



Plantations et Huileries du Congo (PHC) is committed to a successful ICM mediation.

Mediation is underway between the PHC company and the communities surrounding PHC operational sites following a complaint filed in 2018 with the European banks DEG (Germany) and FMO (Netherlands) which have an independent mechanism (Independent Complaints Mechanism, ICM) to resolve disputes between stakeholders and their clients.

The new investors who took control of PHC in 2021 agreed to continue to participate in this mediation despite the debts owed to the banks having been paid off. This decision is in line with the company's new vision of creating prosperity shared by stakeholders, a vision that requires peaceful and collaborative relationships between all stakeholders. PHC wanted to use this opportunity for independent mediation to resolve disputes between the company and surrounding communities in order to establish a climate of peace and collaboration. The NGO RIAO participates in this mediation in support of local communities. As part of this mediation, a code of conduct prohibiting false and defamatory comments was signed by all participants, including RIAO. The comments published by RIAO on November 20, 2023, on the farmlandgrab.org website are false and defamatory and are not likely to promote the establishment of a climate of peace and collaboration.

It is important to know that in 2017 the PHC company signed social clauses with the surrounding communities which asked the company to carry out social infrastructure projects (schools, health centers, houses of traditional chiefs, etc.). The construction of these infrastructures was slow between 2017 and 2021, but since 2021 their execution has accelerated. A Social Clauses Monitoring Committee chaired by a representative of the local communities has been set up and meets every three months. A Complaints Management Committee, also chaired by a representative of the local communities, has been set up and meets every month. We believe that these mechanisms make it possible to resolve possible points of disagreement between the company and the surrounding communities.

The PHC company has been operating in the DRC since 1911, that is to say since the colonial era. Since the DRC gained independence on June 30, 1960, the company's property titles have been validated by the competent institutions of the Congolese state, and the company pays each year all royalties due to the state for these concessions. The property titles, which are emphyteutic

leases, are renewed periodically as required by the regulations in force in the DRC. As part of the ICM mediation between PHC and local communities, a title verification commission comprising representatives of local communities, of PHC, of the Provincial Governor, and agents of the land Registry Service (Service du Cadastre) of the Ministry of Land Affairs of DRC was put in place. This commission has already verified the property titles of PHC and is currently hard at work verifying the location of the beacons of the PHC concession under the supervision of the Land Registry Service of the Ministry of Land Affairs of the DRC.

It should be noted that PHC uses less than 30% of its concession and has made a firm commitment not to deforest. The remaining 70% is in a forest conservation and biodiversity protection program. The company only replants areas that were previously planted with palm trees. The new management of PHC has decided to adopt the best agronomic practices and increase its production by increasing yields per hectare. This new strategy yielded positive results and the company's production has significantly increased. PHC has also adopted the zero-discharge option by which liquid effluents from its factories will be converted into biogas which will be used in a turbine to produce electricity, part of which will be made available to local communities. This will also allow PHC to reduce or even eliminate the use of diesel fuel thus contributing to the company's Net Zero objective.

It should also be noted that PHC operates 4 referral hospitals with a total of 423 beds, 3 health centers and 18 dispensaries which offer free care to PHC employees and at highly subsidized rates to members of local communities. Each year, PHC medical facilities welcome about 150,000 people for health care. The company has installed 72 boreholes and maintains them periodically to facilitate access to drinking water for communities living around its concession. Since 2021, PHC has built and equipped 20 schools of six classes each and 12 others are under construction to allow nearly 10,000 children in rural areas to study in decent conditions. PHC supports more than two thousand farmers (27% of whom are women) organized in 91 Agricultural Producer Organizations (OPAs) with farming inputs, tillage tools and technical training.

PHC firmly subscribes to the policy of non-violence. Its guards who monitor plantations and industrial installations are unarmed and only have whistles and talkie-walkies to call for help. The company relies on the police and the national judicial system to maintain peace and security in its operational areas. PHC has no influence over the police or the national justice system to influence their actions or decisions. The company deplores and condemns any abuse of force by the police and is not responsible for it.

PHC firmly believes that platforms for dialogue and mediation between the company and surrounding communities such as the ICM mediation, the Complaints Management Committee, the Social Clauses Monitoring Committee, constitute the best way to create a climate of peace and collaboration that can lead to shared prosperity for all stakeholders. The lies and defamatory statements contained in the RIAO article published on farmlandgrab.org on November 20, 2023, only serve to tarnish the reputation of PHC and to create a climate of suspicion and anti cooperation. PHC is committed to prioritizing dialogue with local communities in the search for peaceful solutions that can contribute to sustainable development in rural areas of the DRC.