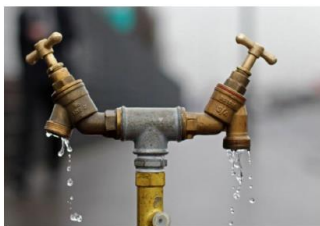


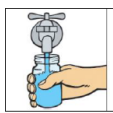

3. Policies

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 HSE 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. Water consumption data's are 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").
- ✓ 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 following documents are the work instructions displayed on workplaces (washing areas, effluent ponds, water tanks, etc.) to guide all employees on the wastage of the water and the sampling method for water analysis.

<h2 style="text-align: center; color: #0070C0;">WATER WASTAGE INSTRUCTION</h2> <div style="display: flex; align-items: center; margin-top: 10px;">  <p style="color: #0070C0;">What to do in case of wastage of water?</p> </div> <div style="text-align: center; margin: 10px 0;">  </div> <ol style="list-style-type: none"> 1. NOTIFY. If you see any Water Wastage: call <u>099.600.809</u> 2. CLOSE. Immediately <u>close</u> the arrival of the water. 3. ACT. The person in charge will identify the origin of the mistake and prepare an action plan(i.e. sensitization, work order for repair... 4. REPORT. The accident will be reported to avoid any occurrence. <p style="text-align: right; font-size: small; color: #0070C0;">S^OC^FIN AUTHOR – Céline Schmitz</p>	<h2 style="text-align: center; color: #008000;">WATER SAMPLING INSTRUCTIONS</h2> <ol style="list-style-type: none"> 1. CONTAINERS. Prepare sampling containers perfectly clean. 2. PROTECT. The person in charge must wear his PPE.   3. WATER WELLS SAMPLES. Samples must be directly sent in the container without any contact with hands. 4. RIVERS SAMPLES. Samples must be collected inside the water from downstreams without any contact with hands.   5. FILLING. Containers must be filled at 85% and well closed. 6. TRANSPORT. Within 24hr: samples must be sent to Laboratory in transport kits to ensure samples are not shaken and are kept in appropriate temperature. <p style="text-align: right; font-size: small; color: #008000;">S^OC^FIN AUTHOR – Céline Schmitz</p>
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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 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 analyses 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’ 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 temporal disposal method 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.

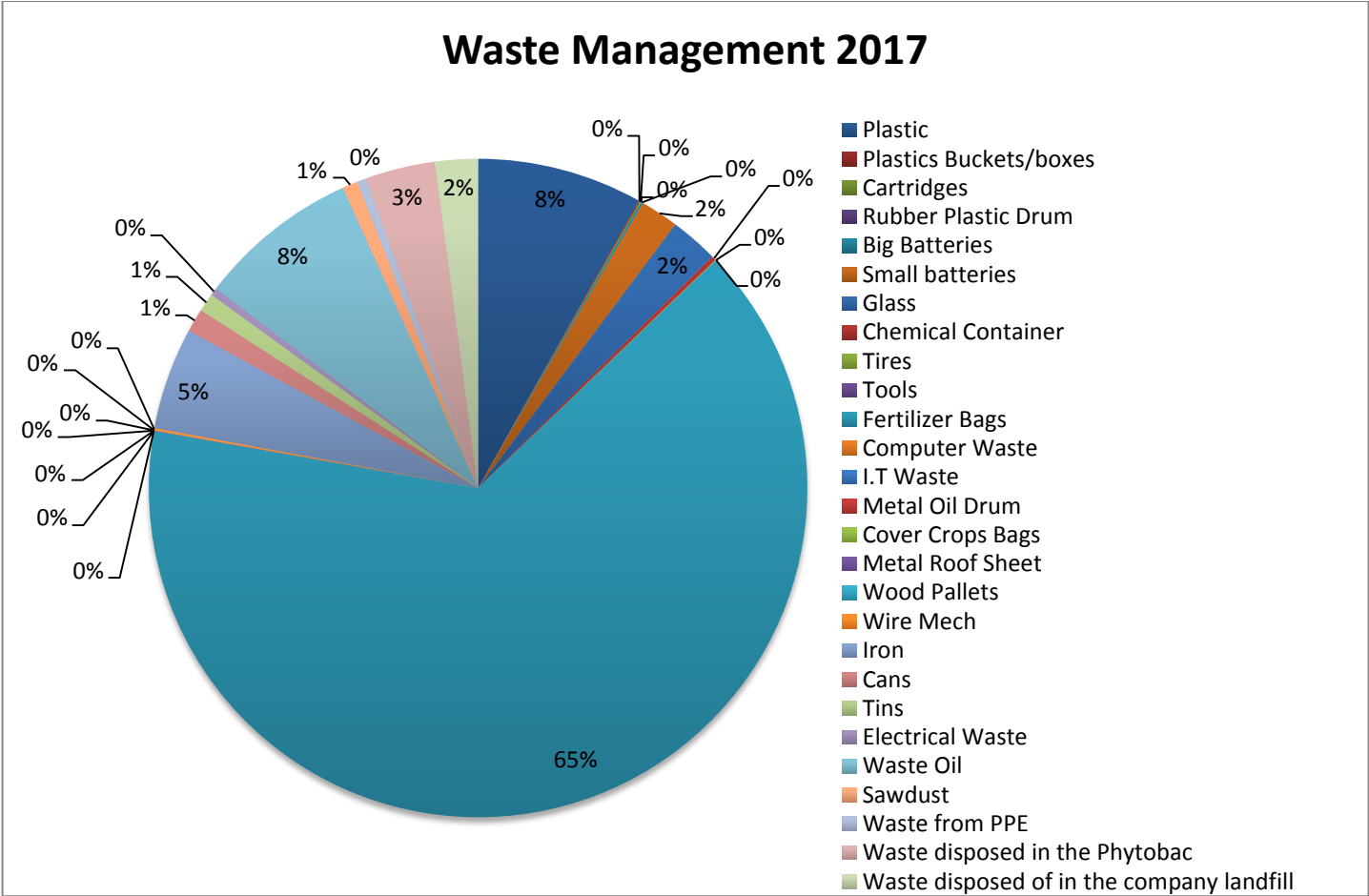
Waste generated by the Company is monitored on stock cards until collection by the recyclers. Monitoring of the quantities is recorded in the HSE Monthly report in order to keep tractability of all waste. The recyclers working with the Company are audited during monitoring visits to ensure they are respecting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

Waste from the processing plant are reused in the field (EFB, ashes...) or for the biomasse boiler of the Mill (fibers and shells). Waste water is sent to effluent anaerobic and aerobic ponds called “lagoons” located outside the Mill.



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 retentions areas (for the storage of hazardous products, waste oils and coolants) and a compost hole.

The following graph represents the different category of waste generated and recycled in 2017.



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’ engagement to protect and enhance biodiversity is stated and communicated to its third parties through the Company’s HSE Policy. The concession comprises 18,473 Ha occupied at 67% occupied by palm oil trees. The remaining 33% are protected forests (1,5%), villages and green belts (13%), swamps (18%) and reforested areas (0,5%).

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 fruits trees planting.



These projects of reforestation have several objectives such as the provision of timber for repairing houses, the reforestation of the previous nursery, the protection of endangered species for sustainable development, increase the sizes of green belts between Socfin operational areas and the communities, etc.

e. Air emissions and ambient air

In 2017, SAC conducted 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 inside IFC standards or below detected levels. Annual monitoring will be conducted through the following year as the Mill will be running on more frequent basis.

To limit its emissions, the Mill is equipped with a biomasse 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 villages. Speed controls and tracking systems are put in place to ensure limits are respected (below 60km/hrs. on roads and 40 km/hrs. 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 material 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 based on the needs of soil and leaf analysis results in order to purchase the quantity needed and avoid surpluses.

g. Energy

The electricity used by SAC is produced by 11 generators and 16 solar street lights that SAC supplied in the village of Sahn Malen. Power for the mill is provided by a steam boiler that runs on shell and fibers from the FFB. Workplaces are provided with daytime electricity. The compounds and the clinic are provided with day and night electricity.

h. Impacts on climate change

In terms of rainfalls, 2017 has recorded 3,234 mm of rain in the North and 3,640 mm in the South against 2,331 mm in 2015. The low volume of rainfall in 2015 (2,331 mm) has impacted the production of 2016.

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

The Company has engaged MAFFS to conduct a study on HCV areas and critical habitat with a Biodiversity Management Plan (BMP) which will guide the Company in its preservation plan of the HCV.

As part of the high carbon stock approach the Company follows a « no-deforestation » policy with a reforestation program supported by the MAFFS. In this program, as requested by the Ministry, two hectares have been allocated to the preservation of a threatened species called « Ceiba Pattendra » or « Cotton Tree » which is the symbol of Sierra Leone.

In December 2017, SAC has initiated a project of 5 bee hives in protected forests and 5,000 fruits trees with the establishment of nurseries in 5 primary schools to sensitize the young generation on

the benefits of fruit trees. In addition to this project, bye-laws with local communities, trainings and sensitizations are provided to the members of the committees in charge of the nursery.

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.

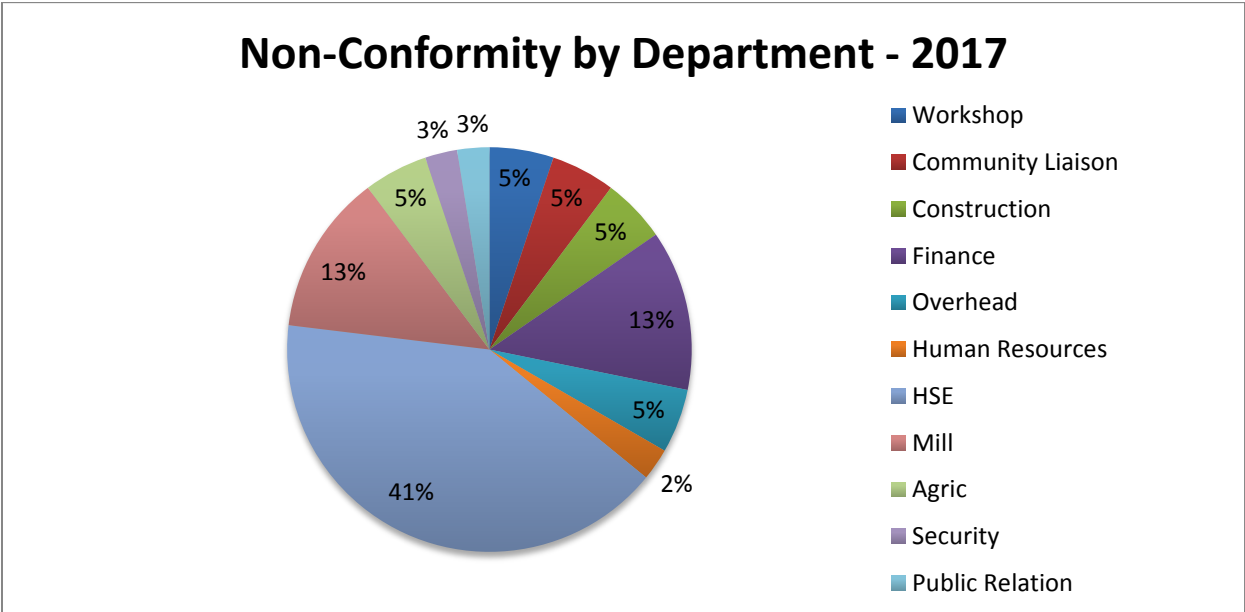
5. High Conservation Value Studies and High Carbon Stock Approaches (HCV-HCSA)

SAC did not conduct any study on HCV in 2017.

6. Environmental non-compliances

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

In 2017, 39 non-conformities have been recorded 10 have been solved and 29 were in progress at the end of the year. 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 quarterly basis.

In 2017, 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 87.5% attainment. The balance of actions that has not been completed was discussed in Management Review and placed as significant aspect for 2018.

8. Achievements

The main achievement in term of environmental management in 2017 is 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 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. Trainings are divided into three categories which are "departmental training", "mandatory competency trainings" and "trainings linked to environmental significant aspects".

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

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For the year 2017, the board below gives the data's for the 3,075 employees.

	Inductions	HSE Minutes	Trainings (Calendar)	Trainings (Other)
Total	131	1930	150	214
Duration	30 minutes	10 minutes	1 hour minimum	1 hour minimum
Total Duration	3,930 minutes	19,300 minutes	150 hours (minimum)	214 hours (minimum)
Total Employee	131	24, 060	NA	13,009

10. Monitoring (monthly report figures)

Results of carbon balances, hectares planted in reforestation or afforestation, protected hectares, water analyzes (including, drinking water quality), tons of recycled waste, sold (and the resulting revenues), etc. Number of ISO 14001 internal audits, number of non-compliances, etc.

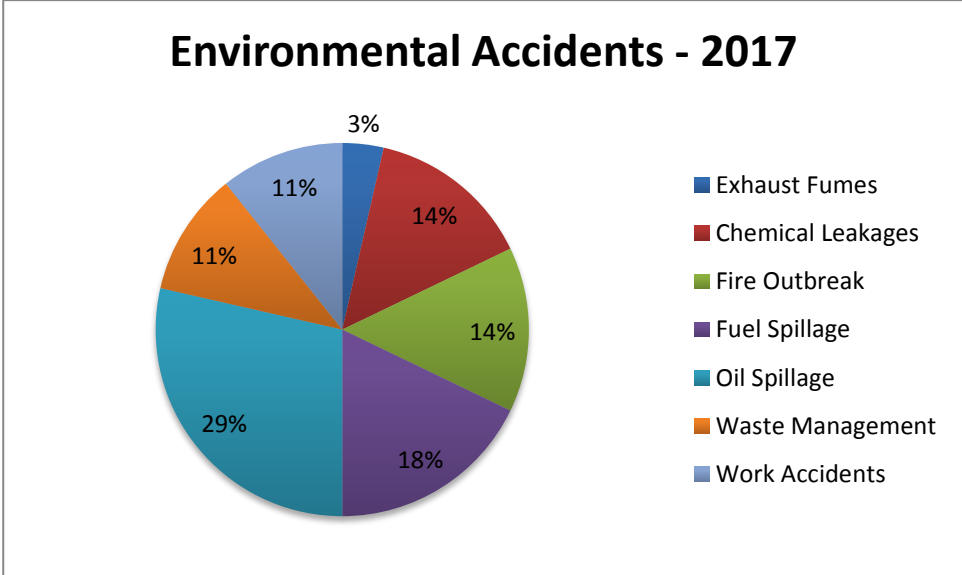
At the end of 2017, SAC counted 35 procedures to support its Environmental Management System. The communication, implementation and control of SOP's are the responsibility of the HSE department which is audited four times a year by the EPA-SL and two times with the ISO 14001 certification (internal audit and certification audit). Non-conformities to the EPA and ISO related audits are recorded in an action board and monitored by the HSE Manager.

In 2017, the following results have been compiled in the monthly reports;

- 1) Quality Analysis: 2 air analysis, 11 soil analysis, 503 noise measurements and 59 water analyses have been conducted with 36 on the drinking water (from boreholes and water wells) and 23 on the monitoring of effluents (river, treatment ponds, oil separators,...).
- 2) Communication: 156 internal meetings with 4,633 participants and 59 external meeting with a total of 1,056 participants have been organized.
- 3) Audits: Some 4 audits from the EPA-SL, 2 from the MLSS, 2 on ISO, 2 from the BDO (Store audits), 3 from the NASSIT, etc.
- 4) CSR: A total amount of US\$ 365,529 has been allocated for the support of Corporate Social Responsibility projects and communities as well as general assistance to the District (Council, Police, Military, MAFFS, Ministry of Education, District Office etc.)
- 5) 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,...).

11. Number of environmental accidents (details)

In 2017, 28 environmental accidents have been recorded with 16 resolved and 4 in progress. Among these 28 Accidents, 9 are linked to an agricultural operation (chemical storage, treatment, field operations...), 10 occurred within the workshop department, 6 at the Mill and 3 inside the compounds. The graph below represents the repartition of environmental accidents per category.



12. Environmental accident rate for 200 000 hours of work

Considering the total of environmental accidents for 2017 and the total amount of work days, SAC environmental Accidental Rate per 200,000 hours work is 0.74.

13. Evolution over the time

The evolution over time of the environmental accident rate is decreasing as it was 1.40 in 2016 and decreased to 0.74 in 2017.

14. Relations with Government / administrations

In 2017 around 59 meetings (1,054 participants) have been organized by the HSE department with 26 meetings with communities, 24 with the Government, 1 with NGO's, 2 with suppliers and 6 with the media.

The HSE department meets regularly with several stakeholders such as 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 HSE 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 aims to start the process of RSPO implementation through sending the HSE Manager for RSPO training to the Ivory Coast in April 2018 and to begin the process with Government on developing a local interpretation. Additionally registering with RSPO to become a member will also be carried out.

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 9 local contractors to carry out plantation work employing up to 500 people.
- 2) The recycling of the waste (plastic, metals, rubber materials, electrical and plumbing waste, IT equipment's,...).
- 3) All security personnel are contracted by Sharp Security Services which is a local partner based in Freetown,
- 4) Fuel is provided by Sierraphil at the Sahn Malen Fuel Station in Sahn Malen.
- 5) Local sales of CPO is 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 175 million Leones (US\$30,000) 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

SAC employs full time Community Liaison Officers (Mende speaking) responsible for managing communication and relations with stakeholders. These eight 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.

The Company's Community Development Plan (CDP) 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 CDP aims to provide guidance on the implementation of short, medium and long-term investment in the communities surrounding the plantation. The CDP 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. A rice cultivation scheme has already been developed and US\$35,000 will be set aside annually for the development of other livelihood diversification schemes.



- **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.



- **Health:** Improvements to health care is a key focus area for SAC’s CDP. 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.



Several of the community development initiatives outlined above will continue until 2021, including the provision of emergency response vehicle and telephone line. SAC aims to work with local stakeholders to build capacity and move away from other initiatives, such as improvements to sanitation in the long-term. 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

In 2011, a Social and Grievance Committee was founded. It meets every last Friday of the month. The committee is chaired by the Paramount Chief and in his absence the Chiefdom Speaker and all parts of the chiefdom are represented as well as many layers of society, including women and youth interest groups and the Company. This committee is a forum where the community can channel grievances and where the Corporate Social Responsibility (CSR) programs are planned and discussed as well as other issues to the chiefdom, the people and the Company.

Additionally to the Social and Grievance Committee, SAC has created a CLD which is the main line of communication of the Company with the local communities. Officers visit villages within the concession to disseminate information and to engage in dialogue in order to know and report any issues that may arise between the Company and local 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.

a. Access to health and education for communities

Inside the concession, there are 57 villages with 24 schools and 7 health posts. Sahn Malen being the capital of Malen Chiefdom is the biggest in the plantation with a police station, bars and restaurants, the Health Center, SAC offices and the House of the Paramount Chief.

b. Energy and water supply

In 2017, the Company has repaired 22 wells from January to April and 14 from May to December. 8 new toilet buildings have been built including VIP toilets for chiefdom authorities. A new water well has been built in Jumbu village and a new pump built in the village of Kassay. The total budget spent by SAC in water supplies in 2017 is \$US 24,136.

c. Opening and maintenance of roads

In 2017, SAC allocated a budget of \$US 64,929 in the maintenance of roads. Around 42km of public roads have been rehabilitated from Koribundu to Sahn Malen. Several roads have been repaired with the replacement of culverts and bridges.



d. Donations

Socfin provided a donation of 4,000 five litres containers of palm oil to victims of the mud slide in Freetown in 2017. Various supports have been provided to the Malen communities for a total amount of \$US 365,529 in 2017.



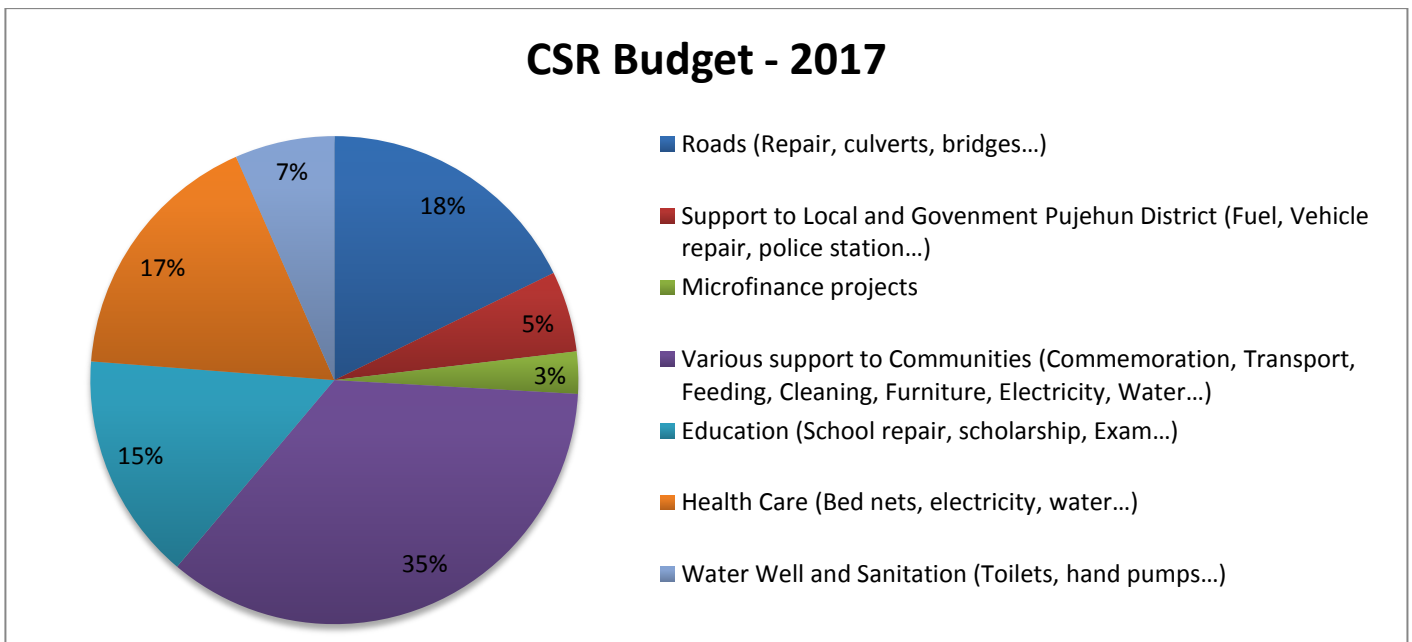
4. Partners in local development projects

a. With communities

The Company benefits some strategic partnerships with communities, government, NGOs and other stakeholders which involves 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 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, bee hives, 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.

The company allocated a budget of \$US 365,529 in 2017 for the financial support to communities. The following graph gives the breakdown of this amount.



VIII. Internal and external communication

1. Strengthening internal communication

In 2017, SAC has published its SAC News on quarterly basis. This newsletter aims to give an overview of all SAC operations to all departments. SAC updates its Facebook page on a regular basis with pictures and events. In some cases over 70,000 visits are received on published stories which mainly pertain to CSR work carried out.

2. Strengthening external communication

In 2018 SAC will build a community radio station based in Sahn town which will be used extensively to communicate with both internal and external audiences.

IX. Objectives and perspectives 2018-2019-2020

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

- In 2018 onwards great awareness of all plantation activities and information will be possible with the building and commissioning of a community radio station.
- Building of a bulk terminal at the port in 2018 will enable larger volumes of CPO to be exported at a cheaper cost.
- Increased CPO storage capacity will be made at the mill in 2018.
- An additional boiler with a capacity of 30 ton/hr will be installed in the mill in 2018.
- In 2018 a 155Kva 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 33kva line. This project will be realized in 2018 or 2019. 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 tons/hr will take place either in 2019 or 2020.

X. GRI index

Picture Legend:

1. Picture of the rice cultivation project in the concession
2. Picture of Mr. Tonks, General Manager
3. Picture of Mr. Abu Amara, Human Resources Manager
4. Picture of Mr. Wybauw, Estate A Manager, giving the award prizes at the End of the Year Party
5. Picture of the health post of Taninahun village
6. Picture of the health post of Taninahun village
7. Map of Sierra Leone
8. Picture of SAC concession
9. Picture of SAC concession
10. Picture of the MLSS training conducted at the Mill
11. Picture of the certificates received after the success of a training
12. Picture of the EPA-SL quarterly audit
13. Picture of the protected species called “Ceiba Pattendra”
14. Picture of the fruit trees nursery project at Kpangba village
15. Picture of the fruit trees nursery project at Kpangba village
16. Picture of the certificates received after the success of a training
17. Picture of the certificates received after the success of a training
18. Picture of a company compound
19. Picture of the Mill
20. Picture of SAC concession
21. Picture of a company compound
22. Picture of the Workshop and the Brick Factory
23. Picture of the bikes used for the transport of employees
24. Picture of the World Aids Day
25. Picture of the World Aids Day
26. Picture of children scholarships
27. Picture of beneficiaries of microfinance projects
28. Picture of the HSE department
29. Picture of a sensitization organized on Waste Management in village
30. Picture of the certificates received after the success of a training
31. Picture of EFB spread in the field
32. Picture of the trees nursery
33. Picture of the rice cultivation project in the concession
34. Picture of the rice cultivation project in the concession
35. Picture of a water well
36. Picture of the construction of a bridge
37. Picture of the construction of a bridge
38. Picture of the donation given to orphans at Gboyama Village

XI. Glossary

Insert a short definition of the acronyms used in your report.

XII. Key figures

Resume here, in tabular form, the key figures of the various chapters of this report. (You can take for example the table realized at the level of the Group: [http://www.socfin.com/frontend/files/userfiles/files/2016%20Socfin_RepSustDev_\(ENG\)_Data.pdf](http://www.socfin.com/frontend/files/userfiles/files/2016%20Socfin_RepSustDev_(ENG)_Data.pdf))

XIII. Appendix