

**SOCAPALM SPECIFIC INSTANCE – BOLLORÉ 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)<sup>1</sup> 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 company<sup>2</sup> 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%)<sup>3</sup>. 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 company<sup>4</sup>. 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.

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

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

<sup>3</sup> 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](http://www.socfin.com/Public/Period_page.php?ID=939&ancestor1=1052&ancestor2=1709)

<sup>4</sup> 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 \(French/English\)](#)<sup>5</sup>

◆ **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.<sup>6</sup>

The "Socapalm" referral was presented to the 15<sup>th</sup> 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 \(French/English\)](#)<sup>7</sup>

◆ **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

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

<sup>6</sup> See Bolloré Group 2014 reference document, pages 106-107.

<sup>7</sup> <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 operational<sup>8</sup>.

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 2015<sup>9</sup>](#)

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 2015<sup>10</sup>](#)

#### **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

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

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

<sup>10</sup> [http://economie.fgov.be/fr/binaries/Communiqu%C3%A9%20Socapalm-Socfin-Socfinaf\\_tcm326-274097.pdf](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 2016<sup>11</sup>**

(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.

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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.

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

🔗 **Follow-up Statement from the French NCP on 18 May 2016<sup>12</sup>**

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<sup>11</sup>[http://economie.fgov.be/fr/binaries/Suivi%20Communique%20SOCAPALM%2020160204\\_tcm326-276923.pdf](http://economie.fgov.be/fr/binaries/Suivi%20Communique%20SOCAPALM%2020160204_tcm326-276923.pdf)

<sup>12</sup>[http://www.tresor.economie.gouv.fr/5731\\_Les-communiqués-du-PCN](http://www.tresor.economie.gouv.fr/5731_Les-communiqués-du-PCN)