

131029 / Email response from FMO to BankTrack on our letter on Agua Zarca, dated 131007

Dear Johan,

Thanks for your second letter, in which you pose a number of additional questions regarding the Agua Zarca project. Although we prefer to give you a more elaborate response on the basis of the findings of the additional review mission, we are more than happy to already provide some answers to the more general questions raised in your letter:

Regarding our due diligence process:

It is correct that we are still in the structuring phase and that the independent consultants that we have hired to support us in the environmental and social due diligence process have been assigned to do additional verification regarding the recent incidents and the allegations made in relation to that.

In addition to this it is worth noting that our in-house social specialist and an independent local community expert has joined the team of consultants during the verification mission.

Regarding the Equator Principles:

The Agua Zarca project is indeed subject to the Equator Principles.

Regarding the categorization:

The categorization of the project will be finalized once the due diligence process has been completed.

Regarding the due diligence:

We can confirm that the Equator Principles and the IFC Performances Standards serve as terms of reference for the on-going review by our consultants; human rights and indigenous rights are an integral part of this framework, and are therefore also taken into account as far as applicable to the project situation.

Regarding the disclosure of information:

We will not come to conclusions regarding the (non)appropriateness of disclosure by the company until we have concluded our review. FMO's disclosure Policy does not include publication of the ESIA by FMO, and this is not a requirement under the Equator Principles.

Regarding the independent review:

Our independent consultants do not solely rely on information provided by the company, but also on third party information and own observations and interviews. As a matter of policy we do not share the contact details of our independent consultants with third parties, as the role of these consultants is to support us in our decision, and this role should not become mingled with other potential roles.

Regarding the other questions:

We consider it prudent to await the outcome of our review process before responding to them.

As a general comment we feel the need to express that we do not share the opinion that on the basis of the information provided by COPINH it can already be concluded that their allegations are correct, and that the company would be responsible for the events and incidents that have been reported. As a consequence we do also not share your opinion that on the basis of this information it could already be concluded that the company is in violation of the Equator Principles and the IFC Performance Standards.

Having said this, we are happy to be in dialogue with you on this project, and will keep you informed after we know what the findings of the additional review mission are.

Best regards,
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