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Recommendation to exclude Compagnie de l'Odéon SE and Bolloré SE from investment by the Norwegian Government Pension Fund Global

Summary

The Council on Ethics recommends that the companies Compagnie de l'Odet SE (Cie de l'Odet) and Bolloré SE be excluded from investment by the Norwegian Government Pension Fund Global (GPF) due to the risk that the companies are contributing to serious and systematic human rights abuses. This recommendation relates primarily to working conditions at oil palm plantations in Cameroon and their consequences for local communities.

Cie de l'Odet and Bolloré are holding companies listed on the Euronext stock exchange in Paris. At the close of 2023, the GPF owned 1.15 per cent of the Bolloré's shares, worth USD 84.5 million. The GPF owned 0.13 per cent of the shares in Cie de l'Odet, worth USD 14.1 million.

Cie de l'Odet owns 62,19 per cent of the shares in Bolloré. Bolloré has considerable ownership interests in rubber and oil palm plantations in several countries in Africa and Asia, including Société Financière des Caoutchoucs (Socfin), in which Bolloré has a 39.75 per cent shareholding. Socfin controls Socfinaf, which is, in turn, the controlling shareholder of Socapalm. Bolloré has direct and indirect shareholdings in Socfinaf totalling 34.4 per cent.

The Council's own inquiries into Socapalm's plantation operations in Cameroon have revealed serious norm violations, including extensive sexual harassment of women by supervisors and security guards at the plantation. The abuses concern both women who work at Socapalm plantations and those who are passing through the plantation or the surrounding areas. More than half of Socapalm's workforce are contract workers or day labourers. The inquiries showed that almost none of them have an employment contract, they earn less than the legal minimum wage, have their pay docked for social benefits they do not receive, and can be hired and fired at will. For the women, the provision of sexual services has become a way to secure a job or avoid being fired. In addition, Socapalm has extended the plantation to areas belonging to local communities and made it difficult for them to access their properties, which weakens the population's ability to make a living.

Similar human rights abuses have for many years been reported at several of Socfin's plantations in Liberia and Sierra Leone. The Council on Ethics considers that Cie de l'Odet and Bolloré are contributing to these norm violations, which are both serious and systematic.

Neither Cie de l'Odet nor Bolloré have provided information in connection with this matter. The companies maintain that they hold minority stakes in Socfin and therefore have no influence over how the plantations are operated. Lack of formal control over the plantations is not decisive for the Council's assessment. Cie de l'Odet has controlling interest in Bolloré. Bolloré has, and has always had, a material ownership interest in Socfin and Socfinaf. Bolloré's senior executives have served on Socfin's board of directors since 1990 and on Socfinaf's board of directors since 1993. In the Council's opinion, this indicates that Bolloré should have sufficient influence to improve the situation at the plantations if the company so wished. It seems to the Council as though neither Cie de l'Odet nor Bolloré acknowledge the risk of contributing to serious norm violations relating to the plantation business and therefore does nothing to put an end to them.

The Council concludes that this raises the risk that the companies, also in future, will contribute to serious and systematic human rights abuses to an unacceptable level.

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1 Introduction

The Council on Ethics for the Norwegian Government Pension Fund Global (GPF) has assessed the Fund's investments in the companies Compagnie de l'Odet SE (Cie de l'Odet SE)¹ and Bolloré SE (Bolloré)² against the Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global (the ethical guidelines).³ The recommendation primarily concerns working conditions at oil palm plantations in Cameroon and their consequences for local communities.

Both Cie de l'Odet and Bolloré are holding companies controlled by the Bolloré family. Cie de l'Odet owns 69,19 per cent of Bolloré.

The companies operate in the areas of transportation and logistics, communications, and electronics. Through Bolloré, Cie de l'Odet has significant interests in rubber and oil palm plantations in a number of countries in Africa and Asia, including in Société Financière des Caoutchoucs (Socfin). Socfin has operations in 10 countries and employs 52,300 people.⁴ Socfin owns 64.64 per cent of the shares in Socapalm, which is Socfin's largest plantation in Cameroon.

At the close of 2023, the GPF owned 1.15 per cent of Bolloré's shares, worth USD 84.5 million. The GPF owned 0.13 per cent of the shares in Cie de l'Odet, worth USD 14.1 million. Both companies are listed on the Euronext stock exchange in Paris.

1.1 Matters considered by the Council on Ethics

The Council on Ethics has assessed the GPF's investments in Cie de l'Odet and Bolloré against section 4(a) of the ethical guidelines, pursuant to which "Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for: a) serious or systematic human rights violations (...)."

The Council bases its assessment of what constitutes serious or systematic human rights abuse on internationally recognised conventions and authoritative interpretations thereof.

The Council has previously taken the position that if the human rights abuses are serious, a limited number of abuses may suffice to exclude a company from the GPF, whereas the abuses need not be equally serious if they are systematic in nature. To qualify as systematic, the human rights abuses must be substantial in scope. This may mean that they are numerous, that various types of rights are infringed, or that they occur in multiple units within the company. Thus, they do not appear to be isolated incidents but rather constitute a pattern of behaviour. The Council also attaches importance to whether particularly vulnerable groups have been affected.

Although international human rights conventions bind states not companies, companies can be said to contribute to human rights abuses. When assessing a company's

¹ Issuer ID:135778

² Issuer ID: 135710

³ Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global, <https://nettsteder.regjeringen.no/etikkradet3/files/2019/12/guidelines-for-observation-and-exclusion-from-the-gpfg-01.09.2019.pdf>

⁴ Socfin Homepage, <https://www.socfin.com/en/>

contribution to the abuse of human rights, the Council presumes that there must be a connection between the company's operations and the abuse in question, and the company must actively have contributed to the abuse or been aware of it without attempting to prevent it.

According to the ethical guidelines, the norm violations must be ongoing, or there must be an unacceptable risk of future violations. When considering the risk of human rights abuse, the Council attaches importance to companies' response when norm violations have been uncovered, and what they have done to prevent the reoccurrence of any such abuses.

1.2 Human Rights standards

In the present case, the Council has relied on Article 9 of the International Covenant on Civil and Political Rights (ICCPR), which states that “[e]veryone has the right to liberty and security of person”. The UN’s Human Rights Committee has interpreted the right to security of person as “protections against any intentional infliction of bodily or mental injury”, including violence against women and abuses committed by private security firms.⁵

Articles 6 and 7 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), which protect the right to work and safe and healthy working conditions, are also important. In its General Comment on the right to work, the ICESCR Committee has made it clear that “work” as referred to in the Covenant means decent work. *“This is work that respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration. [...] These fundamental rights also include respect for the physical and mental integrity of the worker in the exercise of his/her employment.”*⁶ On the right to just and favourable conditions of work, the ICESCR Committee states that the prohibition and sanctioning of sexual harassment at work is among the core obligations of Article 7.⁷

The Council has also looked to the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). The CEDAW Committee has made it clear that companies should address all forms of gender-based violence that occur in the workplace or affect women, including sexual harassment.⁸

Furthermore, the International Labor Organization (ILO) has recognised the right to a safe and healthy working environment as a fundamental principle. The Occupational Safety and Health Convention (No. 155) has been included in the ILO’s core conventions

⁵ UN Human Rights Committee, *General comment No 35, Article 9 (Liberty and security of persons)*, 16 December 2014, CCPR/C/GC/35, para 9, <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G14/244/51/PDF/G1424451.pdf?OpenElement>

⁶ UN Committee on Economic, Social and Cultural Rights (CESCR), *General Comment No. 18: The Right to Work (Art. 6 of the Covenant)*, 6 February 2006, E/C.12/GC/18, para 7, <https://www.refworld.org/docid/4415453b4.html>

⁷ UN Committee on Economic, Social and Cultural Rights (CESCR), *General comment No. 23 (2016) on the right to just and favourable conditions of work (article 7 of the International Covenant on Economic, Social and Cultural Rights)*, 7 April 2016, E/C.12/GC/23, <https://www.refworld.org/docid/5550a0b14.html>

⁸ UN Committee on the Elimination of Discrimination against Women, *General recommendation No. 35 on gender-based violence against women, updating general recommendation No. 19*, 26 July 2017, CEDAW/C/GC/35, <https://digitallibrary.un.org/record/1305057>

since 2022.⁹ ILO convention No. 190, on Violence and Harassment, states that “*violence and harassment in the world of work can constitute a human rights violation or abuse, and that violence and harassment is a threat to equal opportunities, is unacceptable and incompatible with decent work*”.¹⁰

1.3 Sources

This recommendation is based largely on investigation into Socapalm’s plantation operations in Cameroon. The investigation was carried out with the help of consultants and included a field study in September 2023.

The consultants conducted interviews with employees at locations where it was safe for them to speak freely. Focus group discussions were also held with women and members of the local community. The consultants collected and analysed, employment contracts, pay slips, medical reports and other documents provided by employees, workers, local authorities, and villagers.

Bolloré, Socfin and Socapalm were invited to attend upfront meetings, debriefings, and joint visits to relevant sites. However, all three companies declined to participate in the study.

The recommendation also rests on publicly available information from civil society organisations (NGOs) and news media, as well as information available on the companies’ websites.

2 Bolloré’s ownership interests in Socfin

Bolloré owns 39.75 per cent of the shares in Société Financière des Caoutchoucs (Socfin), which, through its subsidiaries Socfinaf and Socfinasia, operates plantations in Africa and Asia respectively. Bolloré has direct and indirect shareholdings in Socfinaf (34.4 per cent) and Socfinasia (45.4 per cent). Socfin is the controlling owner of Socfinaf, which is the controlling owner of Socapalm with a shareholding of 64.64 per cent. Bolloré has an indirect shareholding in Socapalm of 23.1 per cent.

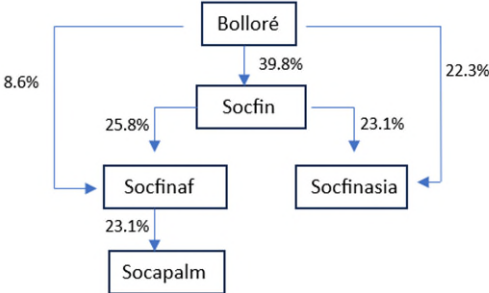


Figure 1: Bolloré’s shareholdings in Socfin and Socfinaf¹¹

⁹ Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)

¹⁰ ILO Convention concerning the elimination of violence and harassment in the world of work no 190 (entered into force: 25 June 2021)

¹¹ Socfin Annual Report 2022, <https://www.socfin.com/wp-content/uploads/2023/04/2022-Socfin-Annual-report.pdf> and Pham Van, L. 2020, Unravelling the Socfin Group, Amsterdam, The Netherlands: Profundo, <https://www.profundo.nl/download/profundo200210>

Socfin is listed on the Luxembourg Stock Exchange, but is directly and indirectly controlled by two shareholders, Bolloré and the Belgian businessman Hubert Fabri, who together own 95.13 per cent of the shares in Socfin.

In May 2023, Bolloré and Hubert Fabri started a process to delist Socfin from the stock exchange. This process has not been finalised. The shareholder agreement states that the intention is to strengthen Fabri's influence over Socfin.¹² After delisting, Bolloré will have a 37.75 per cent stake in Socfin. Bolloré's voting rights will be transferred to Fabri. There will be no change in board representation. Socfin's board comprises five directors, of which three are appointed by Fabri and two by Bolloré. Bolloré will receive dividends in proportion to its shareholding. Henri Fabri is reportedly a close friend of Vincent Bolloré, the chairman and controlling shareholder of the Bolloré Group.

As the largest shareholders, various members of both families have held management positions in different units within the Group. Bolloré has held board positions in Socfin and Socfinaf for many years. Vincent Bolloré, who until 2022 was Chairman and CEO of Bolloré, has been a member of Socfin's board of directors since 1990. His son, Cyrill Bolloré, who is now CEO of Bolloré, was appointed to the board of Socfin in 2022, when he took over from a cousin. The board is chaired by Hubert Fabri. Two of his sons are also members of the board.¹³

Vincent Bolloré and Cyrill Bolloré have been members of the Socfinaf's board of directors since 1993 and 2018 respectively.¹⁴ Socfinaf has borrowed EUR 20 million from Bolloré Participations S.E., a company owned by the Bolloré family.¹⁵

In its annual report and in its communications with the Council, Bolloré has emphasised that it is a minority shareholder in Socfin and therefore has no influence over that company's operations or those of Socapalm.¹⁶

In 2013, four NGOs filed a complaint about Bolloré with the OECD's French National Contact Point citing the impact that Socapalm's operations was having on workers, local communities and the environment. The parties subsequently agreed on a remediation plan to improve conditions at the plantations.¹⁷ In an ongoing court case in France, Bolloré is accused of failing to implement this plan. Bolloré claimed to have no leverage over Socfin to enable it to do so.¹⁸ The court ordered Bolloré to substantiate this claim, in part by producing board documents and minutes from general meetings of Socfin for the last four years. While Socfin does appear to have provided some minutes, the court found that it had deliberately withheld certain documents that were essential for determining the extent of Bolloré's influence over Socfin and Socapalm. On 29

¹² Avis aux actionnaires de Société Financière des Caoutchoucs (SOCFIN), Luxembourg, 27 June 2023, https://www.cssf.lu/wp-content/uploads/SOCFIN_Information-complementaire-27-juin-2023.pdf

¹³ Socfin Annual Report 2022.

¹⁴ Socfin Annual Report 2022.

¹⁵ Socfin Annual Report 2022.

¹⁶ Bolloré Business Report 2022 <https://www.bollore.com/en/publications/>, and email to the Council on Ethics dated 29 August 2023.

¹⁷ France National Contact Point, Follow-Up To Specific Instance, Statement of 17 March 2014, Socapalm: A Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and Local Populations.

¹⁸ The remediation plan was a result of a complaint to the OECD National Contact Point in 2013, filed by several NGOs, <https://mneguidelines.oecd.org/database/instances/be0018.htm>

September 2023, Socfin was ordered to pay damages of EUR 140,000 to the claimants. The court did not rule on the question of influence, but Socfin has been ordered to pay a daily penalty of EUR 4,000 until it discloses the documents.¹⁹

3 The Council’s investigations into Socapalm’s plantations in Cameroon

Socapalm operates six plantations in three regions of Cameroon: Dibombari, Edéa, Mbambou and Mbongo (Littoral Region), Eséka (Centre Region) and Kienké (Southern Region).²⁰ All of these are oil palm plantations, while two also produce rubber. Socapalm’s plantations cover approx. 58,000 ha, of which around 37,100 ha are in production.

3.1 Pay and employment conditions

According to Socapalm, 7,335 people were working on its plantations in December 2022.²¹ Less than half of the workforce are permanent employees of Socapalm. The majority are permanently employed by contractors which Socapalm engages to perform manual labour on the plantations. Temporary employees are used in connection with special tasks.²² A large number of workers are employed as day labourers (see Table 1 below).

Table 1: Breakdown of the workforce by employment relationship at Socapalm’s plantations as at December 2022

Employment relationship	No.	% of total workforce
Total workforce at Socapalm’s plantations	7 335	100
Permanently employed by Socapalm	2 591	35
Temporarily employed by Socapalm	769	10
Contract workers (employed by 13 external contractors)	3 974	54
Day labourers	566	7

Socapalm also cooperates with 1,252 smallholders, who employ an unknown number of local labourers, most of whom live in accommodation camps run by Socapalm (see section 3.3).²³

¹⁹ Rfi, 2.10.2023: La Socfin condamnée en France à verser 140 000 euros à des riverains camerounais <https://www.rfi.fr/fr/afrique/20231001-la-socfin-condamn%C3%A9e-en-france-%C3%A0-verser-140-000-euros-%C3%A0-des-riverains-camerounais>

²⁰ Socapalm, 2022: Rapport développement durable, <https://www.socfin.com/wp-content/uploads/2023/05/2022-Socapalm-Rapport-developpement-durable.pdf>

²¹ Socapalm Rapport développement durable 2022.

²² It is not entirely clear how Socfin defines temporary employees (intermediates). However, it seems as though they are set to perform specific tasks.

²³ Socapalm Rapport développement durable 2022, pp. 32, 108–112.

Permanent employees

According to the workers interviewed in connection with the Council's investigations, permanent employment is limited to administrative staff and those working at processing facilities and operating machines. Permanent employees have contracts, pay social security contributions, have health insurance, and are entitled to live in Socapalm's residential camps free of charge. This applies to 35 per cent of the workforce. However, in the employment contracts that were reviewed, key elements were missing. This includes the number of working hours per day and working days per week, provisions for overtime and sick leave, conditions relating to dismissal and period of notice. No information was provided concerning how to file complaints or report wrongdoing.

Salaries ranged from EUR 0.1–0.3 per hour.²⁴ To meet the legal minimum wage in Cameroun, which corresponds to EUR 55.24 per month, a permanent employee would need to work 200–550 hours per month. The contracts did not clarify how and when salary is paid.

Day-labourers, temporary employees (intermediates) and contract workers

More than 60 per cent of the workforce are either contract workers or hired on a daily basis. These are workers who carry out core activities on the plantations, such as clearing, planting, maintenance and harvesting. In the interviews, it emerged that some of these workers had worked for more than 30 years on Socapalm's plantations.

According to Socapalm, all its day labourers, intermediates and contract workers have written employment contracts. This contradicts the Council on Ethics' findings, which indicate that 95 per cent of them do not have an employment contract. Without such a contract, the workers have no rights and may be hired and fired at will.

The few contracts for plantation workers that were reviewed, stipulated a monthly salary of EUR 61 for 24–25 days of work, which corresponds to the minimum wage in Cameroon.²⁵ Pay slips, however, indicate salaries of EUR 52.05 per month, from which EUR 2.71 is deducted for social and health insurance even though these workers are not registered in the national social insurance fund (CNPS). It is reasonable to presume that the terms and conditions for workers without an employment contract are, at best, the same as those who have a contract.

Thus, the study shows that the majority of workers at the plantations have no employment contract and earn less than the minimum wage, on top of which the employer unlawfully deducts contributions to a social insurance scheme to which the workers do not belong.

3.2 Sexual exploitation and abuse

All of the local communities surrounding the plantations have reported incidents of rape, sexual abuse and harassment, with the exception of the villages near the Eseka

²⁴ It is not clear whether this relates to net or gross salary.

²⁵ Socapalm Rapport développement durable 2022, p. 34.

and Kienke plantations.²⁶ The abuse targets women working at Socapalm's plantations as well as women passing through the plantation or the surrounding areas.

Interviewees and focus groups reported three cases of rape from 2021 to 2023 and one in 2016, in or just outside the plantations. The rapes were alleged to have been perpetrated by workers at the Socapalm plantations or security guards working for Socapalm. Two of the women were also attacked with knives and severely injured.

Through the conversations, it emerged that the rapes often occur when the women are forced to cross Socapalm's plantations in order to reach their family's own property, where they harvest oil palm fruit. The men commonly accuse the women of stealing from Socapalm to "justify" their assaults. The rapes do not seem to have been investigated or punished to any great degree, and Socapalm has paid no compensation other than to the victim of the 2016 case.

Every single participant in the women's focus groups confirmed that they are aware of cases where employees or workers at Socapalm have received demands for "sex for passage" or "sex for work".

In the women's experience, there is a considerable risk of harassment and abuse when they pass through or work alone in or near the plantations. The risk of being confronted by men demanding sex in return for permission to cross the plantation (sex for passage) is particularly great when they are carrying oil palm fruit. Both security guards and plantation workers take it for granted that the women have stolen the fruit from the plantation. When the women deny this, the security guards often call the police who, the women claim, support the security guards, participate in the harassment or abuses, or detain the women at the police station until they have paid a fine.

Although it is not unusual for the local population to collect oil palm fruit when they pass through the plantation, it does not seem as though Socapalm has taken any steps to distinguish between oil palm fruit produced at local farms and those produced at the company's plantations.²⁷

The "sex for work" regime follows a pattern whereby Socapalm's supervisors or contractors with responsibility for hiring demand sex from female workers in return for being given or retaining a job at the plantation. According to the women: *"Be they subcontract or employee each of us here has made resort to sex in the hope to have advantages."* The women, who do not normally have employment contracts, believed they had no choice if they were to secure their family's livelihood. By giving in, they could avoid further humiliation from other Socapalm employees and family members.

While Socapalm has established what they call villager vigilance committees (CVV) to perform checks and reduce tensions between Socapalm and the local communities, the women interviewed said that the CVV members follow the same pattern. For the women, it only increased the number of men (referred to as "*chauds*") they must please

²⁶ Through the NGOs and women focus group discussions, the consultants met victims of rape and sexual exploitation and harassment. As far as possible, women's testimonies were validated through triangulations with women groups within the village, the village chiefs and nearby police stations.

²⁷ Members of the local community reported that other plantations in Cameroon reduce this risk by ensuring that the oil palm fruits are not left unsupervised by the side of the road, or by letting people keep a small amount (the amount a person can carry).

in order to move freely to their farms, with some women disclosing that they have up to five “chauds”.

The women have only three options if they wish to report a rape. They can report the matter to the village chief, the police or Socapalm’s grievance redress mechanism (GRM). Socapalm has not established a GRM specifically for women or a women-operated hotline. Nearly all village chiefs in Cameroon are men and all police stations around Socapalm’s plantation are led by men. The women interviewed reported that they encountered disbelief and demands for money to fund the police investigation before being permitted to make a statement. These allegations were rejected by the police. All the women said that they have little if any confidence in Socapalm’s GRM because they had reported cases where, in their opinion, Socapalm helped the perpetrators to escape before the police could interview or arrest them.

The Gender Based Violence Information Management System (GBVIMS) lists six types of gender-based violence, five of which appear to occur in Socapalm’s concession – specifically: rape, sexual assault, physical violence, denial of resources, opportunities or services, and mental and emotional abuse.²⁸

3.3 Accommodation for plantation workers

Socapalm operates 32 residential camps with around 5,000 buildings in and around its six plantations. Both permanent employees and contract workers are housed in the camps.²⁹ Many workers come from the Anglophone area of Cameroon, which is currently in the throes of a civil war, and therefore have limited access to alternative accommodation.

These camps were established in the 1960s and ’70s. In 2000, as part of the privatisation agreement with the government, Socapalm undertook to renovate and improve the quality of these camps to national housing standards.³⁰ In connection with the complaint submitted to the OECD’s French National Contact Point in 2013, Bolloré promised to further improve living conditions at the camps so that they met international standards.³¹

In 2021, around 20 per cent of the accommodation had been upgraded or replaced by new buildings.³² If Socapalm continues at the same pace, around 45 per cent of its workers will still live in buildings like those shown below when its concession agreements expire in 2060.

²⁸ The Gender Based Violence Information Management System (GBVIMS) is an inter-agency partnership between the United Nations Population Fund (UNFPA), the International Rescue Committee (IRC), and the United Nations High Commissioner for Refugees (UNHCR), in consultation with the Inter-Agency Standing Committee Sub-Working Group on Gender and Humanitarian Action and the Gender-Based Violence Area of Responsibility Working Group of the Protection Cluster, see <https://www.gbvims.com/> and <https://gbvims.com/wp/wp-content/uploads/Annex-B-Classification-Tool.pdf>

²⁹ Socapalm Rapport développement durable 2022, p. 36

³⁰ The Cameroon government privatised Socapalm in 2000.

³¹ See footnote 17 and section 3.5.

³² Socapalm Rapport développement durable 2021, <https://socapalm.com/publications/?lang=en>.



Figure 2: Living quarters in Socapalm's camp. The photo was taken in October 2023.³³

3.4 Land-related conflicts

In 2000, the government of Cameroon privatised Socapalm and sold the company to Socfin. At the time, plantations covered only 25,000 ha of the 78,530 ha of land held by Socapalm. The agreement required Socapalm, within a period of two years, to identify all lands that were not suitable for plantation development. As a result, Socapalm's concession area was reduced to just over 58,000 ha in 2005. At the same time, the company was compelled to return 4,200 ha of land to local communities, 17,430 ha to the state and set aside 125 ha for Socapalm's factories and offices.³⁴ In the agreement from 2000, Socapalm was required to refrain from planting in an area of 250 ha surrounding the local communities.³⁵

In the 2013 remediation plan resulting from the complaint submitted to the OECD's French National Contact Point, Bolloré undertook *"to ease conflicts over land by renewing the dialogue on land-related issues between neighboring residents and Socapalm, by finalizing the boundaries of land granted to Socapalm and updating indemnification to provide fairer compensation for losses suffered."*³⁶ The remediation plan presumed direct negotiations between Socapalm and the local communities on how to delineate these areas and the farmland surrounding the local communities to secure their access to food and livelihoods in line with population growth in the villages.

In 2015, Socapalm elected instead to sign a deal with Cameroon's government, whereby the boundaries would be defined by a tripartite commission, consisting of Socapalm, government representatives and government-appointed village chiefs. So far, a

³³ The photo was taken by the Council on Ethics' consultants.

³⁴ The amendment to the lease agreement refers to Decree n°76-166 of 27 April 1976, which states that all land is owned by the government of Cameroon and that land attribution and designation of boundaries to the local communities should be conducted by *"collectivités territoriales décentralisées"*, which is an administrative structure under the Ministry of State Property, Surveys and Land Tenure (*Ministère des Domaines, du Cadastre et des Affaires Foncières*).

³⁵ Clause 6(h) of the lease agreement of 30 June 2000 stipulates that: "The lease shall NOT replant on an area of 250 ha, located around the village communities. The exact areas shall be designated together with Government authorities and the Lessee. This is to cater for the livelihoods of communities."

³⁶ French National Contact Point for the OECD Guidelines, Follow-Up To Specific Instance, Statement of 17 March 2014, Socapalm: A Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and Local Populations, <https://www.tresor.economie.gouv.fr/Institutionnel/Niveau3/Pages/bd7a00fc-6949-450b-bc40-a09ac044ab0/files/21b23690-2ce1-4c6f-a45f-d82f6cf1b889>, p. 3, point 2.

provisional map has been drawn up, but as far as the Council is aware, Socapalm is yet to return any land to the local communities.

At the same time, Socapalm has converted 12,000 ha of primary forest, grazing pastures and arable farmland into plantations, increased the planted area from 25,000 ha in 2000 to 37,000 ha in 2022, and planted many other areas. Near the Edea plantations, this seems to include land previously used by local communities, since graves established before 2005 now lie within the plantation.

Socapalm also seems to have cleared and planted on land to which local residents hold individual land titles. Satellite images show that Socapalm appears to have cleared existing farmland such that the village Apouh near Edea is now squeezed into a narrow corridor along the main road from Edea to Kribi. Socapalm has erected watchtowers to prevent the local population from traversing the plantation to access their former properties, which have now been taken over by Socapalm. Use of these towers and the Socapalm’s security force has led to claims of violence and abuse, including incidents of sexual harassment and assaults as outlined in section 3.2. Village chiefs have called on Socapalm to respect the requirement not to plant in the area around villages and to return land to the local communities. However, this has simply resulted in them being arrested and instructed by the police and governmental officials “not to disturb Socapalm”.³⁷

3.5 Previous allegations of human rights abuses made against Socfin

For many years, Socfin has been accused of forced relocation, loss of livelihoods, very poor working conditions, sexual harassment of women and female workers, land grabbing, deforestation and environmental damage related to plantation operations. The allegations have been made by NGOs in many countries in Africa, including Cameroon, Liberia, Sierra Leone, Ghana and Nigeria, as well as Cambodia. Some of these are referenced in the table below.

Year	Allegations
2010-2017	Between 2010 and 2017, the OECD National Contact Points for Responsible Business Conduct for Belgium, France and Luxembourg, considered a complaint by four NGOs (Sherpa, CED, FOCARGE and Misereor) alleging that Socapalm was responsible for environmental damage and serious adverse impacts on workers and local communities, as well as a lack of transparency. ³⁸ In 2013, the parties agreed on a remediation plan, ³⁹ which has not yet resulted in any tangible improvements. The OECD’s National Contact Points closed the case due to meagre progress in implementing the remediation plan and because Socfin and Socapalm rejected independent monitoring. ⁴⁰

³⁷ Based on interviews and publicly available documents.

³⁸ OECD Responsible Business Conduct, <https://mneguidelines.oecd.org/database/instances/fr0014.htm>; <https://mneguidelines.oecd.org/database/instances/be0018.htm>;

³⁹ French National Contact Point, FOLLOW-UP TO SPECIFIC INSTANCE Statement of 17 March 2014, Socapalm: A Concerted Roadmap for Enhancing Living and Working Conditions for Plantation Employees and Local Populations, <https://www.tresor.economie.gouv.fr/Institutionnel/Niveau3/Pages/bd7a00fc-6949-450b-bc40-aa09ac044ab0/files/21b23690-2ce1-4c6f-a45f-d82f6cf1b889>

⁴⁰ OECD Responsible Business Conduct, <https://mneguidelines.oecd.org/database/instances/be0018.htm>

2019	The NGO Bread for All published the findings of its investigation into Socfin's Salala Rubber Corporation and Liberian Agricultural Company in Liberia. In the report, women told of sexual harassment and violence on the plantations committed by security guards and plantation managers in charge of contract workers. ⁴¹ The women subjected to the abuse were working at the plantations, applying for contract work or selling food to workers at the plantations. Managers allegedly demanded sex from women in exchange for employment or in order to retain their jobs and receive the wages they were owed. Women were threatened with rape, dismissal, or were actually fired if they rejected the men's demands. Due to fear and shame, few cases of rape and sexual assault on plantations were reported to the police.
2019	Based on the report from Bread for All, the NGO Green Advocates International filed a complaint with the Compliance Advisor Ombudsman (CAO) against the International Finance Corporation (IFC) because IFC had granted a loan to Salala Rubber Corporation (SRC) in violation of IFC's standards. No ruling on the complaint has yet been made. ⁴²
2019	The Belgian NGO FIAN published a report on human rights abuses at Socfin's plantations in Sierra Leone, based on investigations undertaken in 2012, 2016 and 2018. The report describes serious conflicts with local communities about access to land and land rights, with significant consequences for women's livelihoods in particular, and a deterioration in the local communities' situation. ⁴³
2019, 2021	New allegations of sexual exploitation, abuse and other forms of gender-based violence in and around Socapalm were reported by the World Rainforest movement. ⁴⁴ The same organisation also reported on gender-based violence and the exploitation of women at Socfin's plantation in Sierra Leone. ⁴⁵
2022-2023	Following an investigation by the Roundtable for Sustainable Palm Oil (RSPO), of which Socfin is a member, the RSPO decided in May 2023 that Socapalm needs to <i>"continue intensive communication and engagement with all of the affected local</i>

⁴¹ Bread for All 2019, Struggle for Life and Land, https://www.heks.ch/sites/default/files/documents/2021-12/Bfa_Socfin_Report_Update_Nov_19.pdf . Socfin finds the allegations exaggerated, if not incorrect, see <https://www.socfin.com/dashboard/wp-content/uploads/2019/04/00-Text-BFA-VFinale.pdf>

⁴² CAO Assessment Report, Regarding Concerns in Relation to IFC's Investment in Salala Rubber Corporation-01/Margibi and Bong (IFC Project #26510) in Liberia, March 2020, https://www.cao-ombudsman.org/sites/default/files/downloads/CAOAssessmentReport_SalalaRubberCorporation-01_Liberia_March2020_ENGLISH.pdf

⁴³ FIAN, Case Report 2019, Land Grabbing for Palm Oil in Sierra Leone, Analysis of the Socfin Case from a Human Rights Perspective, https://www.fian.be/IMG/pdf/fian_b_report_landgrab_in_sl_malen_2019_full.pdf

⁴⁴ WRM et.al, 2019, Breaking the Silence: Harassment, sexual violence and abuse against women in and around industrial oil palm and rubber plantations. https://www.wrm.org.uy/wp-content/uploads/2019/03/Breaking-the-Silence_8March2019.pdf; WRM 2020, Communities in West and Central Africa Resist Industrial Oil Palm Plantations, Even in Times of Covid-19, <https://www.wrm.org.uy/bulletin-articles/communities-in-west-and-central-africa-resist-industrial-oil-palm-plantations-even-in-times-of-covid-19>; DW 2021, Accaparement des terres au Cameroun : la Socapalm indexée <https://www.dw.com/fr/accaparement-des-terres-au-cameroun-la-socapalm-index%C3%A9e/video-56176376?maca=fr-Twitter-sharing>;

⁴⁵ WRM, 2021, Sexual Exploitation and Violence against Women at the Root of the Industrial Plantation Mode, WRM Bulletin 253, <https://www.wrm.org.uy/bulletin-articles/sexual-exploitation-and-violence-against-women-at-the-root-of-the-industrial-plantation-model>

	<i>communities, be more proactive in increasing awareness of Socapalm policies", including training with respect to guidelines covering sexual harassment.</i> ⁴⁶
2023	Socfin commissioned Earthworm Foundation to investigate two plantations, one in Cameroon and one in Liberia. The investigation confirmed sexual assaults and harassment, a failure to return land, a failure to compensate landowners in connection with the expansion of the plantations, the pollution of drinking water used by the local population, and a number of other matters. ⁴⁷

4 Information provided by the company

4.1 The Council's communications with Bolloré

Based on the serious allegations against Socfin and its subsidiaries in multiple countries, including Liberia, the Council contacted Bolloré in February 2021. The company replied in April of that year. In its reply, the company referred to its Ethics and CSR Charter and Human Rights Charter, as well as its obligations under France's "Duty of Care" law (*Devoir de Vigilance*). At the same time, it stated that Bolloré's charters and due diligence measures to identify, prevent and mitigate risks do not apply to companies it does not control.

Following new allegations of human rights abuses at Socapalm, the Council contacted Bolloré again in August 2023, requesting the company to facilitate a visit to Socapalm. Bolloré reiterated that it was a minority shareholder and stated that *"we do not have the power to intervene and are not involved, for instance, in the management of plantations. More specifically, Socfin's activities are not included in the scope of Bolloré Group's duty of care Plan pursuant to French law as Socfin is not a subsidiary thereof."* Bolloré declined to collaborate with the Council's investigations into Socapalm.

Both Bolloré and Cie de l'Odét were given the opportunity to comment on a draft version of the Council's recommendation, but both declined. Bolloré wrote: *"We have no further comment other than, since we held a minority stake, we are not involved in the management of Socfin activities, as indicated in our first message of August 29, 2023."*⁴⁸ Cie de l'Odét stated the same reason.

4.2 Bolloré's Human Rights Charter

Bolloré has published a Human Rights Charter, wherein the company undertakes to perform due diligence assessments based on international human rights standards, such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and ILO conventions.⁴⁹ The company has given priority to *"upholding workers' rights across our entire value chain"*,

⁴⁶ RSPO Decision of 29 May 2023, <https://rspo.org/rspo-secretariat-reaches-final-decision-on-post-verification-assessment-monitoring-of-socapalm-s-a/>

⁴⁷ Earthworm, 2023, Earthworm publishes first findings of investigations into allegations against Socfin Group, <https://www.earthworm.org/news-stories/earthworm-publishes-first-findings-of-investigations-into-allegations-against-socfin-group>

⁴⁸ Email to the Council on Ethics, dated 23 January 2024.

⁴⁹ Bolloré, 2021, Bolloré Group Human Rights Charter, [bolloré-group-human-rights-charter.pdf](https://www.bolloré.com/en/our-values/human-rights/human-rights-charter)

“fundamental rights of communities and residents in proximity to our activities”, and “constantly striving to give back to society”.

4.3 Socfin’s Responsible Management Policy

In 2022, Socfin updated its “Responsible Management Policy”.⁵⁰ Here, the company states that “the Socfin Group commits to ensure that the rights of any individual working in the operations falling within the scope of application of this policy are respected according to applicable local, national, and international legislation, including the eight fundamental conventions of the International Labour Organization.”⁵¹ Socfin lists 13 key elements that are applicable to its activities. These include:

- Recruitment practices are transparent and fair, and direct recruitment is encouraged.
- The health and safety of workers are protected from any risk that could generate permanent injury, illness, or death.
- Workers are provided with written employment contracts in a language that they understand, with details of their working conditions.
- Workers are protected from any form of discrimination constituting a violation of human rights.
- Harassment and abuse are prohibited. Policies and procedures will be implemented to prevent and obtain redress for any act of harassment or abuse, particularly of a sexual nature.
- Where the Group provides housing, this shall meet the criteria for hygiene and physical safety, and decent living conditions.⁵²

Socfin has further pledged *“to respect the rights of local communities in all our operations and supply chains.”* Socfin states that it respects local and Indigenous communities’ access to land and land rights, that it recognises traditional hunting and gathering rights within its plantations, and that it has established a grievance mechanism in line with the UN Guiding Principles on Business and Human Rights. *“This is used to bring ongoing disputes to a solution; the implementation of the agreed remedy measures is jointly monitored by the community(ies) and Socfin and/or by mutually agreed third party(ies).”*⁵³ Socfin claims that it has made tangible progress in implementing the action plan from 2013 and considers that it is now operating in compliance with all its guidelines.

In November 2017, Socfin partnered with the Forest Trust (now the Earthworm Foundation) to monitor the implementation of the 2013 remediation plan. On 30 July 2023, Earthworm published a summary of its fact-finding report and stated that grievances related to the loss of farmland, and thereby the economic foundation for the local communities, gender-based violence and sexual harassment, the development of plantations at sacred sites, water pollution and inadequate access to drinking water at Socapalm’s plantation in Dibombari had been substantiated. Earthworm also carried out

⁵⁰ Socfin homepage, Commitments, <https://www.socfin.com/en/commitments/>

⁵¹ Socfin Group Responsible Management Policy, <https://socfin.com/wp-content/uploads/2022/09/2022.03.30-Socfin-Group-Responsible-Management-Policy.pdf>, p. 5.

⁵² Socfin Group Responsible Management Policy 2022. Annex 5/6

⁵³ Socfin Group Responsible Management Policy 2022. Annex 5/6

an investigation of Socfin's Salala Rubber Corporation in Liberia in 2023. The human rights abuses uncovered there, were largely the same as those identified at Socapalm.⁵⁴

In August 2023, Socfin announced that it will implement action plans to address the norm violations uncovered at the Dibombari plantation. The company also wrote that *"In most cases, it is noted that Socfin had already put in place a number of corrective measures to address the issues."* The action plan, which was updated in December 2023, shows that further measures have been implemented but provides little specific information on what the measures actually involve or how they have been implemented.⁵⁵

5 The Council on Ethics' assessment

The Council has assessed the GPFG's investments in Cie de l'Odet and Bolloré against the ethical guidelines' criterion concerning serious or systematic abuse of human rights. Cie d l'Odet is the controlling owner of Bolloré. Bolloré's shareholdings in the companies Socfin and Socapalm, which operates oil palm plantations in Cameroon, are described in section 2 above.

The Council's investigations into Socapalm's plantations in Cameroon have identified numerous, and in some cases serious, labour rights violations. The Council considers the rape, sexual violence, and harassment of women by Socapalm's supervisors and security guards to be particularly serious. Women who must pass through Socapalm's plantation as well as women who work there are subjected to abuse. The women are in a vulnerable situation. They are often dependent on work at the plantations to secure a living, while supervisors seem to use their positions to exploit them sexually. The Council considers this practice to be a serious norm violation. The fact that Socfin has not provided a secure whistleblowing channel for its female workers, means that cases most likely are underreported and that perpetrators can continue to operate with impunity. The Council also notes that abuse and sexual harassment of women and female workers have been reported year after year at almost all Socapalm's plantations and at Socfin's plantations in Liberia and Sierra Leone.

More than 60 per cent of Socapalm's workforce are contract workers or day labourers. They perform day-to-day manual work on the plantations and several of them seem to have worked for Socapalm for many years. The Council attaches importance to the fact that almost none of these workers seem to have an employment contract, they earn less than the legal minimum wage, have their pay docked for social security benefits they do not receive, and can be hired and fired at will. The Council considers that this practice makes it possible to exploit vulnerable workers, who have few alternative employment opportunities, and violates their right to decent work.

Many of Socapalm's workers live in camps run by the company. The Council's findings indicate that less than 20 per cent of the dwellings meet a satisfactory housing standard. Conflicts with local communities about access to land remain unresolved 18 years after Socapalm was ordered to return land to the local communities and 13 years after the

⁵⁴ Earthworm, 31 July 2023, Earthworm Foundation's Deep Dive Grievance work-Salala Rubber Corporation (SRC). Investigation of allegations relating to SRC operations. Public Summary of EF Findings and Recommendations, https://www.earthworm.org/uploads/files/EF-Public-report_SRC_310723.pdf

⁵⁵ Socfin, 2023, Socapalm Dibombari Action Plan, August 2023, Update December 2023, <https://www.socfin.com/wp-content/uploads/2023/12/2023.12.15-%E2%80%93-Socfin-%E2%80%93-Socapalm-Dibombari-%E2%80%93-Action-Plan-%E2%80%93-Update-December-2023.pdf>

establishment of an action plan to improve the situation. The Council notes that Socapalm also seems to have expanded the plantation into areas that belong to local inhabitants and has made it difficult for local people to access their own properties. Socapalm's surveillance operations and punishment of alleged theft represent a threat to the personal integrity of local community members, as well as their ability to secure a livelihood.

The Council concludes that the company's practices in many areas violate internationally recognised human rights. The norm violations are serious and numerous, they take place at many of Socfin's entities and have persisted over many years. For the Council, this appears to represent a systematic pattern of behaviour.

The Council notes that Socfin has a comprehensive human rights policy which, in principle, addresses many of the norm violations uncovered by the Council's investigations but which does not seem to be implemented in practice. The Council notes that Bolloré itself claims that its own guidelines and due diligence assessments intended to identify, prevent and mitigate risk do not apply to companies it does not control. For the same reason, Bolloré has not helped to shed light on the case and has not commented on the Council's draft recommendation other than to state that the company is a minority shareholder in Socfin.

Cie de l'Odét has controlling ownership in Bolloré. In line with previous recommendations, the Council on Ethics takes the view that parent companies are accountable for the actions of those subsidiaries. Furthermore, the Council considers that Bolloré, through its shareholdings, is contributing to the human rights abuses for which Socapalm is directly responsible. Bolloré's assertion that it has no influence over how the plantations are run and how the human rights policy is implemented, since it is a minority shareholder in Socfin, is of little significance to the Council's assessment in relation to the ethical guidelines. Nor does the Council attach any weight to Bolloré's transfer of its voting rights in Socfin to that company's largest shareholder in connection with its stock exchange delisting. What the Council finds material is that Bolloré has, and always has had, a significant shareholding in Socfin and that Bolloré's senior executives have served on the boards of Socfin and Socfinaf for more than 30 years. In the Council's view, a shareholding of 39.75 per cent in Socfin and 34.4 per cent in Socfinaf, as well as long-lasting board representation in both companies, signifies that Bolloré should have had sufficient influence to improve the situation. The lack of formal control over the plantation companies is not decisive for the Council's assessment.

In the Council's view, neither Cie de l'Odét nor Bolloré acknowledge the risk of being involved in serious human rights abuses at its plantations. The Council finds no indications that Bolloré is in this case complying with its human rights policy, which is based, inter alia, on the UN Guiding Principles on Business and Human Rights, since it will not use its influence to put an end to the norm violations. This leads the Council to conclude that there is an unacceptable risk that Cie de l'Odét and Bolloré will continue to contribute to serious and systematic human rights abuses in the future.

6 Recommendation

The Council on Ethics recommends that the companies Compagnie de l'Odet SE and Bolloré SE be excluded from the GPFG.

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