EQUATORIAL PALM OIL

Mr Mark Wielga
Director
NomoGaia
730 17th St. Suite 925
Denver CO 80202
USA

7 October 2016

Dear Mr Wielga,

EQUATORIAL PALM OIL PLC ("EPO" or the "COMPANY") CORRECTIONS TO NOMOGAIA DRAFT HUMAN RIGHTS RISK ASSESSMENT, AND INVITATION FOR NOMOGAIA TO SUBMIT A FORMAL PROMOPOSAL FOR SERVICES

We refer to our correspondence of 19 September 2016, following your submission to us of the Nomogaia document relating to EPO in Liberia, we would like to provide our responses by way of clarifications and corrections:

1. **Clinics**: The medical clinics on both our estates should not be characterised as "First Aid" clinics, as they offer vaccination programmes, pre and post-natal facilities, health education and drug dispensation, and are staffed not by first aiders but by trained medical professionals. The majority of patients at the medical clinics are not EPO employees and in terms of access we transport community members to the clinics. We also operate an outreach programme through our mobile clinic, which operates two days a week; following advice from the Liberian Ministry of Health, the mobile operations were suspended during the Ebola epidemic, and have now been reinstated. We also plan to upscale diagnostics capability at our clinics over the next 12 months. As you correctly observed, at Palm Bay clinic we have built a lab, and also an isolation ward as a direct response to the Ebola threat. The biggest perceived Ebola-related risk in Liberia is now one of complacency, and EPO is continuing to adhere to stringent preventative and precautionary measures at all our sites in accordance with guidelines set by the Government of Liberia in order to prevent both the introduction of the disease and the prevention of infection. **We would ask these facts are represented within your draft report.**
2. **Remuneration**: EPO is fully compliant with the minimum wage regulations as set out by the Liberian Ministry of Labor. EPO employs 29 contractors, which is 4% of the total EPO workforce. This is low given that for the last year full development has been stopped while EPO (i) successfully resolved a key land issue relating to

expansion, and (ii) waited for the international High Carbon Stock (HCS) study to complete and then an independent HCS assessment by The Forest Trust on Palm Bay estate. I believe you have spoken to our independent CSR consultants (CSR21), who understand that your analytical approach of dividing individual wages by the number of the employees' dependents but omitting to factor in the value of community benefits (health, school, water, accommodation, rice etc.) to said individuals is overly simplistic. We would welcome further clarification from you on your understanding of how this approach works.

Please also provide us with the contractor numbers you have from other estates in Liberia, so we might understand how you arrived at the assertion that EPO has a higher rate of use of contractors than its peers. We also wish you to include in your document the fact that that we are fully compliant with the employment and wage law as passed by successive democratically elected governments of Liberia.

3. **Child labour and illegal employment:** EPO has numerous systems in place to prevent child labour and illegal employment, including the compulsory requirement for full provision of employee tax codes, the requirement that sub-contractors must be accredited by the Ministry of Labor, and active supervision by our management teams to prevent these extremely serious issues ever occurring. EPO requests you provide any evidence of illegal employment either by photograph or a personal statement. The contents of your document as provided to us appear to be based on hearsay, but these are serious allegations and we can assure you that the matter will nonetheless be looked into thoroughly; we will request your cooperation in this regard as our Q4 inspection begins.
4. **Health and safety:** We provide health and safety equipment to all employees who need it, as demonstrable through full records of issuance forms. We keep a rota for its use and return. EPO also undertakes ongoing training relating to safety practices in order to instil a complete understanding in our employees of these measures' crucial importance.

   Please provide any images of incorrect safety usage or personal signed witness testimony.
5. **Employee housing:** EPO acknowledges that issues related to the few instances of shared housing on our estates need to be addressed, and are grateful for your assistance in clarifying some of the related shortcomings. As further investment is made in the estates, new housing will be provided for our employees. In mitigation we point out that our operations have been stagnant for almost two years while we battled Ebola, participated in the HCS study and agreed an MOU with all the communities at Palm Bay relating to land use; but EPO nonetheless kept all our employees in employment during this period, and ensured that none of our expat workers left our estates to return home at any time during Ebola. Instead, in a gesture that was important to the Company, they stood shoulder to shoulder during the Ebola crisis with the communities in which we operate.
6. **Land rights:** EPO is well aware of the relevant international conventions on human, economic, social and cultural rights, and understands fully that the communities in and with which we operate have the right to self-determination. This includes the right to participate in decision-making about matters that will concern the rights and development of a community. EPO has always adhered to the principle of free, prior and informed consent before undertaking any development. In fact, as EPO announced on 5 May 2016, an MOU between EPO

Liberia and Community Elders, Leaders and Residents of Tarlo Town, Blayah Town, Nuhn Town and Qlakpojelay (the "Community") was signed earlier this year, concluding a long community consultation process. This MOU confirmed a joint resolution with regards to the planned development of community areas on the Palm Bay estate. A detailed list of signatories to the MOU demonstrates a cross section of affected Community areas, and includes the communities not presently in favour of development. This agreement with local communities, consenting and non-consenting, followed a substantive, participatory process involving all parties that was designed to produce a pathway forward for sustainable development of our oil palm operations. The MOU with the communities at Palm Bay estate is an important part of the mandate that allows EPO to move forward in creating a new palm oil industry in Liberia that conforms to local communities' needs and international best practice. We should point out that the well-known and respected NGO *Sustainable Development Institute* was part of the consultation process over the two-year period in which it came to fruition.

As you outlined, your document is a draft preliminary assessment. With this in mind, please feel free to submit a costed proposal and scope of work to EPO for commissioning an audit and full report, and providing the outstanding recommendations and proposed action items mentioned in the concluding section of your report.

Our response to you covers off our broad points, but you will see a number of issues highlighted by Nomogaia being answered over the next six months. You are welcome to visit the EPO estates at any time but please make a formal appointment. We would also ask that this time you are not accompanied, unless permission is so granted, by an ex-employee whose employment with us was terminated for fist fighting.

We look forward to hearing from you and welcome any discussions you might want to continue with CSR21.

Yours faithfully,

Sandy Barblett
General Manager - Commercial