

# 2023 Sustainability Report





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# 1. About the Report

## 1.1 Background

Plantations et Huileries du Congo (PHC) is the leading producer of palm oil in the Democratic Republic of Congo (DRC). Since 2021, the company has been committed to creating shared prosperity with all its stakeholders through sustainable practices.

This report describes the company's environmental, social and economic activities and their impacts for the year 2023. It also provides references to previous years and outlines PHC's future ambitions. In this report, the terms «PHC», «the company», «we», «us» or «our» all refer to PHC.

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (updated in 2021). We have also linked our material themes to the relevant Sustainable Development Goals (SDGs) to show our contribution to achieving a better and more sustainable future for all.

## 1.2 Our material themes

We referred to the GRI 13 standard of 2021 on the agriculture, aquaculture and fisheries sectors to identify our material themes. These standards require organizations to report on 26 material themes. We have therefore included information on these topics highlighting our most significant impacts and justifying omissions in the GRI Content Index at the end of the report.

## 1.3 Declaration of honour

We certify that the content of this report is our own. Our certification audits lend credibility to the presentation of environmental, social and governance performance. However, for future reports, we could consider using an external audit for more transparency.



## 2. About PHC

### 2.1 PHC

Plantations et Huileries du Congo (PHC) is the leading producer of palm oil in the Democratic Republic of the Congo (DRC), specialising in producing crude palm oil and palm kernel oil through sustainably managed plantations.

Established in 1911, PHC operates three sites across over 100,000 hectares of which 30,000 hectares are used for our plantations. With a workforce of over 10,000, we are the country's second-largest employer. 100% of our palm oil is consumed locally, playing a crucial role in supporting the nation's food security and driving economic growth.

With a strict zero deforestation policy, the company is committed to preserving biodiversity and areas of high conservation value. The company has three operating sites in the interior of the country, namely Boteka in Equateur Province, Lokutu in Tshopo Province, and Yaligimba in Mongala Province. Only 30% of PHC's concessions are used for planting palm oil, while the remaining 70% is made up of agricultural areas used by local communities and forests which PHC preserves.

Our mission is to be a world leader in agribusiness through sustainable practices that have a positive impact on the communities we proudly serve.





## Production line

The company produces its own seeds at the Yaligimba Tropical Agriculture Research and Experimentation Center (CREATY). All seeds produced at CREATY for use in the plantations are of the tenera variety.

## CREATY

## Plantation

The plantation department teams harvest fresh fruit bunches (FFB) from oil palm trees and maintain the blocks.

Tractor and truck drivers transport FFB from the plantation to the mill.

The remaining waste is sent back to the plantation to be used as organic fertilizer.

The mill processes FFB into CPO and PKO. Waste from the extraction process is used as biomass to generate electricity to power the mills.

## Factory

## Kinshasa

The CPO and PKO are sold ex-mill, then loaded onto barges and transported to Kinshasa.

PHC's customers refine the CPO and PKO and process them into various products.

## Our sites



The Yaligimba site is located in Mongala Province, 60 km east of the city of Bumba. The site covers approximately 30,000 hectares, of which 8,330 are planted with oil palm trees. It serves as the base for the Yaligimba mill, which has a production capacity of 30 tons per hour. The mill is powered by a steam turbine and a biomass boiler that reuses waste from the extraction process. Yaligimba is also home to the Yaligimba Tropical Agriculture Research and Experimentation Center (CREATY).

The Boteka site is located in Équateur Province, about 120 km from the city of Mbandaka. It covers around 6,000 hectares, of which approximately 3,700 hectares are cultivated for palm oil production. The Boteka site also hosts the Boteka mill, located along the Momboyo River. It has a capacity of 15 tons of fresh fruit bunches (FFB) per hour and is powered by organic waste processed in a biomass boiler with a steam turbine.

Located about 250 km from Kisangani in Tshopo Province, Lokutu is PHC's largest site in terms of area and employment. The site covers approximately 63,000 hectares, with 14,000 hectares planted with oil palm trees. The Lokutu site also hosts the Lokutu mill, situated along the Congo River. The mill was designed and built by an African team and features modern palm oil extraction equipment. The Lokumete mill is powered by a steam turbine and a biomass boiler that recycles the plant's waste.

Straight KKM2, a consortium of African-led entities managed by Kuramo Capital Management and Investment Holding, has been the majority shareholder of the company since November 2020 holding 76.2% of PHC's shares. The Congolese government holds the remaining 23.8% of the shares. In line with Straight KKM2's commitment to build on Congolese leadership, PHC's Board of Directors appointed Ms. Monique Gieskes as PHC's Chief Executive Officer February 2021.



In collaboration with PHC's new senior management, the majority shareholders held a strategic workshop in April 2021 in Zongo, Kongo Central province, to define new vision, mission and values for PHC.

This exercise resulted in a new vision that now guides PHC across its core activities as well as in its environmental, social and governance commitments: to create shared prosperity through agribusiness. As part of this new vision, PHC's shareholders and leaders aim to make PHC a model company that generates a positive societal impact of shared prosperity for all stakeholders and sustainability for the planet (people, planet, profit = prosperity).

**Membership and Affiliations:** PHC is a member of several industry associations and affiliations that align with the company's vision. PHC is a member of the Federation of Enterprises of Congo (FEC) and the National Platform for Sustainable Palm Oil in DRC, which was created to support the African Palm Oil Initiative (APOI) set up by the Tropical Forest Alliance 2020. In 2022, the company also began a partnership with the International Institute of Tropical Agriculture (IITA) as part of the DRC'S Agricultural Transformation Agenda (ATA-DRC), a presidential initiative to promote agriculture and reduce food imports in the country.



# Our History





## 2.2 Cost-effectiveness and key figures

In 2023, PHC recorded significant growth in both production and its socio-economic impact. This was due to the implementation of robust reforms that led to the optimisation of production costs with the adoption of innovative agricultural practices, strategic investments, and a strengthened commitment to sustainable development.

### 1. In 2023, PHC produced:

- 327,087 tonnes of palm bunches, an increase of 23.1% compared to 265,667 tonnes in 2022.
- 74,535 tonnes of palm oil, an increase of 23.1% compared to 60,562 tonnes in 2022.
- 5,138 tonnes of palm kernel oil, an increase of 28.7% compared to 3,992 tonnes in 2022

2. PHC's palm oil extraction rate increased from 21.3% in 2022 to 22.8% in 2023 thanks to the implementation of better agronomic and industrial practices.

3. Tax contribution in 2023: The company paid USD 6,386,037 in taxes, which represents an increase of 36.4% compared to the year 2022.

4. \$19,889,010 was paid to local suppliers in 2023, nearly 17 times more than the previous year.

5. In 2023, the company hired 2,080 new employees, reaching a total of 9,485 employees under contract by the end of 2023, 14.2% of whom were women.







## 2.3 Message from the Director-General

The year 2023 was marked by significant progress and a strengthened commitment to shared prosperity and sustainability. We have continued to deliver on our vision of a responsible and innovative company, ensuring our operations not only create value and uplift the communities we serve, but also deliver the highest standards of environmental protection.

### Protecting the DRC's rich natural environment

We have made significant progress in de-carbonising our energy supply, with 79% of our energy now coming from renewable sources.

We also have a total commitment to zero deforestation. We only plant at sites that were previously exploited, thereby regenerating land, creating new job opportunities, and protecting biodiversity and areas of high conservation value. Furthermore, of PHC's more than 100,000 hectares of concessions, less than 30% have been exploited, while the remaining 70% are used by local communities for agriculture or are forests that we have committed to protecting.

By participating in the DRC's Agricultural Transformation Agenda, we produced 54 tons of quality food seeds, supporting local farmers. The DRC Government is actively supporting agricultural investment to diversify the economy and drive food security, and PHC is proud to be playing a key role in achieving this.

### Uplifting the communities we serve

In 2023, community investments reached nearly USD 500,000, an increase of 36% compared to 2022. This financial commitment has enabled the construction and completion of several vital infrastructure projects, including new schools, health centres, and housing, directly improving the quality of life in our communities.

More than 7,000 children are now benefiting from better educational conditions at PHC's 25 primary schools and during 2023, PHC invested USD 370,000 in new medical equipment, enhancing services with new X-ray and analysis machines. PHC operates a network of 4 modern hospitals, 3 health centres, and 18 dispensaries, ensuring access to quality care in remote rural areas. All PHC employees and their families are treated completely free of charge, with local communities also able to access medical treatment at heavily subsidized rates.

In September 2023, we inaugurated the PHC Foundation, a key pillar of our strategy to maximize our positive impact in our areas of influence. This initiative is part of our constant desire to amplify social actions for the well-being and development of our communities.

We also celebrated the second edition of the PHC Awards, an opportunity to recognize and honour the excellence of our employees. In 2023, 28 employees were recognized for their outstanding performance in 2022, reflecting our culture of merit recognition.

Our investment in skills development has been unprecedented with the PHC Academy training nearly 1,000 employees, strengthening the engagement and performance of our staff. At the same time, we welcomed interns, thus nurturing the pool of young talent in our company.

In addition, we launched a new work plan for our factories and improved the supply of protective equipment for our workers.



## Building best practice corporate governance

Ensuring the highest standards of corporate governance is an essential pillar of PHC's growth strategy. In 2023, we strengthened our operating procedures, aligned with best practices for continuous improvement in risk management. We undertook a new environmental and social impact assessment for the acquisition of new land, ensuring our future growth with respect for the environment and communities.

In October, I had the privilege of being honoured with the «Impact Leadership Award» by the Nigeria Higher Education Foundation (NHEF). We also continued to promote gender equality, with women now representing 14.2% of our workforce - a significant rise from 4.5% in 2020. Our commitment to ethical and responsible governance is reflected in our actions and in the regular training we organize to ensure a healthy and respectful work environment.

These achievements are a testament to our unwavering commitment to running the business responsibly, ethically, and sustainably. I want to thank each and every one of you for your dedication and contribution to these successes. Together, let's continue to build a prosperous and sustainable future for PHC and for all the communities we serve.

### Monique Gieskes

Managing director  
Plantations et Huileries du Congo (PHC)





## 2.4 2023 Highlights

Social Management: Sharing prosperity and maintaining a peaceful social climate

1. In September 2023, PHC launched the PHC Foundation to strengthen its positive impact and advance its vision of shared prosperity.
2. PHC hosted the second edition of the PHC Awards honored 28 employees for outstanding performance.
3. The PHC Academy trained nearly 1000 employees, supporting skill development and capacity building. PHC Academy has also welcomed interns, serving as a platform for nurturing young talent and preparing them for future careers within the company.
4. Meetings were held within the framework of the independent complaints mechanism of the European Development Banks (ICM) initiated in 2018, and resulted in memoranda of understanding to the satisfaction of all parties.
5. In 2023, PHC invested nearly USD 500,000 in the construction of community infrastructure, an increase of 36% compared to 2022. This investment made it possible to finalize 6 schools, 5 health centers, 6 traditional chiefs houses, 5 transit houses and 1 warehouse during 2023.
6. PHC's investments in education have improved learning conditions for over 7,000 children in its areas of influence.
7. As part of its participation in the DRC'S Agricultural Transformation Agenda (ATA-DRC), PHC has produced 54 tons of food seeds in order to make quality seeds available to Congolese farmers.
8. In 2023, PHC's medical facilities provided 149,357 consultations, 18,492 hospitalizations, 1,345 surgeries, and 2,442 deliveries. Compared to 2022, consultations fell by 14% and surgeries by 5%, while hospitalizations and births rose by 8% and 22%, respectively.
9. Enhanced provision of protective equipment, including uniforms for all workers.

## Environment

10. All PHC plants now operate with biomass boilers and steam turbines to generate renewable energy to replace fossil fuels, thereby reducing the company's carbon footprint. In 2023, 79% of the energy used for oil extraction was from renewable sources.



11. PHC and its new shareholders reaffirmed their commitment to limit planting to previously cultivated plantation blocks (25% of total concessions) and to conserve tens of thousands of hectares of forest.

12. A new operational work plan was launched to enhance plant performance, strengthen maintenance, and reduce environmental impacts.

## **Corporate Governance: Managing the Business Responsibly and Ethically**

1. In October 2023, PHC CEO Mrs. Monique Gieskes received the Impact Leadership Award from the Nigerian Higher Education Foundation (NHEF), recognizing the company's good governance and positive impact.

2. In 2023, Women represented 14.2% of PHC's workforce, up from 4.5% in 2020, thanks to gender promotion initiatives. The Board of Directors includes one woman among seven members, and the company is led by a female CEO.

3. The Congolese Environment Agency conducted its annual inspection to monitor PHC's environmental and social impacts, in line with legal requirements.

4. A new Environmental and Social Impact Assessment (ESIA) is underway for the acquisition of new land, alongside a FPIC process with local communities.

5. Annual training sessions are conducted to prevent workplace harassment, promote respectful behavior, and ensure a healthy work environment for all employees.
6. PHC updated its operational procedures in line with best practices, reinforcing continuous improvement in risk management, and launched a new plant work plan.





# 3. Our sustainability vision and approach

## 3.1 Development of PHC's Sustainability Strategy

In its new vision, defined in 2021, PHC placed sustainability at the core of its business model. The company is committed to ensuring that its activities generate positive impacts for stakeholders, the environment, and the local economy. PHC's sustainability agenda is guided by two overarching objectives:

- Operational excellence – maximizing productivity while minimizing negative impacts.
- Shared prosperity – creating value for shareholders, employees, communities, and other stakeholders.

All PHC departments contribute to these goals and it is around these two goals that PHC's new sustainability strategy was developed in 2022 and titled «Shared Prosperity and Sustainability Strategy» (SPSS).

Building on these objectives, PHC developed its Shared Prosperity and Sustainability Strategy (SPPD) in 2022. This strategy builds on the Environmental and Social Action Plan (ESAP), introduced in November 2020 during the company's restructuring and signed with European development banks (DEG – Germany, CDC Group – UK, BIO – Belgium, and FMO – Netherlands).

On February 18, 2022, PHC's new shareholders - through Maku Holdings, an affiliate of Kuramo Capital Management - bought back the company's debt, ending its contractual ESG obligations to the development banks under the ESAP.

Nevertheless, PHC remains fully committed to its environmental and social responsibilities. The company continues to implement and strengthen the actions initiated under the ESAP, going beyond compliance to ensure sustainability and prosperity are shared more widely.

## 3.2 Shared Prosperity and Sustainability Strategy

PHC's new strategy, entitled Shared Prosperity and Sustainability Strategy, is based on three pillars defined below:



Each pillar is translated into concrete actions designed to achieve the objectives set by PHC's shareholders.

### **Social management: Sharing prosperity and maintaining a peaceful social climate**

- Human Capital and Well-Being
- Community development and support for basic needs
- Stakeholder engagement

### **Environment: Sustainably Managing Operations to Mitigate Impacts**

- Maintaining a healthy working and living environment
- Operational impact mitigation
- Land Use Management



## Corporate Governance: Managing the Company Responsibly and Ethically

- Risk Mitigation
- Compliance with ethical and sustainability standards
- Business Continuity

PHC's sustainability strategy aligns with the DRC's national legal requirements as well as international standards such as the International Finance Corporation (IFC) Performance Principles and the Sustainable Palm Oil Roundtable (RSPO) Principles and Criteria. The strategy is also developed to strengthen PHC's contribution to the United Nations Sustainable Development Goals (SDGs):

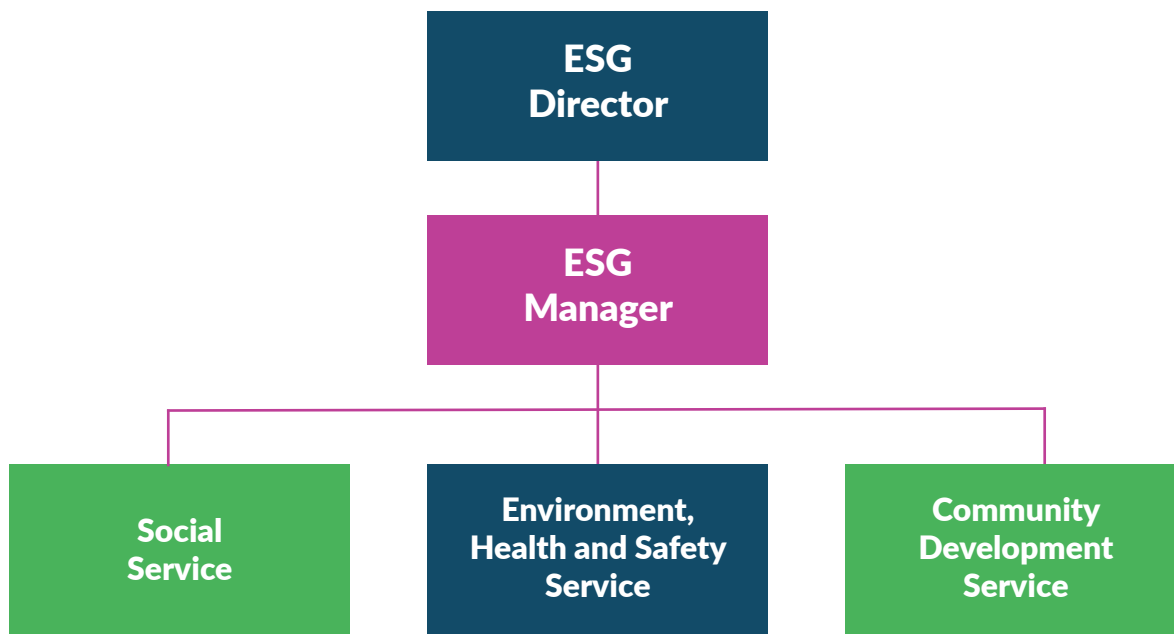
- UN SDG 1: No Poverty
- UN SDG 2: Zero Hunger
- UN SDG 3: Good health and well-being
- UN SDG 4: Quality Education
- UN SDG 5: Gender Equality
- UN SDG 6: Clean Water and Sanitation
- UN SDG 7: Affordable and Clean Energy
- UN SDG 8: Decent work and economic growth
- UN SDG 10: Reduced inequalities
- UN SDG 12: Responsible Consumption and Production
- UN SDG 13: Climate Action
- UN SDG 15: Life on land

## 3.3 Sustainability Strategy Governance

PHC relies on an Environmental and Social Management System (ESMS) aligned with the IFC for the development and implementation of its strategy and the resulting action plans. This system is based on the principle of continuous improvement via the so-called PDCA methodology: Plan - Implement - Control - Act. This ESMS consists of different interconnected elements that help to assess, monitor and systematically improve the environmental and social performance of society. This system also ensures the full commitment of management to the implementation of the strategy through clear policies, approved and communicated to all.

PHC's ESG Department is fully responsible for the implementation and monitoring of the strategy, even if some actions are the responsibility of other departments. It is led by an ESG Director who reports to the company's Chief Operating Officer (COO) and has a team at each operational site working on three axes:

- Social services
- Environment, Health and Safety Department
- Community Development Department



These teams are trained in the best practices in environmental and social management in order to follow the best standards in terms of responsible palm oil. The ESG department has its own budget which was nearly \$1.5 million in 2023 in order to properly align PHC's operations with its sustainability and prosperity goals.



## 4. Social Management: Sharing prosperity and maintaining a peaceful social climate

The company's social strategy has been developed based on the risks and potential social impacts associated with its operations, taking into account the interests of all stakeholders. Its goal is to maintain a peaceful social environment while ensuring that all stakeholders benefit from PHC's presence.

### 4.1 Respect and consideration of stakeholders

PHC engages with a wide range of stakeholders. Through its three plantations and central office, the company impacts over 150,000 people within its areas of influence. To foster harmonious relationships and prevent conflicts, PHC has established dedicated community relations teams and strategic plans to ensure ongoing, transparent dialogue, while upholding stakeholders' rights and adhering to international standards.

Our commitments:







## Promoting Human Rights

PHC is committed to respecting human rights and universal and fundamental standards of treatment of all human beings without distinction, as set out in the United Nations Universal Declaration of Human Rights and the Declaration of the Institutional Labour Organization (ILO) on Fundamental Principles and Rights at Work.

## Rights of Local Communities and Indigenous Peoples

PHC is committed to upholding the rights of Indigenous Peoples and local communities in all its operations by:

- Recognizing land rights: Respecting the legal and customary land rights of Indigenous Peoples and local communities, including their right to grant or withhold Free, Prior, and Informed Consent (FPIC) for the use of land under their legal, community, or customary ownership.
- Ongoing stakeholder engagement: Maintaining continuous and transparent dialogue with all stakeholders through a Stakeholder Engagement Plan to ensure they are actively involved.
- Transparent complaints mechanism: Implementing a confidential and secure grievance process that meets international (RSPO) and national (REDD+) standards for investigating stakeholder complaints.

### 4.1.1 Stakeholder Engagement Plan

Effective stakeholder engagement to understand their concerns, build trust, and respond appropriately and proactively is critical to the success of our business. Since 2017, we have developed and adopted a Stakeholder Engagement Plan in accordance with international standards.

Dedicated social teams at each operational site maintain ongoing dialogue with local stakeholders. Comprehensive documentation is maintained in databases to record interactions, complaints, and follow-up actions, supporting transparency and accountability.

### 2023 Figures:

To date, more than 8,000 individuals and organizations are registered in our database. In 2023, 1708 social interactions were recorded in the social management database.

### 4.1.2 Consent and participation of local communities:

In 2017 and 2018, at the request of local communities, a participatory process to negotiate social clauses was set up with the support of local authorities and civil society. This process has resulted in the signing of social clauses with each territory where PHC operates. These agreements are intended to enable mutual engagement between PHC and local communities, allowing the company to have its social license to operate.

During these negotiations, PHC's vision was clear: to support the reconstruction of existing community infrastructure chosen by the communities in sustainable materials and to implement community development projects. As PHC's vision is to positively impact its stakeholders, the company is committed to the reconstruction of several existing community infrastructures, such as schools or health centers, as well as the development of a community development program. The local communities have committed to letting the company operate and freely enjoy its rights as an agricultural concessionaire.

A monitoring committee has been set up at each operational site and meets quarterly to evaluate the implementation of the clauses by both parties and to define the next projects which are identified on an annual basis.

The achievements are discussed in section 4.2 Support for basic needs.



## Lileko's case: Restitution of Land to PHC by Local Communities

Since the arrival of new management in February 2021, PHC has worked to strengthen relationships with host communities. The Lileko case, in which communities returned land to PHC, highlights the company's commitment to respecting land and natural resource rights, including customary, collective, and informal tenure.

In early 2020, the communities of Yalisubu, Tongoso, and Yabongonda (Mwando Group) formed the NGO MUDEV (Mwando United for Development) to manage the oil palms in the Lileko Division after PHC's operations were suspended. However, financial difficulties prevented MUDEV from paying community members involved in harvesting and maintenance.

On 15 May 2021, a meeting attended by the communities, PHC, and MUDEV concluded with a shared decision: PHC would resume activities at Lileko and compensate the workers for their efforts between April 2020 and May 2021. A ceremony, requested by the traditional chiefs and MUDEV officials, marked the return of the land to PHC and opened a new chapter in relations with host communities.

This case reflects PHC's renewed commitment to integrity, respect, and shared prosperity with all stakeholders.



### 4.1.3 Complaint and Grievance Management Mechanism

Since 2017, a transparent and accessible complaints management mechanism has been in place at PHC. In 2023, PHC received 16 community complaints and 12 individual complaints. PHC also received 87 complaints about needs such as fuel, palm oil, transport requests and others. Each complaint and grievance is examined and processed. A total of 59 grievances and 8 complaints were resolved in 2023.

### 4.1.4 Conflict Management:

In addition to the complaint management mechanism, conflict management committees were created in 2022 at each PHC operational site to discuss the problems experienced by the PHC and community parties and find solutions together. These committees are operational and are chaired by an elected representative of the local communities. They meet once a month.

### 4.1.5 ICM Mediation

In 2018, several communities in Lokutu and Boteka areas filed a complaint with the Independent Complaints Mechanism (ICM) of European development banks, such as DEG and FMO, which were creditors of PHC. This mechanism allows external parties to lodge a complaint about projects financed by these banks. The process was delayed by the COVID-19 pandemic, which prevented all travel for a long period. Despite the buyback of the debt of the development banks in February 2022 by the shareholders, PHC has decided to continue to participate in this mechanism to achieve a lasting peace between the company and the communities.

In 2022, a lead mediator was selected to the satisfaction of all parties and the mediation team visited Boteka and Lokutu several times to identify the participants and prepare for the mediation. Their last mission was to train the participants nominated by the complainant communities to represent them during the mediation.

In 2023, significant progress was made in the mediation process. Meetings were held in March in Mbandaka and Kisangani, under the auspices of the relevant governors and facilitated by an expert mediator appointed by the ICM and approved by all parties.

Discussions focused on the three key issues raised in the 2018 mediation request: the legitimacy of the company's land titles, alleged abuses and human rights concerns, and the communities' need for information and legal support in negotiations with CHPs for social project implementation.





While the company disagrees with the accusations made, PHC welcomed the mediation as an opportunity to engage with community representatives to better understand their concerns. The company took the opportunity to reaffirm the new management's commitment to the protection of human rights and the zero-tolerance policy in the event of human rights violations.

At the conclusion of the discussions, both parties expressed satisfaction with the exchanges and agreed on a series of actions to address each other's concerns, fostering a peaceful social environment. These actions formed the basis of the formal agreements signed during the closing ceremonies on 17 March 2023 in Mbandaka and 24 March 2023 in Kisangani.

PHC welcomes the successful mediation and hopes that these agreements will pave the way for open collaboration with local communities, supporting the shared goal of creating prosperity through agribusiness.

## **4.1.6 The PHC Foundation**

To strengthen the sharing of prosperity with local communities, PHC launched the PHC Foundation on 5 September 2023 at its Lokutu site in Tshopo province. The Foundation operates independently, with its own Board of Directors, Executive Director, and operational team, and the launch was attended by local authorities and community leaders.

On 30 November 2023, the Foundation held its first Board meeting in Kinshasa, chaired by Mr. Wale Adéosun, President of the PHC Foundation. The meeting defined the Foundation's objectives, approved Board appointments, clarified roles and responsibilities, outlined key areas of intervention, and established the financial framework.

The PHC Foundation focuses on creating positive impacts in areas such as community development, health, access to clean water, education, housing, energy, environment, infrastructure, and agriculture. Its activities support shared prosperity and sustainable development, aligned with the United Nations Sustainable Development Goals (SDGs).

«We believe that prosperity should be shared equitably and that every individual should have the opportunity to lead a fulfilling life. By launching the PHC Foundation, we aim to make positive and lasting changes in the lives of the communities where we operate. We want to be a catalyst for progress and growth for all,» says Monique Gieskes, Director General of PHC.



## 4.2 Supporting Community Empowerment

PHC places the basic needs of all people at the heart of its pursuit of shared prosperity. Its Shared Prosperity and Sustainability Strategy addresses key priorities, including:

- Economic empowerment: Increasing incomes and fostering local economic development.
- Health: Ensuring access to affordable, quality healthcare.
- Education: Providing quality education in safe and supportive conditions.
- Water: Improving access to clean drinking water.
- Food security: Promoting food sovereignty and access to sufficient, quality food.

PHC's initiatives are delivered through targeted programs and services, which are detailed in the following sections.

### 4.2.1 Improving Community Infrastructure

PHC is committed to upholding the social clauses agreed with local communities in 2017 and 2018. These agreements ensure that PHC can operate freely as an agricultural concessionaire, while projects are selected participatively with communities to address their needs and expectations.

Since the agreements were signed, PHC has fully funded and completed 55 infrastructure projects benefiting local communities, including 23 projects in 2023 alone. PHC's other contributions include:

- The reconstruction of 20 schools with six classrooms equipped with desks and toilets, allowing more than 7000 children to receive their education in comfortable conditions.
- The reconstruction of 13 health centers belonging to the Congolese State.
- The development of 8 roads used by local communities.
- The construction of 8 staff houses for the benefit of community leaders.
- The construction of a warehouse for community use.
- The construction of 5 houses of passage for the benefit of the communities.



Several additional infrastructure projects are currently under construction, and the 2024 program has been defined in collaboration with local communities. Since 2018, PHC has invested nearly \$1.5 million, including \$499,257 in 2023 alone, demonstrating the company's ongoing commitment to sharing prosperity with its host communities (Table X).

Table X: Our Spending on Social Development Programs

COST TRACKING	
Total cost	\$1,486,803
2023	\$499,257
2022	\$368,305
2021	\$331,699
2020	\$66,752
2019	\$108,826
2018	\$111,964

## Testimony:

«The school had no roof over its head and was not a safe place to study. Now that a new building has been constructed, our children can now attend classes in a safe place, and thus receive a proper education»

### Mr. Dominique Ngazini

parent of a student.

«Before, we didn't have benches for our students to sit on. There was also a lack of blackboards to allow teachers to deliver lessons in good conditions. With the construction of the new school, we benefit from the same quality of infrastructure as other schools in the country»

### Mr. Albert Isomalambe

Teacher at Loeka Primary School.



## 4.2.2 Community Development Program

PHC's vision for community development is focused on the development of agricultural value chains and their end-to-end value chains. That is to say, from farm to fork, from preparing fields without burning to the use of quality seeds, and up to reaching distant consumers while keeping the added value at the point of production as much as possible. PHC has identified two main sectors to be developed for the benefit of the communities for which projects have been initiated:

- Staple food crops such as maize, rice and cassava.
- Partner plantations to enable local community members who wish to do so to produce palm nut bunches and sell them to PHC at negotiated and pre-agreed prices.

Other sectors are also supported, such as small-scale livestock and market gardening.

These projects improve the quality, quantity and accessibility of food at the local level, thus contributing to the food security of the population. They also help generate income for beneficiaries while adopting sustainable agricultural practices that respect the environment.

## Agricultural Producer Organizations

To better benefit from PHC's interventions within the framework of the Community Development Program, farmers living around PHC concessions have grouped together in Agricultural Producer Organizations (OPOs).

At the end of 2023, the community development program had 84 OPAs made up of 2405 members, 20% of whom are women. By working together in OPAs, farmers can maximize access to technical training sessions and distribution of agricultural inputs and equipment provided by PHC, as well as marketing of crops.

In 2023, these OPAs benefited from technical training and monitoring, 2135 tools and agricultural equipment, more than 8 tons of maize seeds, 12500 linear meters of cassava cuttings, more than 10,000 cocoa seedlings and vegetable seeds.

«We appreciate the donation of seeds received from PHC. This demonstrates the company's commitment to contribute to the fight against poverty by promoting agricultural activities in local communities,» says a member of OPA 5e Celpa, beneficiary of vegetable crop seeds.

## Contributing to the DRC's Food Security

On June 28, 2022, PHC and the International Institute of Tropical Agriculture (IITA) research center signed a collaboration agreement as part of the Agricultural Transformation Agenda initiated by the Government of DR Congo (ATA-DRC). The objective of this partnership is the production of quality food seeds by PHC and make them available to Congolese farmers through the ATA-DRC program. These activities are implemented by PHC with the technical support of IATI and the financial support of the ATA-DRC program.

## Lokutu SAH Laboratory

To make quality cassava cuttings available to Congolese farmers, PHC has decided to adopt the so-called Semi Autotrophic Hydroponics (SAH) technology, which allows the rapid multiplication of disease-free cassava plants via micro-propagation. PHC has set up an SAH laboratory in its facilities at the Lokutu site. It has been operational since 12 June 2023 and is managed by a supervisor and a team that has received technical training at the IATI campus in Kalambo, near Bukavu in South Kivu province. The laboratory has a production capacity of 30,000 plants, enough to plant three hectares.



## PHC Seed Fields

The Lokutu and Yaligimba seed fields were established in unused areas of the HCP oil palm plantations to prevent cross-breeding.

Basic seeds were sourced from the National Institute for Agronomic Studies and Research (INERA, DRC), allowing the cultivation of 76 hectares of cassava, rice, and maize. The entire growing season was monitored by the National Seed Service (SE-NASEM) to ensure quality and certification.

The results of the first season's harvests are presented in the table below.

Culture (Ha)	Variety	Total
Rice	Nerica 7	41 tons
	Nerica 4	6 tons
Maize	Samaru	5 tons
Cassava	Ilona	700.000 ML

Production after the first season



This means that 52 tons of certified seeds will be made available to Congolese farmers. As part of the partnership, PHC will retain a portion of these seeds for its community development program.

## Partner Plantations

Local communities surrounding PHC concessions cultivate palm trees and some have expressed interest in selling their produce to PHC. To support this, PHC established a Partner Plantation Program, enabling producers to sell palm nuts at agreed prices.

A pilot project in Yaligimba was launched in 2022 with 80 hectares supplying palm nut bunches to PHC. In 2023, five additional contracts were signed with partner farmers in Yaligimba, and censuses were conducted in Boteka and Lokutu to expand the program. PHC also provides guidance on best agronomic practices to promote positive both social and environmental benefits.





### 4.2.3 Population Health

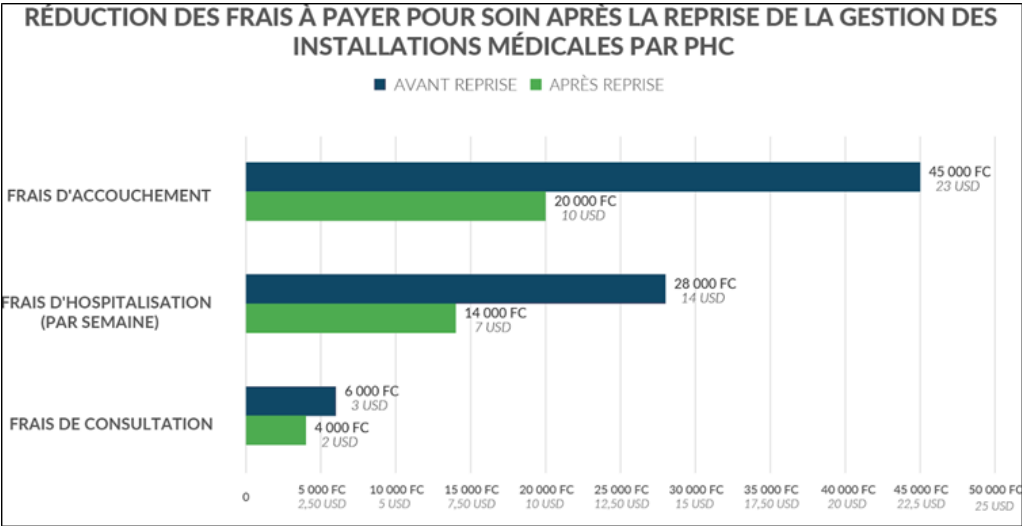
In February 2021, PHC's new management team made the enhancement of health services for employees and local communities a key priority. At that time, PHC's medical facilities were managed by an external company. After reviewing challenges and opportunities for improvement raised by workers, the company's general management transitioned the hospitals to direct company management in June 2021.

PHC now fully operates a network of medical facilities within its concessions, providing quality care in remote rural areas. The network comprises four hospitals with more than 450 beds, three health centres, and 16 clinics. In 2023, the company invested USD 370,000 in medical equipment, expanding services to include X-ray and analysis machines and improving overall patient care.





All PHC employees and their families - over 40,000 people - receive medical care completely free of charge. Community members outside PHC also have access to medical facilities at heavily subsidized rates. In recent years, the costs of medical consultations, deliveries, and hospitalizations have been reduced by 33%, 56%, and 50%, respectively, with deliveries now costing only USD 10 at PHC facilities.



In 2023, PHC’s medical facilities delivered 149,357 consultations, responded to 18,492 hospitalizations, performed 1,345 surgeries, and supported 2,442 births. This is an increase of 8% and 22% for hospitalizations and births compared to 2022, with the other figures decreasing slightly.

PHC has also financed and completed the reconstruction of 13 health centers in sustainable materials for the benefit of communities, including 5 in 2023.



#### 4.2.4 Access to Drinking Water

PHC's Clean Water Access Program plays a vital role in enhancing the quality of life in neighboring communities. Safe drinking water reduces the risk of disease and spares women and children from spending hours each week collecting water from distant or unsafe sources.

To date, PHC has established and maintains 72 boreholes in local communities. The company funds and maintains these facilities, performs regular water quality testing, and is upgrading its on-site laboratories to ensure continuous monitoring of all boreholes.

### 4.3 Staff Welfare

PHC's new vision focuses on the well-being of its employees and aims to develop an effective and fulfilling workforce through fair and transparent practices based on merit and performance.

The company's actions are based on three main objectives:

- Create positive and respectful working conditions that encourage employee loyalty, productivity and innovation.
- To improve the living conditions of workers, especially on farm sites.
- Invest in staff training and establish a career plan to support career development.

### 4.3.1 PHC Human Capital

By the end of 2023, PHC employed 9,485 people, making it one of the largest private employers in the DRC. Women represented 14.2% of the workforce. This figure also reflects an increase of more than 22% compared to 2022, demonstrating PHC's commitment to job creation.

Workforce as of 31/12/2023 by site and by gender			
Sites	Men	Wives	Total
<b>Total</b>	<b>1109</b>	<b>272</b>	<b>1381</b>
<b>Boteka</b>	<b>1109</b>	<b>272</b>	<b>1381</b>
<b>Lokutu</b>	<b>4116</b>	<b>602</b>	<b>4718</b>
<b>Yaligimba</b>	<b>2774</b>	<b>445</b>	<b>3219</b>
<b>Kinshasa</b>	<b>143</b>	<b>21</b>	<b>164</b>





The company's employees show strong loyalty and commitment: the average seniority rose to 5.1 years, with more than 15% of staff serving the company for over a decade. Staff turnover remained relatively low at 5.3% in 2023.

PHC's workforce is distributed across three categories: 96% workforce, 3% supervisors, and 1% managers

### 4.3.2 Compliance with International Laws and Standards

PHC's Human Resources Policy sets out the guiding principles governing the approach to managing all of its human capital, including direct, indirect and supplier labour. These principles are embedded in the company's HR policies, processes, procedures, and employment contracts. They include:

- Respecting workers' rights
- Compliance with current employment legislation
- Prohibition child labour
- Zero tolerance for forced labour and human trafficking
- Promotion of freedom of association
- Accessible complaints and grievance management mechanism
- Equal opportunity and non-discrimination
- Prevention of harassment and workplace violence

### Impact Story: PHC participates in the Impact Job Days recruitment fair

In June 2023, PHC took part in the Impact Job Days held in Kinshasa and Kisangani under the theme "Sustainability Jobs." The event was organized in collaboration with the Post-Graduate School of Integrated Management and Development of Forests and Territories in the DRC (ERAIFT DRC) and the Faculty Institute of Agronomy of Yangambi (IFA Yangambi), bringing together students and recent graduates.

PHC shared its perspective as a leading agribusiness company with a sustainability-driven vision and presented the professional profiles most in demand within the organization. To further engage participants, an ideathon was organized, encouraging students to reflect on real-world sustainability challenges and propose innovative solutions.

### 4.3.3 Salary Conditions and Benefits

PHC's salary policy is fair, compliant with labor laws, and performance-based, aiming to reward employees for their performance. In addition to salaries, staff receive housing or an allowance, transport support, social security and pension contributions, a thirteenth month's salary, vacation pay, and full medical coverage for their families. To strengthen food security, PHC also provides palm oil at subsidized prices.

In 2021–2022, PHC introduced measures that more than doubled its minimum wage, significantly improving wage conditions. The details of these actions are presented below.



## Application of the IRES index

In May 2021, PHC increased its entire salary scale by 12.6% according to the IRES index. The IRES index corresponds to the inflation of the average household basket in the DRC. It is calculated by the Institute of Economic and Social Research of the University of Kinshasa. A new index is currently being analyzed.

## Performance bonuses for exceeding daily tasks

Most HCP workers have one task to complete each day that corresponds to a payable day of work. When a worker exceeds the daily task, the excess amount of work is paid double. This encourages productivity and allows employees to increase their monthly income.

## PHC Awards for Top Performing Employees

In July 2021, PHC introduced a monthly bonus system rewarding the best employees in each category. Every month, each department across all operating sites select a deserving employee who receives a bonus. At the end of the year, the top performers in each category for the entire company are selected to receive an annual award at a gala ceremony in Kinshasa (see section 4.3.4 of the report).

## Annual Bonus 2023

At the end of 2023, following the company's good performance, PHC's management granted all the company's employees an additional month's salary as part of its vision of shared prosperity.

## Transport allowance

In May 2022, PHC introduced a daily transportation allowance for all workers at its operational sites to help improve the lowest wages. Paid monthly, the allowance is proportional to the number of days an employee is present.

## Job Classification

In consultation with the PHC Workers' Union and the National Labour Inspectorate, PHC initiated a review of the classification of jobs in the company. This review follows the addition of functions within the company and aims to introduce more transparency and clarity. A committee consisting of a classifier from the ILO (International Labour Office), union delegates, and PHC Human Resources has been set up to carry out this work. The new classification was launched in the first quarter of 2023.



### 4.3.4 PHC Awards

To celebrate and share the prosperity created by its activities, PHC launched the annual “PHC Awards” in 2021 to recognize and motivate employees. Categories range from Best Loose Fruit Picker to Best Site Manager, reflecting the belief that every employee contributes to the company’s success. Winners are selected through a two-step process: first by committees at each site (Lokutu, Yaligimba, and Boteka), led by the site directors, and then by the General Management award committee.

### PHC Awards 2022: PHC honors best employees

To celebrate and share the prosperity created by its activities, PHC launched the annual “PHC Awards” in 2021 to recognize and motivate employees. Categories range from Best Loose Fruit Picker to Best Site Manager, reflecting the belief that every employee contributes to the company’s success. Winners are selected through a two-step process: first by committees at each site (Lokutu, Yaligimba, and Boteka), led by the site directors, and then by the General Management award committee.

On February 4, 2023, PHC hosted the second edition of the PHC Awards in Kinshasa - a celebratory evening honoring employees who distinguished themselves through exceptional performance in 2022. The ceremony was attended by senior management, political authorities, and other distinguished guests. A total of 28 awards were presented across the company’s value chain, including plantations, factories, rolling stock, social and environmental governance, and administrative services. In addition, five special awards recognized outstanding performance and dedication to society.

« I am very grateful to the company for honoring me with this award. This award means a lot to me. This encourages me to work more and thus contribute to the success of the company ,» said Mrs. Charlotte Lokole Ngonde, a nurse at the PHC site in Lokutu in the province of Tshopo, elected best medical service agent 2022. « I receive this award with a lot of emotion, because I didn’t expect it. This proves how much the company recognizes the contribution of its employees ,» said Mr. Bill Wambela-Nkanu Nsadisi, receptionist at the PHC office in Kinshasa, who was awarded the «Hero in the Shadows» award for his dedication and professional integrity.

Beyond recognition, winners received motorcycles and solar panels, ensuring that the impact of the award was also felt in their households.



### 4.3.5 PHC Academy

The PHCAcademy, established in 2022, reflects PHC's vision to strengthen staff performance and promote the company's core values.

Training is offered at all levels of responsibility - from labourers to departmental directors - covering a wide range of topics such as plantation operations, industrial processes, finance, accounting, and mechanics. In addition, cross-disciplinary courses are provided in areas including leadership, conflict management, performance evaluation, language learning, and management skills.

The PHC Academy not only provides regular training programs but also organizes inductions for new employees and team-building workshops, strengthening collaboration and connections across all levels of the company.

In 2023, the Academy conducted 30 training courses, benefiting 968 employees across a wide range of roles, from directors and managers to mechanics, drivers, and security personnel. These sessions, delivered by both national and international experts, were further supported by the ongoing construction of new training centers at the Boteka and Yaligimba sites, designed to enhance learning conditions and accommodate more participants.

PHC also prioritized building strong working relationships through a dedicated three-day event, bringing together a representative cross-section of staff organized by department and gender. This gathering allowed the general management and shareholders to celebrate PHC's history and reaffirm their commitment to improving working conditions, reflecting the company's vision of shared prosperity.

The event's discussions focused on cost optimization, led by Professor Frédéric Ogola of Strathmore University in Nairobi, Kenya. From these discussions, four strategic priorities emerged: increasing plantation production yields, automating operational activities, diversifying programs and projects, and promoting the corporate culture.

The program concluded with a recreational excursion to Nsele Valley Park, also known as Kingakati Park, located about sixty kilometers from central Kinshasa. This final day combined relaxation with informal interaction, further strengthening relationships among staff.





## 4.4 Health and Safety: Creating a safe place to live and work

PHC is committed to providing a safe working environment for employees and contractors across our value chain. Our Occupational Health and Safety Policy is aligned with national, RSPO and IFC standards, and applies to all our activities. Our policy extends to all employees, external partners, service providers, visitors and surrounding communities. We focus on taking consistent precautions – to ensure healthy working conditions and safety in day-to-day work, in the operation of plantation sites and production facilities, and during transportation of goods and services.





## 4.4.1 Occupational Health and Safety

We foster a robust health and safety culture across our operations through strong governance. The ESG department is responsible for designing and overseeing the company's health and safety policy. At each site, a health and safety committee is established in accordance with the relevant ministerial order, which meets to discuss employee concerns and identify corrective actions. Occupational health and safety is a shared responsibility, and every employee is expected to actively contribute to maintaining a healthy and safe working environment.

## 4.4.2 Risk assessment

All operations that may pose a health and safety concern are subject to a risk analysis that identifies and assesses the risks at each workstation or for each situation, and finds preventive actions or mitigation methods to reduce the risks to an acceptable level.

This risk analysis is regularly reviewed to adapt to the current situation of PHC. New assessments are carried out when the company acquires a new machine or a procedure is changed and new potential risks are identified.

## 4.4.3 Prevention and mitigation actions

In order to minimize workplace risks, PHC implements a series of measures that are re-evaluated and updated annually. These actions are documented and tracked through annual plans and registers.

## Annual training and awareness program

Employee and stakeholder training is a key element of PHC's occupational health and safety management system. Sessions, led by the health and safety committee or external providers, are tailored to workplace risks.

In 2023, PHC delivered 303 training sessions on topics such as safety policy, use of protective equipment, emergency response, fire safety, first aid, chemical handling, and defensive driving. This represents a 5% increase from 2022, engaging 11,209 participants and totaling 350,205 person-hours.

## Annual Inspection Program

Workplace inspections are conducted monthly to help identify any non-conformities so that appropriate corrective action can be taken. Corrective actions are identified following these inspections and recorded in a non-conformance register to monitor their implementation.

In 2023, PHC's teams carried out 84 inspections as part of its annual inspection schedule, an increase of 15% compared to the previous year.

## Personal protective equipment

Over the past two years, PHC has significantly improved the provision of adequate and appropriate personal protective equipment (PPE) for all its operations and for all employees. This process involves assessing the PPE needs for the different positions during the risk analysis and is a function of the number of employees per station and the theoretical life of a piece of equipment. This identification is specific to each position and takes into account the risks associated with the worker's activity. PHC replaces defective or damaged PPE upon return.

Since late 2021, PHC has also provided uniforms to nearly 6,000 plantation employees, ensuring both comfort in daily tasks and easy identification in the field.

## A special focus on the use of pesticides

Under new management, PHC has significantly strengthened protections for workers handling pesticides. In 2022, the company introduced large-scale improvements, including regular updates to risk assessments to ensure effective mitigation measures. For example, personal protective equipment for plant protection workers was upgraded in line with risk analysis findings.

A specific work permit system was also introduced, requiring compliance with key safety criteria before tasks begin, ensuring optimal working conditions. Employees receive ongoing training on pesticide risks and prevention practices, while mandatory medical check-ups every six months help detect and prevent potential health issues.





## 4.4.4 Accident Tracking

The monitoring of accidents and incidents makes it possible to evaluate the implementation of the implemented prevention measures and to identify new measures if necessary. Occupational accidents are recorded in the company's medical facilities in detail. It mentions the nature of the injury, the care provided, the potential cause, the recommended preventive measures to be put in place and the number of days of work lost.

During the year 2023, PHC unfortunately recorded three deaths related to work-related accidents, while none had been recorded in previous years. One employee died at the plant and two employees died as a result of vehicle traffic accidents. Strict measures have been implemented to prevent such cases from happening again. The year 2023 also saw an increase in the number and rate of accidents, being 133 accidents per million hours worked at the end of 2023 compared to 111 at the end of 2022. The rate of accident-related lost days also increased, from 269 to 285 days lost per million hours worked.

Tableau 5 : Health and Safety KPIs in 2023 Compared to 2022

Health and Safety Performance Indications	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Numberofworkplaceaccidents	252	451	446	336	283	409	766	485
Workplace accident rate	78	112	117	111	92	108	139	133
Number of lost days	720	1106	985	835	747	809	1651	926
Lost days rate	226	285	283	269	244	246	307	285

All serious incidents involving the company are reported directly to management and shareholders. Each incident is investigated, analyzed, and documented, with corrective actions identified and tracked in a follow-up log.

# 5. Environment:

## Sustainably manage activities to mitigate impacts

PHC aims to increase its production to 100,000 tons per year by 2026, but only through sustainable practices that protect the environment, benefit local communities, and do not expand its operational footprint. Recognizing the potential risks and impacts of its activities, PHC has implemented an environmental and social management system aligned with international standards, including the IFC Performance Standards.

The company's strategy relies on environmental and social impact assessments conducted by independent third parties at its operational sites, which guide the measures necessary to prevent negative impacts.

### 5.1 Mitigating Operational Environmental Impacts

PHC is concerned about the potential impacts and risks that its operations may generate on the environment. It is strongly committed to reducing them as much as possible and to implementing compensatory measures aimed at promoting environmental prosperity.

#### PHC's commitments:

- Zero-deforestation in its activities
- Comply with national laws and international environmental standards
- Operate exclusively within previously exploited areas
- Optimize the use of land already converted to plantations
- Apply best practices in agricultural and industrial management
- Protect surface, groundwater, and soils
- Minimize the use of pesticides and chemical fertilizers
- Reducing greenhouse gas emissions to mitigate climate change



## 5.1 .1 Protecting water quality

Water is essential to life on earth. This is why, in its operations, PHC wishes to impact groundwater and surface water as little as possible in order to preserve its quality.

### Reduced water consumption

PHC plantations rely on year-round rainfall and do not require irrigation, except for nursery activities and the palm oil extraction process. To limit water use, measures such as mulching in nurseries are implemented to reduce evapotranspiration.

### Water protection in operations

To further protect water resources, PHC has established several preventive measures:

- Creating buffer zones along rivers and water sources in compliance with national legislation, with a strict ban on pesticides, herbicides, and chemical fertilizers in these areas.
- Preventing accidental chemical spills through proper handling procedures and containment when necessary.
- Reducing the use of pesticides and chemical fertilizers by adopting best practices and alternative methods in farming operations.

### Effluent management

The management of palm oil mill effluent (POME) is a critical aspect of palm oil production. POME, the wastewater generated during the transformation of fresh fruit bunches (FFB) into palm oil, is primarily organic and requires biological treatment through anaerobic digestion before disposal, as it can impact aquatic environments.

PHC has installed three-phase decanters at its three plants, which significantly reduce the biological oxygen demand (BOD) and chemical oxygen demand (COD) of effluents.

Effluent management remains a top priority, and studies are underway for the installation of anaerobic digestion systems at all three PHC plants in the coming years. This system will eliminate effluent discharge into rivers and produce biogas that can be used for electricity generation or other applications.

Meanwhile, PHC has drilled boreholes in surrounding areas to ensure local communities have access to safe, high-quality water.

## Water monitoring

PHC regularly monitors surface water and effluent quality. During the reporting period, an independent consultant assessed our boreholes, surface water, and effluents, with results showing no negative impact on community drinking water supplies.

To strengthen monitoring, PHC is implementing a laboratory upgrade plan, enabling quarterly testing of borehole water and effluents to track potential operational impacts and take corrective action as needed.



## 5. 1.2 Soil protection

PHC is committed to using best management practices to protect and enhance soil fertility, aiming to increase yields without expanding planted acreage. Land-use change, a major risk to soil health, is negligible in our operations. The plantation soils contain no peatlands, are relatively flat, and have slopes of less than 25%.

### Use of best agricultural practices

PHC applies good agricultural practices throughout the 25-year lifecycle of each plot, from soil preparation for young palms to the end of production. These practices preserve soil health and maintain nutrient levels through natural processes or the judicious use of mineral and organic fertilizers. Key practices include:

- «Zero fire» policy: Fire degrades soil and generates emissions, so the use of bush fires is strictly prohibited.
- Cover crops: These stabilize the soil, conserve moisture, replenish humus, store nitrogen, and reduce the need for manual or chemical maintenance.
- Organic fertilization: Residual palm cobs from oil extraction and pruned biomass are returned to the soil as organic fertilizer.
- Targeted mineral fertilization: Mineral fertilizers are applied based on leaf and soil tests to maintain and enhance soil fertility and optimize yields.





## Soil monitoring

Soil fertility is assessed annually through targeted analyses to determine appropriate fertilizer doses. The most recent leaf sampling took place in September 2023, following fertilizer application across the three sites. The objective was to adjust fertilizer use based on nutrient levels measured in each block. Analyses cover nitrogen, potassium, phosphorus, magnesium, boron, and sulfur.

Samples are collected using the method developed by the Yaligimba Research Center (CREATY). Random sampling, following strict procedures, ensures representativeness across plantation conditions. Site inspectors oversee the process, while trained teams manage drying, packaging, and labeling. Leaf samples from blocks aged 3 to 20 years are sent to independent laboratories for analysis.

### 5.1.3 Responsible use of pesticides

PHC is committed to minimizing pesticide use to reduce environmental risks, favoring less harmful alternatives such as pest identification and biological control. Fungicides and insecticides are restricted to nurseries, while herbicides are used selectively to control invasive plants only when manual weeding is insufficient. Pesticides classified as Category 1A or 1B by the World Health Organization, or listed under the Stockholm or Rotterdam Conventions, are strictly prohibited. Workers handling pesticides receive training, personal protective equipment (PPE), and regular medical check-ups (see section 5.1.3).

- Pest-resistant palm varieties. The CREATY research centre provides palm seeds every year that are the result of research carried out across the PHC sites. The seeds are resistant to fusarium wilt and relatively resistant to ganoderma.
- Biological pest control: Protecting natural predators of pests by providing habitats, such as perches for raptors that regulate populations.
- Mechanical methods: Practices such as mulching, ground cover, and manual maintenance of weeding circles to protect palms and limit weed growth.

## 5.1 .4 Waste management

In all its activities, PHC aims to minimize waste at the source and prioritizes a circular economy approach by maximizing waste reduction, recovery, and reuse.

### Waste-to-energy

Solid waste generated during palm oil production is used to generate electricity. PHC's plants practice cogeneration by burning part of their solid waste, mainly fibres and sometimes part of the shells, in order to generate electricity. The waste is burned in biomass boilers, with the energy released used to produce water vapor which is sent to turbines to generate electricity.

Liquid waste from the factories is not yet recycled. By 2026, all PHC plants will be equipped with effluent capture systems to convert waste into biogas and, subsequently, electricity. This renewable energy will significantly reduce PHC's reliance on fossil fuels and support the company's progress toward Net-Zero carbon.



## Valorisation in planting for fertilisation

Solid organic by-products from production, such as palm bunch cobs, cakes, and sludge, are reused as organic fertilizers. In 2023, PHC plants generated 67,219,080 kg of cobs, which were applied to plantations as natural fertilizer. These by-products are rich in residual nutrients, including nitrogen and potassium, essential for soil health.

## Other waste

All waste is controlled and tracked in accordance with local regulatory requirements. Hazardous waste is collected for proper disposal by licensed contractors in accordance with local legislation.

## 5.1 .5 Reduction of air emissions

PHC is committed to gradually reducing its air emissions in its operations while supporting global efforts to mitigate the effects of climate change. All of PHC's business lines are focused on reducing greenhouse gas (GHG) emissions through various initiatives that aim to reduce the impact of operations and the value chain on the climate.

## Energy efficiency and promotion of renewable energy

The reduction of emissions in PHC's activities includes reducing the consumption of fossil fuels. PHC's plants have adopted a variety of technologies to reduce fossil fuel consumption and improve energy efficiency. The main sources of energy are steam turbines powered by biomass boilers that are themselves powered by organic waste from the plant.

A recent initiative is flue gas condensing technology, where boiler fumes are cooled before being discharged in order to reduce heat emissions. These initiatives significantly reduce greenhouse gas emissions and improve energy efficiency.

In 2022, PHC consumed 8,351.913 MWh of energy, 79% of which was sourced from renewables. The 2023 target is to increase this share to 83%, equivalent to 6,900 MWh of renewable energy produced. Energy intensity in 2022 was 25.55 kWh per metric ton of milled palm bunches. PHC also promotes solar energy use in non-factory infrastructure. In 2022, all plantation division offices were equipped with solar panels to power essential computer equipment.



## Maintaining carbon stocks

Halting deforestation and applying best practices in plantation management are key contributors to emission reductions. In line with its zero-deforestation commitment, PHC's shareholders have decided that oil palm replanting will be limited to existing plantation plots. As a result, no trees will be cleared for new oil palm cultivation. This approach reduces emissions while protecting forests, biodiversity, and the ecosystems they sustain.

## 5.2 Promotion of biodiversity and ecosystems

PHC is committed to protecting and managing the land and infrastructure it owns or leases by:

- Identifying, conserving, and promoting High Conservation Value (HCV) areas.
- Protecting species classified as endangered or threatened under the International Union for Conservation of Nature (IUCN) classification, particularly by promoting sustainable hunting and developing alternatives.
- Considering the needs of local communities and supporting their role in nature management and protection.

Located in the heart of the equatorial forest, PHC's concessions are rich in biodiversity and ecosystems. PHC is aware of its unique position and the role that society can play in mitigating biodiversity loss and safeguarding ecosystems that are essential to combating global warming.

### 5.2.1 Biodiversity and ecosystem assessment

The biodiversity assessment carried out in the PHC concessions included some specialized studies such as the study of amphibians and reptiles, mammals and birds, and vegetation and aquatic ecology. The results of these studies informed the identification and evaluation of High Conservation Value (HCV) areas across the three PHC concessions.



## Boteka

The Boteka plantation is located in the central basin of the Congo River, within the rainforest. The studies carried out have identified forest areas with little disturbance, classified as HCV zones. These areas are not affected by PHC's activities, as the company is limited to areas that were already planted in the past. However, anthropogenic pressure is strong, as local populations are highly dependent on natural resources. One species classified as vulnerable, *Psittacus erithacus*, has been identified as relatively common in the area.

## Lokutu

The Lokutu plantation is located on the border of three ecoregions: the forests of the Central Congo River Basin, the swamp forests of western Congo, and the swamp forests of eastern Congo, also within the central basin. Studies identified a mosaic of croplands, secondary forests, and natural forest areas classified as HCV, which will not be affected by PHC activities. These classified areas are also part of the wider landscape of the great forests of Central Africa. Local people depend heavily on natural resources for their survival. The parrot *Psittacus erithacus*, classified as vulnerable, has been identified.

## Yaligimba

The Yaligimba plantation, located north of the Congo River, presents a mosaic of cultivated land and secondary vegetation disturbed by human activities. This is due to the heavy reliance of local populations on natural resources for their survival. Two species classified as rare or threatened have been recorded in the area: *Psittacus erithacus* and *Pericopsis elata*.

### 5.2 .2 Promoting biodiversity and ecosystems

These studies have identified High Conservation Value (HCV) zones within PHC concessions. As the company does not expand beyond previously exploited areas, its activities do not pose a significant threat to these zones. PHC has implemented a range of measures to support biodiversity and ecosystems within its concessions, as outlined below.

#### Protecting watercourses and springs

PHC concessions are traversed by numerous rivers, and several water sources have been identified. These rivers and springs are vital both for local communities and for the ecosystem services they provide. To protect them from erosion and other agricultural impacts, PHC maintains buffer zones in accordance with international standards across its plantations.



## Promoting sustainable agriculture among the population

As part of its community development program, PHC implements many sustainable agricultural development projects that enable local people to improve their incomes through environmentally friendly activities. Beneficiaries are educated on the importance of respecting the environment, and activities are designed with ecosystem protection in mind. These projects also provide alternatives to deforestation-driven activities, reducing dependence on natural resources.

## Environmental education

PHC's environmental and social teams maintain direct contact with local communities, regularly conducting awareness-raising activities to promote the protection of biodiversity and ecosystems. The forests surrounding PHC concessions provide habitats for many endangered species, including bonobos - primates genetically closest to humans, endemic to the DRC, and at risk of extinction. PHC is developing a program to support bonobo conservation, actively involving local communities in their protection.





## 6. Corporate Governance: Managing the company responsibly and ethically

The agricultural sector directly influences the well-being of a country's citizens and plays a key role in economic development. Acting with transparency, accountability, and good governance is essential to enhancing economic value and supporting local economies.

PHC complies with public policies and regulations, including government payments, sustainable development initiatives, and anti-corruption and anti-competitive measures. The company also engages with local communities, respecting their rights and supporting development through job creation, education, access to clean water, healthcare, and public hygiene initiatives. Through these efforts, PHC fosters stakeholder well-being and economic empowerment, building long-term relationships based on trust and mutual respect.



## 6.1 System of Governance

### 6.1.1 Board of Directors

PHC's Board of Directors consists of seven members, including a Chair, with one female member. The Board meets regularly according to a pre-established annual schedule or on an ad hoc basis as needed.

Through its oversight and leadership, the Board ensures that sustainability considerations are integrated into the company's strategy and operations, while upholding its guiding vision: "Creating shared prosperity through agribusiness."

### 6.1.2 Our internal management

PHC has an internal management structure designed to ensure good governance through policies, rules, procedures, and control mechanisms. Since 2021, significant efforts have been made to review internal procedures, assess potential risks at each level, and implement appropriate control measures.

The internal audit department monitors compliance with PHC's procedures, following an annual audit program while conducting ad hoc audits as needed. At the end of 2023, departmental performance objectives were defined for 2024 in alignment with PHC's overall vision and ambitions. Each department now has specific objectives and performance indicators to support the achievement of the company's goals.

#### **Impact story: Mrs. Monique Gieskes, Director General of PHC, receives the Award for Excellence and Education at the NHEF Gala**

Demonstrating its commitment to good corporate governance and education, PHC made a significant impression at the 2023 NHEF (Nigerian Foundation for Higher Education) Gala, held on Friday, September 22, 2023, at the prestigious Pierre Hotel in New York, under the leadership of General Manager Mrs. Monique Gieskes.

The NHEF Gala is more than a celebration of excellence and philanthropy; it is an annual gathering of global leaders, innovators, and philanthropists united in support of higher education in Nigeria. During this edition, Mrs. Monique Gieskes, recognized for her transformative leadership at PHC, was honored with the Impact Leadership Award for the positive impact of her leadership and management.

This award recognizes the positive impact of Mrs. Monique Gieskes' leadership, both in transforming PHC and supporting the communities surrounding the company's palm oil production sites.

Ms. Gieskes expressed her gratitude:

«I am deeply honored to participate in the NHEF's 2023 fundraising and awards gala. Education is a powerful tool for empowerment and progress, and I believe in the transformative impact it can have on individuals and societies. I look forward to joining other leaders in supporting the NHEF's mission and exploring opportunities for collaboration in education.»

PHC is more than a leader in agribusiness; it is a symbol of corporate responsibility and community engagement. Beyond sustainable palm oil production, the company actively contributes to healthcare, education, and community development in its operational regions. Under the visionary leadership of Mrs. Gieskes, PHC has achieved remarkable success, not only in financial performance but also in ethical business practices, environmental stewardship, and social impact.

The combination of PHC's commitment and the recognition of Mrs. Gieskes at the NHEF Gala underscores a shared vision for community development and positive transformation. Together, they exemplify a future where excellence benefits both businesses and the wider communities they serve, shaping a brighter and more prosperous future for Africa and beyond.

## 6.2 Ethics of PHC

### 6.2.1 Our values

In 2021, PHC's new shareholders initiated a renewed company direction, defining a new vision and mission aligned with their societal aspirations. To guide the company's evolution, they also established four core values: Integrity, Respect, Teamwork, and Diversity.

### Impact story ZONGO :

In April 2021, PHC's shareholders convened the company's management and executives in Zongo, Bas-Congo. In this setting, the company's new vision, mission, and values were unveiled. The multi-day gathering also provided an opportunity for management to discuss challenges and outline key actions for the coming years to achieve PHC's objectives.



## Impact story: values tournaments :

To promote awareness and adoption of the company's values, PHC organized a "Values Tournament" to celebrate its 112th anniversary in May 2023. At each operational site, football teams representing the company's core values competed against each other. The tournament was well received by staff and helped strengthen employee connections across the company.



## 6.2.2 Anti-corruption and whistleblowing

PHC maintains a zero-tolerance policy toward corruption, applicable to all employees and business partners. This policy covers all company activities and is reinforced by the Code of Ethics and Business Conduct and internal rules. Measures are in place to prevent, detect, and combat corrupt practices across all areas of operations.

A key mechanism to uphold business ethics is whistleblowing. Employees are responsible for reporting any violations or suspected breaches of the anti-corruption policy or related codes of ethics. PHC provides multiple reporting channels, including in-person, email, instant messaging, and direct phone calls, and encourages an open-door policy for integrity concerns, questions, or complaints.

The company fosters a safe environment where employees can speak up without fear of reprisal. All reports are treated with confidentiality and professionalism, and concerns related to the Code of Conduct and ethics are thoroughly investigated.

## 6.2.3 Anti-competition

Anti-competitive behavior poses significant legal and reputational risks. PHC avoids unfair practices such as price-fixing, market manipulation, or abusing its market power to disadvantage competitors. By promoting fair competition, PHC helps ensure a level playing field for other palm oil producers, benefiting both consumers and the broader economy.

## 6.2.4 Anti-harassment

PHC fosters a work environment where every employee is valued and respected. Harassment and violence are not tolerated, and awareness sessions are regularly conducted in partnership with the NGO Afa Mama to educate potential perpetrators and support potential victims.

A confidential complaints mechanism is in place to report such behaviors safely, ensuring complainants are protected. Proven false or malicious accusations may result in disciplinary action, including termination or legal prosecution.

## 6.2.5 Equal opportunities and female inclusion

PHC provides a non-discriminatory workplace that complies with national and international laws and regulations relating to non-discrimination and equal opportunity. The recruitment process is primarily merit-based, so all candidates with the required qualifications and experience are considered for job openings.

PHC selects candidates based on their ability to meet the specific requirements of each position. Promotions and disciplinary actions are applied without discrimination. When skills are equal, priority is given to hiring from communities near operational sites to support local development, in line with the company's vision of shared prosperity.

In 2020, women represented 5.4% of PHC's workforce; by the end of 2023, this figure rose to 14.2%, thanks to initiatives promoting gender equality, particularly in senior management. The Board of Directors includes one woman among seven members, and the company's Chief Executive Officer is also a woman.

### Women's Empowerment Principles Award

In recognition of its achievements in gender inclusion, PHC received the Women's Empowerment Principles (WEPs) award, jointly established by UN Women and the UN Global Compact, at the first WEPs/CSR Forum organized by the Association of Women Entrepreneurs of Congo (Afeeco DRC) in Kinshasa. PHC also participated as a panelist to discuss the role of women in energy and corporate social responsibility.





## 6.3 Legal and international requirements

### 6.3.1 Legal Requirements

PHC complies with all national laws and regulations, with numerous annual inspections conducted by government authorities to verify compliance.

In terms of sustainability, PHC is monitored by the Congolese Environment Agency (ACE), which is responsible for the environmental and social impacts of society. The ACE visits all activity sites annually to conduct an audit and determine corrective actions if necessary. The ACE also issues environmental certificates, which are required to obtain operating permits.

For each new project, PHC works with the ACE for environmental and social impact assessment to put in place an environmental and social management plan in accordance with the National Environment Act. In 2023, a new Environmental and Social Impact Assessment (ESIA) began for the rehabilitation of a former plantation area.



### 6.3.2 International Standards

PHC is committed to adhering to the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO). During the reporting period, an independent review found that PHC met approximately 60% of the RSPO criteria. The company is actively working to improve compliance and aims to achieve full adherence in the coming years.

### Impact Story: PHC at PIPOC 2023

From November 7 to 9, 2023, Les Plantations et Huileries du Congo (PHC) participated in the International Palm Oil Conference and Exhibition (PIPOC 2023) in Kuala Lumpur, Malaysia. A delegation of 14 PHC members, led by Managing Director Ms. Monique Gieskes and supported by investor and co-founder of Kuramo Capital Management, Mr. Shaka Kariuki, attended the event. PHC's participation showcased its progress as the leading palm oil producer in the DRC and provided opportunities to engage with global industry leaders, including the Malaysian Palm Oil Board (MPOB), the Council of Palm Oil Producing Countries (CPOPC), major industry service providers, and Malaysian and international media.

These interactions helped establish a framework for collaboration with MPOB, explore CPOPC member services, strengthen supplier relationships, and highlight the DRC's historical and ongoing contributions to the global palm oil industry.

«The palm oil industry started in Congo, and Congolese expertise has benefited major producers such as Malaysia and Indonesia. The DRC supplied parent oil palm varieties, such as Yangambi, valued worldwide for their high yield. Today, the DRC can reclaim its place on the global palm oil map by adopting best agronomic practices and complying with global sustainability standards, bringing social and economic benefits to producing countries,» said Ms. Monique Gieskes to the Malaysian press.





# List of abbreviations and acronyms





<b>AAK</b>	AarhusKarlshamn
<b>ACE</b>	Congolese Environment Agency
<b>APO</b>	Agricultural Producer Organisations
<b>BOD</b>	Biochemical Oxygen Demand
<b>BOD</b>	Board of Directors
<b>COP</b>	Community Development Plan/Programs
<b>COD</b>	Chemical Oxygen Demand
<b>CPO</b>	Crude Palm Oil
<b>CREATY</b>	Yaligimba Tropical Agriculture Research and Experimentation Center
<b>CSI</b>	Corporate Social Investment
<b>CSPO</b>	Certified Sustainable Palm Oil
<b>Ground floor</b>	Democratic Republic of Congo
<b>EFSA</b>	European Food Safety Association
<b>ESAP</b>	Environmental Social Action Plan
<b>ESG</b>	Environmental Social Governance
<b>ESM</b>	Environmental Social Management
<b>FFB</b>	Fresh Fruit Bunches
<b>GE</b>	Glycidyl Esters
<b>GMP</b>	Good Manufacturing Practices
<b>GRI</b>	Global Reporting Initiative
<b>HACCP</b>	Hazard Analysis & Critical Control Point
<b>IFC</b>	International Finance Corporation
<b>IATI</b>	International Institute of Tropical Agriculture (Institut International d'Agriculture Tropicale)
<b>ILO</b>	International Labour Organisation
<b>MOH</b>	Mineral Oil Hydrocarbons
<b>MPOA</b>	Malaysian Palm Oil Association
<b>Takeover bid</b>	Farmers' Organizations
<b>P&amp;C</b>	Principles and Criteria
<b>PHC</b>	Plantations and Oil Mills of the Congo
<b>PKO</b>	Palm Kernel Oil
<b>PPE</b>	Personal Protective Equipment
<b>RSPO</b>	Round Table on Sustainable Palm Oil
<b>ODD</b>	Sustainable Development Goals
<b>EIS</b>	Social Impact Assessments
<b>SPSP</b>	Shared Prosperity and Sustainability Plan
<b>NGDO</b>	Non-Governmental Development Organization
<b>MUDEV</b>	Mwando United for Development
<b>FEC</b>	Federation of Enterprises of Congo
<b>APOI</b>	Africa Palm Oil Initiative
<b>WHO</b>	World Health Organization





**For more information:**  
[info@phc-congo.com](mailto:info@phc-congo.com)

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## **2023 Sustainability Report**

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