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Equatorial Palm Oil plc

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EQUATORIAL PALM OIL plc

("EPO" or the "Company")

Equatorial Palm Oil Update on its Human Rights Impact Assessment Process

Actions Taken to Address its Salient Human Rights Issues

Equatorial Palm Oil plc, (AIM: PAL), the AIM listed palm oil development and production company with operations in Liberia, West Africa today updates all of its stakeholders regarding its work on respecting human rights.

On 7 November 2017, EPO released the Executive Summary of its Human Rights Impact Assessment ("HRIA") which was conducted by leading business and human rights advisor Anna Triponel.

The Executive Summary can be found at: <http://www.epoil.co.uk/wp-content/uploads/2017/12/humanrightsimpactassessment-executivesummary2017.pdf>

Through this process, EPO identified the salient human rights issues on which it should focus as a priority in seeking to ensure that human rights are respected throughout its operations.

Once the HRIA was completed, EPO set about creating an action plan to act on its recommendations. A meeting of senior management was held in EPO's Buchanan office in March 2018, at which it was agreed to establish measurable, time bound commitments for detailed reviews of and/or action in the areas listed in the HRIA.

EPO now reports on the on-going steps taken to address its salient human rights issues as follows:

- **Contractor wages and employment status:** EPO has established new criteria based on productivity to evaluate when a contract worker can be converted to an employee. This is aimed at increasing the Company's employee to contract worker ratio and will result in the reduced dependency of contract workers. For those who remain contract workers, efforts have been made to ensure that they are appropriately paid for the work provided. For instance, guidelines have been created which demonstrate the necessary pay on the part of EPO for specific tasks to ensure a certain wage level is met. At a minimum, contractors are asked to ensure that they pay their workers the amount contained in the Decent Work Act (Liberia) and this is being monitored on a monthly basis by EPO to ensure its head contractors pay to its contractors the appropriate amount. The Company also

conducts meetings every three months between management and contractors to discuss any comments, concerns or issues contractors may have.

- **Accidents on the estates due to holes:** EPO has strengthened its procedures when it comes to the terrain of the estate, including levelling the harvesters' path, which is where workers walk to perform their duties when in the field. The Company has strengthened how patients injured on site and treated in clinics are recorded and monitored, and how that information is passed on to the Company.
- **Accidents on the estates due to chemical usage:** EPO has strengthened its procedures to ensure that workers are aware of why the Personal Protective Equipment (PPE) is so critical to their health and to compel their wearing of it. A checklist has been created which enables supervisors to monitor the use of adequate PPE by both employees and contractors depending on the task at hand, and conditions their payment on the proper usage of PPE. A chemical health risk assessment is planned to be conducted in 2019 upon the building of a new facility for housing chemicals.
- **Impact of use of land on communities:** The team responsible for community relations has been provided additional support to enable them to maintain and build new community relationships. A new committee has been created, called a Joint Monitoring Committee, which brings together community representatives and EPO, as well as governmental stakeholders, to discuss the implementation of free, prior and informed consent ("FPIC"). This process includes site visits at various sites as well as the opportunity for community members to raise concerns with the implementation of FPIC. Consequently, community members have asked for increased data to be provided to them and longer periods of time in which to conduct monitoring exercises in the future - both of which EPO has agreed to. Finally, a clear flowchart of the Company's standard operating procedures related to FPIC has now been published and is available to all interested stakeholders.
- **Employee housing conditions:** EPO is currently discussing plans to provide additional electrified housing with the relevant trade union, and a new generator has been approved. Housing allowances continue to be provided for non-electrified and shared housing.
- **Exercising the right to freedom of association:** All meetings between the union and EPO management are now documented, which helps to ensure that issues raised are addressed on a timely basis. These meetings now occur every 6 months. The Company is in the process of negotiating the renewal of the collective bargaining agreements with trade unions.
- **Transportation accidents:** EPO's transportation policy is being finalised, which seeks to prevent accidents through a range of measures, including by limiting the Company's use of night driving. The Company has provided training (including outsourced training) for tractor operators and intends to display copies of both the transportation policy and emergency response plan in all vehicles, including tractors, once the policy is finalised.
- **Child labour:** If a child is not at school, this is immediately notified to management to avoid children being utilised in the fields by parents. The new checklist for supervisors includes ensuring that workers are not bringing their children to the fields, whether they are employees or contractors.
- **Transportation of pregnant women:** Women who are pregnant are now provided light duty work around the office and camps. This ensures that they do not need to take Company transportation and fulfil tasks that are less physical in nature. A list of pregnant women is now sent systematically by the clinic to management to enable this to take place. A Gender Committee has been set up by women workers that meets every 3 months to discuss measures to further enhance their rights while working for the Company.

The Company is committed to the ongoing human rights due diligence process and will continually monitor and evaluate processes and procedures at it operates to ensure that it respects human rights throughout its operations. In this regard, the Company will next update stakeholders on its progress in this very important area of our business in 2019.

- END -

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Notes to editors:

Equatorial Palm Oil plc is an AIM listed crude palm oil developer and producer with oil palm estates in Liberia, West Africa. The Company was founded in 2005 and is focused on becoming a global, sustainable producer of high quality palm oil to regional and international markets.

With a significant land position in Liberia through its operating subsidiary Liberian Palm Developments Limited (LPD), the Company is geographically well positioned to serve the international and regional markets and is committed to making a positive impact on the communities in which it operates through investment in local schools, health clinics, housing and infrastructure.

The Company's largest shareholder in EPO and 50:50 joint venture partner in LPD is Kuala Lumpur Kepong Berhad ("KLK"). KLK is one of the largest palm oil producers in the world and the Company will greatly benefit from their many years of expertise in oil palm development.

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