



Wilmar's Response to The Guardian Newspaper allegation titled: Cross River communities protest, allege land grabbing in Wilmar's N45b project

In a recent report on 27th August 2018, the Guardian Newspaper - Nigeria and its online portal made a publication on an alleged petition submitted to the Cross River State House of Assembly, accusing PZ Wilmar (Biase Plantations Limited - BPL) on issues ranging from land grabbing, non-respect of MOU, inadequate Corporate Social Responsibility (CSR) projects, etc. Whilst we await to be served with a copy of the petition from the State House of Assembly, we deem it appropriate to respond to the allegations that have been made public in the newspaper publications and provide assurance to our stakeholders on our continuous respect for all relevant regulations at all levels in Nigeria.

The Guardian report alleged that the drainage channels introduced as embankment by Biase Plantations Limited has not only caused lot of devastation to crops but has further disrupted and contaminated the streams in the area. It also claimed that subsistence farmers in these communities have been displaced and denied access and ownership to their land and cultural heritage without compensation. The allegations further mentioned that their rich biodiversity has been altered and the environment degraded particularly with the use of pesticides and chemicals fertilizers.

The Wilmar Group had previously responded with substantial information clarifying its activities in the region and reaffirming its commitment to responsible practices in all countries and communities where it operates. More details can be found from this link <http://www.wilmar-international.com/wp-content/uploads/2015/07/WIL-Statement-on-Nigeria-FINAL-16-July-2015.pdf>

Despite the fact that these current allegations by the Guardian Newspaper are not backed by any scientific proofs or concrete documented facts from the community people mentioned, it is the culture of Wilmar Group to investigate, share findings and take remedial actions if required.

Land-grab allegations

The Calaro Estate and Ibiae estates are long existing plantations set up by the Government of Cross River State in 1954 and 1963 respectively. In its strategy to revamp the agricultural sector following the collapse of government plantations, the government of Cross River State, privatized the Ibiae and Calaro Oil Palm Estates through a competitive bidding process. Biase Plantations Limited (BPL), a subsidiary of Wilmar, acquired Ibiae Oil Palm Estate (5,594.012 ha) with survey plan No. RIU/CR/113/11 and Calaro Oil Palm Estate (5,549.801 ha) with survey plan No. ASC/CR/EBA/11/254. Biase Plantation Limited did not acquire any land directly from the

communities mentioned in the above report. Following the transfer of ownership to Biase Plantations Limited, an MOU endorsed by the government who initially owned the property was signed with specifications of CSR to be provided to the indigenous communities.

The land transferred to Biase Plantations Limited has not changed in size or location and is registered in the state registry of land. It is therefore completely unprofessional and false to report on such issues that can affect the reputation of a business that directly employs more than 5,000 Nigerians, and indirectly benefiting more than 30,000 others, without proper investigations to support such claims.

Allegations of failed agreements

With the knowledge that the land was legally owned by the Cross River State government and actively managed as a plantation since the late 1950s, it was only fair and legal to deal directly with the legal owner of the old and moribund oil palm plantations – the Cross River State government. In the spirit of fairness and in line with the Wilmar's Group policy to recognize the ancestral history of the land, the MOU developed and signed with the government was also signed with local communities and has remained enforced till date. Following the Fundamental Agreement, the MOU is to be reviewed every 10 years. The first review will be in 2021 for Calaro and Ibiae Estates.

As of August 2018, Biase Plantations Limited and its sister company Eyop Industries Limited (EIL) recognizes 20 communities directly having ancestral history on the land and have fulfilled all the obligations under the Fundamental Terms of Agreement and the Memorandum of Understanding (MOU). These include:

- 1) Employment creation for competent/qualified persons from the host communities - Fully executed
- 2) Payment of annual royalties to communities - Fully executed
- 3) Payment of consultation fees for the performance of traditional rites ceremonies - Fully executed

- 4) Support for the provision of basic infrastructure to be agreed with the communities - Fully executed
- 5) Provision of scholarships for qualified candidates from each of the landlord communities - Fully executed
- 6) Presentation of yearly goodwill items during festivities - Fully executed.

Beyond these obligations, BPL and EIL have put up a Community Development programme that supports capacity development, education, healthcare, water and sanitation as well as infrastructure in the host communities.

Steps taken to address the allegation of pollution of surrounding community farmlands with agrochemicals around Calaro Estate of Biase Plantations Limited, Cross River State - Nigeria

- a) Water samples were collected along the trenches in the presence of a representative of a family member from one of the families that is alleging destruction of its farmland and source of livelihood. The water sample were sent to be analyzed for any pollutant and agrochemicals used by BPL. This analysis will be conducted by an accredited Federal Ministry of Environment Consultant – FRIBUK INTEGRATED SERVICES LIMITED. The standard and parameters of analysis are the WHO and Nigeria Federal Ministry of Environment.

The results show that the parameters of the water samples SW-1 (5° 18' 44" N – 8° 20' 31" E), SW-2 (5° 18' 32.74" N – 8° 20' 11.04" E) and SW-3 (5° 18' 25.79" N – 8° 20' 18.76" E)

analyzed are generally within WHO and Federal Ministry of Environment limits for water except Total suspended solids, Iron and Lead. However, these concentrations are within natural/baseline levels as shown in previous reports in Calaro and within Akamkpa and Cross River. Full table of results are presented in **Figure 1**.

We are also willing to recollect water samples in the areas alleged to be suffering from our operations in the presence of all stakeholders (the community or state house of assembly, the families or the journalists who wrote the Guardian Newspaper report). The samples will be sent to different accredited laboratories by the different parties and the

end results of all analyses will be used to attest or disprove the allegation as mentioned in the Guardian report. BPL is ready to pay for

the cost of the analysis for all samples collected.



FRIBUK INTEGRATED SERVICES LIMITED

(ENVIRONMENTAL CONSULTANT)

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The General Manager
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WATER SAMPLE RESULTS

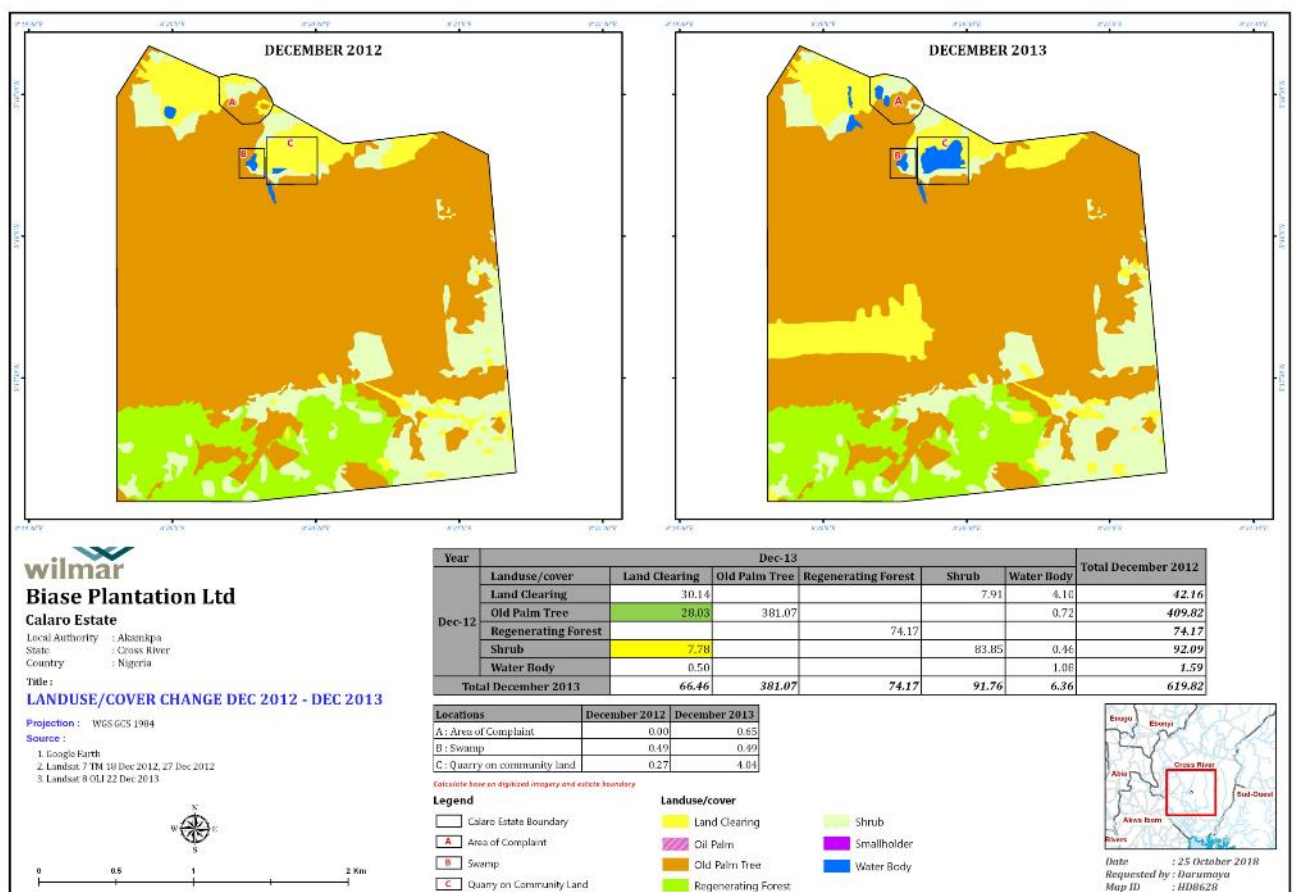
Parameters	SW-1	SW-2	SW-3	WHO/FMEnv Limits
pH	6.5	6.6	6.8	6.5-8.5
Temperature	28.8	27.4	28.5	-
Turbidity (NTU)	2.03	2.27	2.64	5
Conductivity (µS/cm)	122.1	107.0	84.5	400
DO (mg/l)	3.45	4.95	4.62	4.0 (Min)
BOD ₅ (mg/l)	7.86	8.53	8.42	45 – 50
Ca (mg/l)	2.04	1.96	2.42	200
Na (mg/l)	4.22	4.36	5.84	200
Mg (mg/l)	3.42	2.55	2.52	200
K (mg/l)	4.52	3.84	4.28	200
SO ₄ (mg/l)	9.35	8.96	8.46	250
NO ₂ (mg/l)	0.07	0.05	0.08	20
NO ₃ (mg/l)	0.21	0.16	0.25	50
NH ₄ (mg/l)	0.27	0.43	0.37	0.5
PO ₄ (mg/l)	0.18	0.24	0.17	5
Cl (mg/l)	4.22	7.05	6.32	250
Fl (mg/l)	0.38	0.42	0.36	1.50
TDS(mg/l)	35.65	50.23	36.38	1000
TSS (mg/l)	5.32	4.75	4.76	0.01
Total hardness (mg/l)	4.43	6.62	7.53	500
Fe (mg/l)	2.21	2.32	3.02	0.30
Mn (mg/l)	4.42	2.14	3.56	0.50
Cu (mg/l)	0.33	0.48	0.40	1.0
As (mg/l)	<0.01	<0.01	<0.01	0.01
Zn (mg/l)	1.23	1.48	1.55	5.0
Ni (mg/l)	0.01	0.01	0.01	0.02
Cd (mg/l)	<0.001	<0.001	<0.001	0.005
Pb (mg/l)	0.16	0.12	0.08	0.04
Cr (mg/l)	0.04	0.04	0.02	0.05
Hg (mg/l)	<0.01	<0.01	<0.01	0.06
Al (mg/l)	<0.001	<0.001	<0.001	0.2
V (mg/l)	<0.001	<0.001	<0.001	-
Faecal coliform count/100ml	14	20	17	0 per 100ml
Total coliform count/100ml	54	68	53	

Prof. Ekpo Antai

Figure 1: Results of three water sample analyses collected in area “A” (area alleged to be polluted by operations of BPL with toxic chemicals)

- b) The report also claimed that trenches dug to restrict free access of animals and unauthorized persons into the estate are being contaminated with toxic chemicals that have destroyed crops and farmland in the surrounding communities. To confirm if this allegation is true, we will need to study the historical maps of the area before the commencement of land development by Biase Plantations Limited at its Calaro Estate. Biase Plantations Limited acquired Calaro Estate in 2012. For the area along the axis alleged to be suffering from pollution, land clearing took place there in 2015 and the elephant trenches were only constructed in 2017.

To understand the history of the flooded areas in the community farmland alleged to be from Calaro Estate, we analyzed satellite imagery, aerial photographs, topographic maps and hydrology of the area. For historical maps, we used 2012 satellite images to see if the flooded area in the farmland(s) existed before land development by BPL and the size of it. We also study the satellite maps of 2013, 2014 and December 2015 after land clearing occurred in the area. The satellite map of 2016 after oil palm planting by Calaro Estate in the area and satellite map of 2018 after the elephant trenches were constructed by BPL in 2017 were used to understand the origin and source of the water accumulated in the community farm titled “A” – Area of complaint. Following the historical maps, it is clear that the alleged water channeled by BPL into community farmland seems to be misconstrued based on the historical map analysis.



In December 2012, BPL has not started land development around the Akamkpa axis of its Calaro Estate. However, it is estimated that the alleged stagnant water (A: Area of complaint) in the community farm was more or less non-existent. That same year, the activities of the LCC Quarry (C: Quarry on community land) was increasing and underground water was accumulating within the excavated areas of the quarry. Between December 2012 and December 2013, the underground water held within the excavated area of the LCC Quarry increased from occupying 0.27ha to 4.04ha. In the same vein, area “A” which had no water by December 2012 (0.00ha) started receiving water and by December 2013 (0.65ha). However, the water in the swamp remain constant between December 2012 (0.49ha) and December 2013 (0.49ha).

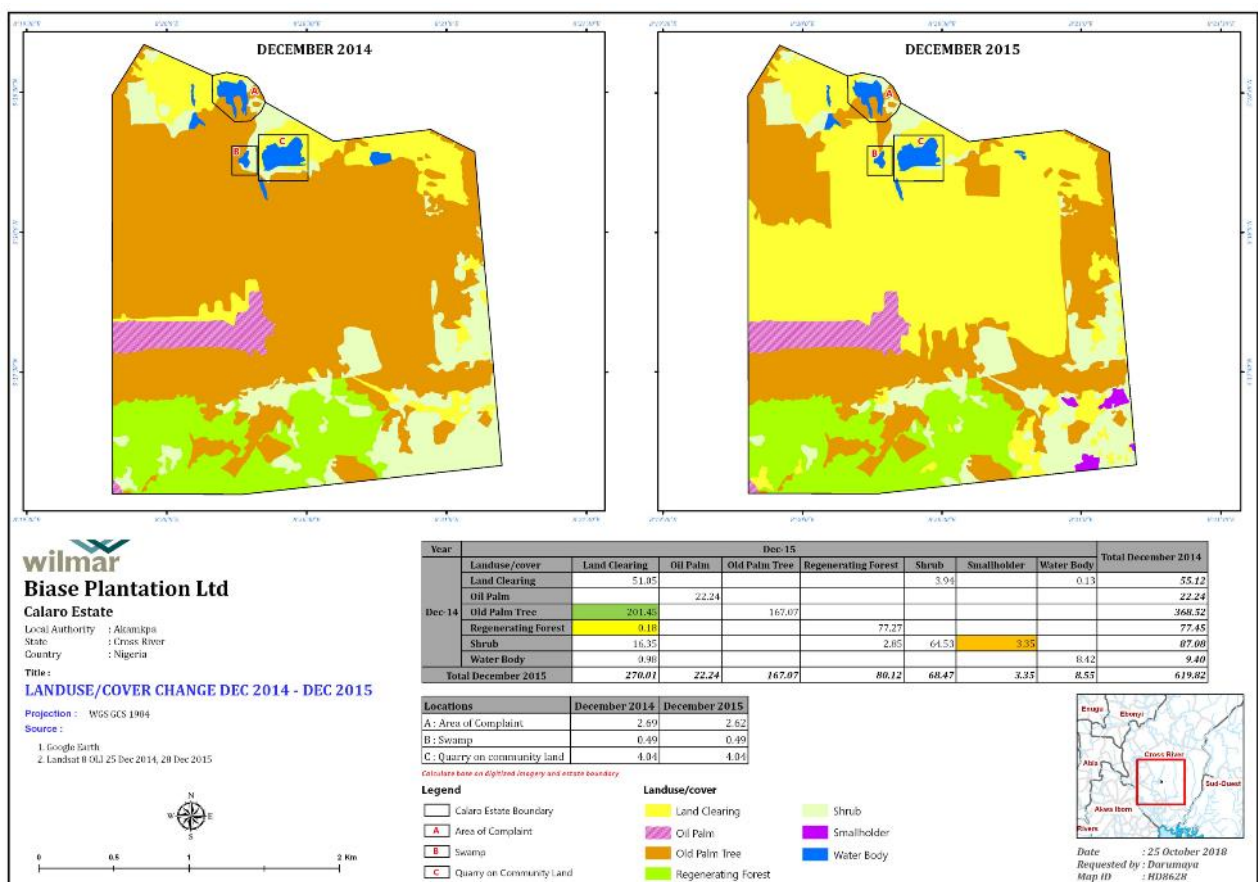


Figure 3: 2014 – 2015 maps showing activities around “A” (Area of complaint), “B” (Swamp) and “C” (Quarry on community land)

In 2014, BPL has not commenced land clearing along the Akamkpa Axis of its Calaro Estate. However, close to the alleged farmland destroyed by BPL, two quarries (Arab Contractor and LCC Quarries) were in full operation, excavating and blasting rocks. These same quarries got their blessings from the owners of the farmland now alleged to be destroyed by BPL. Between 2013 and 2014, the amount of water stagnated in area “A” has increased from 0.65ha in the farmland to 2.69ha as quarry activities intensified. By December 2015, when BPL had commenced land clearing along the Akamkpa axis, the water accumulated in area A, B, and C have become constant. This proves that the farmland area alleged to be flooded by activities of BPL in Calaro Estate is not true. The water has been there since 2012 and before BPL started land development around the area. The only activities within the farmland from 2012 when there was almost no flooded area in the farmland to December 2014 and June 2015 were two quarries (Arab Contractors and LCC Quarry) that excavated and blasted rocks exposing the area to underground water accumulation.

From 2012 to June 2015, the Akamkpa axis of Calaro Estate had old oil palm trees planted from the 1960s. However, all the flooded areas allege to have been caused by operations of BPL at Calaro Estate had already been flooded with stagnated water at the Quarries and areas of the community farms. By 2016, Calaro Estate have cleared the old palms and have planted the areas along the Akamkpa axis. However, the flooded water in both the farmland (A), swamp (B) and LCC Quarry (C) remained constant as it were in 2014 before the commencement of land development in the area. By 2017 and June 2018, after Calaro Estate has constructed the trenches alleged to be leaking toxic water into community farmland, the size of the water bodies has not changed from what it was before land clearing in 2014 and after trench construction in 2017. The current flooded areas or stagnant waters have been there since 2013, increased in 2014 and have remained almost constant till date.

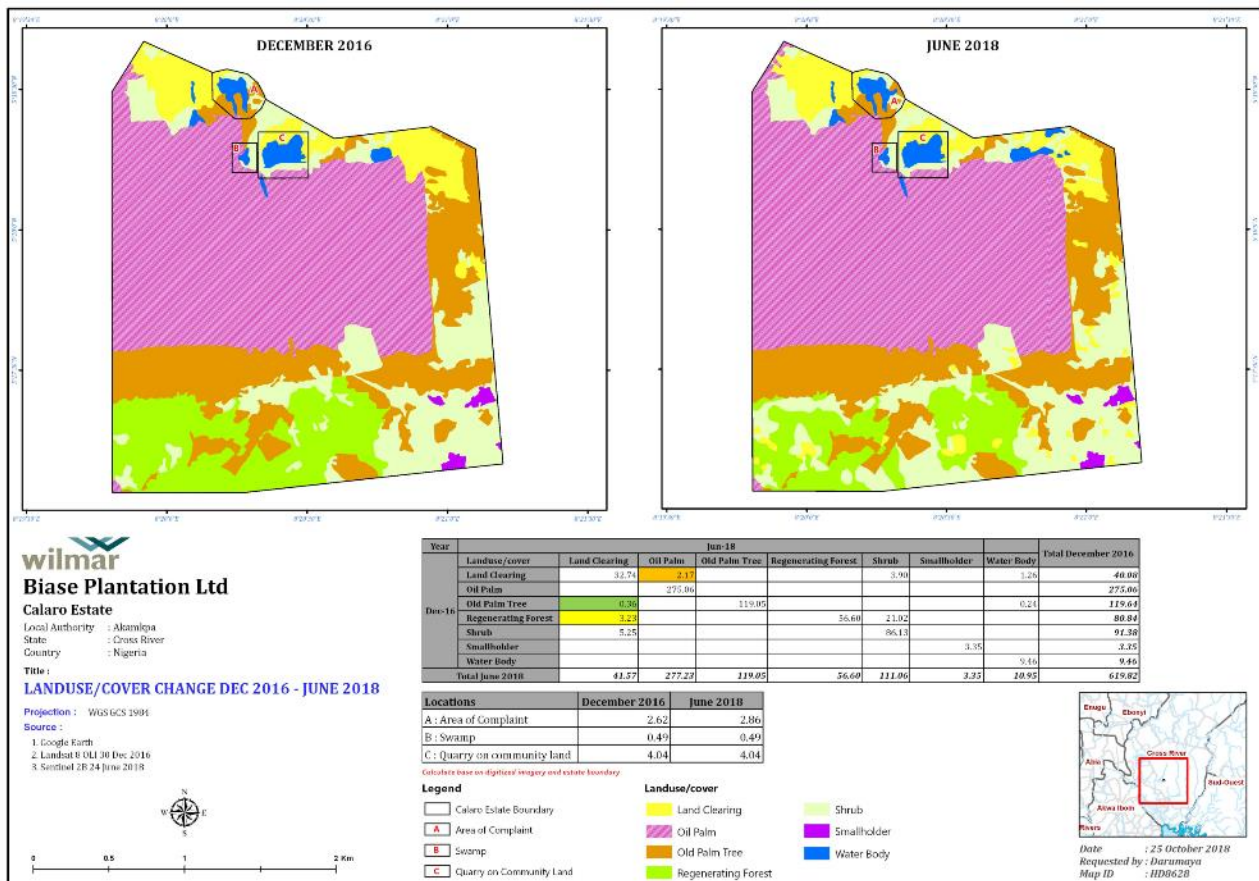


Figure 3: 2016 – 2018 maps showing activities around “A” (Area of complaint), “B” (Swamp) and “C” (Quarry on community land)

The historical, topographic and hydrologic maps of the area confirm that the alleged stagnant water said to have been caused by operations of BPL or trenches constructed to restrict illegal entry on the property was there before BPL commenced operations in the area and it is unprofessional for a reputable newspaper or any individual to write a report expected to be consumed by the global community without proper investigations or facts to support the allegation. The results of the water samples collected have shown that no toxic chemicals have been channeled to community farms as alleged by their Guardian NG report and also historical maps have also proven that the areas now flooded in community farms have been so before BPL started operations in the area concerned.

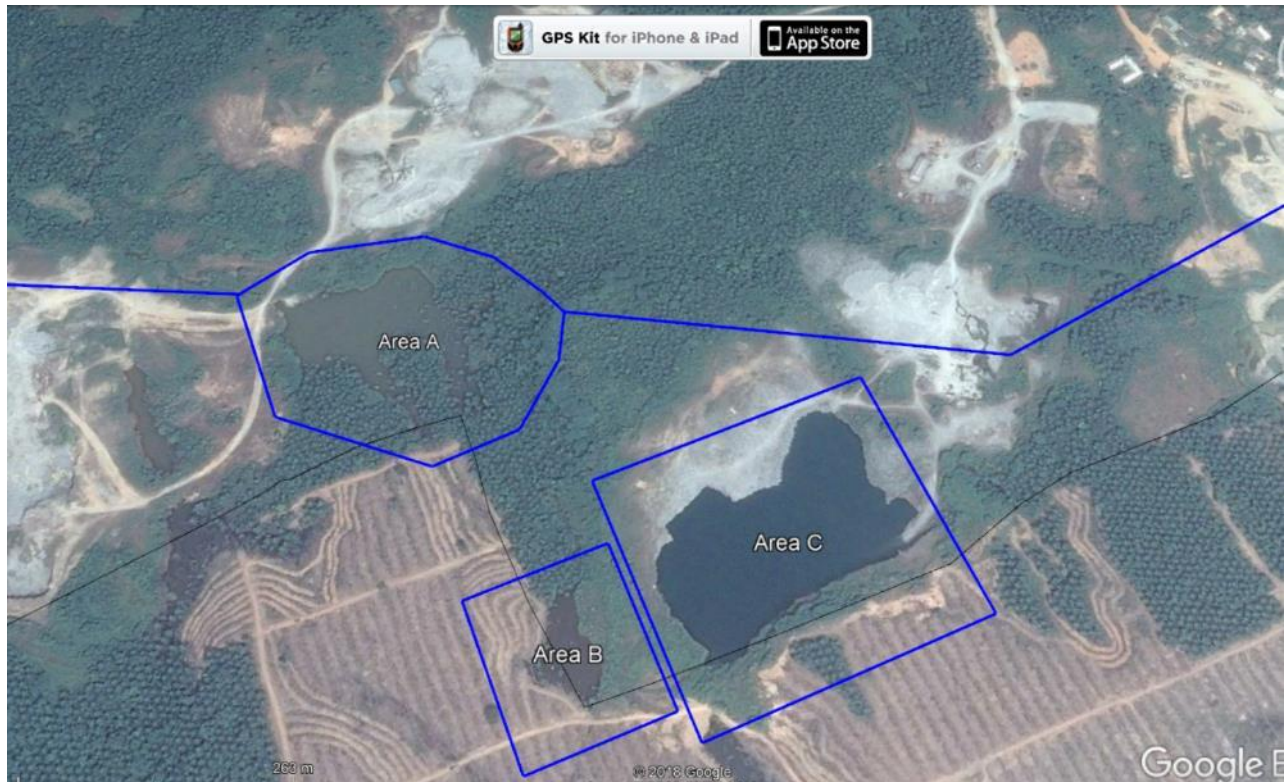


Figure 4: 2015 Google Map showing the different activities in the area (Area A: Complaint area; Area B: Swamp; Area C: Quarry on Community land)

- c) Use of Slope, Soil and Topographic maps of the area to ascertain the natural direction of flow for streams and rivers along the area. This will prove if the accumulated water bodies are formed following natural slope and topography or are manmade by an external factor.

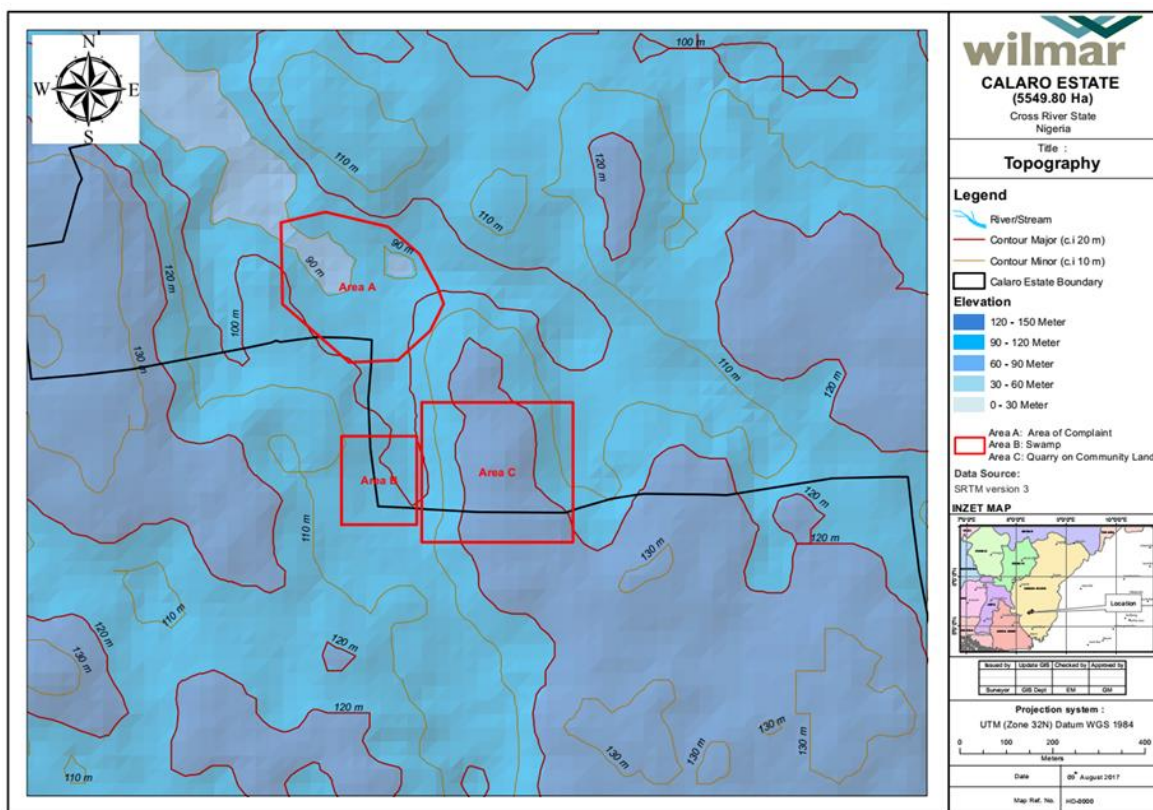


Figure 5: Topographic map showing the relief of the area around - A: Complaint Area; B: Swamp; C: Quarry on Community land

From the topography and slopes of the area, it is obvious that surface runoffs will accumulate in area “A” and other areas now flooded with water. Field inspection also confirmed that due to the accumulation of water within the excavated areas of the LCC Quarry, underground springs and streams have developed within the farmland to enable water to leave the manmade lake created at the quarry.



Figure 6: Aerial photograph showing areas A, B and C as of August 2018

Corporate Social Responsibility

BPL and EIL have a robust CSR programme for communities around its operations and this package is geared towards education, capacity building, health, employment and economic development. Under our support to education around our catchment areas, we have made significant investments to improve the facilities of four schools (Onun Secondary school Mbarakom, Camp 2 Primary School, Ibiae Primary School and Aningeje Secondary School) located close to our surrounding communities. We are continuing our investments in education to make sure that the schools become reference standards with provisions for libraries, computer laboratories and science laboratories. We also provide free housing for teachers onsite, free electricity and utilities.



Figure 7: Aerial photographs of Onun school (left) and Ibiae school (right)

As part of our CSR, we have offered 144 tertiary education scholarships since 2014/2015 school year. Scholarships are awarded each year to two students from each of the 20 communities that make up our catchment area. As part of our skills transfer programme, we have initiated an outgrower program through which local farmers come into cooperatives and access loans to develop an outgrower oil palm plantation using our high yielding planting material and technical support. This project will empower the local communities financially and enable them to apply the farm management skills on their other plots. We have success stories on similar projects in Indonesia, Malaysia, Ghana and Uganda and are confident it will work in Nigeria. Since 2012, we have provided 19 boreholes in different communities around our projects. Another 7 boreholes are proposed for 2018. We also grade access roads to communities upon request and when assessments are required.

We conduct annual free medical health camps within the surrounding communities from which more than 4000 people around our 20 communities have benefited. The free medical health camp for 2018 is currently ongoing in all of the 20 communities. Additionally, we are the largest private employer in the State (as we have more than 5,000 workers and more than 30,000 people that indirectly benefit from our investment in Cross River State and beyond).