

# Position statement

## In response to the article from Mongabay dated 26 June 2020

Fribourg, Tuesday the 28<sup>th</sup> of July

On 26 June 2020, Mongabay released an article<sup>1</sup> on the Socfin Group's subsidiary in Cameroon, Socapalm.

The Socfin Group is committed to develop a responsible tropical agriculture. In all the countries where we are developing plantations, supporting rural livelihoods by creating value for all through transparency and respect is a key priority, and Cameroon is no exception. Activities are always designed with the aim to be fruitful for all around: employees, smallholders and local communities.

Although information had been shared with the journalist before the publication of the article, these elements have been taken out of their context and important background information has been overlooked. While Socapalm kept true to its commitment of transparency, the lack of balance transpiring in the final article is a disappointing result.

Through the present release, Socapalm would like to provide clarifications on the main points of accusation presented in the introduction of the article, namely: *“unresolved issues surrounding land rights, poor housing conditions for workers and a low integration of the local population into the workforce”*.

### Land rights

In 2000, the Socfin Group acquired Socapalm, a state-owned company which developed its plantations in the 1970's.

When the Socfin Group entered into the agreement with the Government of Cameroon, the concessions covered 78 529 hectares. Nevertheless, it is important to note that, at the time, the company conducted an assessment of suitable development areas for its plantation, including review of environmental land and land occupied by local population, which resulted in **the retrocession of 20 466 hectares to the State**, its legal owner, in 2005.

Today, Socapalm manages 34 651 hectares of planted land (oil palm and rubber) on a total concession area of 58 063 hectares. **This land remains the sole property of the Government of Cameroon** through a 60-year long term lease. **Socapalm has never voluntarily developed beyond the boundaries of its agreement with the Government and has never conducted any expropriation.**

---

<sup>1</sup> Article available [online](#)

Moreover, the local context is unfortunately more complex than presented in the article. The recent demographic explosion has increased land pressure in many areas where the plantations are located, even though they have existed since the 1970's. In addition, with time, the disappearance or absence of demarcation in certain places, indicating the borders of the concessions as defined by the Government, exacerbated tensions. These tensions have sadly been used by local organizations and individuals to encourage actions, sometimes violent, against Socapalm.

It should be noted that **Socapalm is actively working on tackling this challenge**. The surveying office of the Ministry of Land is currently conducting activities to confirm the boundaries of the land titles for all the different plantations of Socapalm, in consultation with local communities.

This process will contribute to:

- Clarifying land use and possible land encroachment from any party;
- Improving the relations with neighboring communities;
- Reducing the surface under the agreement between Socapalm and the State for which the company is still fully paying its annual rent, even for areas occupied by third parties.

At the end of this process, the various land disputes that may exist will be addressed accordingly. The legitimate owner of the land being the State of Cameroon, it is the only entity authorized to rule on the concessions limits and retrocede land back to the communities.

Unfortunately, delays in this process are expected due to the Covid-19 pandemic and changes operated in the Cameroonian administration staff.



*Concession demarcation at Socapalm Mbambou, Cameroon*

### **Workers housing conditions**

Socapalm provides free housing to all its employees. Company villages are connected to the national grid and water is provided for free through boreholes.

A program of continuous improvement of these villages is being implemented through the construction of new housings as well as the renovation of existing

dwellings. This program aims at improving the existing villages while meeting the growing demand for new accommodation for the company's workers.

Over the last 10 years, **13 million euros** have been allocated to this program and in 2019 alone, **1.6 million euros** has been invested for the **renovation and construction of around 200 housings**. This program is still on-going and more work will be undertaken over the next few years to keep improving workers living conditions.



*Socapalm houses built in 2020, Mbongo, village V2 BIS*

#### **Integration of the local population into the workforce and working conditions**

Socapalm aims to be a key actor for local employment in its host communities: as of 31/12/2019, **its employs 2 244 permanent workers**.

With equal competence, **priority is given to candidates from local villages**. This is done in mutual agreement, and in full compliance with the national Labor Law.

A corporate agreement, updated in 2017, covers employment conditions including salaries, advantages and bonuses calculated on indicators such as seniority, attendance or work quality. **Working conditions fully comply with the latest version of the *National Collective Agreement Governing Agricultural Undertakings and related activities***.

Socapalm also works in partnership with thousands of local smallholders who deliver their production to the company. Volumes of FFB<sup>2</sup> purchased by the company from smallholders are in constant progression: in **2019, 142 571 tons were purchased for a total of 14 004 KEUR**.

Through this partnership, smallholders also receive:

- Technical support on agronomy provided by Socapalm for them to apply high international standards for the development of their plantations;
- The possibility to acquire selected seeds to improve the yield and resistance to diseases in their plantations;
- The opportunity to sell their production at market price all year round.

---

<sup>2</sup> Fresh Fruit Bunches



*smallholders training in financial management, January 2020, Socapalm Mbongo, Cameroon*

Other key elements about the company's background, and especially its relations with external partners, have been taken out of their context and require further clarifications:

#### About the OECD NCP<sup>3</sup> and Socapalm's strategy for community relations

The action plan drafted by the French NCP mentioned by Mongabay was discussed without including Socapalm's major shareholders and was never validated by the Socfin Group.

However, activities set up by Socapalm as part of its continuous improvement plan, cover many recommendations communicated by the NCP. Unfortunately, the NCP was not able to find an independent third party that would have been accepted by the plaintiffs and Socapalm to verify the progress made and handed over the complaint and mediation to the Belgian NCP in May 2016.

In 2017, the Belgian NCP stopped its mediation and a follow-up meeting was organized in September 2018 when Socapalm presented its challenges and progress of the last few years.

One of the main recommendations made to Socapalm was to continue engaging with local stakeholders. It should be pointed out that this is already actively done by Socapalm through quarterly tripartite meetings that include the local communities, the local authorities and Socapalm, and through bipartite meetings between the different Socapalm sites and their respective local

---

<sup>3</sup> National Contact Points



communities. During these meetings community grievances are being discussed and community projects are developed. As a concrete example, at Mbonjo, the village presented in the article, Socapalm has fully renovated the community's health center and constructed the English-speaking primary school.

Socapalm's top management also has an open policy to meet any stakeholders that would request it.

In 2018, a step further has been taken to engage with the communities through the recruitment of a dedicated Community Liaison Manager (CLM) who has been trained at the Earthworm Foundation (EF) Centre for Social Excellence.

#### About our partnership with Earthworm Foundation<sup>4</sup>

Since 2017, the Socfin Group is a member of the organization Earthworm Foundation (EF). In the article, representatives from EF have been used as witnesses to criticize Socapalm's activities and our commitment to responsible management. The reality of our relation with this organization is however very different.

Our partnership with EF aims at supporting us in the implementation of our responsible management policy<sup>5</sup> within our subsidiaries. At Socapalm, through site assessments, strategic meetings and field visits, EF has set up an action plan around two pillars: transparency and the development of a formal grievance mechanism adapted to the local context.

In 2019 an assessment of the implementation of this action plan has been conducted by EF. Significant progresses have been noted around the commitment to workers well-being (including housing conditions) and the continuous improvement of community relations.

In a memo shared in July 2020, EF's management clearly highlights inaccuracies in Mongabay's article: *"Some comments in this article have been attributed to Erith Ngatchou from Earthworm Foundation that do not reflect his point of view".* Adding: *"When speaking to Mongabay (...), Erith talked about the effort put in by Socapalm to improve the housing conditions of the workers in all six sites. The low integration of local population into the workforce was not mentioned; and although Earthworm Foundation's team did visit Mbonjo in 2018, Erith Ngatchou wasn't part of the team that went there, as stipulated in the article. Other quotes made are also easy to take out of context".*

It is regretful that Mongabay's article has overlooked Socapalm's actual contribution to local development and our team's continuous commitment to drive a respectful tropical agriculture. These efforts have been successful and Socapalm was the first oil palm plantation in Central Africa to be ISO 14001

---

<sup>4</sup> [www.earthworm.org](http://www.earthworm.org)

<sup>5</sup> Available [online](#)

certified in 2015. Today, nearly 51% of Cameroon's palm oil comes from the Socapalm plantations. The totality of the company's production is sold on the local market making Socapalm an essential actor for national food security. Socapalm is committed to implement the Socfin Group policy for responsible management in all its activities and will continue to build peaceful and fruitful relations with its host communities.

#### **Contacts**

[info@socfin.com](mailto:info@socfin.com)

[www.socfin.com](http://www.socfin.com)

## Socapalm in Cameroon



The Socapalm oil palm and rubber plantations were established by the State of Cameroon in 1968.

In 2000, the Socfin Group acquired them (in full compliance with the law, in agreement with the Government and under the procedures for granting concessions) and invested in them to improve the performance of the plantation and its social infrastructures (houses, schools, health centres, etc.).

Socapalm in Cameroon <sup>6</sup>
<ul style="list-style-type: none"> <li>• Concession: 58 063 ha</li> <li>• Planted area: 34 651 ha                             <ul style="list-style-type: none"> <li>○ Oil palm: 32 584 ha</li> <li>○ Rubber: 2 067 ha</li> </ul> </li> </ul>

Key figures 2019 Socapalm	
5 197 direct and indirect employees	
6 medical centres, 3 health outposts and 5 ambulances	53 700 medical consultations
52 schools	9 579 students

**[Click here](#), for more information regarding the sustainability approach of Socapalm in Cameroon.**

<sup>6</sup> Data at 31/12/2019