

Feronia Environmental and Social Action Plan (ESAP) Summary - January 2016

Feronia has in place a detailed and comprehensive Environmental and Social Action Plan (ESAP) that guides and prioritises its E&S programmes. The ESAP was developed by Feronia and its shareholder CDC, the UK's development finance institution, and its implementation commenced in November 2013. Implementation of the ESAP is overseen by Feronia's ESG Board Committee, and the Company's main Board receives regular updates on implementation progress. In 2015 the ESAP was extended as a condition of the Company's DFI Debt Financing and its implementation forms part of the Company's investment commitments to its principal shareholders and debt finance providers.

Below is a summary of the ESAP. Updates on the status of ESAP implementation will be published annually. The information below is correct as at 12 February 2016.

Thematic Area	Action	Deliverable	Status
E&S staff capacity and broader Company capacity to deliver ESAP	On each site appoint dedicated personnel to be responsible for Health and Safety (H&S) and Environmental performance.	Personnel in post and trained.	Complete
	On each site appoint dedicated personnel to be responsible for Social performance.	Personnel in post and trained.	Complete
	Appoint Group level Environmental and Social internal auditor.	Auditors in post and fully trained. Annual audit summary to be presented to ESG Board Committee.	Complete
	Appoint a Community Relations / Social expert to develop and implement best practice community relations & development and stakeholder engagement strategies.	Individual in post.	In progress
	Provide Health and Safety (H&S), environmental and social training to employees and other workers as appropriate to their role.	Implementation of training and maintenance of training records.	In progress
Policy and Legal Compliance	Develop an overarching Environmental & Social Policy defining the environmental and social objectives and principles that guide Feronia ('the Company').	Policy approved by ESG Board Committee..	Complete
	Review Human Resources policy and procedures so as to ensure compliance with investor requirements, national labour laws and core ILO labour practices.	Policy approved by ESG Board Committee.	Complete
	Review employment terms with employees and unions to assure alignment with HR Policy.	Collective agreement and management statutes agreed and signed by Unions and employee representatives.	Complete
	Develop a strategy to achieve 100% minimum wage levels by January 2017 whilst maintaining a high standard of additional employee benefits.	Agreement signed by Unions and approved by Government Labour Inspectorate.	In progress.
	Company documents to be made publicly available, in accordance with the requirements of RSPO Principles & Criteria).	Documents accessible through Company website and other appropriate channels according to RSPO principles.	In progress.
	Feronia to commission external palm oil expert biennially to benchmark task rate system employed at PHC to ensure that it is fair and in line with industry best practice.	Reports discussed at ESG Board Committee.	In progress.
Surveys and Assessments	Undertake Focused Environmental and Social Assessment (FESA) of oil palm plantations and facilities.	FESA approved by ESG Board Sub Committee. FESA information made publicly available on Company website.	Complete
	High Conservation Values (HCV) Assessment of plantation concessions undertaken.	HCV assessment reports approved by ESG Board Committee. HCV information made publicly available on Company website.	Complete
	Conduct a health and safety risk assessment of the Company's current operations, with independent oversight by an appropriate external consultant.	Risk assessment reports approved by the ESG Board Committee.	Complete

	Survey and map all land within the concession areas and update all legal land titles (in line with recent DRC legislation).	Maps and land titles authorized by Government authorities and provided to the ESG Board Committee. Information made publicly available.	In progress.
	Re-establish the Company programme of physical demarcation of concession boundaries	Boundary demarcation established or re-established for each concession.	In progress.
Environmental, Social, Health and Safety and Other Management Systems	Develop and implement an Environmental and Social Management System (ESMS) in accordance with International Finance Corporation Performance Standard 1.	ESMS provided to ESG Board Committee for review and approval.	In progress
	Develop an Integrated Pest Management (IPM) strategy and management plan in line with World Bank Group EHS Guidelines for Plantation Crop Production ¹ (palm oil only).	IPM strategy provided to ESG Board Committee for review and approval..	Complete
	Develop a set of Standard Operating Procedures (SOP) that will provide a platform for the successful implementation of ESMS.	SOPs provided to ESG Board Committee for review and approval..	Complete
	Develop a staff training plan that covers environmental, health and safety (EHS) orientation training to all new employees to ensure they are acquainted with the basic EHS rules at their place of work.	Training plan and associated training records /attendance registers approved by ESG Board Committee and subject to periodic monitoring.	Complete
	Stakeholder Engagement Plan (SEP) and Grievance Mechanism developed, implemented and disseminated to affected stakeholders.	Acceptable SEP and GM provided to ESG Board Committee and evidence of effective implementation.	In progress
	Develop Environmental Monitoring Programme, describing the procedure and frequency for the monitoring of EHS activities to international standards..	Programme provided to ESG Board Committee for approval and subject to periodic monitoring.	Complete
	Develop Occupational Health and Safety Monitoring Programme to monitor worker health and well being and verify the effectiveness of prevention and control policies and procedures (i.e. SOPs).	Occupational Health Monitoring Programme approved by ESG Board Committee and subject to periodic monitoring.	Complete
	Establish procedures and systems for reporting and recording of workplace occupational accidents, dangerous occurrences and serious incidents to NEBOSH, OHSAS standards.	Incident reports available to ESG Board Committee and subject to quarterly review.	Complete
	Develop a Waste Management Plan to address all wastes (with the exception of effluent) generated at Company facilities and the workers villages, to ensure safe management and control.	Waste Management Plan approved by ESG Board Committee and subject to periodic monitoring.	Complete
	Develop a Land Policy and Management Plans to include current and planned land use, further extension potential and expansion plans, existing land uses and approach to handling potential land use conflicts and ecological land issues through consultation and mitigation measures.	Policy and Plans approved by ESG Board Committee and land use activities subject to regular monitoring.	In progress.
Adapt existing plantation security management procedures to be compliant with IFC PS4 and good international practice. ²	Policy and procedures approved and reviewed by ESG Board Committee.	In progress.	
Assess waste water treatment requirements and options for Palm Oil Mill Effluents (POME) at each plantation and implement strategies which comply with RSPO and IFC Performance Standards.	POME treatment strategies to be approved by ESG Board Committee and Feronia Board.	In progress.	
Develop and implement Company water programme to install or refurbish	Plans and implementation progress to be	In progress.	

¹ The World Bank Group, April 2007, Environmental, Health, and Safety Guidelines for Plantation Crop Production

² Including practice consistent with the Voluntary Principles on Security and Human Rights (VPSHR), the United Nation's (UN) Code of Conduct for Law Enforcement Officials, and the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials

Capital Expenditure and Infrastructure Improvements	water boreholes across 3 plantations (estimated 52 boreholes).	approved and reviewed by ESG Board Committee.	
	Review of the condition of healthcare facilities (hospitals and clinics) and schools. Where improvements are required, these shall be assigned priority and implemented over time with a focus on the facilities requiring urgent attention.	Plans and implementation progress to be approved and reviewed by ESG Board Committee.	In progress.
	Develop storage facilities and procedures for all hazardous materials, including oils, fuels, pesticides and fertilizers, to minimise the risk of endangering the health of workers and the environment.	Facilities and procedures to be approved by ESG Board Committee.	In progress
	Provide Personal Protective Equipment (PPE) to workers as determined by H&S risk assessments.	Budget and implementation programme to be reviewed and approved by ESG Board Committee.	Complete
	Develop a Road Maintenance Programme to ensure all roads are maintained in a safe manner and which minimises soil erosion.	Programme implementation progress to be approved and reviewed by ESG Board Committee.	Complete
Monitoring, Review and Oversight	The Company shall establish and maintain an ESG Board Committee consisting of three directors and shall include a person nominated by the investors.	Evidence of regular (quarterly) meetings and minutes of ESG Board Committee.	Complete
	Develop an RSPO roadmap and programme with the aim to achieve certification across all three plantations. Commission first certification audit in 2017.	Roadmap and certification progress to be reviewed by ESG Board Committee.	In progress.
Corporate Governance and Business Integrity	Update Feronia Anti-Bribery Policy in a form acceptable to investors and review Business Code of Conduct for the Group.	Anti-Bribery Policy and Code of Conduct approved by ESG Board Committee and Feronia Board.	Complete
	Appoint Anti-Bribery and Corruption (ABC) Compliance Officer.	Suitably qualified ABC Compliance Officer in post.	Complete
	Implement a programme of Anti-Bribery and Corruption training across all Group companies.	Training implemented and records available for review by ESG Board Committee.	Complete
	Initiate annual Anti- Bribery and Corruption report for Company Audit Committee..	Annual ABC report submitted for discussion at Audit Committee.	Complete