

Position statement

(22/07/2022)

An <u>article</u> published by China Dialogue, on 8 July 2022, questioned the responsible development of Socfin Agricultural Company's (SAC) operations in Sierra Leone and has presented serious allegations about land-grabbing, pollution and SAC's RSPO certification. SAC wishes to point out that the allegations that are presented are unfounded and seeks to clarify the concerns raised in this article.

The land leasing process of SAC was carried out in full compliance with national laws, regulations and international standards. There is a Land Lease Agreement between the Government of Sierra Leone and the landowners' families. SAC has a Sub Lease Agreement for the land rights with the Government of Sierra Leone. SAC is therefore not directly leasing from the landowners. Lease payments are characterized by a sharing arrangement into four categories. The greatest share of proceeds (50%) goes to the landowners, followed by the Chiefdom Authorities (20%), the Pujehun District Council (20%) and the Ministry of Agriculture (10%). SAC continues to lobby for a greater amount of lease rent to be paid to the landowners. However, this is bound by national legislation and changing it requires parliament's approval.

Land has been leased from willing owners. There have been several cases where the land was not leased as land owners declined to lease the land to the Government of Sierra Leone.

Free, Prior and Informed Consent (FPIC) was obtained from all relevant stakeholders at the concept of the idea of coming to Malen and continued at every stage of SAC developing its operations:

- FPIC was judged satisfactory when it was checked in preparation and during the RSPO audit by SCS Global Services and Proforest;
- The Environment Protection Agency (EPA) has checked and approved SAC's FPIC activities;
- SAC carried out an extensive sensitization program on the topic of land for all communities in 2021 and again early 2022.

SAC has been <u>exonerated</u> of any implication in the dramatic event of January 2019 in which two persons died.

The state and local communities benefit from SAC's presence in the region. SAC has a strong CSR program, as is repeatedly confirmed by an EIA (Environmental Impact Assessment) license which is granted after periodic monitoring activities. Regular reports are submitted by SAC to the EPA and the CSR activities are publicly available in <u>SAC's annual sustainability report</u>. Continuous dialogue with communities is maintained by SAC's extensive Community Liaison Department and the monthly Social & Grievances Committee Meetings during which the progress of CSR activities is discussed.

SAC is committed to the RSPO standard and respects its Principles and Criteria. SAC is audited by a Certification Body which is accredited by Assurance Services International (ASI) and recognized by RSPO. These experts conduct their mission free from bias and objectively and remain impartial. SAC implements the Certification Body's recommendations to ensure that it is producing sustainable palm oil and to maintain the high standards of the RSPO norm. The remediation and compensation plan has been approved by RSPO and it will be reviewed during the annual RSPO surveillance audit in 2022.

SAC strives to protect ground- and surface water and is equipped with lagoon basins that collect the effluent from the industrial process. This ensures that the quality of the water discharged at the end of the treatment cycle is in line with Best Management Practices for the application of fertigation into the plantation and does not harm the surrounding environment. The total volume of effluent treated in the lagoons is measured and monitored continuously. Moreover, SAC has clear Standard Operating Procedures for the application of fertilisers and pesticides. Water quality control is carried out periodically and the EPA conducts quarterly monitoring activities to ensure that SAC does not harm the environment.

SAC has been ISO 14001 certified since 2017, which confirms SAC's environmental performance and its efforts to prevent pollution, conserve resources and ensure legal compliance.

SAC contributes to provide safe drinking water and is committed to disease prevention, detection and treatment. SAC has installed dozens of water wells and maintains even more. An exhaustive sensitization campaign among workers, and whenever possible of communities, on health and safety topics aims to raise awareness on the prevention and treatment of common diseases such as cholera, malaria and diarrhoea.

Since SAC's arrival, greenbelts have been respected around the community villages. SAC has always been aware of the importance of buffer zones to the communities and the environment. Each of the 53 villages has its own greenbelt which has been approved by the community villages during the land prospection process.

SAC is contributing to food security in Sierra Leone as it sells most of its palm oil to local food manufacturers and refineries in Sierra Leone who sell their products on the Sierra Leonean market.

Contrary to the image that may arise from this article, SAC is committed to producing palm oil in a way that allows for long-term socio-economic development of the Malen Chiefdom in Sierra Leone. This commitment is based on a code of conduct and good management practices covered in the Socfin Group's Responsible Management Policy, which includes strengthening and protecting communities' rights, improving their quality of life and protecting the environment in and around its plantation.