

SOCAPALM SPECIFIC INSTANCE – BOLLORE and SOCFIN GROUPS

STATEMENT FROM THE FRENCH NATIONAL CONTACT POINT ON 18 MAY 2016

The referral enters a new phase: the French NCP ends its follow-up of the recommendations it made to the Bolloré Group and transfers leadership of the referral to the Belgian NCP competent to interact with the Socfin Group

A referral to the French National Contact Point for the implementation of the OECD Guidelines for Multinational Enterprises was submitted on 3 December 2010 by a group of four non-governmental organisations from Cameroon, France and Germany regarding the operations of the Cameroonian company Socapalm (Société Camerounaise de Palmeraies) in that country. The specific instance was referred to the Belgian and Luxembourg NCPs as well.

*The group of complainant in this specific instance comprised the Cameroon Centre for the Environment and Development (CED Cameroon), the Cameroon Foundation of Rational Actions and Training for the Environment (FOCARFE), the French association Sherpa and the German NGO Misereor. The specific instance cited four companies associated with Socapalm: French-registered **Bolloré SA**, Belgian-registered **Financière du Champ de Mars** and two Luxembourg-registered companies – **Socfinal** (Société Financière Luxembourgeoise SA) and **Intercultures** (Compagnie Internationale de Cultures SA). In January 2011, the two Luxembourg-registered companies changed their names: Socfinal became **Socfin** (Société Financière de Caoutchouc SA) and Intercultures became **Socfinaf SA**.*

The referral related to the chapter on General Policies, including human rights, and the chapters on Disclosure, Employment and the Environment of the 27 June 2000 version of the OECD Guidelines for Multinational Enterprises.

At the time, in keeping with NCP procedural guidance, the French NCP had been tasked with leadership of the referral to dialogue with the Bolloré Group. It exercised its good offices in coordination with the Belgian and Luxembourg NCPs from June 2012 to May 2013, followed by mediation from February 2013 to March 2014. It closed the referral with the publication of its Report on 3 June 2013 and decided to follow up on its recommendations. It hereby reports on the actions taken. In the light of the developments that have occurred since 2010, of the beginning of the Belgian NCPs good offices with the Socfin Group and its importance in the implementation of the roadmap for Socapalm, the French NCP has decided to end its follow-up of the referral and to transfer its leadership to the Belgian NCP, which will act in coordination with the French NCP, to interact with the Bolloré Group should this prove necessary for the success of the roadmap for Socapalm, and with the Luxembourg NCP.

Part I – Main stages of the NCP's procedure in the Socapalm referral

The five stages of the French NCP's procedure from referral submission in December 2010 to the finalised review in spring 2016 are presented in the appendix.

 **See Appendix to the Statement of 18 May 2016¹**

¹ NCP statements and report: http://www.tresor.economie.gouv.fr/5731_Les-communiqués-du-PCN

Part II:

Mixed results: the Bolloré Group used the influence it has in its business relationships, but the roadmap for Socapalm has not yet been formally implemented

In December 2010, the complainants asked the NCPs to take action for the Bolloré and Socfin groups to undertake to use the influence they have in their business relationships to remedy the violations of the OECD Guidelines resulting from Socapalm's activities. The French NCP was briefed to take action for the Bolloré Group to undertake to use the influence it has in its business relationships to remedy the violations noted in the NCP's June 2013 Report by means of the implementation of the roadmap drawn up by the Bolloré Group and Sherpa, which have accepted joint responsibility for its implementation by Socapalm. This solution was presented to the NCP in September 2013 and publicly announced in March 2014 following the agreement on its independent monitoring mechanism. In late 2014, the NCP noted the apparent hold-up with its implementation. In March 2015, it called on the parties to assume their responsibilities. In October 2015, the Belgian NCP noted that the Socfin Group, majority shareholder in Socapalm and partner to the Bolloré Group, refused its good offices. At the end of 2015, the French NCP deemed it necessary to review its action.

🔗 [See Statement from the French NCP on 2 March 2015²](#)

🔗 [See Statement from the Belgian NCP on 5 October 2015³](#)

The NCP's review today finds mixed results: the roadmap is not in place, but the situation improved in 2015. Factual elements show that Socapalm has acted on some of the roadmap's objectives, pathways to improve talks are appearing in Cameroon, and Socfin has made CSR commitments and agreed to enter into dialogue with the Belgian NCP (see below). In this environment where different parameters come into play, although the extent of the Bolloré Group's influence with Socfin and Socapalm cannot be assessed, it is clear that these developments have been made possible by a dialogue between the NCP and the Bolloré Group and its use of the influence it has in its business relationships. The NCP hopes that, in these circumstances, the roadmap will finally become operational (see Part III).

◆ **The NCP notes that the Socapalm roadmap is not formally in place**

The hold-up with the roadmap reported by the Bolloré Group in late 2014 has left the roadmap and its independent monitoring mechanism on hold. Following the review of its action, the NCP heard the complainants (represented by Sherpa) and the National Service for Justice and Peace (SNJP), representatives of the populations living adjacent to the plantations in Cameroon (Synaparcam⁴, the Kienké association of adjacent communities, and the association of Edéa area villages) and workers in the Union of Socapalm Workers under the Confederation of Autonomous Unions of Cameroon, critical of the fact that the roadmap had not been put in place. These parties attested to the violations found by the NCP in its June 2013 report and reported new violations, since the roadmap hold-up in late 2014, which have prompted publicly expressed discontentment.

In view of Socapalm's extension of its plantations within its concession to land and forest worked by communities living adjacent to the plantations, the NCP observes that land tenure problems are the issues that spark the most acute tensions due to the absence of plantation boundaries, inadequate compensation to support local development, and delays with land handovers. It notes that these measures are provided for by Part 2 of the roadmap.

The NCP notes that the complainants call attention to the persistently inadequate living and working conditions at Socapalm. Although some workers' housing (especially managers) has been renovated, most of the rest still needs renovating. Workers are still transported in harsh conditions with their equipment, raising safety problems in addition to the lack of protective equipment.

² <http://www.tresor.economie.gouv.fr/File/410290> (FR) <http://www.tresor.economie.gouv.fr/File/426006> (EN)

³ http://economie.fgov.be/fr/binaries/Communiqu%C3%A9%20Socapalm-Socfin-Socfinaf_tcm326-274097.pdf

⁴ La Synergie Nationale des Paysans et Riverains du Cameroun. This body represents part of communities living adjacent to the Socapalm plantations.

Union representatives are now recognised and financially supported in their activities. However, management needs to be more responsive to their demands for better working conditions and should hold constructive negotiations in order to sign a new industrial agreement.

In addition, differences between employees, sub-contractors and temporary workers, especially in terms of wages and social security, remain problematic. The NCP notes that these measures are provided for by Part I of the roadmap.

In environmental matters, the NCP notes that the populations living adjacent to the plantations condemn the persistence of air, noise and olfactory pollution in certain plantations and report on certain water courses being polluted following further dumping of wastewater by Socapalm. With respect to Socapalm's public service tasks arising from the sale agreement, the populations living adjacent to the plantations have listed their demands for the different plantations: they claim better access to Socapalm's health centres (i.e. company medical services), electricity and drinking water in their villages, and education. Regarding support for local development, the complainants report that Socapalm has not yet introduced widespread collection of harvests from the village palm groves and asks for hiring to extend beyond unskilled labour. The NCP notes that these actions are contained in Part 1 and Part 2 of the roadmap.

Lastly, the complainants censure the absence of structured dialogue between themselves, Socapalm and its shareholders and the fact that one single platform for dialogue has been made official. The NCP notes that these points are contained in Part 2 of the roadmap.

Moreover, as stipulated by the roadmap, the National Service for Justice and Peace has conducted capacity-building activities with communities living adjacent to the plantations on Socapalm-related social and environmental issues.

⇒ *Following the review of its action, the NCP observes and regrets that the Socapalm roadmap and its monitoring mechanism have not been formally put in place. It takes note of the unmet expectations of the complainants, the National Service for Justice and Peace, and the representatives of Socapalm workers and communities living adjacent to the plantations.*

◆ **The Bolloré Group states that Socapalm has incorporated the roadmap objectives into its CSR policy**

The Bolloré Group monitors Socapalm's CSR policy and has reported on it to the French NCP, which has consulted the Socapalm Sustainable Development reports (2013 and 2014) and Socfin reports (2012, 2013 and 2014) and other information sent by the Bolloré Group. The NCP observes that, in addition to the referral, Socapalm introduced a voluntary CSR policy in 2012. Its "Quality, Health, Safety and Environment" (QHSE) policy is based on a continuous improvement approach and includes an ISO environmental certification approach. The NCP notes that Socapalm obtained ISO 14001:2004 environmental management system certification in March 2014 (valid through to March 2017). Socfin steers the QHSE policy. The NCP sees this as an indirect, and welcome, repercussion of its action.

The Bolloré Group has also informed the NCP that, alongside this QHSE policy, Socapalm has been developing a "social responsibility approach" for the company since 2012/2013, as presented in its sustainable development reports. In addition to the abovementioned environmental issues, this approach includes corporate governance, a social track (employment, medical coverage for its employees and dependents, screening and medical care, worker safety and training, and education for their children in 38 schools) and a societal track to contribute to local development. These reports state that Socapalm has embarked upon an ongoing village renovation and construction programme for workers on the plantations (€2.12 million in 2013 and €1.56 million in 2014). It is conducting social actions with preventive health campaigns, access to its seven company medical services for the company's temporary workers and the populations living adjacent to the plantations (respectively 10,050 and 807 of the 49,087 consultations in these medical centres in 2014, i.e. temporary workers and the populations living adjacent to the plantations accounted for 22% of consultations), enrolment of temporary staff's children and the children of non-worker residents in its schools (respectively 2,733 and 2,200 children of the 7,746 pupils, or 63% of the pupils in 2014/2015), investment for the

village communities (e.g. electricity supply and water supply points), and micro-projects (“cleanest village”). It has also set up an agricultural family school in Kienké, which opened in the 2014 autumn term offering 14-to-25-year-olds not in school a three-year combined job/training course in rural occupations. This project is being conducted under a partnership agreement signed by Socapalm with NGO European Institute for Cooperation and Development (IECD) in 2013. Socapalm is moreover funding the renovation of road infrastructures it uses and reports that it is supporting the village palm oil plantations. The price per kilo was raised on 1 January 2015 to factor in transport, road maintenance, the villages’ socioeconomic development and palm tree extension services.

- ⇒ *The NCP considers that Socapalm’s CSR policy is aligned with the objectives of “Part 1” of the roadmap on industrial pollution (waste management, pollution and water quality), employment and working conditions (access to Socapalm jobs, safety, transport, housing, equal rights and use of sub-contracting, access to healthcare, and union rights) and internal communication, safety and transparency, and with part of the Part 2 objectives concerning local development (access to healthcare, education and water and development of village plantations). The NCP sees this as an indirect, and welcome, repercussion of its action. It commends this development since 2010/2011.*
- ⇒ *The NCP regrets, however, the absence of formal implementation of the roadmap. Without independent monitoring, it was unable to assess whether the introduction of these voluntary policies and actions enabled the roadmap measures to be implemented or satisfactorily resolved the violations of the OECD guidelines observed in its June 2013 Report arising from the impacts of the company’s activity in the local ecosystems.*
- ⇒ *For the future, therefore, the NCP asks the Bolloré Group to continue to use its influence so that the Socapalm roadmap can be formally implemented.*

◆ **The NCP hereby reiterates its attachment to the multi-stakeholder platforms for dialogue provided for by the roadmap in order to improve relations with the communities living adjacent to the plantations.**

“Part 2” of the roadmap concerns the impact of Socapalm’s activities on the populations living adjacent to the plantations. The land conflicts date back to the establishment of the company and the expropriations decided on by Government following independence. These conflicts have been exacerbated since the 2000 privatisation by recent and upcoming extensions of farmed areas. The mediation made putting in place these local consultations a priority to address the issues of compensation for loss of use of land and financial compensation for local development. These actions call for more upstream diagnoses (impact assessment studies) and the intervention of local stakeholders other than Socapalm, especially central Government to address the land tenure issues and public service missions.

The NCP observes that, following the publication of its statement on 2 March 2015 and the strong rallying of organisations of local communities between April and June 2015, a mediation of local Sanaga Maritime prefectural authorities gave rise to the September 2015 creation of the Dizangué Dialogue Platform covering the plantations of Mbongo, Mbambou and Edéa. This platform, chaired by the Prefect, comprises representatives of the prefectural and local authorities, the company, the village heads and Synaparcam representing part of the local communities. The platform’s first meeting on 21 January 2016 (the draft minutes of which the NCP received from the Bolloré Group) presented the local communities’ grievances, Socapalm’s CSR actions and the government’s responsibilities. The next meeting was scheduled to be held in May or June 2016. The Bolloré Group also informed the NCP of Socapalm’s initiatives to resume talks on two other plantations. The Moungo platform met in June and December 2015 to address the issues of land handovers, the preparation of a social action protocol and pollution. However, the Moungo (Dibombari) and Océan (Kienké) platforms have not yet been made official by the Prefects failing agreement on their composition and the role of the organisations of representatives of of the communities living adjacent to the plantations. Socapalm is awaiting the response from the Prefects to make these platforms official.

At the same time, the NCP has been informed that the National Service for Justice and Peace and the other organisations representing the populations living adjacent to the plantations and workers remain attached to monitoring for the roadmap. They would like to launch discussions with Socapalm on this subject.

- ⇒ *The NCP commends the creation of the Dizangué Dialogue Platform, whose mandate appears to correspond to the issues in Part 2 of the roadmap, and the initiatives to resume talks in Dimombari and Kienké. It encourages Socapalm to set up multi-stakeholder dialogue platforms on all its plantations. It calls on the Bolloré Group and its partners to comply with the roadmap in terms of the composition of the different platforms to ensure a level playing field for the different local community representatives (traditional village heads and associations), Socapalm's management and the government with a view to laying the foundations for constructive talks capable of resolving the conflicts with open mindedness and a collaborative approach shared by all the stakeholders. It suggests developing a Socapalm social action protocol for each plantation to precisely define the obligations of the parties (Socapalm and government) in employment, sub-contracting, works and services, health, education, and access to drinking water and electricity.*
- ⇒ *The NCP keenly hopes that platforms will be able to be set up on all the plantations as provided for. It notes the importance of independent monitoring of the dialogue processes to measure the gap between outcomes and initial roadmap objectives.*
- ⇒ *The NCP recommends that the Bolloré Group rapidly facilitate talks with the National Service for Justice and Peace, tasked with monitoring the roadmap.*
- ⇒ *At a time when Socapalm is announcing new extensions within its concession boundaries, the NCP keenly hopes that these tools (QHSE/CSR and multi-stakeholder dialogue platforms) will be used wisely to prevent creating new tensions. It calls in particular on the stakeholders to delimit the plantation boundaries, definitively to prevent boundary markers from being moved, and as a matter of priority to settle the land conflicts due mainly to these new extensions as provided for by the roadmap.*

◆ **The Bolloré Group has informed the NCP that Socfin has made CSR commitments**

The Bolloré Group has informed the NCP of developments with its partner, which has recently made public commitments to sustainable development “to become a leading responsible tropical agro-industry company,”⁵ to “Socfin Group Sustainability Policy” (July 2015) and to zero deforestation (October 2015). With these statements, Socfin commits to developing practices aligned with international standards including the RSPO label (Roundtable on Sustainable Palm Oil), the FSC label (Forest Stewardship Council) and the IFC (International Finance Corporation) Performance Standards; to respecting human rights, workers’ rights and land rights; to respecting the free, prior and informed consent (FPIC) of the communities; and to cooperating constructively and actively with the stakeholders in its activities. The NCP deems that the Bolloré Group’s influence has played a role in bringing about these commitments. Socfin also publishes its sustainable development reports, which present its organisation chart and Quality, Health, Security and Environment actions for its plantations worldwide.

The Bolloré Group has informed the NCP of an application to the International Finance Corporation (World Bank’s Group) for €150 million in financing for Socfin, published on 31 July 2015, to finance the extension of its plantations in a number of African countries (Ghana, Ivory Coast, Liberia and Sierra Leone). The NCP notes that IFC considers there are “major gaps” between Socfin’s performance and the international environmental and social standards⁶. The NCP notes that IFC has

⁵ See Statement by the CEO, “The SOCFIN Group strives to be a leading responsible tropical agro-industry company. Our approach to business is guided by the principles of Sustainability, Continuity, Inclusivity and Transparency.” <http://www.socfin.com/Public/Page.php?ID=1070&ancestor1=1051&ancestor2=1392>

⁶ <http://ifcextapps.ifc.org/IFCExt%5Cspiwebsite1.nsf%5C0%5C6B383502B635E54D85257E9300778841>
IFC website, 28/04/2016: “However, there are currently major gaps between Socfin’s operational performance and good international industry practice in environmental and social management at both the corporate and local

not yet reached a decision regarding this request. In addition, Sherpa has alerted it to the fact that NGOs, including Greenpeace, continue to lobby to secure a firm, rapid commitment to zero deforestation from the Socfin and Bolloré groups.

- ⇒ *The NCP deduces from Socfin's change of attitude that the Bolloré Group has used its influence so that its main plantation partner changes approach and announces major social and environmental commitments. It observes that other parameters have also played a role in bringing about these developments.*
- ⇒ *The NCP regrets that Bolloré has not managed to secure the operationalisation of the Socapalm roadmap and the effective launch of its independent monitoring. Its due diligence should therefore continue to obtain the implementation of the roadmap.*

◆ **The NCP notes that Socfin has just agreed to enter into a dialogue with the Belgian NCP, hence opening a new chapter in the referral to make the remediation roadmap operational.**

Following a long period of refusal noted by the Belgian NCP's statement of October 2015, the Socfin Group is prepared to enter into talks. This enables the Belgian NCP to reopen the specific instance in coordination with its French and Luxembourg counterparts to implement the Socapalm roadmap such as it was accepted by the French NCP (in its two-part version).

🔗 **See Statement from the Belgian NCP on 4 February 2016⁷**

- ⇒ *The NCP hereby notes Socfin's approval of the dialogue process with the NCPs. It deduces from this that the Bolloré Group has indeed used its influence to obtain this result. However, the NCP also observes that other factors have played a decisive role: the Belgian NCP's action, repeated NGO campaigns criticising Socfin concerning its social and environmental responsibilities in the world (especially in Cameroon, Sierra Leone, Liberia and Cambodia) and the putting on "hold" of its application for financing submitted to the World Bank's IFC in 2015.⁸*
- ⇒ *The NCP considers that the Belgian NCP's good offices provide the opportunity to free up the implementation of the roadmap. The Bolloré Group should therefore continue to use its influence with Socfin and its subsidiary Socapalm, which will then be able to resume implementation of the roadmap such as it was planned by the parties.*
- ⇒ *The French NCP notes that following this late development, Socfin is now on the road to making progress. This is an important step for the future of the Socapalm roadmap. The Bolloré Group has evidently used its influence to achieve this.*

operational/plantation level. In particular, the company is operating in highly sensitive areas in terms of biodiversity and in countries where pressure over access to land and resources has created conflict with nearby communities. The company has conveyed its commitment to improve its current operating practices by building human capacity and assigning the necessary resources to implement an effective environment and social management system, responsive to these multiple risks and impacts, and to undertake a sophisticated stakeholder engagement and communications strategy at the corporate and country level. Socfin is also committed to comply with all relevant national legal requirements as well as the environmental and social requirements of the IFC Performance Standards, and those of RSPO and FSC for its palm oil and rubber production respectively."

⁷ http://economie.fgov.be/fr/binaries/Suivi%20Communique%20SOCAPALM%2020160204_tcm326-276923.pdf

⁸ <http://ifcextapps.ifc.org/IFCExt%5Cspiwebsite1.nsf%5C0%5C6B383502B635E54D85257E9300778841>
IFC website, 28 April 2016.

Part III: The French NCP's conclusion and decisions in the Socapalm specific instance

The NCP met on 3 February 2016 following a detailed review and drew the following conclusions:

(1) It understands the frustration of the Socapalm plantation workers and communities living adjacent to the plantations, who have been waiting for the roadmap to be implemented and independently monitored since 17 March 2014.

(2) It deems that its action has had repercussions:

- Despite the delays with the roadmap's implementation, the French NCP has high hopes that implementation will now be able to be resumed and that an independent third party will be able to check effective implementation by Socapalm. It therefore conveys its satisfaction with the momentum of the referral and good offices. The NCP has contributed to drawing up a unprecedented remediation roadmap, generating positive outcomes and making progress with the companies that had violated the guidelines. The NCP's initial decision regarding the substance of the referral and its constant involvement in following up this case have enabled the responsibility of the different shareholders and companies of this part of the palm oil agro-industry value chain to be determined. The Socapalm case also shows just how important it is for NCPs to cooperate to be able to interact with a number of multinational companies in accordance with the procedural guidance for NCPs defined by the OECD.
- The French NCP has enabled the adoption of an unprecedented remediation roadmap, which stands as an example of the results that NCPs can achieve. Implementation of the roadmap by the Socfin Group and its subsidiary Socapalm, in association with the Bolloré Group (as business relationships), would be a first in the history of the OECD's NCPs. It would really solve the violations of the guidelines observed by the NCP and would improve living and working conditions for plantation workers and the communities living adjacent to the plantations.
- The Bolloré Group, committed, with its business partners, by the roadmap, also realised that it was in its interest to accept the NCP's good offices and has even understood the merits of replicating it on the other Socfin plantations. This would make it a model in the agro-industrial sector. Following the constructive talks held with the NCP, the Bolloré Group should now put in place a strategy for dialogue with its local stakeholders at Group level to include the plantations owned with Socfin.
- The NCP deduces from Socfin's change of attitude and the improvement in Socapalm's practices that the Bolloré Group has used the influence it has in its business relationships, while observing that other parameters have also played a role in bringing about these changes.

(3) It hereby observes that the centre of gravity for the implementation of the remediation roadmap has shifted from the Bolloré Group to the Socfin Group. Socfin's final acceptance of the Belgian NCP's good offices should usher in a new phase in the referral for the parties to resume dialogue led by the Belgian NCP with a view to achieving the objectives of the roadmap (in its two parts) with Socfin's cooperation. In these circumstances, the NCP feels it necessary to keep the pressure on for the parties to work together to achieve the roadmap's objectives.

In these new circumstances, the French NCP has made the following decisions:

1. The French NCP invites the Bolloré Group to fully respect its commitments and resume the operationalisation of the roadmap where it left off (i.e. based on its separation into two parts with GRET's assistance) within the steering committee set up with Sherpa. The steering committee, comprising the Bolloré Group and Sherpa, should be extended to the Socfin Group under the auspices of the French and Belgian NCPs. The French NCP asks the two parties to the roadmap (Bolloré Group and Sherpa) to inform it of Socapalm's situation a year from now, in April/May 2017.

2. The French NCP calls on all the parties to respect their commitments to implement the Socapalm roadmap without delay. It reminds Socapalm's business partners and the parties to the roadmap that they need to assist Socapalm and demonstrate due diligence to encourage it to apply principles of responsible conduct in keeping with the May 2011 revised Guidelines (see Art. 13 of the general policies), especially when developing new plantations. The NCP will remain attentive to any initiative that could generate tangible outcomes for Socapalm's workers and the populations living adjacent to the plantations.
3. In accordance with the procedural guidance for NCPs, the French NCP transfers leadership of the referral to the Belgian NCP for it to interact with Socfin in liaison with the parties to the roadmap and in coordination with the French and Luxembourg NCPs. In this respect, the French NCP asks that the Belgian NCP keep it regularly informed of its work and naturally remains at its disposal to take action with the Bolloré Group if necessary. It also notes that the Belgian NCP has invited the complainant NGOs, including Sherpa, to take part in the good offices with Socfin. The NCP hopes that this offer of dialogue to Socfin and the NGOs will help maximise the roadmap's operationalisation and consolidate the dialogue process that is taking shape for Socapalm and the communities.
4. The French NCP proposes that the Belgian NCP hold a meeting with all the parties concerned (companies, complainants, parties to the roadmap and the three NCPs) to launch this new stage of the referral.
5. The NCP recommends that the Bolloré Group find the means to act on its strategy for dialogue with the local stakeholders to remedy situations non-compliant with the OECD's CSR standards and prevent all risks of negative impact. Given that the Socfin Group and its companies remain leading business relationships for the Bolloré Group in its plantation activity, the NCP asks the Bolloré Group to continue to use its influence and to demonstrate due diligence in its different business relationships to ensure the implementation of the OECD Guidelines. In this respect, it invites the Bolloré Group to take into account the new OECD-FAO Guidance for Responsible Agricultural Supply Chains for the plantations in which it is a shareholder. The NCP notes that the Bolloré Group attended the launch of this guidance at the OECD on 11 March 2016, to which it invited representatives of the Socfin Group.

 **OECD-FAO Guidance for Responsible Agricultural Supply Chains**
<http://mneguidelines.oecd.org/OECD-FAO-Guidance.pdf> (English version).

The members of the NCP would like to thank the Bolloré Group, the Sherpa association, the National Service for Justice and Peace and the GRET for their dedicated commitment over the years. It thanks its Belgian and Luxembourg counterparts for the quality of their cooperation in analysing and following up this referral.

The statement was adopted on 8 May 2016 following long consultations with the parties and the Belgian and Luxembourg NCPs (see statement appendix).

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SOCAPALM SPECIFIC INSTANCE – BOLLORE and SOCFIN GROUPS

**APPENDIX TO THE STATEMENT FROM THE FRENCH NATIONAL CONTACT POINT
ON 18 MAY 2016**

The referral enters a new phase: the French NCP ends its follow-up of the recommendations it made to the Bolloré Group and transfers leadership of the referral to the Belgian NCP competent to interact with the Socfin Group

APPENDIX: The main stages of the French NCP's procedure in the Socapalm referral case

Five stages marked the French NCP's action from referral submission in December 2010 to the review conducted in Spring 2016, culminating in the transfer of leadership of the referral to the Belgian NCP for it to offer its good offices to the Socfin Group in cooperation with the French and Luxembourg NCPs.

◆ Stage 1: From referral submission to acceptance of the NCP's good offices (December 2010 – June 2012)

The three NCPs received the same referral on 3 December 2010. The French NCP was tasked with leadership of the referral to dialogue with the Bolloré Group, since the other NCPs felt that the other companies were financial firms (holdings) with which the NCPs could not enter into a dialogue.

In order to examine the admissibility of the referral, the French NCP was asked to establish the nature of the ties between the companies targeted as defined by the 2000 OECD Guidelines. The Socfin Group (formerly Socfinal)¹ is made up of holding companies that own operational companies and shares in plantations. It manages approximately 155,000 hectares of oil palm and rubber tree plantations in Africa (via holding company Socfinaf) and in Asia (via holding company Socfinasia). The Socfin Group is registered and listed in Luxembourg. It owns 59% of Socfinaf, formerly Intercultures, registered in Luxembourg and targeted by the referral. This holding company² has been the majority shareholder in Socapalm since its privatisation in 2000, and today holds 68% of the capital (63% on the date of the referral); 63% via its holding company Palmcam (100% owned by Socfinaf since 2011 as opposed to 69% previously) and 4.57% directly (following acquisitions in 2014 and 2015). Socapalm's number two shareholder, listed on the Douala Stock Exchange (DSX), is the Cameroonian government, followed by miscellaneous shareholders.

The French NCP observed that the Bolloré Group had business relationships both with Socapalm and with the companies in the Socfin Group, which is its partner for its holdings in a number of plantations in Africa and Asia. The Bolloré Group is the majority shareholder in Socfin (38.75%), followed by Geselfina (23.05%), Administration and Finance Corporation (Afico) SA (11.38%) and Twosun Fin. Establishment (11.24%)³. It owns 21.8% of Socfinasia, the "Asian" holding company that is 56% owned by Socfin. Since late 2014, it has owned 8.6% of Socfinaf, the "African" holding company⁴. The Bolloré Group holds shares in and/or receives profits from numerous companies and plantations incorporated into the Socfin group, companies on whose boards the managing directors of both Groups sit together. This is the case with Socapalm.

¹ Socfin's 2010-2015 annual reports and 2013-2014 sustainable development report, <http://socfin.com>

² Socfinaf's 2010-2015 annual reports, <http://socfin.com>

³ See statement of the Socfin Group's shareholdings, <http://socfin.com>
http://www.socfin.com/Public/Period_page.php?ID=939&ancestor1=1052&ancestor2=1709

⁴ See the Bolloré Group's 2014 reference document.

In 2011, the NCP hence considered that the Bolloré Group and the companies targeted by the referral were business partners as per the OECD's definition, which made it competent. The NCP decided that the referral was admissible on 5 July 2011. It proposed its good offices to the parties. The Bolloré Group initially turned down this offer of dialogue. It filed libel suits against one of the complainants and a journalist. The Bolloré Group ultimately accepted the French NCP's good offices in June 2012. The NCP hence entered into talks with the parties, examined the case in detail and mediated.

◆ **Stage 2: Following its good offices, the NCP publishes a Report to close the referral and announces mediation (June 2012 – June 2013)**

The NCP analysed the referral and offered its good offices to the parties from June 2012 to February 2013. Following its analysis, it published a Report observing that Socapalm's activities violated certain OECD 2000 recommendations on general policies, employment and the environment. The report also noted that the companies targeted by the referral did not comply with some of the OECD's disclosure recommendations. The NCP recommended that they remedy all of these violations. The report also noted a clear improvement in the situation in 2013, opening the way to a possible enhancement in the living conditions of Socapalm's employees and the communities living adjacent to the plantations: 1) the Cameroonian company was embarking on a Quality, Health, Safety and Environment policy, and 2) the Bolloré Group stated it was willing to assume its responsibilities and use its influence in its business dealings with Socapalm and Socfin to end the violations of the OECD Guidelines. The Bolloré Group also withdrew its libel suit against Sherpa, seen as proof of the effectiveness of the NCP's good offices. Last but not least, the Report announced that the parties agreed to let the NCP mediate in order to draw up a remediation plan (roadmap).

🔗 [See Report of the French NCP of 3 June 2013 \(French/English\)](#)⁵

◆ **Stage 3: Following its mediation process, the NCP publishes a concerted roadmap for Socapalm (February 2013 – March 2014)**

In the process of its good offices, the NCP offered to mediate for Sherpa and the Bolloré Group. Mediation terms of reference were adopted on 7 February 2013, following which Sherpa (representing the other complainants and local community organisations) and the Bolloré Group (in liaison with the Socfin Group) negotiated a remediation roadmap presented to the NCP on 3 September 2013. As stipulated in the mediation terms of reference, an operationalisation and independent monitoring mechanism was adopted for the roadmap. It was based on two independent bodies (NGOs): GRET in France and the National Service for Justice and Peace (SNJP) in Cameroon. Once these arrangements were endorsed, the NCP published a first follow-up statement on 17 March 2014 to present the *Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and the Populations Living Adjacent to the Plantations*. The NCP "strongly encouraged all stakeholders to make a full contribution towards implementing the roadmap," whose implementation was due to start in January 2014 with a two-year monitoring period. The Bolloré Group went to Cameroon with Socfin in March 2014 to present the roadmap to the Socapalm teams.⁶

The "Socapalm" referral was presented to the 15th annual meeting of NCPs at the OECD on 24 & 25 June 2014 by the French NCP followed by the representatives of the Bolloré Group and Sherpa in the presence of representatives of GRET, the National Service for Justice and Peace, Socapalm and Socfin.

🔗 [See Follow-up Statement from the French NCP on 17 March 2014 \(French/English\)](#)⁷

◆ **Stage 4: The NCP follows up on its recommendations (October 2014 – January 2016)**

The French NCP regularly asked the Bolloré Group to continue to use its influence for the roadmap's objectives, negotiated with Sherpa, to be put in place. Sherpa, the National Service for Justice and Peace and the Bolloré Group kept the NCP informed of how the situation was developing. The

⁵ <http://www.tresor.economie.gouv.fr/File/397225> (FR) <http://www.tresor.economie.gouv.fr/File/397319> (EN)

⁶ See Bolloré Group 2014 reference document, pages 106-107.

⁷ <http://www.tresor.economie.gouv.fr/File/399334> (FR) <http://www.tresor.economie.gouv.fr/File/402624> (EN)

Belgian and Luxembourg NCP, competent to interact with the Socfin group, and the French NCP worked in close coordination.

(1) At the first roadmap review meeting on 8 October 2014, the Bolloré Group, Sherpa and the independent French body (GRET) informed the NCP of the delay with the roadmap's operationalisation and its division into two parts to separate out the actions to be taken directly by Socapalm ("Part 1") in a first phase (industrial pollution, jobs and working conditions, communication, safety, and transparency) from the actions involving other stakeholders and studies and taking more time to implement (compensation, local development and consultation). The parties decided to launch the Part 1 actions very rapidly while making Part 2 operational⁸.

Alongside the referral case, the Bolloré Group held a meeting in Paris on 24 October 2014 with representatives of populations living adjacent to Socfin Group plantations in five countries (Cameroon, Sierra Leone, Cambodia, Côte d'Ivoire and Liberia), meeting under the name of the Transnational Alliance of Local Communities formed with the support of French association ReAct. The Bolloré Group undertook to inform the Socfin Group of their demands.

(2) In December 2014, the Bolloré Group informed the NCP of the apparent hold-up with the implementation of the roadmap and the cancellation of the monitoring body's mission to Socapalm. The NCP consequently published a second follow-up statement on 2 March 2015 calling on the Socapalm partners to assume their responsibilities and resume all efforts to improve the situation. It called on "the Bolloré Group to use its influence in its business relationships to implement the objectives identified in the Socapalm roadmap that it negotiated with Sherpa in order to meet its commitments." Failing the operationalisation of this roadmap, the NCP asked the Bolloré Group to reconsider the terms of its relationship with Socfin. The NCP called on the Belgian and Luxembourg NCPs to take forward their efforts to engage into a dialogue with Socfin for the implementation of the roadmap.

 [See Statement from the French NCP on 2 March 2015⁹](#)

In June 2015, informed first by Sherpa and then by the Bolloré Group, the NCP noted the launch of a mediation process with the local authorities in Cameroon following the rallying of the local community organisations and strong tensions from April to June 2015, and also following actions taken by NGOs in plantations in other countries at the head offices of the Bolloré and Socfin groups.

(3) At the same time, the Belgian NCP, in close liaison with the Luxembourg and French NCPs, proposed its good offices to the Socfin Group, which turned them down. On 15 October 2015, the Belgian NCP consequently published a statement in which it expressed its "concern over Socfin's refusal of cooperation", which "means that suitable solutions cannot get underway for the Socapalm workers and local populations." The Belgian NCP considered that Socfin's rejection of a dialogue and refusal to assume its responsibilities to implement the Socapalm roadmap placed it in violation of the OECD Guidelines.

 [See Statement from the Belgian NCP on 5 October 2015¹⁰](#)

Stage 5: The NCP reviews its action (November 2015 – April 2016)

(1) In September 2015, two years after the roadmap was presented, the NCP decided to draw up a review of its action. It asked the Bolloré Group and Sherpa to send it separately a review report on the implementation of its recommendations and on the roadmap by 16 November 2015.

On 19 November 2015, the Bolloré Group submitted to the NCP a detailed review of the actions taken on the NCP's recommendations of June 2013 and the roadmap as well as Socapalm's 2014 Sustainable Development Report. On 20 November 2015, Sherpa submitted to the NCP a review memorandum and a number of letters from correspondence with the Bolloré Group in 2015. The NCP

⁸ See memorandum presented by the parties to the NCP at the follow-up meeting on 8 October 2014.

⁹ <http://www.tresor.economie.gouv.fr/File/410290> (FR) <http://www.tresor.economie.gouv.fr/File/426006> (EN)

¹⁰ http://economie.fgov.be/fr/binaries/Communiqu%C3%A9%20Socapalm-Socfin-Socfinaf_tcm326-274097.pdf

met with the Bolloré Group on 20 November 2015. The meeting scheduled with Sherpa for 10 December 2015 was postponed to 12 January 2016 for reasons of COP 21 agenda constraints.

(2) In early 2016, the Belgian NCP informed the French NCP that Socfin was now prepared to enter into a dialogue with it. In its statement of 4 February 2016, it stated that, “Following its statement of 15 October 2015, the Belgian NCP has been approached by Socfin in order to reopen the specific instance referred by four NGOs to the French, Belgian and Luxembourg NCPs since 2010. The Belgian NCP hereby states its agreement with this approach and will ask the NGOs to take part in reopening the specific instance”.

🔗 **See Statement from the Belgian NCP on 4 February 2016¹¹**

(3) At its meeting on 3 February 2016, the NCP reviewed its action and decided to end its follow-up of the referral and transfer it to its Belgian counterpart and prepare a statement. It informed the parties and the Belgian and Luxembourg NCPs of this. The NCP adopted a draft statement on 4 March 2016, which was discussed in consultation with the Bolloré Group, Sherpa and the Belgian and Luxembourg NCPs from 7 March to 17 March 2016. These consultations were extended through to 7 April 2016 to enable Sherpa to submit additional elements. Most of the review elements submitted by the two parties have been circulated among the parties and sent to the Belgian NCP, which is preparing its good offices with Socfin.

Based on the many review elements provided by the parties, the NCP finalised its final version of this statement, which was adopted on 18 May 2016.

The members of the NCP would like to thank the Bolloré Group, the Sherpa association, the National Service for Justice and Peace and the GRET for their dedicated commitment over the years. It thanks its Belgian and Luxembourg counterparts for the quality of their cooperation in analysing and following up this referral.

The draft appendix to the statement was adopted on 18 May 2016 following long consultations with the parties and the Belgian and Luxembourg NCPs.

See the NCP Statement for the French NCP’s review, conclusions and recommendations.

🔗 **Follow-up Statement from the French NCP on 18 May 2016¹²**

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¹¹http://economie.fgov.be/fr/binaries/Suivi%20Communique%20SOCAPALM%2020160204_tcm326-276923.pdf

¹²http://www.tresor.economie.gouv.fr/5731_Les-communiques-du-PCN