

## **Myanmar Foreign Investment Tracking Project Response from Wanbao**

**Sector: Mining**  
**Region of HQ: China**

*Wanbao did not provide individual responses to our questions, but instead sent the following general response:*

We are grateful to you for inviting us to participate in the Myanmar foreign investment tracking project. We would like to take this opportunity to share with information about our CSR activities.

Wanbao has engaged proactively with its community through numerous rounds of consultations and engagements. We have taken to heart the Myanmar government's concept of "People Centred Development" and we are proud of putting this concept into action by placing our community at the centre of what we do.

We created our Community Social Development (CSD) team and Committee. This was the best way for us to know and hear the needs of our neighbouring villages. The CSD committee, which is the highest decision maker of CSD work, is also made up of representatives of other stakeholders such as the local government, villagers, Wanbao and NGOs.

### **Land Compensation and Subsidies**

Since 2011, the Letpadaung project has paid three tranches of land compensation or subsidies to the villagers who had lost land in the project area. The total amount of compensation and three times of subsidies is between 1,825,000Ks and 3,250,000Ks per acre depending on the type of land. The compensation plus the first subsidy has been claimed by all impacted land-lost villagers. 66% of the total land-lost villagers have taken up the second subsidy, which means the majority of villagers have allowed for the release of their land to the project.

Wanbao had initially complied with Myanmar laws in terms of compensation to farmers in return for land use to the project. Wanbao then assisted the government further through giving more subsidies to the farmers for their land, to take into account the demands of the villagers and for the amount to reflect market prices.

### **Contribution Payments**

Even though Wanbao has met its legal requirements and has paid compensation and subsidies, we have gone further to safeguard the livelihood and wellbeing of its community in the long term. Since July 2014, the company, together with its Myanmar partners and supervised by the Myanmar government, has created an annual Contribution payment to all the land-lost villagers between USD70 and USD160 per month depending on the number of jobs they are entitled to have because of land loss. Land-lost villagers had originally been promised jobs by Wanbao (the numbers of which were dependent on how much land was given to the project), however, due to the stoppages the company was unable to provide jobs through no fault of its own. So the contribution payment are given regular cash payments every 6 months until a job materialises. This ensures that the land-lost villagers have the peace of mind that their basic livelihoods needs are met whilst they wait for a job to materialise.

This was done through extensive consultations and with the participation of the villagers. It included unprecedented extensive door-to-door consultations for months. Over 71% of total land lost villagers consulted in 35 villages have supported this contribution plan and the project. And within these 35 villages, 27 villages consulted through door-to-door visits have given us an average 91% acceptance rate of the contribution. These numbers are considered by International Best Practice to have exceeded the requirements for "broad community support" of the mine project. We have also set up bank accounts for the villagers through the local bank to receive these payments directly into their personal accounts. We are grateful to all stakeholders in the project for their joint effort in making this contribution a reality, and especially the Myanmar government for its support.

## **Community Investment**

Not only so, but Wanbao has also undertaken a great variety of Corporate Social Responsibility projects to improve people's lives ranging from electricity supply, drinking water provision, road repairing to school and kindergarten building, scholarships, free medical services, and much more. We have connected 12,000 villagers to the national electric grid helping release thousands from "energy poverty". By the end of this year, more than 5,000 local villagers will get clean drinking water. We are proud that our mobile clinics have already offered over 80,000 free medical treatments in 50 villages around the project and over 1,200 students benefit from the schools we have built. Besides, we offered scholarships to more than 1,000 grade-ten or university students in our local area in the past two years with an amount of 82 million Kyats. Critically, this community investment is beginning to take place in consultation with the local community.

During the long period of business inactivity due to reasons out of our control, our commitment to community developments didn't falter – over 1 million dollars (USD) were spent on CSD projects annually in 2013 and 2014. And we are delighted that 2% of our profit will go towards Corporate Social Responsibility (CSR) investment for the lifetime of the mine, once it becomes operational.

## **SME Development**

We are also nurturing small and medium enterprise (SMEs) in our local community through our "pro-poor" procurement process. This we feel is an effective strategy for poverty alleviation. This is enabling the creation of alternative jobs opportunities through the creation of backward linkages from the mine. It is promoting skill development, knowledge transfer and industrialisation in the area. We have assisted impacted villagers set up SMEs in the food (agricultural), transport and construction sectors. (Further details can be found in the press pack). We are committed to nurturing these SMEs through targeted procurement and capacity building. To date the total value of contracts awarded to local SMEs have exceeded Ks 1.6 Billion Kyats.

## **Environmental and Social Impact Assessment (ESIA)**

Currently the ESIA, formulated by Australian consultancy Knight Piesold, is in the final approval stage and it is overseen by the Ministry of Environmental Conservation and Forestry (MOECF) of Myanmar.

The ESIA has been carried out through extensive community consultations among the impacted villages around the project area. During the consultation process a number of environmental and technical issues were raised and these issues were able to be addressed and resolved. The ESIA has gone through extensive reviews by the Review Team consisting of environmental and social experts in the country. The ESIA has been prepared using International Finance Corporation's (IFC) standards as a good practice guide to the achievement of sound environmental, social and health outcomes from the Project's implementation.

The ESIA concludes that "the development of the Letpadaung Copper Project will have a limited and acceptable impact on the environment when compared to the benefit that the community and the nation may derive from the project, provided the management measures described in the ESIA document are implemented".

Environmental stewardship is safeguarded as the project will be paying USD 2 Million per annum throughout the commercial production period of the project into a dedicated account to ensure international standards of environmental protection are met. Our caring environmental strategy requires that we start planning from now for that time in the future when the mine is eventually closed.

We believe that we have been working very hard at addressing the community concerns with our contribution payments, our employment policies, our SME development programs and our CSR investment. And we will continue building closer ties and bonds to the families that make up our community and maximize the developmental returns from this project in consultation with all stakeholders for our community, this effort will never cease.

It is therefore regretful to find that most of the news put on your website about our project tends to be negative and inaccurate; some of them are even wrongly reported. For accurate information refer you to our company website or some well-known media like PhoenixNet with the link <http://v.ifeng.com/news/opinion/201412/013af4f7-a1e4-42f4-9e65-0b365efbb638.shtml> . We very much you could have a full understanding of our project, and may come to give it a fairer and more objective treatment.