



**Summary Report of Planning & Management
SG Sustainable Oils Cameroon
Nguti, Mundemba & Toko Subdivisions
Republic of Cameroon**

1. Executive Summary

SG Sustainable Oils Cameroon (SGSOC), a subsidiary of Herakles Farms, is an oil palm plantation company that operates in the Nguti, Mundemba and Toko subdivisions of the South West Region of Cameroon. As a sustainable palm oil producing company, SGSOC has conducted an Environmental and Social Impact Assessment (ESIA) and High Conservation Value (HCV) Assessment. The HCV assessor undertook three separate site visits to the concession in September 2010, June 2011 and August 2011, with each visit lasting for a minimum of one week. The ESIA was conducted by H&B Consulting USA (Cameroon Division), an accredited environmental consultancy approved by Cameroon's Ministry of Environment and Protection of Nature (MINEP).

The Establishment Convention was signed on September 17, 2009 between the Government of Cameroon and SGSOC. The total area of the concession under the convention is approximately 69,975 ha. The total plantable area has been estimated at 60,000 ha due to land set aside for buffer zones with protected areas and riparian areas, as well as for buildings, infrastructure and palm oil extraction mills. The ESIA was approved on September 19, 2011 by MINEP, and a Certificate of Environmental Conformity was issued.

The baseline flora survey and habitat assessment indicated that the vast majority of the concession is secondary and degraded forest, with few remnant patches of primary forest in inaccessible areas. This finding is consistent with the attestation issued by the Institute of Agricultural Research for Development, Ref No. 9249/IRAD/DG/CRRA-E/RCC/11/09 dated 20 November 2009 and attestation issued by the Ministry of Forestry and Wildlife Ref No. 0840/ATC/MINFOF/SG/DF/SATAF/SG dated 05 October 2010 that the concession area of SGSOC has been logged repeatedly and is covered by secondary forest. The HCV assessment report clearly indicates that the existing vegetation of the concession is predominantly a mosaic of actively cultivated farmlands, fallows, secondary forest and relic patches of evergreen forest at various stages of degradation. The concession as a whole is not and does not contain protected areas; hence, it does not constitute HCVF under criterion 1 (HCV1). However, some parts of the concession are identified as HCV under criteria 1.2, 1.3, 3, 4.1, 4.2, 5 and 6.

Table 1: Examples of HCVF Identified in the SGSOC Concession

Area Name	Estimated Land Area (Ha)	Description	HCV Criteria
High concentration of endemic plants	2.82	Forest area in relatively good condition with high concentration of the globally threatened and endemic plant <i>Cylicomopha solmsii</i> ; fairly good multistory forest; undergrowth dense with climbers	HCV 1.2 & 1.3
Threatened species	21.687	Forest area near the Lipenja nursery where the endangered four-digit toad, <i>Didynamipus sjostedti</i> , was found	HCV 1.2
Shrine	6,91	A sacred site located at Lipenja	HCV 6
Shrine	7,45	A sacred site located at Meta	HCV 6
NTFP	46,02	Covered with <i>Gnetum Africanum</i> , a valuable NTFP which the community depend on for their livelihood	HCV 5
Shrine	19,73	This sacred site is located at Esoki	HCV 6
Shrine	12,58	This sacred site is located at Lowe	HCV 6
Swamp Forest	15,54	This is a riverine forest (riparian strip), south-east of Talangaye village, bordering the SGSOC oil palm nursery with good multi-story close canopy forest	HCV 3
Shrine (Gorilla Hill)	20,25	A forested hilly area west of Talangaye locally referred to as the Gorilla Hill; the site is traditionally regarded as a shrine by the Upper Balong Tribe	HCV 6
Watershed	20,25	A forested hilly area west of Talangaye which is the source of several rivers and stream (e.g. River Bakebe); a steep sided forested hill	HCV 4.1
Watershed	153.409	Near the Rumpi Hills, a hilly area as well as watershed for important river such as the Mana River and several other rivers and streams	HCV4.1
Watershed	11.687	Bakossi Hill, hilly areas as well as watershed for several rivers and streams	HCV 4.1
Watershed	565,4	A water source located at Mungo Ndor	HCV 4.1
Shrine (Mokandiba)	109.349	A water source located at Mungo Ndor	HCV 6
Steep slopes	1,355	Areas above 25 degree	HCV 4.2

With the exception of the four-digit toad, *Didynamipus sjostedti*, found near the village of Lipenja, classified by the IUCN Red List as Endangered (EN) and for which SGSOC is drafting a management plan, the baseline survey did not identify any high concentrations of rare, endangered and threatened species that are not widespread outside of the concession. The survey did find that the African forest elephant, *Loxodonta Africana*, listed as Vulnerable (VU) on the IUCN Red List of Threatened Species, occasionally migrates from the

neighboring Banyang Mbo Wildlife Sanctuary (BMWS). Although SGSOC is adopting a management plan for the elephant in line with RSPO and WWF best practices, this area of the concession is not an area of critical temporal use. All other large mammal species were found in varied abundance in both secondary and remnant primary forest patches and all were species of least concern (LC) in IUCN Red List of Threatened Species (IUCN, 2011). Of the birds, five species were listed in CITES Appendix II, out of which one listed as near threatened (NT) and three as LC (IUCN, 2011). In case of herpetofauna, three amphibians found were listed as NT or higher on the Red List of Threatened Species. This included the Endangered *Didynamipus sjostedti*, for which SGSOC is developing a management plan. In addition, food remains of one vulnerable lizard were found, and local informants indicated possible presence of a Cameroonian protected crocodile in the concession. SGSOC values the biodiversity in its concession and has committed to performing additional HCV assessments prior to each land clearing phase through which it can reconfirm such findings.

Approximately 6% of the total floral species recorded on the concession are on the IUCN Red List of Threatened Species, but they are all abundant in the lowland rainforest region of Cameroon, and none are endemic to the concession. None of the species found were listed on either Appendix II of the CITES list or the list of protected species under the Cameroon wildlife Law (Source: Article 2 of the Order of 14 August 1998). Eight tree species on the IUCN Red List were identified, with six being classified as VU, one EN, and one as NT. All of these species are abundant in the lowland rain forest region of Cameroon and are not endemic to the concession. In terms of global rarity, the flora species recorded included one Black Star species (*Cylicomorpha solmsii*), which is endemic to Cameroon in a monotypic genus. Six Gold Star species (*Afrostryax lepidophyllus*, *Amanoa strobilacea*, *Cola buntingii*, *Dicranolepis disticha*, *Dasylepis racemosa* and *Dichapetalum tomentosum*) were recorded, but are widespread outside of the concession. The concession on the whole does not have a high concentration of globally rare plant species and is consequently low in bioquality value.

A comprehensive and participatory independent ESIA and HCV assessment which included internal and external stakeholders was completed. The results are incorporated into planning and management of SGSOC. The independent assessment identified:

1. that the concession as a whole is not primary forest;
2. all areas required to maintain or enhance one or more HCVs;
3. no peat soils; and,
4. all privately-owned land was recognized through customary arrangements and was not titled.

2. Reference Documents

2.1. ESIA and HCV Assessment Reports

An ESIA was prepared by H&B Consulting USA (Cameroon Division), an approved environmental consultancy firm by the Cameroon Ministry of Environment and Protection of Nature (MINEP). The prepared ESIA report was approved on September 19, 2011 by MINEP.

SGSOC's HCV Assessment was conducted by an RSPO accredited lead assessor from Ghana Wildlife Society (GWS).

2.2. List of Legal Documents and Regulatory Permits Related to the Area Assessed

SGSOC has obtained the necessary legal and regulatory documents to commence plantation development, including the Certificate of Environmental Conformity, Establishment Convention and other relevant documents shown on the below table.

Table 2: SGSOC Legal Documents and Regulatory Permits

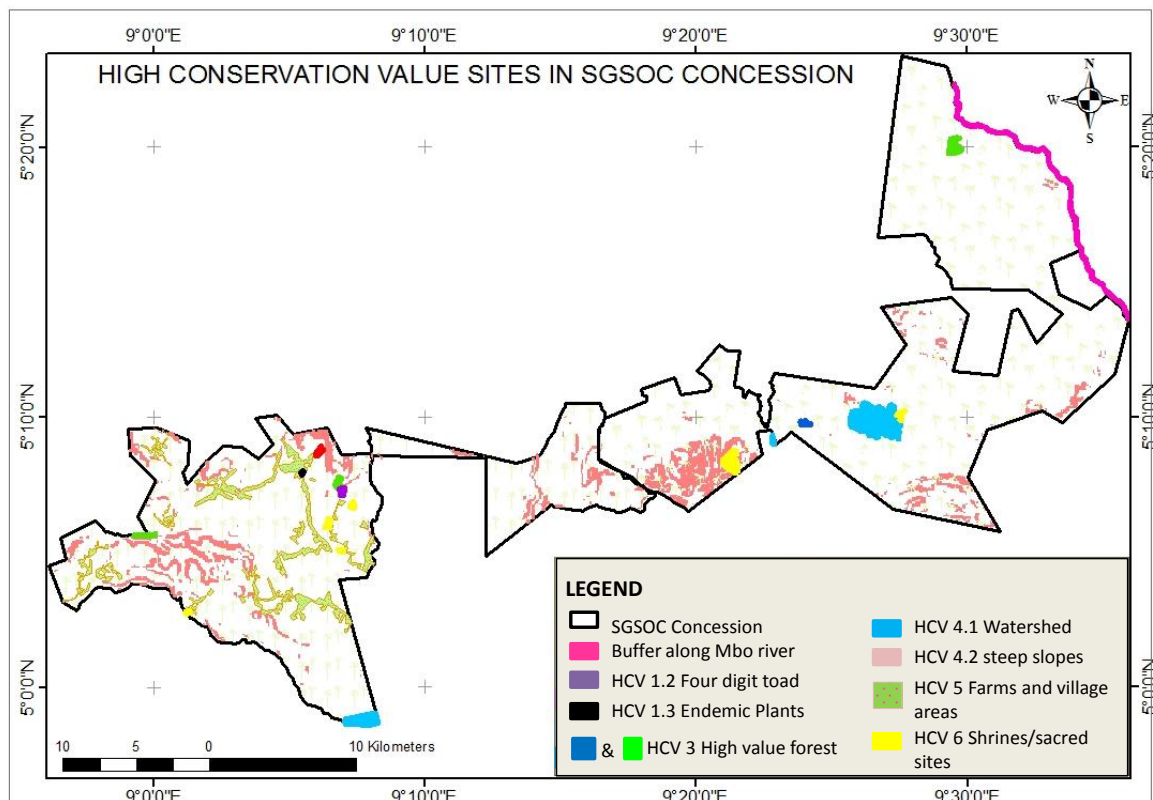
Licenses and permits	Issued By	Date and Decision No.
Certificate of Environmental Conformity	Ministry of Environment and Protection of Nature	19/09/2011
Establishment Convention	Ministry of Economy, Planning and Regional Development	17/09/2009
Prefectural Order For Mundemba Concession	Senior Divisional Office, Mundemba	30/06/2009 Ref:640/587/551/PO/SP Prefectural Order No. 120/2009
Prefectural Order For Nguti Concession	Senior Divisional Office, Bangem	18/11/2009 No.169/PO/G.42/87/AJPAS
Custody receipt for Mundemba	Divisional Delegate of State Property and land tenure for Ndian	26/06/2009
Custody receipt for Nguti	Divisional Delegate of State Property and land tenure for Kupe-Muanenguba -Bangem	06/10/2009 Ref. No.025/909
Common Commitment Ndian	Divisional Office, Mundemba	31/08/2011
Common Commitment Kupe-Muanenguba	Senior Divisional Office, Administrative Juridical and	15/08/2011

Licenses and permits	Issued By	Date and Decision No.
	Political Affairs Service	
Memorandum of Understanding	Village chiefs	27/07/2010

2.3. Location Maps

The entire project site covers approximately 69,975 ha of land and has been divided into two major blocks (Block A and Block B). Block A is situated in the Nguti subdivision of the Kupe-Manenguba Division, while Block B is located within the Mundemba and Toko subdivisions of the Ndian Division.

Figure 1: Project Location



2.4. Area of New Plantings and Time-plan for New Plantings

The total area of the new planting is approximately 60,000 ha. The proposed concession is in the location that has been approved by the Government of Cameroon and through a Free, Prior and Informed Consent (FPIC) process with the local communities in and around the concession area. SGSOC has signed a Memorandum of Understanding (MoU) with the communities and a common commitment with the Government of Cameroon. Land preparation and planting of oil palm will be in accordance with RSPO New Planting Procedures (NPP).

The management plans of the identified HCVs have been drafted.

As part of the FPIC procedure to ensure that there is community participation on all aspects of the project by SGSOC, consultation with relevant stakeholders was conducted to provide the opportunity for communication and sharing of information, opinion and suggestion between SGSOC and the affected communities in and around the concession. All farmlands within the concession are being clearly marked out through a participatory mapping process with all relevant stakeholders. SGSOC has developed a grievance and complaints procedure so that all problem solving processes are conducted through discussions and mutual deliberation. The land leased to SGSOC is owned by the Government of Cameroon and involves a diverse group of additional stakeholders that include farmers who reside on the land, as well as local and international social and environmental organizations.

The new planting will commence following the completion of the RSPO public notification of 30 days for review by stakeholders. The development of the plantation has been planned to occur in four phases, as illustrated below. However, it is likely that the development will be spread out over six years.

Table 3: Planned Plantation Development Phases

Phase Planting Phases	Phase 1	Phase 2	Phase 3	Phase 4	Total (Hectares)	
					Per Year	To-Date
1	11,000				11,000	
2		21,000			21,000	
3			20,000		20,000	
4				8,000	8,000	

Table 4: Plantation Development Schedule by Block

	Block A	Block B	Total
Phase	Hectares	Hectares	Hectares
1	11000	0	11000
2	15000	6000	21000
3	14000	6000	20000
4	4000	4000	8000

The development of the first phase of the project is detailed on the map provided in the below figure.

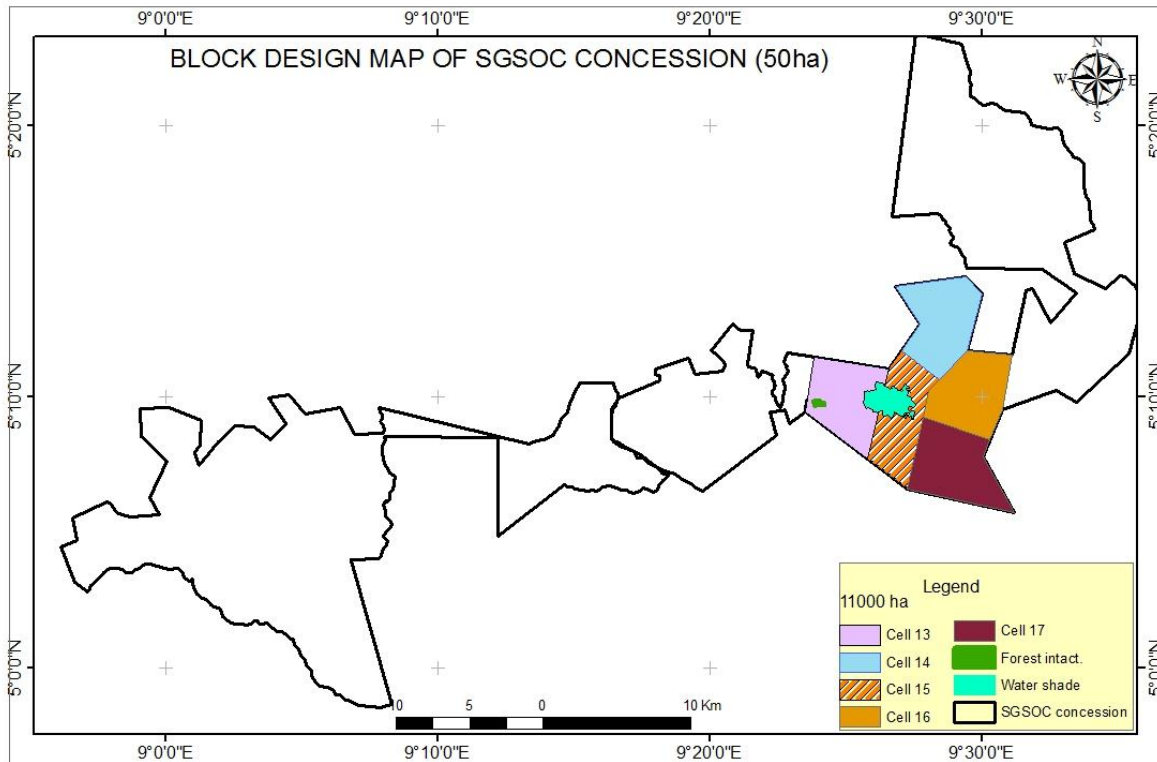


Figure 2: Phase One Planting Plan

3. ESIA and HCV Management and Planning Personnel

3.1. Organisational Information and Contact Persons

SG Sustainable Oils Cameroon is a subsidiary of the American company, Herakles Farms. SG Sustainable Oils Cameroon is based in the city of Limbe in the South West Region of Cameroon, and its plantations lie in the Nguti subdivision of the Kupe-Manenguba Division, and the Mundemba subdivision of the Ndian Division of Cameroon.

Company Name	SG Sustainable Oils Cameroon, Limited
Company address	P.O. Box 64 Limbe, No.5 Nambeke Street, South West Region, Cameroon
Business permit	Establishment Convention, September 17, 2009
Type of business	Oil Palm Plantation and Palm Oil Mill Operation
Location size	69,975 ha
Contact persons	Carmine Farnan
Email	farnan@heraklescapital.com
Geographical location	Nguti, Mundemba and Toko subdivisions of the South West Region
Spatial reference	East 8° 55' 0"; 9° 35' 0" North 4° 55' 0"; 5° 25' 0"

The plantation will be structured into 24 estates. Each estate will have a total surface area of 2,500 ha to ensure implementation of best practices, including training of workers who are unfamiliar with plantation work and techniques. Each of the estates will be managed by an Estate Manager. Standard operating procedures will be established before field activities commence. Supervisory staff will be trained and designated to implement and monitor management plans that address HCV recommendations and relevant environmental and social aspects.

3.2. Personnel Involved in Planning and Implementation

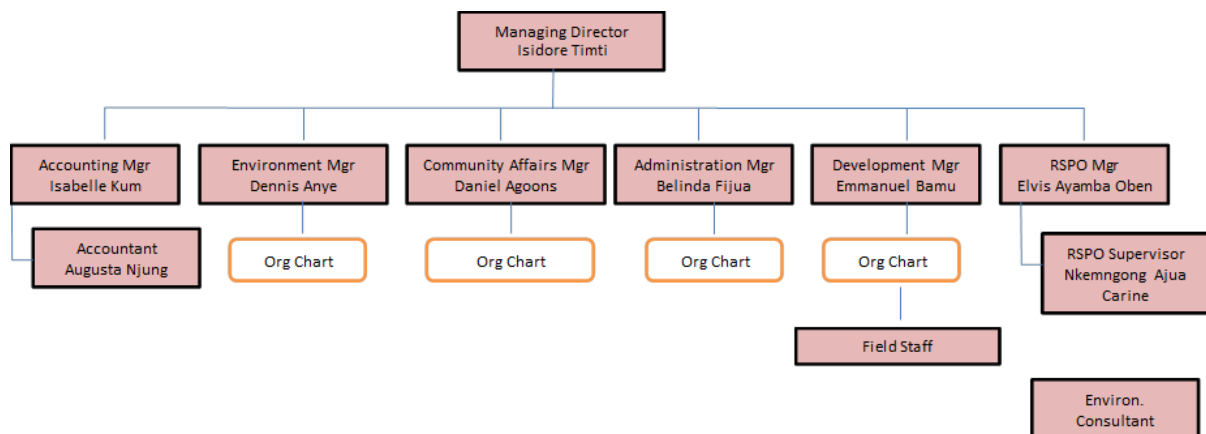
SGSOC is overseen by a Managing Director who ultimately reports to the Senior Vice President. The management team reporting to the Managing Director includes RSPO, Environmental, Agricultural, Accounting, Administration and Community Relations / Development managers. This team will be expanded as the plantation develops to include Human Resources, among other managers. The RSPO Manager is responsible for overseeing the monitoring and implementation of the ESIA and HCV management plans. The Community Relations Manager is assigned to handle all of the community relations, community / social development and potential social issues. Community Development Officers have been assigned to manage relations with each local clan and report to the

Community Relations Manager. In addition, a Grievance Committee takes charge of handling any grievances, complaints or arising disputes.

Table 5: Herakles Farms and SGSOC managers

Name	Designation
Mr. Carmine Farnan	Senior Vice President, Herakles Farms
Interim Manager (original Managing Director recently deceased)	Managing Director, SGSOC
Mr. Hamilton James	Project Director, Herakles Farms
Ms. Delilah Rothenberg	Project Director, Herakles Farms
Mr. Elvis Oben	RSPO Manager, SGSOC
Mr. Dennis Anye	Environment Manager, SGSOC
Mr. Daniel Agoons	Community Relations / Development Manager, SGSOC
Mr. Bamu Emmanuel	Agriculture Manager, SGSOC
Isabelle Kum	Accounting Manager, SGSOC
Belinda Fijua	Administration Manager, SGSOC

Figure 3: Recent Organizational Chart



3.3. Stakeholders involved

Project stakeholders are listed on the following table.

Stakeholders
Ministry of Environment and Nature Protection (MINEP)
Ministry of Energy and Water Resources(MINEE)

Stakeholders
Ministry of Livestock, Fisheries and Animal Industries (MINEPIA)
Ministry of Forestry and Wildlife (MINFOF)
Ministry of Industry, Mines and Technological Development (MINIMIDT)
Ministry of Tourism (MINTOUR)
Ministry of Public Health (MINSANTE)
Ministry of Scientific Research and Innovation (MINRESI)
Ministry of Small-and-Medium-sized Enterprises, Social Economy and Handicraft(s) (MINPMEESA)
Ministry of Transport (MINT)
Ministry of Public Works (MINTP)
Ministry of Planning, Development Programming and Regional Development (MINEPLDAT)
All communities in and around the SGSOC concession
International and local NGOs

4. Summary of Management and Mitigation Plan

3.4. From ESIA

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
ENVIRONMENT				
SOIL	Development and operation of access roads to the concession sites and social infrastructures	Soil compaction	<ul style="list-style-type: none"> SGSOC employees and contractors are trained on best practices in accordance with the company's Environmental Management Plan (EMP), and policies are implemented 	<ul style="list-style-type: none"> Photos taken by supervisors of all road-works and infrastructure development, including dates and GPS coordinates, are collected by the Estate Managers for review and policy compliance checks Records will be maintained for at least five years of worker / contractor trainings, cases of violation, and of road-works and infrastructure development progress-reports Violations of company policies will be evaluated and disciplined accordingly Records of all chemical spillage on soils and water bodies are maintained by central plantation management for at least five years Records of training sessions will be maintained for at least five years Violations of company policies in regards to chemical use will be evaluated, recorded and disciplined accordingly
	Improper use of chemicals in the plantation and petroleum during construction	<ul style="list-style-type: none"> Ground and surface water contamination Death of plants and animals 	<ul style="list-style-type: none"> Workers must use chemicals appropriately, and are therefore be trained on chemical handling and procedures to reduce spillage SGSOC is implementing and enforcing company policies on chemical usage and handling through its EMP 	<ul style="list-style-type: none"> SGSOC Nursery Managers will maintain annually updated and reviewed documents showing all soil protection actions, as well as their successes and failures The Environmental Manager will review the reports bi-annually, and the company's EMP will be updated accordingly
	Land preparation for nursery and plantation development	<ul style="list-style-type: none"> Erosion Loss of soil fertility Landslide surface runoff 	<ul style="list-style-type: none"> SGSOC workers and contractors are trained to use soil protection measures against water (e.g. water retention, flow path, rub rails and ditches), as per the EMP Windbreaks will be maintained around the site, as per the EMP A no-burning policy is maintained for land clearing, and the land clearing contractor has been trained in RSPO policies 	<ul style="list-style-type: none"> Records of worker trainings will be maintained by Estate Managers Estate Managers will make impromptu field visits for the assessment of agricultural practices and cover crops
	Planting methods	Erosion	<ul style="list-style-type: none"> SGSOC's EMP includes slope management policies Good agricultural practices (GAPs) are taught to workers and enforced 	

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
	Road construction to concession sites and internal tracks, traffic	Dust emission	<ul style="list-style-type: none"> A non-invasive cover crop will be planted to retain water and fix nitrogen Restriction of vehicles and machines speed using speed breaks Company policies on speed are announced, posted and enforced 	<ul style="list-style-type: none"> Estate Managers will produce reports on erosion for the Environmental Manager's review quarterly The Environmental Manager will review and revise the EMP annually, and records of the entire process, from worker training to EMP review, will be maintained for at least five years Company security enforces policies through unannounced checkpoints Records of violations and complaints are reviewed annually by the Environmental Manager and maintained for at least five years Violations will be evaluated and disciplined accordingly
AIR QUALITY	Clearing of biomass	Greenhouse gas (GHG)emissions	<ul style="list-style-type: none"> SGSOC maintains a policy that only quality fuel products may be used, and may only be purchased from registered suppliers SGSOC is planting oil palm trees and cover crops that capture GHGs Employees and contractors are being properly trained 	<ul style="list-style-type: none"> Records of fuel purchases will be reviewed by the head of purchasing Changes in meteorological data will be monitored on a regular basis, and resulting records will be maintained for at least five years in the office of the Environmental Manager Violations of company purchasing procedures will be evaluated and disciplined accordingly
	Vehicle and equipment usage and removal of vegetation	<ul style="list-style-type: none"> Dust emission Air pollution 	<ul style="list-style-type: none"> Vehicle fuel consumption will be verified at regular intervals and speed will be regulated Vehicles will be required to receive maintenance checks on a regular basis to minimize pollution SGSOC workers and contractors will received proper training 	<ul style="list-style-type: none"> SGSOC supervisors will review maintenance check records bi-annually and keep records for at least five years Records will be kept of all worker trainings Violations of company policies will be evaluated an disciplined accordingly
	Site preparation and facility construction	Noise	<ul style="list-style-type: none"> Houses will be remotely located, and there will be 250 employees per resident area for 	<ul style="list-style-type: none"> SGSOC will evaluate vehicles speed violations and discipline them accordingly

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
			<p>workers</p> <ul style="list-style-type: none"> Mills will be located around the palm plantation and in locations removed from residences Company vehicles will be restricted on speed 	<ul style="list-style-type: none"> Noise complaints will be recorded, evaluated, and addressed
GROUND AND SURFACE WATER QUALITY	Nursery development	Water efficiency	The nurseries are located close to water-bodies (rivers and streams) to ensure that the plants meet their water requirements	Irrigation systems will be used to reduce waste and water runoff on soil
	Application of agrochemicals	Potential pollution	<ul style="list-style-type: none"> Rational use of chemical application will be based on palm growth, crop yield and leaf sample analysis SGSOC workers and contractors will be trained according to best practices as found in the company's EMP 	<ul style="list-style-type: none"> The physiological quality of water will be monitored regularly Records of worker trainings will be maintained Violations of company policies will be evaluated and disciplined accordingly
	Water-use for irrigation	Surface water pollution	SGSOC's policy is to minimize the use of agrochemicals, and workers and contractors are trained accordingly	<ul style="list-style-type: none"> Agrochemical application in the young nursery plants is recorded Nursery Managers review and maintain records for at least five years Violations of company policies are reviewed and disciplined accordingly
	Operation in the plantation, including chemical spillage from vehicle usage	Surface and ground water pollution	Training will be provided to all workers on chemical handling	<ul style="list-style-type: none"> Records of worker trainings will be maintained by Estate Managers Records of the number and nature of accidents will be maintained by Estate Managers, who will report them to senior company management annually Violations of company policies will be evaluated and disciplined accordingly
BIOLOGICAL				

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
FAUNA	Development of plantation and related infrastructure	<ul style="list-style-type: none"> Open areas for hunters may be limited The rise in population from any outside workers will result in higher protein demand 	<ul style="list-style-type: none"> Alternative sources of animal protein will be introduced to the villagers and workers (e.g. animal husbandry) through social programming Given the the local bushmeat trade, SGSOC has a no-hunting policy on its concession, and has trained its workers and contractors with an overall no-hunting policy 	<ul style="list-style-type: none"> Social programming successes and failures will be measured and reviewed through Community Development Officer's surveys and partner (NGO) monitoring and evaluation techniques Checkpoints will be located at roads leading to the plantation to control hunting, and a no-hunting policy has been implemented for all workers and contractors Guards will protect HCV sites and protected areas from hunting All violations of the company's no-hunting policies will be evaluated and disciplined accordingly
	Vegetation clearing	Loss of fauna	<ul style="list-style-type: none"> 3 km buffer zones will be provided between the plantation and the national parks, and a 100 m buffer for the BMWS Buffers will also be maintained along the rivers and streams depending on their sizes HCV sites will be conserved as biodiversity plots 	<ul style="list-style-type: none"> The Environmental Manager will be responsible for the assessment, enforcement and reporting of wildlife population and forest canopy changes, as well as any instances of trespassing in buffer zones and HCV sites Buffer zones and HCV sites will be guarded, and trespassing will be disciplined Senior management must review the Environmental Manager's report annually and take appropriate actions, if any are necessary, as per the EMP
	Maintenance and operating procedures of the nursery and plantation	Pesticide and chemical use	<ul style="list-style-type: none"> An integrated pest management (IPM) plan is being adopted and enforced among workers to reduce the use of pesticides and chemicals (pesticides should only be applied when there is no other effective solution) Internationally banned substances by RSPO and the World Health Organization (e.g. paraquat) are banned at SGSOC Workers and contractors are trained on company policies as per the EMP 	<ul style="list-style-type: none"> Records of worker and contractor trainings will be maintained by the Estate Managers Workers and contractors responsible pest management will produce weekly reports of IPM practices, pesticide and chemical use (including quantities applied), successes and failures Estate Managers must review the weekly reports and produce summaries for senior management to review quarterly for effectiveness and adjustment, if necessary Violations of company policies will be

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
FLORA	Nursery development	Alteration of ecosystems	<ul style="list-style-type: none"> • Workers and contractors are trained in optimal use of plant spacing in a manner that minimizes excessive land use • Areas used for the collection of topsoil will be left to regenerate 	<p>evaluated and disciplined accordingly</p> <ul style="list-style-type: none"> • Agricultural practices will be monitored and evaluated by Estate Managers on a quarterly basis through checklists and photography, and each Estate Manager will then prepare a report for the Environmental Manager • The Environmental Manager will review the effectiveness of the current practices and make any appropriate changes, if necessary • Records will be kept for at least five years of evaluation results • Violations of company policies will be evaluated and disciplined accordingly
	Maintenance and operating procedures	<ul style="list-style-type: none"> • Loss of vegetation cover 	<ul style="list-style-type: none"> • Workers will be trained to use IPM of weeds, shrubs and trees that shoot up during palm cultivation • A nitrogen-fixing cover crop will be planted beneath the trees that will also encourage water retention in the soil • Land clearing will take place without burning, and mulch will be laid on cleared ground • An agricultural program for NTFPs (e.g. bush mango, bush pepper, country onion, etc) will be developed • Buffers will be maintained around protected areas and riparian zones • HCV sites will be conserved • Conservation of HCV sites 	<ul style="list-style-type: none"> • Quarterly soil tests will be performed on each estate • Estate managers will monitor the health of the cover crop quarterly • The Environmental Manager will be responsible for collecting data from each Estate Manger on changes on a quarterly basis • Any violations of company policies will be evaluated and disciplined accordingly • The Environmental Manager will be responsible for evaluating the testing and survey results at the end of each quarter and making any necessary adjustments to the EMP
	Development of plantation and infrastructure	Alteration of major ecosystems	<ul style="list-style-type: none"> • Allowance of roads with vegetation cover within the plantation 	<ul style="list-style-type: none"> • Records (pictures inclusive) of all farm and construction operations showing the implementation of best practices

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
			<ul style="list-style-type: none"> Minimal use of chemicals for plantation operations Offsets by investing in the capacity building of neighboring protected areas (e.g. providing funds for more rangers in the Korup National Park) 	
HUMAN				
HEALTH, SAFETY AND SECURITY	Construction activities are likely to use significant numbers of single men from outside the area	Increase in health concerns including drugs, alcohol and sex trade	<ul style="list-style-type: none"> SGSOC is providing basic facilities and utilities in accordance with terms of the Establishment Convention (e.g. portable water, housing, schools, and sanitary facilities) SGSOC will maintain policies limiting and when possible, prohibiting the use of drugs and alcohol Workers must go for a health check within the first six months after employment with emphasis on infectious diseases such as HIV/AIDS, TB, Malaria, typhoid and others SGSOC will provide health services to all workers 	<ul style="list-style-type: none"> The head of Human Resources must maintain records of all worker trainings and acknowledgement of policies The head of Human Resources will be responsible for bi-annual progress reports to senior management including photos of all facilities and utilities (including GPS locations and dates)
		Increased incidences of crime and infectious disease (e.g. HIV/AIDS)		<ul style="list-style-type: none"> The head of Human Resources will be responsible for a monthly audit of all recent health screening results and number of health screenings performed
	Installation of wells	Provide access to safe drinking water	<ul style="list-style-type: none"> The Community Development team will be responsible for provision of well covers and pulley systems to ease water collection, as well as monthly treatment of wells as recommended by the Cameroon Water Cooperation 	<ul style="list-style-type: none"> The Community Development Officers will be responsible for monthly documentation of quantities of water treatment agents applied and maintenance of wells
	Construction of employee housing	Improved quality of life for all employees	A Housing Manager will be responsible for strict respect of house provision terms and for regular maintenance of house facilities	<ul style="list-style-type: none"> The Human Resources department will be responsible for regular checks on house conditions Reports from house occupants will be collected quarterly for review by the Human Resources department
EMPLOYMENT AND	Development of nursery sites, plantations and mills	Job creation	<ul style="list-style-type: none"> The project will result in thousands of jobs for local people, thereby introducing sustainable income streams and livelihoods Employment priority must be given to suitable qualified local villagers 	<ul style="list-style-type: none"> Managers must maintain records of all applicants, including their locality and credentials Discriminatory hiring practices will be

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
			<ul style="list-style-type: none"> Managers will receive training in best hiring practices, to be administered by the Human Resources office 	<p>evaluated and disciplined accordingly by the head of Human Resources</p> <ul style="list-style-type: none"> The head of Human Resources must produce a progress report for senior management's review on an annual basis
	Support for smallholder out-grower program and technical agricultural assistance	Improved household income and quality of life	<ul style="list-style-type: none"> SGSOC will partner with NGOs to promote the growth and success of local smallholders, thereby contributing to the local food market, enhancing food security, and developing sustainable livelihoods in addition to those created by plantation jobs SGSOC must provide equal opportunity to all local communities to avoid conflict 	<ul style="list-style-type: none"> SGSOC Community Development Officers must keep records of support provided to the communities and provide progress reports to senior management on a bio-annual basis
	Micro-finance training and sourcing from local businesses to support the development of secondary markets	Establishment of self-sufficient local businesses	<ul style="list-style-type: none"> SGSOC will partner with NGOs to educate the local population on financial planning and management, and will provide equal opportunity to all local communities to avoid conflict SGSOC will source from local businesses whenever practical 	<ul style="list-style-type: none"> SGSOC Community Development Officers must keep records of support provided to the communities and provide progress reports to senior management on a bio-annual basis SGSOC Purchasing Managers must provide reports of local sourcing to the Community Relations Manager
	SGSOC is making a monthly payment to the communities	Communities will have the ability to fund projects they identify as valuable to their development	<ul style="list-style-type: none"> SGSOC has signed MOUs with all villages directly impacted by the plantation, and will make monthly payments to them 	<ul style="list-style-type: none"> Records of all payments must be dated, and the amounts must be noted Community Development Officers should report observations to the Community Relations Manager to ensure funds do not fall into corrupt hands Community Development Officers will take quarterly surveys of program successes and failures
EDUCATION	Free education will be provided to children of plantation workers, and when necessary, extended to non-workers who live within the concession sites	Increase in literacy rate in the communities	<ul style="list-style-type: none"> SGSOC should provide equal opportunities to all to avoid potential conflict between local people SGSOC should partner with or take guidance 	<ul style="list-style-type: none"> SGSOC's Community Development Officers will maintain records of all children who have or are participating in the free education scheme and report to their senior manager on a quarterly basis about the effectiveness of the

Element	Source of Impact	Effect of Impact	Mitigation Plan	Monitoring
			from an organization or expert with experience in education management and administration	<p>program</p> <ul style="list-style-type: none"> Effectiveness will be measured by Community Development Officers through surveys of student progress (e.g. literacy metrics, advanced education placement)
	Job training to all workers and staff	Gain experience and improve on-the-job performance	<ul style="list-style-type: none"> SGSOC will provide vocational training programs to all new employees and will also offer additional training through annual programs in specific areas of expertise related to plantation management, development and upkeep Employees who demonstrate appropriate progress will be promoted 	<ul style="list-style-type: none"> Nursery and Estate Managers will maintain records of all trainings for at least five years Nursery and Estate Managers will maintain files of employee performance and progress for at least five years

3.5. Summary of Management and Mitigation Plan For HCV

HCV	Status (examples)	Threat	Management and conservation strategies	Monitoring Plan
<p>HCV 1.2 (Threatened and endangered species)</p> <p>HCV 1.3 (Endemic species)</p>	<p>i) Forest area in relatively good condition with high concentration of the globally threatened and endemic plant <i>Cylicomopha solmsii</i>; fairly good multistory forest; undergrowth dense with climbers</p> <p>ii) Forest area near the Lipenja nursery where the endangered four-digit toad, <i>Didynamipus sjostedti</i>, was found</p>	<p>i) Illegal hunting or poaching by SGSOC workers and the local community members could threaten these species and areas.</p> <p>ii) Habitat degradation and/or loss through farming, logging, firewood and NTFP harvesting could threaten these species and areas.</p> <p>iii) Disturbances associated with the initial land clearing and planting phase of the plantation development could threaten these species and areas.</p>	<p>i) SGSOC has and continues to evaluate all areas of the concession for HCV characteristics prior to development. Any areas found to have these characteristics are demarcated and set aside for protection, and where appropriate, enhancement, as biodiversity reserves.</p> <p>ii) A management plan is being developed to protect the four-digit toad.</p> <p>iii) All HCV sites will be guarded and posted with signs.</p> <p>iv) SGSOC will educate and sensitize staff and contractors, as well as communities within and around concession about the importance of protecting HCVs and SGSOC policies.</p> <p>v) SGSOC has a no-hunting policy in the concession, as well as among its staff in general, and these policies are monitored by guards and enforced by management.</p> <p>vi) To reduce bushmeat hunting in the area,</p>	<p>i) SGSOC is developing and implementing ecological and social monitoring protocols to determine the trend of change in fauna and flora species composition, as well as habitat condition.</p> <p>ii) Violations of SGSOC's related policies will be evaluated and punished accordingly.</p>

HCV	Status (examples)	Threat	Management and conservation strategies	Monitoring Plan
			SGSOC will develop and implement programs introducing alternative sources of protein.	
HCV 3 (Areas that are in or contain rare, threatened or endangered ecosystems)	<ul style="list-style-type: none"> i) A riverine forest (riparian strip), south-east of Talangaye village, bordering the SGSOC oil palm nursery with good multi-story close canopy forest ii) Several patches of primary forest 	<ul style="list-style-type: none"> i) Habitat degradation can occur through plantation development. ii) Farming can damage these areas. iii) Although a very rainy climate, fire outbreaks could occur. iv) Canal systems that could cause the area to drain could be a threat. 	<ul style="list-style-type: none"> i) SGSOC has and continues to evaluate all areas of the concession for HCV characteristics prior to development. Any areas found to have these characteristics are demarcated and set aside for protection as biodiversity reserves. ii) All HCV sites will be guarded and posted with signs. iii) To prevent man-made fires resulting from plantation activities, SCSCOC will prepare a Fire Prevention and Control Plan, and training of all employees and contractors in this plan will be mandatory. In addition, the zero-burning policy of the company will be strictly enforced. iv) SGSOC will educate and sensitize staff and contractors, as well as communities within and around concession about the importance of protecting HCVs and abiding by SGSOC policies. 	<ul style="list-style-type: none"> i) SGSOC will develop and implement ecological and social monitoring protocols to determine the trend of change in habitat condition. ii) Violations of SGSOC's related policies will be evaluated and punished accordingly.
HCV 4.1 (Areas critical to watershed protection)	<ul style="list-style-type: none"> i) A forested hilly area west of Talangaye which is the source of several rivers and streams (e.g. River Bakebe), a steep sided forested hill ii) Near the Rumpi Hills, a hilly area as well as watershed for important river such as the Mana River and several other rivers and streams iii) Bakossi Hill, hilly areas as well as watershed for several rivers and streams iv) A water source located at 	<ul style="list-style-type: none"> i) Early stage plantation activities such as land clearing and infrastructure development can threaten these areas. ii) Substances used on the plantation such as agrochemicals could contaminate water sources. iii) Increased farming and logging activities could threaten these areas. 	<ul style="list-style-type: none"> i) Rivers will have a 20m buffer zone from the typical high water mark on each side, and the buffers will be extended around relevant sites qualifying under this criterion. ii) HCV sites will be managed as biodiversity plots by excluding any form of habitat-degrading human activity. iii) All HCV sites will be guarded and posted with signs. iv) SGSOC will educate and sensitize staff and contractors, as well as communities within and around concession about the importance of protecting HCVs and abiding 	<ul style="list-style-type: none"> i) These sites will be evaluated through unannounced regular inspections to ensure compliance with SGSOC's policies. ii) Soil and water will be evaluated on an annual basis to ensure water catchments are preserved. iii) Violations of SGSOC's related policies will be evaluated and punished accordingly.

HCV	Status (examples)	Threat	Management and conservation strategies	Monitoring Plan
	Mungo Ndor		by SGSOC policies.	
HCV4.2 (Area of Erosion Control)	Areas with slopes above 25 degree	<ul style="list-style-type: none"> • Land clearing for plantation development • Logging along steep slopes • Farming cultivation on steep slopes 	<p>i) Identifying vegetation critical for erosion control and improving these areas or maintaining in current condition. Consequently, oil palm will not be planted on slopes above 25 degree</p> <p>ii) Preventing logging and vegetation clearance and safeguarding the forest using security guards.</p> <p>iii) Re-vegetate areas of the HCV that have been degraded either by natural processes or human activities.</p>	<p>i) These sites will be evaluated through unannounced regular inspections to ensure compliance with SGSOC's policies.</p> <p>ii) Violations of SGSOC's related policies will be evaluated and punished accordingly.</p>
HCV 5 (Areas fundamental to meeting basic needs of local communities)	<p>i) Land on which the communities live and farm</p> <p>ii) An area covered with Gnetum Africanum, a valuable NTFP which the community depend on for their livelihood</p>	<p>i) The plantation development could take place on such land, thereby reducing the availability of important resources.</p> <p>ii) Unsustainable harvesting or poaching by workers and communities could deplete important NTFPs such as these, as well as alter the ecosystem.</p> <p>i) Depletion of or contamination of water sources from plantation activities and presence could threaten these areas.</p>	<p>i) SGSOC will not plant or develop any land on which communities live or farm. Demarcation activities have been carried out to set aside land for the communities' future expansion, as well as buffer zones.</p> <p>ii) SGSOC has conducted numerous surveys among the local communities and has engaged them to understand which resources are important to them.</p> <p>iii) SGSOC is participating in planting, reforestation and promotion of traditional knowledge. Farmlands and buffers zones are being set aside for communities in which they can cultivate and harvest such NTFPs.</p> <p>iv) SGSOC will educate and sensitize staff and contractors, as well as communities within and around concession about the importance of protecting HCVs, sustainable resource management and abiding by SGSOC policies.</p>	<p>i) Community Development Officers will consult with communities about resource availability to help SGSOC better understand how it can encourage sustainable harvesting and improve its planting, reforestation and education practices.</p> <p>ii) Violations of SGSOC's related policies will be evaluated and punished accordingly.</p> <p>iii) The Grievance Committee will keep records of any complaints.</p>

HCV	Status (examples)	Threat	Management and conservation strategies	Monitoring Plan
HCV 6 (Areas critical to local communities' traditional cultural identity)	<ul style="list-style-type: none"> i) A sacred site located at Lipenja ii) A sacred site located at Meta iii) A sacred site located at Esoki iv) A sacred site located at Lowe v) A forested hilly area west of Talangaye locally referred to as the Gorilla Hill; the site is traditionally regarded as a shrine by the Upper Balong Tribe vi) A water source / shrine located at Mungo Ndor 	<ul style="list-style-type: none"> i) The plantation development could take place on such land, thereby destroying cultural significance. ii) Unauthorised entry and human activities such as timber harvesting, hunting and harvesting of NTFPs can desecrate the site. This could occur due to the introduction of workers to the area of other cultural backgrounds. 	<ul style="list-style-type: none"> i) SGSOC has conducted numerous surveys among the local communities and has engaged them to understand which sites have these characteristics. All outside of the community buffer zones will be set aside for protection and not-planted. ii) SGSOC will support traditional authorities to manage and protect the sites in traditionally appropriate ways. iii) SGSOC will prohibit unauthorised entry to all plantation staff and contractors. iv) SGSOC will provide education and sensitization among staff and contractors, as well as communities within and around concession on local culture and tradition. v) Signage detailing descriptions of the sites and prohibited activities will be posted. 	<ul style="list-style-type: none"> i) Community Development Officers will continue to consult with communities about these sites to help SGSOC better understand how it can improve its protection and education practices. ii) Violations of SGSOC's related policies will be evaluated and punished accordingly. iii) The Grievance Committee will keep records of any complaints.

Plan for HCV Monitoring and regular review of data

With the availability of GIS coordinates, HCVs, riparian and non-plantable areas within the concession will be clearly marked out using GPS systems. The areas will then be set aside for conservation and marked with signs specifying forbidden activities. The HCV areas will be monitored on a regular basis by the respective Estate Managers (who will have prior training in HCV monitoring) and will be supervised by the Environmental and RSPO Managers. SGSOC has also committed to developing a management plan for any endangered species encountered.

Workers and contractors will be educated on HCV matters, and SGSOC will have a strict no-hunting policy included in their code of conduct. SGSOC will contribute further to community educational programs on the negative impacts of hunting. Check-points will be placed at major roads leading to the estate to control access for hunting. Sign boards will also be displayed at strategic points of the estate and HCV areas indicating restrictions on hunting.

All violations of the SGSOC EMP will be evaluated and disciplined accordingly. The committee that will participate in this evaluation and disciplinary process will be comprised of two Estate Managers, the Environmental Manager, the RSPO Manager and the Human Resources Manager. Severe violations will result in termination of employment or contract immediately.

SGSOC will put in place a protocol to monitor changes in fauna and flora and ecological entities on the concession, which will be carried out as per the above tables.

Results of all monitoring activities must be reported to senior management on an annual basis. Any opportunities identified that could improve the Social and Environmental Management Plans will be implemented and incorporated.

4. Internal Responsibility

I hereby sign off on the above summary Report of Planning and Management. The above may be amended and clarified for improvement during the phases of development of the oil palm plantation, and it will remain in accordance with RSPO Principles and Criteria.

Signed on behalf of the Company

A handwritten signature in blue ink, appearing to read "For [unclear]", with a horizontal line drawn through the signature.

Carmine Farnan, February, 2012
Senior Vice President, Herakles Farms