INDEPENDENT COMPLAINTS MECHANISM (ICM)

Preliminary Review Report

30 October 2026

DEG and FMO Complaint 25-014
New Forests Company Ltd.
Uganda

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Recipients:
Complainants
FMO and DEG
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About the Independent Complaints Mechanism (ICM)

The Independent Complaints Mechanism (ICM) aims to provide complainants with an effective, fair, and credible tool to facilitate the resolution of disputes. At the same time, it assists the Dutch Entrepreneurial Development Bank (FMO), Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and PROPARCO in implementing and adhering to their own Environmental and Social (E&S) policies and procedures.

The ICM is supported by an Independent Expert Panel (IEP). The IEP is fully independent from DEG, FMO and PROPARCO. It reviews complaints from communities and individuals who allege that they have been affected by DEG, FMO and/or PROPARCO-financed operations and decides whether a complaint is admissible.

If a complaint is admissible, the IEP processes it in line with the ICM Policy and reports on the outcome of the process.

For more information about the ICM, please visit:
DEG's website: www.deginvest.de/icm
FMO's website: www.fmo.nl/icm
PROPARCO's website: www.proparco.fr/icm

1. Summary

On 18 November 2025, the Complaints Offices of FMO and DEG received a Complaint submitted by Witness Radio on behalf of families allegedly affected by the operations of New Forests Company Holdings Ltd. (NFC) in Mubende District, Uganda. The Complaint concerns NFC's forestry operations, financed by FMO and DEG through their equity investments in the Company.

On 7 January 2026, the Independent Expert Panel (Panel) declared the Complaint admissible and commenced a Preliminary Review in accordance with the 2017 ICM Policy[1]. As part of the Preliminary Review, the Panel conducted a site visit to Uganda between 20 and 30 April 2026, during which it met with the Complainants and affected communities, representatives of NFC, former participants in the CAO-facilitated dispute resolution process, local authorities and other relevant stakeholders.

The Complaint raises four principal issues. First, it concerns the situation of families allegedly forcibly evicted from the Namwasa Central Forest Reserve in 2010. It alleges that an earlier dispute resolution process facilitated by the Compliance Advisor Ombudsman (CAO) did not provide an effective remedy to all affected families. Second, it raises allegations of misconduct and violence by NFC plantation workers, including theft, physical assaults and sexual violence. Third, it alleges continuing livelihood and environmental impacts affecting surrounding communities. Fourth, it alleges intimidation and reprisals against community representatives and human rights defenders supporting the affected families. In addition, the Complaint alleges shortcomings in NFC's grievance mechanisms and in the environmental and social due diligence, stakeholder engagement and supervision exercised by FMO and DEG.

The purpose of the Preliminary Review is not to determine the accuracy of the allegations or whether FMO and DEG complied with their applicable environmental and social requirements, but to develop a sufficient understanding of the issues raised in the Complaint and determine the appropriate procedural pathway under the ICM Policy.

Based on the information gathered during the Preliminary Review, the Panel concludes that Issue 1 (resettlement), Issue 3 (livelihood and environmental impacts) and the individual allegations under Issue 4 (reprisals) will not be pursued further as standalone issues under the ICM process. The Panel further concludes that the historical issues relating to the 2010 evictions and the implementation of the CAO-facilitated dispute resolution process should not be revisited through the present ICM process.

With respect to Issue 2 (misconduct and violence), the Panel concludes that the general allegations of violence and misconduct will not be pursued further as a standalone issue. With respect to specific allegations of sexual violence, the Panel will address these separately, on a case-by-case basis. Any engagement on these matters will take place only with the informed

[1] See ICM Policy 2017, https://www.deginvest.de/DEG-Documents-in-English/About-us/Responsibility/Complaint-Mechanism-Policy-2017.pdf

consent of the individuals concerned and will be governed by appropriate confidentiality and protection measures.

In addition, the Complaint raises concerns regarding stakeholder engagement, the accessibility and effectiveness of grievance mechanisms, and the identification, assessment and management of environmental and social risks and impacts. The Panel considers these concerns to be cross-cutting insofar as they relate to NFC's ongoing operations, including the handling of allegations of sexual and gender-based violence and whether concerns can be raised safely and without fear of retaliation. They are distinct from the historical matters addressed through the CAO process and also raise questions regarding the DFIs' environmental and social due diligence and supervision.

During the Preliminary Review, NFC expressed its willingness to explore participation in a Dispute Resolution Process concerning matters not previously examined or resolved through the CAO process. This provides a possible basis for addressing the specific allegations of sexual violence and the cross-cutting concerns through Dispute Resolution.

Accordingly, the Panel recommends that the case proceed to the preparatory phase of a Dispute Resolution Process under paragraph 3.2.4 of the 2017 ICM Policy. During this phase, the Panel will confirm the Parties' willingness to participate and work with them to define the scope, framework and ground rules of the process. The process will not reopen matters already addressed through the CAO process.

If the conditions required for a Dispute Resolution Process are not met during the preparatory phase, the Panel will determine, in accordance with the ICM Policy, whether the cross-cutting concerns should proceed to a Compliance Review.

2. Procedural history

2.1 Overview of the complaint

On 18 November 2025, the Complaints Offices of DEG and FMO received a complaint concerning the FMO- and DEG-financed operation New Forests Company Holdings Ltd. (NFC) in Uganda. The complaint was submitted by Witness Radio, a Uganda-based NGO, on behalf of affected families and was accompanied by a representation agreement. Both ENDS, a Netherlands based NGO, acted as an advisor to the complainants. NFC (the Company) is an African forestry company that establishes new forests and manages existing forests in East Africa. The Company was granted a licence to plant trees and invest in forestry in 2005 in the Namwasa and Mubende forest areas, demarcated by the Government of Uganda as Central Forest Reserves.

On 1 December 2025, the complaint was forwarded by the Complaints Offices of DEG and FMO to the Independent Expert Panel (Panel) of the ICM for an admissibility assessment.

On 7 January 2026, the IEP issued a Notice of Admissibility, declaring the Complaint admissible[2].

2.2 Addressing Risks of Reprisals

In line with its Non-Retaliation Statement[3], the ICM is committed to assessing, preventing and addressing risk of reprisals relating to its processes to the best of its ability in all its cases, out of deep understanding that such risk undermines the effectiveness of the ICM as a fair and credible mechanism as well as FMO and DEG ability to enhance their environmental and social outcomes. The ICM's Non-Retaliation Statement is based on best practices in the field and on accumulated experience of other IAMs.[4]

As reflected in its Non-Retaliation Statement, the ICM endeavours to work together with the parties and especially in continuous consultation with the complainants to ensure that it does not create or increase any risks to complainants as a consequence of its processes. It also strives to communicate transparently with complainants and affected parties with regard to its limitations in providing protection from reprisals.

Consistent with its Non-Retaliation Statement, the ICM has incorporated into its operations – as a matter of routine – practices designed to continuously identify, assess, and mitigate risks, starting at the early stages of the ICM procedure. Based on information provided by the complainants, the Panel identified a heightened risk environment related to community mobilisation and advocacy activities in this particular case.

Based on reported reprisal risks and the confidentiality request from the complainants to maintain the confidentiality of their identities, the Panel will not disclose the complainants' identities or the original complaint documents. The ICM Notice of Admissibility was also anonymised.

To further mitigate these risks, the Panel has applied confidentiality measures, has refrained from sharing sensitive information that could expose individuals, and has developed a mitigation plan and a Communication Protocol. It has also limited stakeholder engagement, particularly with Ugandan local authorities, to general and contextual exchanges. The Panel will continue to apply risk-mitigation measures and adapt its approach in subsequent phases as appropriate.

[2] See ICM, Notice of Admissibility, ICM complaint 25-014, 7 January 2026: https://www.fmo.nl/complaints-disclosure

[3] See ICM, Non-Retaliation Statement -Position Statement on Addressing Risk of Reprisals related to ICM Operations, February 2021, https://www.deginvest.de/DEG-Documents-in-English/About-us/Responsibility/ICM-Non-Retaliation-Statement.pdf

[4] See, e.g., Guidelines for Addressing Risk of Reprisals in Complaint Management, Independent Consultation and Investigation Mechanism (MICI), IDB Group (2019); Approach to Responding to Concerns of Threats and Incidents of Reprisals in CAO Operations, Office of the Compliance Advisor Ombudsman, IFC/MIGA.

2.3 Representation

The complainants are represented in this process by Witness Radio, which acts as the primary interlocutor between the Panel and the families on whose behalf the complaint was submitted. The Complainants provided a signed representation agreement to this effect.

During the Preliminary Review, the alleged victims of sexual and gender-based violence (SGBV), who had provided signed statements to the Panel, indicated that they wished to appoint Both ENDS— which had until then acted as an adviser to Witness Radio and the Complainants— as an additional representative in relation to those allegations. A signed representation agreement was provided to the Panel to that effect.

3. The DEG / FMO Financed Operation

New Forests Company Holdings Ltd. (NFC) is the holding company of a group operating commercial forestry plantations in Uganda and Tanzania, including in the Mubende, Kasanda and Bugiri Districts of Uganda.

DEG invested in NFC in October 2013 through a USD 13 million preference share investment, thereby becoming an equity investor. FMO subsequently provided a USD 15 million senior loan in July 2015 and became an equity investor following a debt-to-equity restructuring in May 2018. At the time of the filing of the Complaint, DEG and FMO held equity interests of 5.20% and 9.73%, respectively, in NFC.[5]

4. Overview of the Issues Raised in the Complaint

The Complaint raises a range of issues relating to the social, environmental, and human rights impacts of NFC's forestry operations in Mubende District, Uganda, as well as the failure of NFC and its financiers, FMO and DEG, to adequately remedy these harms. The following is a summary of the main issues raised in the Complaint. It does not involve an assessment of their accuracy or attribution of responsibility.

4.1. Lack of resettlement for nearly half of the evicted families due to shortcomings in the CAO-facilitated dispute resolution process and unresolved non-compliance issues

The Complainants allege that the CAO-facilitated dispute resolution process did not include all families affected by the 2010 evictions. In particular, they state that nearly half of the affected families were not involved in the mediation process or covered by the resulting settlement agreement and therefore did not receive an effective remedy.

According to the Complaint, the financial resources allocated for land acquisition were insufficient to resettle all affected households, the cooperative model excluded many displaced families from benefiting from the settlement, and the livelihood and development projects

[5] In 2024, NFC established Tausi Forests Ltd., a joint venture with Shell in which each party holds a 50% interest. As part of this restructuring, certain forestry assets and operations were transferred to Tausi. Although FMO and DEG are not shareholders in Tausi, the Deed of Undertaking signed between NFC and the DFIs—which contractually requires compliance with the IFC Performance Standards and other environmental and social obligations—was extended to apply to Tausi.

established under the agreement failed to generate the intended benefits. As a result, approximately 448 families allegedly remain without land-based resettlement and continue to experience landlessness, poverty, food insecurity and other long-term consequences of displacement.

Background: The CAO-Facilitated Dispute Resolution Process

In December 2011, representatives of affected communities, supported by Oxfam International, Oxfam Great Britain and the Uganda Land Alliance, submitted a complaint concerning NFC's operations in the Namwasa and Luwunga Central Forest Reserves in Uganda to the Office of the Compliance Advisor Ombudsman (CAO). CAO is the independent accountability mechanism for the International Finance Corporation (IFC), the private-sector arm of the World Bank Group. At the time, IFC had an investment in the Agri-Vie Agribusiness Fund, which in turn had invested in NFC.

Following an assessment conducted in early 2012, the complainants and NFC agreed to participate in a voluntary CAO-facilitated dispute resolution process aimed at reaching consensus-based solutions rather than determining the merits of the allegations.

The mediation formally commenced in April 2012 and resulted in a final agreement signed in July 2013, which CAO described as a full and final settlement of the issues raised by the parties. The agreement provided for a joint sustainable development programme, to be implemented through the Mubende Bukakikama Cooperative Society Ltd, including measures relating to land acquisition, livelihood support and community development. CAO monitored implementation of the agreement from 2014 until the closure of the process in September 2017. According to CAO's February 2018 Conclusion Report, the parties considered the commitments under the agreement to have been implemented.

According to the same report, a detailed verification exercise, supported by local government authorities, was conducted to identify and register community members who had a legitimate claim to participate in the mediation process and wished to do so. The report further notes that not all members ultimately received land through the resettlement programme, with some households having already settled elsewhere and others remaining on a waiting list for future resettlement assistance[6].

The CAO process commenced before DEG and FMO became investors in NFC. DEG invested in NFC after the July 2013 agreement, during the CAO monitoring period, while FMO provided its financing in July 2015, also during that period.

4.2. Misconduct and violence of NFC plantation workers, including theft, beatings, and sexual assault

[6] CAO, *Dispute Resolution Conclusion Report, Agri-Vie – 02/Mubende, Uganda*, February 2018.

According to the complaint, NFC plantation workers have repeatedly engaged in violence and other misconduct against neighbouring communities. According to the Complaint, these incidents include physical assaults, intimidation, theft of livestock and food, restrictions on the use of roads crossing the plantation, and sexual violence against women.

The Complaint further alleges that these incidents have created a climate of fear, particularly affecting women and children, and that affected communities are unaware of any effective grievance mechanism through which such incidents can be reported or addressed.

4.3. Further livelihood and environmental impacts, affecting food security

According to the complaint, NFC's plantation operations continue to affect surrounding communities through environmental degradation and reduced access to natural resources. According to the Complaint, plantation activities have contributed to declining agricultural productivity, reduced rainfall, loss of biodiversity, disappearance of traditional food sources, restrictions on access to firewood, and concerns regarding the use of chemicals. These impacts are alleged to have further undermined household livelihoods and food security.

4.4. Reprisals against community representatives and defenders

According to the complaint, community representatives and human rights defenders advocating on behalf of affected families have been subjected to intimidation, criminalisation and other reprisals. Owing to security concerns, additional information regarding these allegations has been submitted confidentially.

4.5. Additional concerns raised in the Complaint

In addition to the four issues described above, the Complaint alleges that NFC failed to establish accessible and effective grievance mechanisms and to engage adequately with affected communities. It also alleges shortcomings in the identification, assessment and management of environmental and social risks and impacts.

The Complaint also alleges that FMO and DEG did not exercise adequate environmental and social due diligence, failed to engage independently with project-affected communities, and failed to adequately monitor and respond to the concerns raised throughout their involvement with the Project. The Complainants further contend that these alleged shortcomings are inconsistent with the IFC Performance Standards, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the EDFI Principles for Responsible Financing, and other internationally recognised standards.

The Complainants request, among other measures, land-based resettlement or fair compensation for the families who remain without remedy, to be allowed to exhume and rebury the bodies of their ancestors and be supported to do so, restoration of livelihoods, recognition of the physical and psychological harm suffered, improved security and accountability for acts of violence, environmental restoration, meaningful engagement with affected communities,

and effective action by FMO and DEG to address both unresolved historical harms and ongoing impacts arising from NFC's operations.

5. The Company's Response

The purpose of this section is to summarise the Company's position as communicated to the Panel during the Preliminary Review. The inclusion of the Company's views should not be understood as reflecting findings or conclusions of the Panel, which are set out separately in Section 6.

NFC presented its response to the allegations during two meetings with the Panel held as part of the Panel's site visit to Uganda on 20 and 28 April 2026. While the Company disagrees with the allegations set out in the Complaint, it stated that it remains committed to cooperating with the ICM and provided information on its governance, stakeholder engagement, environmental and social management, and grievance mechanisms. The following is a summary of NFC's response to the Complainants' allegations.

On 27 August 2026, after receiving redacted versions of the Complaint and statements provided by alleged victims of SGBV, NFC submitted a formal written response to the Panel. In its response, NFC expressed its willingness to explore participation in a focused Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, particularly matters arising after the closure of CAO monitoring in 2018.

The following sections present NFC's position as communicated during the site visit and subsequently clarified in its written response of 27 August 2026.

5.1. Lack of resettlement for nearly half of the evicted families due to shortcomings in the CAO-facilitated dispute resolution process and unresolved non-compliance issues

NFC stated that it considers the 2010 eviction from the Namwasa Central Forest Reserve and its immediate aftermath to have been resolved through the CAO-facilitated dispute resolution process. According to the Company, the dispute resolution resulted in a negotiated agreement, its implementation, and the subsequent closure of the CAO process, which, according to NFC, was known to FMO and DEG.

The Company stated that it received correspondence from Witness Radio in 2022 raising concerns primarily related to resettlement. According to NFC, the letter did not raise environmental issues or allegations of violence. NFC explained that it responded to the correspondence and that it was subsequently followed by a visit from an FMO stakeholder engagement representative, during which an action plan was developed. According to the Company, it did not receive any subsequent follow-up regarding the implementation of that action plan.

NFC explained that, during the CAO process, it had been instructed not to engage directly with complainants, as responsibility for engagement and determining representation rested with the CAO and the Complainants' representatives. According to the Company, a cooperative society

was established to represent affected communities, and the CAO appointed a full-time environmental and social specialist to support the cooperative. NFC stated that it understood this structure, including the legal representation established during the process, to represent all affected persons.

The Company stated that, following the conclusion of the CAO process, it further developed and refocused its Corporate Social Responsibility (CSR) programme with dedicated staff to implement community initiatives. According to NFC, the programme includes the operation of community health clinics, implementation of the Forest for Prosperity Community Collaboration Framework, the continuation of an out-grower programme, and measures to improve accessibility and communication with surrounding communities.

With regard to land and livelihood restoration, NFC stated that it was not responsible for land allocation following the CAO facilitated dispute resolution process. According to the Company, the cooperative representing affected communities expressed a preference for monetary compensation in order to purchase land independently rather than receiving land allocated through the process. NFC stated that it was not involved in land allocation decisions and therefore did not assess the quality or suitability of land acquired by affected households. The Company further explained that issues relating to historical land rights and compensation remain the responsibility of the Government of Uganda.

During the close-of-visit meeting, NFC responded to observations that some resettled community members reported having had little contact with the Company following relocation. NFC stated that representatives of the Company, including the Head of CSR, had visited the resettled communities on several occasions and had also attended meetings organised by the cooperative. The Company further stated that it would be reluctant to reopen the CAO-facilitated dispute resolution process.

In its written response of 27 August 2026, NFC reiterated that it was not willing to reopen matters already addressed through the CAO process, including the mediated agreement and its monitoring. NFC stated that reopening those matters would risk duplicating the work of another independent accountability mechanism, undermining the finality of the previous Dispute Resolution efforts and delaying clarity for the complainants and alleged victims.

5.2. Misconduct and violence of NFC plantation workers, including theft, beatings, and sexual assault

NFC stated that it had not received reports of violence or misconduct through its grievance mechanisms or other reporting channels. The Company further stated that it was not aware of unresolved environmental incidents or allegations of mistreatment linked to its operations. According to NFC, allegations of sexual violence had been raised during the historical CAO process but were not substantiated at that time.

The Company explained that its workforce consists of direct employees, labour contractors and private security personnel, with recruitment focused primarily on surrounding communities. NFC stated that the only foreign employees are expatriates occupying management positions. The Company further stated that security at Namwasa is provided by

two unarmed security guards employed directly by NFC, who are stationed at fixed locations and do not conduct patrols within the plantation. According to the Company, employees are subject to a Code of Conduct and receive training on expected standards of conduct, and recruitment includes engagement with surrounding communities.

NFC explained that allegations of misconduct may be reported through Human Resources, CSR staff or management channels depending on the nature of the allegation. According to the Company, serious allegations, including sexual misconduct, are immediately escalated to senior management. NFC further stated that serious incidents are reported to DEG and FMO in accordance with the reporting requirements set out in its financing agreements with FMO and DEG.

During the close-of-visit meeting, the Panel informed NFC, without disclosing confidential information, that several women interviewed during the site visit had alleged incidents of sexual violence committed by individuals reportedly wearing NFC uniforms. The Company stated that it takes such allegations seriously and noted that no such allegations had previously been reported through its grievance mechanisms or to the local authorities. During the Panel's site visit, and subsequently in email exchanges with the Panel, NFC further stated that it remained willing to engage with the Panel and the Complainants regarding the allegations of sexual and gender-based violence.

In its written response of 27 August 2026, NFC stated that it took the allegations of sexual violence seriously and recognised that they required a survivor-centred response. NFC emphasised, however, that it did not wish to prejudge responsibility or accept allegations that had not been substantiated.

NFC expressed its willingness to offer psychosocial support to the alleged survivors and other directly affected persons, where appropriate and based on a needs assessment conducted by qualified and independent professionals. NFC further stated that it had already engaged independent experts to strengthen its systems for preventing and responding to sexual and gender-based violence.

NFC nevertheless expressed its willingness to explore participation in a Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, with a particular focus on matters arising after the closure of CAO monitoring in 2018.

5.3 Further livelihood and environmental impacts, affecting food security

The Company explained that the plantations are located on land owned by the National Forestry Authority (NFA) and that issues relating to plantation boundaries cannot be resolved by NFC acting alone, but would require the involvement of the NFA. NFC stated that it maintains a land tracking system and a Group Land Committee to monitor land-related issues within its operational scope and to support internal coordination and the early identification of concerns. The Company stated that these mechanisms do not address historical land rights or compensation, which remain the responsibility of the Government of Uganda.

NFC further stated that it does not restrict access to or movement through the plantation, except where temporary safety restrictions apply during active harvesting operations. The Company explained that it encourages community members to report unauthorised vehicle movements, particularly outside working hours, in order to prevent timber theft. NFC further explained that conservation measures include biodiversity areas and buffer zones around water sources where encroachment is not permitted. According to the Company, it was not aware of complaints concerning restrictions on access or environmental impacts associated with its plantation operations.

The Company further stated that temporary movement of cattle across plantation land may be tolerated where animals are only passing through the access roads. Where cattle enter or remain within restricted areas, communities may remove the animals and, where necessary, matters may be referred to the relevant authorities. NFC also noted that 53 community groups participate in its Forest for Prosperity and Outgrowers Development Programme, which provides a framework for ongoing engagement with surrounding communities.

In its written response of 27 August 2026, NFC stated that the information presented did not, in its view, establish a causal link between the alleged livelihood and environmental impacts and the Company's activities.

5.4. Reprisals against community representatives and defenders

NFC stated that it has not received reports of intimidation or retaliation against individuals raising concerns relating to its operations. According to the Company, responsibility for stakeholder engagement and the management of community concerns rests primarily with the CSR Manager, with matters escalated through the management hierarchy where appropriate. NFC stated that guidance on retaliation is contained in its Code of Conduct and emphasised a culture that encourages open reporting and internal dialogue. The Company further stated that no retaliation risks had been reported to NFC or communicated to DEG or FMO.

In its written response of 27 August 2026, NFC expressed its willingness to explore participation in a Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, with a particular focus on matters arising after the closure of CAO monitoring in 2018. NFC stated that this could include allegations of violence and reprisals and other post-2018 grievances, provided they are set out with sufficient specificity.

5.5. Stakeholder engagement, grievance mechanisms and environmental and social management

The Company stated that multiple grievance channels are available to surrounding communities, including engagement through out-grower groups, community leaders, CSR officers, community liaison officers, plantation management, written complaints, a whistleblower platform and direct engagement with members of the Board. According to NFC, complainants may also request confidentiality.

NFC explained that grievances are recorded in a complaints register and tracked until agreement has been reached with the complainant, after which the grievance is considered closed. According to the Company, approximately five grievances are received each quarter, and the number has declined in recent years following improvements to Human Resources-related processes.
NFC stated that it undertakes Participatory Rural Appraisal (PRA) studies approximately every ten years and conducts regular stakeholder engagement activities to identify community concerns and inform its sustainability programmes.

NFC stated that its operations are audited annually under the Forest Stewardship Council (FSC) Forest Management and Chain of Custody certification schemes, as well as through ISO certification audits conducted at its production facilities.

More generally, NFC referred to its environmental and social management framework, including its Corporate Social Responsibility programme, stakeholder engagement activities and environmental and social management systems.

6. Preliminary Review of the Complaint

6.1 Objectives of the Preliminary Review

According to the 2017 ICM Policy, the preliminary review phase starts as soon as a complaint has been found admissible. At the preliminary review phase, the Panel assesses the issues raised in the complaint, evaluates their complexity, and considers any additional circumstances relevant to the management of the case.

Based on the preliminary review, the Panel will either conduct a Compliance Review or facilitate a Dispute Resolution Process if all parties are willing to participate in such a process. The Dispute Resolution Process and alternatively the Compliance Review are the core phases of the ICM procedure. The ICM offers the flexibility to conduct a Compliance Review after a Dispute Resolution process, or vice versa.

The ICM Policy does not require the existence of prima facie indications of non-compliances in order to initiate a Dispute Resolution Process. Rather, the only pre-condition for a Dispute Resolution Process to take place is that, at a minimum, the Complainants and the Company are willing to participate in such a process. The preliminary review thus requires the Panel, inter alia, to engage with the parties to gauge their interest and willingness to participate in a Dispute Resolution Process.

Finally, in line with paragraph 3.2.3 of the ICM Policy, the preliminary review aims to provide the Parties with information on the next steps and an indication of the timeline of the process.

6.2 Method of Review

Following the Admissibility Notice issued by the Panel on 7 January 2026, declaring the Complaint admissible under the criteria set out in the ICM Policy, the Panel commenced the

Preliminary Review phase. The purpose of this phase was to develop a clearer understanding of the issues raised in the Complaint, the historical and operational context in which they emerged, and the perspectives of all relevant stakeholders.

The Panel conducted a site visit in Uganda from 20 to 30 April 2026. The main purpose of the visit was to build a better understanding of the issues raised in the Complaint, obtain direct impressions of the situation, and clarify outstanding questions regarding the CAO dispute resolution process and its implementation. During the visit, the ICM team met with the Company's Management in Kampala and at plantation level, with complainants and their representatives, with women's groups and mixed community groups in several districts, and with leaders of the cooperative society. Individual confidential interviews were also conducted with community members on a voluntary basis. The ICM team also held meetings with selected local authorities for the sole purpose of understanding institutional roles, mandates, and the availability of public records. These authorities were not treated as parties to the complaint, and discussions were kept at a general and procedural level in line with confidentiality and risk-mitigation requirements.

In addition to the site visit, the ICM held online meetings with FMO and DEG operational teams, with the complainants' representatives, with former CAO mediators and facilitators, and with civil society organisations familiar with the CAO process. The ICM conducted a desk review of project documentation received from FMO and DEG, documents provided by the Complainants and the Company, and publicly available information on the CAO dispute resolution process and related High Court proceedings.

The Preliminary Review phase in this case required an extended timeline. Following the site visit, the Panel continued to gather additional information and conducted further meetings with actors involved in the historical CAO dispute resolution process.

During this phase, the Panel also conducted a series of separate and confidential exchanges with the Parties to assess whether a safe, confidential and survivor-centred dialogue could be established in relation to the allegations of sexual violence. The publication of the Preliminary Review Report was postponed while these exchanges were ongoing and while additional risk-mitigation measures were being developed and implemented. Throughout the Preliminary Review, the Panel maintained strict confidentiality arrangements and implemented enhanced mitigation measures to ensure that complainants could engage safely with the ICM. These measures included secure communication channels, anonymized reporting, careful selection of meeting locations, and coordination with DFIs on risk monitoring. Particular attention was paid to concerns raised by complainants regarding surveillance, intimidation, and potential reprisals linked to their participation in the ICM process.

6.3 The Panel's Assessment

In light of the information gathered during the Preliminary Review—including meetings with the Complainants' representatives, community members, the Company, local authorities and other

relevant stakeholders—the Panel has assessed each of the four issues raised in the Complaint separately.

Consistent with the applicable 2017 ICM Policy, the Preliminary Review does not involve findings of fact or determinations of compliance. Rather, its purpose is to develop a sufficient understanding of the issues raised in the Complaint in order to determine the most appropriate procedural pathway under the ICM Policy.

In conducting this assessment, the Panel considered the allegations raised in the Complaint, information obtained from complainants, the Company and other relevant stakeholders, documentary information obtained during the Preliminary Review, and the extent to which the issues raised were capable of further consideration under the ICM process in light of the circumstances of the case and the mandate of the ICM.

The Panel's decision not to pursue a particular issue further should not be understood as a determination that the alleged harm did not occur or that the concerns raised are unfounded. Rather, it reflects the Panel's assessment that further consideration of that issue under the ICM process is not warranted on the basis of the information available during the Preliminary Review.

In assessing each issue, the Panel has distinguished between concerns relating to the implementation of the CAO-facilitated dispute resolution process, which concluded prior to the filing of the present Complaint, and allegations relating to NFC's ongoing operations and the ongoing environmental and social responsibilities of the Company and the DFIs. The Panel has also considered whether certain allegations, including those relating to stakeholder engagement, grievance mechanisms and environmental and social due diligence, would be more appropriately considered as cross-cutting issues rather than standalone issues.

For the purposes of this Preliminary Review, cross-cutting issues are concerns that arise across multiple allegations and relate to broader aspects of NFC’s management of environmental and social risks and impacts and/or the DFIs’ continuing environmental and social responsibilities.

The Panel's conclusions on each issue are set out below. Where relevant, the Panel also identifies cross-cutting matters that may warrant further consideration under the ICM process.

6.3.1. Lack of resettlement for nearly half of the evicted families due to shortcomings in the CAO-facilitated dispute resolution process

Based on the information gathered during the Preliminary Review, the Panel is not in a position to confirm that the families represented by Witness Radio were excluded from the CAO-facilitated dispute resolution process. While many community members reported that they had not been informed of, or included in, the dispute resolution process, the information available suggests that the concerns raised relate primarily to the implementation and outcomes of the dispute resolution agreement rather than to exclusion from the dispute resolution process itself.

Throughout the site visit, the Panel received consistent accounts from affected households describing shortcomings in the implementation of the resettlement process, including concerns

relating to the quantity and quality of land acquired, access to cooperative membership, livelihood restoration measures and the long-term sustainability of certain development projects. These concerns indicate that a number of households continue to experience adverse livelihood impacts and consider that they have not received an effective remedy.

At the same time, the Panel notes that the CAO-facilitated dispute resolution process has been formally concluded. The Preliminary Review is not intended to reopen or reassess that process, nor to revisit the implementation of the agreements reached through it. The information gathered during the Preliminary Review, including documentation relating to the CAO process and subsequent engagement by the DFIs, does not provide a basis for the Panel to conclude that the alleged exclusion of approximately 448 families constitutes a separate issue capable of further consideration under the ICM.

Accordingly, the Panel considers that Issue 1 will not be pursued further under the ICM process. This conclusion should not be understood as a determination that all affected households have received an effective remedy. Rather, the Panel has concluded that, in the circumstances of this case, further consideration of Issue 1 under the ICM process is not warranted, taking into account the prior CAO-facilitated dispute resolution process and its conclusion .

6.3.2. Misconduct and violence of NFC plantation workers, including theft, beatings, and sexual assault

In light of the information gathered during the Preliminary Review, the Panel considers it appropriate to distinguish between the general allegations of violence and misconduct associated with NFC's operations and the specific allegations of sexual violence received during confidential interviews. Consistent with the applicable ICM Policy, the Panel has not verified the allegations, or attributed responsibility at this stage. Rather, its role is to determine the appropriate procedural pathway under the ICM Policy.

During the site visit, community members across several locations described experiences of intimidation, physical assaults, theft, threats and other forms of misconduct allegedly involving individuals present in or around the plantation.

The Company stated that it had not received reports of such incidents through its grievance mechanisms or other reporting channels and indicated that serious allegations would have been escalated internally and reported to the DFIs in accordance with its reporting obligations. Based on the information available, the Panel is not in a position to determine the occurrence of the alleged incidents or whether they can be attributed to NFC employees, contractors or other individuals operating in the area.

Separately, during confidential interviews, the Panel received allegations of SGBV from women, relating to incidents allegedly occurring in 2019 and 2025. According to the information provided to the Panel, both incidents allegedly involved individuals identified by the survivors as NFC workers. During the close-of-visit meeting, the Panel informed the Company, without disclosing confidential information, that it had received allegations of sexual violence. NFC stated that it had not previously been made aware of these allegations through its grievance

mechanisms or other reporting channels and expressed its willingness to engage with the Panel and the Complainants regarding these allegations.

Given the seriousness and specific nature of the allegations of SGBV, the willingness expressed by Witness Radio to engage, and NFC's written response of 27 August 2026 expressing its willingness to explore participation in a Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, the Panel considers that these allegations may be appropriately addressed through a Dispute Resolution Process. Any such process will proceed only with the informed consent of the survivors and subject to appropriate confidentiality and protection measures.

With respect to the broader allegations of violence and misconduct, the Panel considers that the information gathered during the Preliminary Review does not provide a sufficient basis for further consideration of those allegations as a standalone issue under the ICM process. This conclusion should not be understood as diminishing the seriousness of the allegations or the importance of ensuring that such allegations can be safely reported and appropriately addressed.

Rather, the information gathered during the Preliminary Review raises broader questions regarding stakeholder engagement, the accessibility and effectiveness of NFC's grievance mechanisms, the handling of allegations of sexual and gender-based violence, NFC's identification, assessment and management of risks and impacts associated with alleged worker misconduct, and the DFIs' environmental and social due diligence and supervision in relation to these matters. These cross-cutting issues are addressed separately below.

6.3.3. Further livelihood and environmental impacts, affecting food security

Based on the information gathered during the Preliminary Review, the Panel considers that the concerns raised under Issue 3 relate to alleged ongoing environmental and livelihood impacts associated with NFC's plantation operations. Community members described reduced rainfall, declining agricultural productivity, loss of biodiversity, diminished access to firewood, and concerns regarding the use of pesticides. These concerns were expressed consistently across several meetings.

The Panel notes that the households reporting these concerns are largely the same as those affected by the 2010 eviction. The information gathered during the Preliminary Review indicates that these concerns are closely linked to the broader consequences of the displacement and the continuing impacts that community members associate with the Project. At the same time, the information available does not enable the Panel to determine the extent to which the alleged environmental and livelihood impacts are attributable to the Company's ongoing operations, to the consequences of the 2010 eviction, or to broader environmental, climatic or socio-economic factors affecting the region.

In these circumstances, the Panel is not in a position to distinguish the concerns raised under Issue 3 from the broader consequences of the 2010 eviction and the implementation of the CAO-facilitated dispute resolution process, nor to identify a sufficiently distinct basis for further consideration of this Issue under the ICM.

Accordingly, the Panel considers that Issue 3 will not be pursued further under the ICM process. This conclusion should not be understood as a determination that the concerns raised by community members are unfounded. Rather, it reflects the Panel's conclusion that the information available at the Preliminary Review stage does not provide a sufficient basis for further consideration of this Issue under the ICM.

6.3.4. Reprisals against community representatives and defenders

Based on the information gathered during the Preliminary Review, the Panel notes that the Complaint alleges intimidation and reprisals against community representatives and human rights defenders involved in supporting the affected families. The Complaint describes allegations including threats and intimidation directed at certain community members. For safety and confidentiality reasons, further details concerning the alleged incidents and the persons affected are not included in this report.

During the Preliminary Review, the Panel treated these allegations with particular care and adopted appropriate measures to safeguard the confidentiality of participants. The Panel recognises that allegations of retaliation can be particularly difficult to assess and that information concerning the identity of those responsible may not always be available. The information gathered during the Preliminary Review does not enable the Panel to determine who was responsible for the alleged incidents or whether they were connected to NFC's operations or to other actors. This reflects one of the principal information gaps identified during the Preliminary Review.

Accordingly, the Panel considers that the information available does not provide a sufficient basis for pursuing Issue 4 as a standalone issue under the ICM process. This conclusion should not be understood as diminishing the seriousness of the allegations.

6.3.5. Cross-cutting issues relating to NFC's environmental and social management and the DFIs' environmental and social due diligence and supervision

The Preliminary Review has considered as cross-cutting broader concerns raised in the Complaint relating to NFC's assessment and management of environmental and social risks and impacts (including stakeholder engagement and grievance management) as well as the DFIs' ongoing environmental and social due diligence and supervision of the Project.

In particular, the information gathered during the Preliminary Review indicates that the concerns raised under Issues 2 and 4 extend beyond the individual allegations described in the Complaint and raise broader questions regarding the effectiveness of stakeholder engagement with affected communities, the accessibility and functioning of NFC's grievance mechanisms, the identification and management of risks affecting vulnerable groups, including women and survivors of sexual and gender-based violence, and the adequacy of the DFIs' environmental and social due diligence and supervision in relation to these matters. These questions are distinct from the historical issues relating to the 2010 evictions and the implementation of the CAO-facilitated mediation process and concern the DFIs' continuing environmental and social responsibilities in relation to NFC's ongoing operations.

In its written response of 27 August 2026, NFC expressed its willingness to explore participation in a Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, with a particular focus on matters arising after the closure of CAO monitoring in 2018.

The Panel notes that the cross-cutting issues identified above concern NFC's ongoing operations and the continuing environmental and social responsibilities of the Company and the DFIs, rather than the historical matters addressed through the CAO process.

In light of the information gathered during the Preliminary Review, the Panel considers that these cross-cutting issues warrant further consideration under the ICM. The aspects of these concerns relating to NFC's ongoing operations may be addressed through Dispute Resolution. The separate questions concerning the DFIs' environmental and social due diligence and supervision may warrant consideration through a Compliance Review if a Dispute Resolution Process does not proceed.

7. Decision on Next Steps

Based on the information gathered and the conclusions reached during this Preliminary Review, the Panel has determined the following procedural pathways under the ICM:

- Issue 1 (Lack of resettlement for nearly half of the evicted families due to shortcomings in the CAO-facilitated dispute resolution process and incompliances that remain) is closed.
- Issue 2 (Misconduct and violence of NFC plantation workers, including theft, beatings and sexual assault) is closed with respect to the general allegations of violence and misconduct. The specific allegations of sexual violence further detailed and supported by confidential information received during the Preliminary Review will be considered separately for the purposes of a possible Dispute Resolution Process.
- Issue 3 (Ongoing livelihood and environmental impacts) is closed.
- Issue 4 (Reprisals against community representatives and defenders) is closed as a standalone issue, as the information available does not enable the Panel to determine responsibility for the alleged incidents or establish a connection with NFC's operations. However, concerns regarding the ability of project-affected people, community representatives and human rights defenders to raise concerns safely and without fear of retaliation will be considered as a cross-cutting issue.

While Issues 1 and 3, the general allegations of violence and misconduct under Issue 2, and the individual allegations under Issue 4 will not be pursued further as standalone issues, the specific allegations of sexual violence considered separately under Issue 2 and the concerns raised in the Complaint and identified as cross-cutting during the Preliminary Review warrant further consideration under the ICM process.

In its written response of 27 August 2026, NFC expressed its willingness to explore participation in a Dispute Resolution Process concerning new facts, impacts or conduct not previously examined or resolved through the CAO process, with a particular focus on matters arising after the closure of CAO monitoring in 2018.

The Panel notes that NFC's position provides a possible basis for addressing, through a Dispute Resolution Process, the specific allegations of sexual violence considered separately under Issue 2 and the cross-cutting concerns identified during the Preliminary Review. These concerns include:

- stakeholder engagement with project-affected communities, including women and other vulnerable groups;
- the accessibility and effectiveness of NFC's grievance mechanism;
- NFC's identification, assessment and management of environmental and social risks and impacts;
- NFC's processes for preventing, receiving and responding to allegations of sexual and gender-based violence; and
- measures intended to enable project-affected people to raise concerns safely and without fear of retaliation.

Accordingly, pursuant to paragraph 3.2.4 of the 2017 ICM Policy, the Panel recommends that the case proceed to the preparatory phase of a Dispute Resolution Process.

During the preparatory phase, the Panel will confirm the Parties' willingness to participate and will work with them to define the scope, framework and ground rules of the process. The Dispute Resolution Process will not reopen matters already addressed through the CAO process, including the mediated agreement and its monitoring.

The inclusion of the specific allegations of sexual violence will remain subject to the informed consent of the persons concerned and to appropriate confidentiality and protection measures.

If the conditions required for a Dispute Resolution Process are not met during the preparatory phase, the Panel will determine, in accordance with paragraph 3.2.4 of the ICM Policy, whether FMO's and DEG's environmental and social due diligence and supervision in relation to the cross-cutting concerns identified in this Preliminary Review should proceed to a Compliance Review.