

Plantations et Huileries du Congo (PHC) Environmental and Social Action Plan (ESAP) Summary – January 2021

This summary ESAP has been prepared by PHC based on the contractual ESAP defined by its lenders in the context of the Feronia Inc. 2020 restructuring. It defines PHC's near-term priority environmental and social (E&S) activities and maps longer-term E&S priorities which are linked to contractually binding inducements. It replaces all prior ESAPs under Feronia Inc. The ESAP guides and prioritises the environmental and social programmes run by PHC and such programmes shall align with national legislation and IFC Performance Standards. The implementation of this ESAP and associated reports are monitored by the Company's Environmental Social and Governance (ESG) Committee with the Company's main Board receiving regular updates on implementation progress. Progress of PHC's environmental and social programmes will be reported in PHC's annual Sustainability Report which will be available on the company's website, in due course.

PHC has already make progress towards completion of the ESAP actions below, specifically on all the actions that are marked as 'Ongoing' in the Initial deadline for completion column.

Topic	Action	Deliverable	Initial deadline for completion
Group Level and Area ESG Management	Ensure solid ESG staffing at group level by having in place a Sustainability Director, Program Manager and Specialist E&S Advisor.	Staff in posts	Ongoing
	Reinforce E&S management expertise and integration of PHC E&S objectives through training, involvement of ESG team in all operational decisions and variable element of remuneration dependent upon the delivery of ESG Key Performance Indicators	Personnel trained, ESG embedded in operations and management partially remunerated on delivery of ESG KPIs	Q1 2021 and then ongoing
	Publish an annual PHC Sustainability Report guided by Global Reporting Initiative standards.	PHC Sustainability Report	Q3 2021 and then ongoing
	Maintain a summarised version of the ESAP on the Company's website.	ESAP summary and progress maintained	Q4 2020 and then ongoing
	Ensure the ESG budget, as defined as part of PHC ESG strategy for 2020-2024, is effectively spent and "Actual Spend" versus "Budget" is reported on annually.	ESG strategy, budget and progress tracked	Q1 2021 and then ongoing
	Ensure adequate staffing of E&S teams at Lokutu, Yaligimba and Boteka. Develop and implement an E&S staff retention plan. Appropriately equip E&S team.	Staff in posts at each site, retain E&S team and equip appropriately	Q4 2020 and then ongoing
Community Engagement and development	Assess viability of a foundation model to support social development activities that lie beyond what PHC is required or able to deliver. The primary objective of the foundation would be to source and allocate external funding for community development projects beyond projects already agreed under PHC's Social Protocols	Working group minutes, foundation progress reports	Q1 2021
	Continue to reinforce PHC's stakeholder engagement plan (SEP) which includes pro-active consultation with communities, grievance mechanism procedure and ensures that all company activities consider the risks for PHC's social license to operate	SEP reinforced and risks considered and mitigated	Ongoing
	Inform communities on Social Protocol items that had already started and ensure their completion before the end of 2020	Complete what has been decided for 2020	Q4 2020
	For the other Social Protocol items to be completed after 2020, clarify their implementation in consultation with communities by agreeing on scope, responsibilities, and timing. Allocate budget to execute mutually agreed action items and track progress.	Agreements on Social Protocol implementation plan with local communities	Ongoing
	Address land use questions and any land-related issues with communities at Lokutu, Yaligimba and Boteka and, where possible, complete demarcation process in collaboration with communities.	Community land use strategy to address any questions and issues, and clear actions agreed	Q1 2022

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Housing	Develop a housing plan and budget for workers and their families with participation of relevant stakeholders to establish how PHC can provide adequate housing or otherwise satisfy its legal housing-related requirements.	Housing plan in place	Q3 2021
	Take action to minimise the risks posed by aging worker housing: 1) Undertake an annual housing inventory to plan refurbishment works accordingly 2) Build or refurbish 380 houses from Q1 2021 to Q1 2025	Housing plan progressing	1) Q1 2021 and then ongoing 2) Q1. 2025
Health & Safety (H&S), Personal Protective Equipment (PPE), Medical Monitoring and Security	Subcontractors' health and safety performance must be improved by clarifying Directors' and Managers roles & responsibilities, training line managers and developing a transport risk assessment and management system.	Increased H&S performance of subcontractors, especially those providing transport services	Q4 2020 and then ongoing
	Ensure agrochemical and other hazardous material use and storage complies with IFC PS and DRC legal requirements, training is locally appropriate, and workers concerns are addressed	Compliant chemical use and storage	Ongoing
	Implement systematic medical pre-employment health checks and bi-annual ongoing monitoring program on health checks for people working with agrochemicals. Provide users with monitoring results	Medical monitoring is in place	Q4 2020 and then ongoing
	Ensure all workers and casual staff are provided with, and trained in the use of, appropriate PPE.	All workers are equipped	Q1 2021 and then ongoing
	Ensure all security personnel are issued with uniforms and appropriate transport and communications equipment.	Security staff equipped	Q1 2022 and then ongoing
	Ensure all security personnel operating at PHC's sites are trained in accordance with the PHC Security management plan, code of conduct and the IFC's 2017 good practice handbook on use of security staff.	All security staff are trained Security Disciplinary Process	Q4 2020 and then ongoing
	Ensure clear investigation responsibilities, disciplinary and dismissal procedures to address any potential gross misconduct by security personnel.		
Human Resources (HR)	Ensure full compliance with DRC Labour Code in the use of non-permanent workers while minimizing negative social impacts for affected communities.	Non-permanent worker contracts to conform with DRC labour code	Q1 2022 and then ongoing
	Ensure full implementation of the applicable PHC Collective Bargaining Agreement (CBA).	CBA fully applied	Q1 2022 and then ongoing
	Continue to improve the current HR management system across Lokutu, Boteka and Yaligimba to ensure compliance with DRC Labour Code and IFC PS2 and reinforce the worker grievance mechanism. E.g. Maintain proofs of payment of wages and ensure any discrepancies are actively resolved.	HR management is improved, including worker grievance mechanism	Q1 2021 and then ongoing
	Ensure that PHC continues to pay at least the legally applicable minimum wage to all permanent and non-permanent workers and that there is documented agreement between PHC and the labour unions about which minimum wage is applicable.	Continue to meet the legal requirement for wages	Ongoing
	Publish, in a format accessible to workers and on this website, details of PHC wages and benefits paid to the Company's lowest paid workers.	Wage details published on website	Q1 2021
	Subject to the financial capacity of the company, raise lowest wages above UN poverty line and then towards living wage.	Wages effectively raised	Linked to pre-defined financial thresholds
	If retrenchment becomes necessary at any point in time, ensure it complies with Lenders E&S requirements and is accompanied by mitigation measures.	Retrenchment plan in place prior to any retrenchment	Ongoing

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Water Quality Testing of Boreholes	Monitor discharge and any potential effects on communities and implement a short term solution for Yaligimba, if required.	Water quality monitoring	Ongoing
	Commission an independent water quality assessment of all boreholes established by PHC that are used for human consumption.		Q1 2021
	To address any issues raised by the water quality assessment, prepare and implement a borehole remediation plan based on independent specialist advice		Q1 2021
	Maintain a water quality monitoring program which tests all boreholes established by PHC on a quarterly basis and conducts additional remediation work according to monitoring results.	Water quality monitoring	Q1 2021
Forest Conservation, Effluent Treatment and Roundtable on Sustainable Palm Oil (RSPO)	Ensure that all company activities actively consider and mitigate against the risk of deforestation as well as the protection of High Conservation Value (HCV) areas. This includes, but is not limited to, changes to the provision of worker housing, construction of new roads and community development projects.	Risks are assessed and mitigation measures implemented where necessary.	Ongoing
	Develop and commence implementing an HCV Management Plan and continuously update it while ensuring that it covers forest conservation	HCV Management Plan	Q1 2022 and then ongoing
	Monitor effluent discharge and effects on communities and present a short-term solution for Yaligimba	Effluent monitoring and mitigation measures where necessary	Q4 2020
	If negative impacts on potable water supply of communities are identified, implement mitigation measures that ensure access to potable water.		Q1 2021
	Develop and implement an effluent and surface water quality monitoring plan, including quarterly testing of effluent and water quality at discharge points and at relevant downstream points – especially where communities use water		Q1 2021 and then ongoing
	Complete adaptation of discharge in Yaligimba in such a way that impacts on surface water quality becomes negligible		Q2 2021
	Continue to operate in such a way as to achieve compliance with RSPO principles and criteria	RSPO vision	Ongoing
Present to the ESG Committee: 1) A review of gaps, feasibility and progress towards compliance with RSPO Principles and Criteria. 2) A mock-RSPO certification audit for Yaligimba 3) A strategy to assess feasibility of and, in case feasibility is confirmed, a roadmap towards achieving RSPO certification.	RSPO certification road map	1. Q1 2022 2. Q1 2022 3. Q1 2022	
Include effluent treatment facilities in all new infrastructure developments to be built from 2021 onwards.	RSPO requirements for effluent management	Ongoing	