

January 12, 2018

**Mr./Ms. Golda Benjamin
Southeast Asia Researcher & Representative
Business & Human Rights Resource Centre
The Philippines**

Dear Sir/Ma'am,

Re: Response to RFA's report

We take pleasure in receiving your letter of January 5, inviting us to respond to report for several points of Letpadaung Copper Project. While appreciate your intention, we are glad to make the following clarification.

With regard to local resident relocation and land expropriations, Myanmar Wanbao by now has extended 12.36 billion kyats in three rounds providing to the local residents who are impacted by Letpadaung Copper Project for their compensation and subsidies. The first compensation was given between April 1, 2011 and February 28, 2013. With the spirits of caring to the community welfare, the actual land compensation that Myanmar Wanbao gave to the local residents was several times as high as the national standards; meanwhile it is much higher than the market value at that time. In fact, Myanmar Wanbao spent 4.18 billion for the first round compensation, covered 1466 persons whom all has signed the land transfer agreement with the company. Considering the Investigation Report, Myanmar Wanbao started the second round subsidy from March 2013, which would pay 1 million kyats for each acre glebe field; 1.2 million kyats for rainwater paddy field; 1.5 million kyats for artificial watering paddy field. From start to January 2018, it cost 4.96 billion kyats totally providing to 1675 residents. As accepted Implementation Committee's suggestion, Myanmar Wanbao carried out the third round subsidy from 2014, and totally paid 4.05 billion kyats already.

Apart from the compensation and subsidies, Myanmar Wanbao has more regard to residents' livelihoods, and constructed new villages where are much more convenient to live with water, electricity connection so that the relocated residents could enjoy the better living conditions for free. Considering people's means of living, the company's policies support residents who are willing to move to the new villages as well as land-lost residents, and provide employment places to the relocated or land-lost families. In addition, Myanmar Wanbao designs and carries out "Contribution Plan" which provides an option to the local communities. Relocated and land-lost residents could gain the employment places in Myanmar Wanbao, or if they refuse the place they could receive 70 to 160 US dollars each month. Up to now, 927 persons from 33 villages have accepted this Plan and the company already cost 4.05 billion kyats in it.

Myanmar Wanbao constructed such livelihood projects as irrigation system, school, clinic, kindergarten, water channel, sewer, etc. The company helps

surrounding communities connected water and electricity to make them a better live. And actively participate in community development; we care most about elderly cares, local education, and healthcare. We are also running a program of small and medium enterprise workshops to train local people in a range of skills. At present these consist of brick factory, concrete casting, agricultural activities, etc. In the meantime, each project partners shall contribute 2% of net profits to the CSR activities every year during the life of the mine.

In respect of environment issue, the report makes us puzzled and shocked. Since the Letpadaung project started, Myanmar Wanbao, as a responsible company has been paying great attention to the environment conservation. The project design is zero-discharge, all the surface water in the project area is being collected and recycled for water make-up in the process. There is essentially no water discharge to the outside. In fact, a formal external audit was conducted by SGS in 2017. The SGS experts confirmed the operation has met the ISO certification requirements, and the three certificates of ISO 9001: 2015, ISO 14001: 2015, OHSAS 18001: 2007 were issued at January 24, 2017. Besides, the company also gained ECC certificate issued by Myanmar Nature Resources and Environment Conservation Ministry.

In 2013, Myanmar Wanbao had voluntarily agreed to undertake an ESIA prepared by Knight Piesold in accordance with the Environmental Conservation Law, Rules and Procedures under the instructions of the Ministry of Environmental Conservation and Forestry. The ESIA has involved extensive community consultations among the impacted villages around the project. It has been prepared using International Finance Corporation's (IFC) standards as a good practice guide to environmental and social performance. The ESIA was submitted to the MOECAAF in January 2015. Then it was discussed in the National Economic Council meeting and the cabinet meeting. The ESIA was approved by the Myanmar government in March 2015. This is the first ever ESIA that Myanmar approved in the mining industry of the country.

Myanmar Wanbao ensures Letpadaung Copper Projects conform to all the objectives of international training, programs and assessment through our internal policies and procedures. We constantly monitor such important elements as noise, air, sulfur dioxide, vibration and surface water. All the result meets the international standards. The company focuses on rehabilitation and reclamation from the very beginning of the project life. In 2017, it already planted totally approximately 10 thousand trees, and 70,000 square meters grass. The new rehabilitation area covers over 100 thousand square meters.

Myanmar Wanbao sees itself as the partner of the people of Myanmar as they seek a better and more prosperous future. This is our commitment to local people and one we are proud to make.

Cordially,

Myanmar Wanbao Mining Copper Limited

