

Statement from Halcyon Agri

Since Halcyon took over management of Sudcam in late 2016, it has been a priority of our business to address the legacy issues we inherited in Cameroon, and a policy of mine to be transparent and upfront in dealing with the criticism and scrutiny that those issues have brought.

I therefore wanted to explain the background of the Sudcam situation and what Halcyon have been doing to address that situation since we acquired the business.

We are the largest private-sector employer in Cameroon and operate 100,000 hectares of land. As such it is both our duty and in our business' best interest to ensure the long-term sustainability of our operations. Doing so has meant uniting the seemingly opposed agendas of ecological conservation and socio-economic development.

There is no 'overnight' solution to fixing the issues with the operation we acquired in 2016. We appreciate that solving this problem has taken time – but a quick fix in a situation like this can do more harm than good in the long term. Simply halting the operations in Cameroon, for instance, would have put the livelihood and welfare of local communities at risk. Instead we have strived to find a solution that brings both socio-economic and environmental sustainability to our operations.

In doing that, we have actively and extensively engaged with NGOs and civil societies – and their expertise has been invaluable in helping us navigate a set of highly complex and interlocking issues that will bring a long-term sustainable solution.

I have attached the result of those engagements - 'Accord.Mighty Earth_CED_APED_Halcyon.' This outlines our discussions and agreements, including a meeting for August 26, 2019 with Mighty Earth and 25 representatives from local NGOs including CED and APED where we will discuss their intention to join the Cameroon Sustainability Council.

We also wanted to highlight some of the other recent work we've been doing in the region: In November 2018, we published the World Wildlife Fund (WWF) report and their recommendations for Sudcam as we acknowledged legacy issues prior to our acquisition. Our comprehensive Sustainable Natural Rubber Supply Chain Policy (SNRSCP) was issued, and we commissioned the Cameroon Sustainability Council which was officially launched in April this year and is chaired by Mr. Abraham Baffoe, Africa Regional Director of Proforest.

In that same month, we ceased all clearing and felling within our Cameroon operations, and established a 25,000 hectare Community Forest within Sudcam's central concession, permanently protecting the land and giving land rights and benefits to the local communities. Having announced our zero-deforestation policy for Cameroon, our land of 100,000 hectares will remain as 30,000 hectares planted, 45,000 hectares not planted and 25,000 hectares Community Forest.

In July 2019, we launched the Cameroon Outgrower Programme which will benefit approximately 13,000 local smallholders and their families. We are encouraging community development beyond our walls by establishing multi-crop and integrated farming on 27,000 hectares of what is currently fallow land. The integrated farming will provide food security and as we purchase their raw materials as feedstock for our factories, we will provide the families with a secured income.