

SOCFIN 2020 ANNUAL MEMBERSHIP REPORT

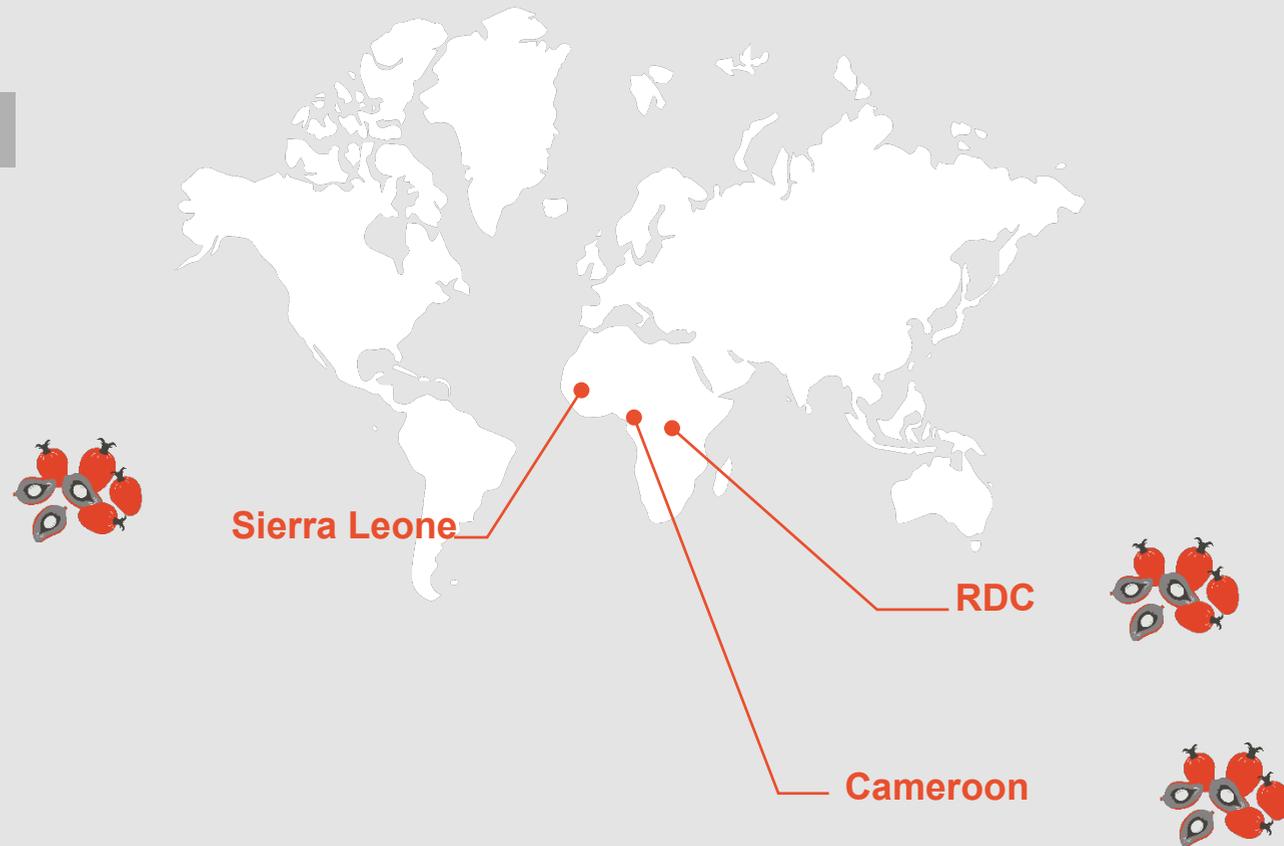
Our work with Socfin in Africa

Socfin committed to its Responsible Management Policy in March 2017 and became an Earthworm Foundation (EF) member in April 2017. The EF-SOCFIN partnership involves conducting field visits to Socfin's operations across Africa to support the implementation of the group's Responsible Management Policy, as well as working with the headquarters to support on global policy implementation. This report summarizes EF's activities undertaken in 2020 to both follow up on multi-year action plans in specific Socfin sites, and support new sites to fully implement Socfin policies.

Socfin has operations in eight countries in Africa : São Tomé and Príncipe, Democratic Republic of Congo, Liberia, Nigeria, Ghana, Sierra Leone, Cameroon, and the Ivory Coast.

Although we were able to visit several sites in 2020, COVID-19 restrictions required us to conduct some activities remotely through calls with General Managers and the sustainability team to review action plans and grievance registers. We were also unable to complete a planned visit to Liberia.

Countries visited in 2020



Global impact in 2020: Socfin and Earthworm



3 countries

Engaging Socfin team of three countries through field visits to Cameroon, Sierra Leone, and DR Congo.



Working Conditions & Social Infrastructure

434 new worker housing units constructed.
721 worker housing units renovated.
5% increase in potable water access points.



4 plantations and 4 mills

Engaging teams of 4 plantations and 4 mills. Today all of them have action plans in place for the implementation of Socfin's Responsible Management Policy.



Forests

Socfin manages 37,147 ha of High Conservation Value areas spread across its operations.
Total global planted area: 192,495 ha.
In 2020, Socfin committed to a restoration project covering 1,568 ha of degraded forest in Cameroon in collaboration with EF and the Cameroonian National Forestry School.



2 CSE Students

Two students trained as Social Practitioners in a course at Earthworm's Centre of Social Excellence (CSE), funded by aid from the UK government. In 2021 they will complete internships in Socfin operations in SOCAPALM Kienké (Cameroon) and LAC (Liberia) with the objective of strengthening the sustainability teams there.



2020 Key Activities: Action Plan Implementation

- EF conducted two visits of 5 days each in 2020, one in July for SOCAPALM Mbongo and the second one in August for SOCAPALM Mbambou. Activities completed during those visits include:
 - Evaluation of the level of implementation of the sustainability action plans
 - Assessment of the implementation of responsible management procedures developed for RSPO certification
 - Organization of a brainstorming session on the strategy for engaging stakeholders
 - Consultations with local communities and civil society organisations
- In October 2020, EF carried out the review and the analysis of internal and external grievance registers of three plantations: Kienké, Edea and Dibombari.



Cameroon/SOCAPALM
34,700 hectares oil palm planted
5,197 employees (direct & indirect)



Brainstorming session on the strategy for engaging stakeholders



2020 Key Activities: Stakeholder Engagement

- EF facilitated a meeting in September 2020 between SOCAPALM and the national representation of Cameroonian NGO SYNAPARCAM, which advocates for smallholders and community members. This meeting was the result of a request initiated by SYNAPARCAM.
- EF also engaged directly with the national representation of SYNAPARCAM in October 2020 to further discuss their feedback on the progress of the relationship with SOCAPALM.
- These meetings have not resulted in a change in the dynamic between the two parties.
- SOCFIN should continue to maintain an open dialogue with all stakeholders. EF recommends that SOCAPALM adopt and implement a robust stakeholder engagement strategy to improve trust and communication channels.



Cameroon/SOCAPALM



Meeting between SOCAPALM and the national representation of SYNAPARCAM

Key Activities: Concession Boundaries

In 2020 EF supported SOCAPALM's Kienké site to clarify the boundaries of its concession and to complete the retrocession process of land to communities. This process is on-track and expected to conclude in 2021.

Key 2020 activities included :

- A tripartite meeting with the Divisional Officer, the chiefs of riparian communities and SOCAPALM top management
- Bipartite meetings between SOCAPALM Kienké and the chiefs of riparian communities
- Working session between EF and BACUDA, a local NGO that works with indigenous people. The session covered the following topics:
 1. BACUDA's activities to support Indigenous Peoples including Bagyeli pygmy communities, especially those living in the SOCAPALM Kienké concession
 2. Challenges faced by the Bagyeli communities and identification of areas for improvement
- Throughout the year: consultations with riparian communities, CSOs, NGOs and Indigenous Peoples to get their feedback on the ongoing retrocession process in order to identify strengths and opportunities for improvement.



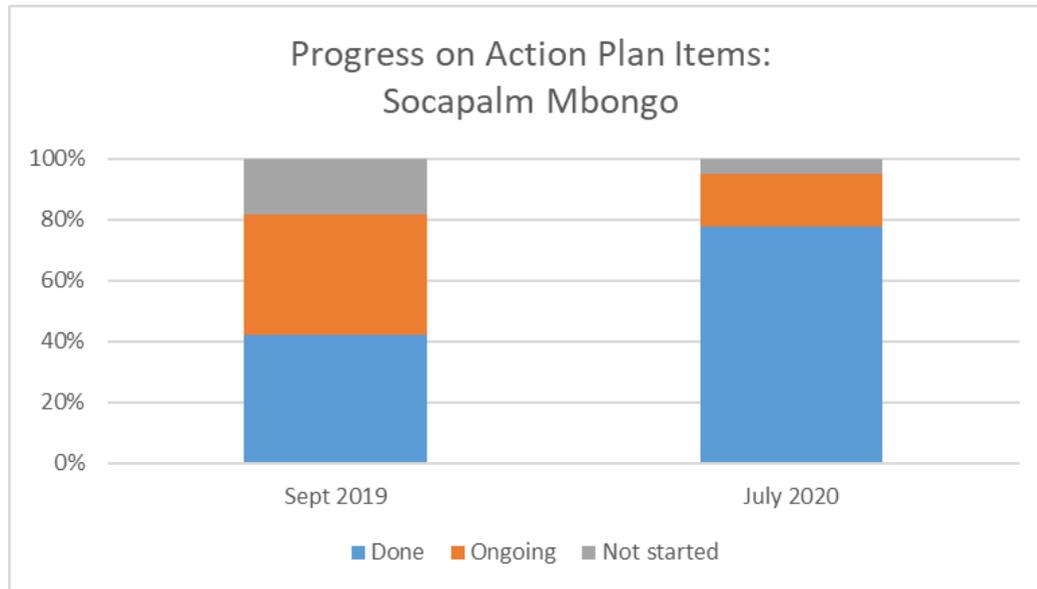
Bipartite meetings between SOCAPALM Kienké and the chiefs of riparian communities



Cameroon/SOCAPALM



SOCAPALM Mbongo: Progress in implementation of the Action Plan related to SOCFIN's Responsible Management Policy



In Mbongo, action items regarding internal operations, stakeholder engagement, and management of environmental impacts are advancing well. Progress was made on the physical demarcation and monitoring of buffer zones, improving waste management from worker housing, and the registration and processing of grievances

The formalisation of the general strategy for the involvement of smallholders in policy implementation had not started by the time of our visit in July 2020, but is planned for 2021. This will include, for instance, identifying roles and responsibilities of each party in the supervision, transport and purchase of palm fresh fruit bunches and maintenance of road infrastructure.



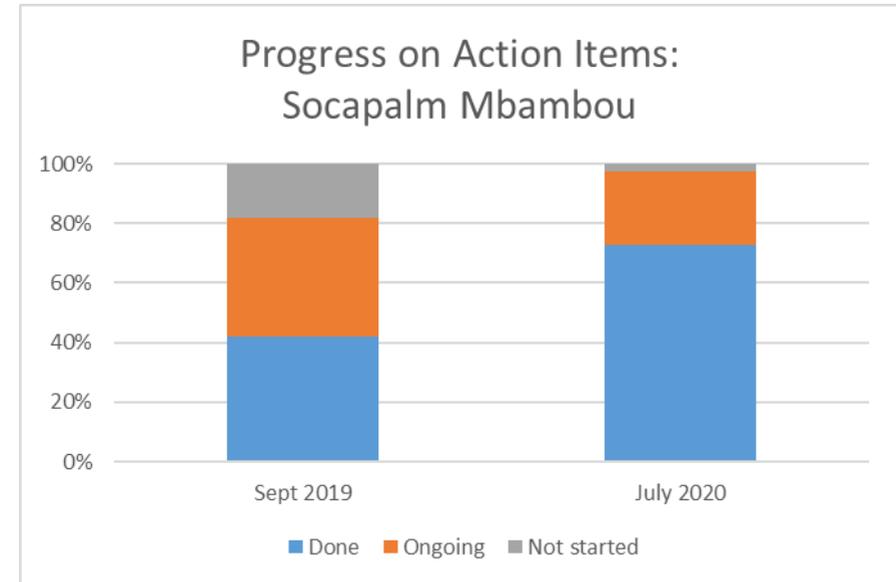


SOCAPALM Mbambou: Progress in implementation of the Action Plan related to SOCFIN's Responsible Management Policy

In Mbambou, significant progress was made globally in 2020 on operational practices related to social issues, but more rigorous management of subcontractors needs to be put in place to ensure compliance with Socfin's policies.

The demarcation of concession limits is not yet completed. The land survey was completed by a team from the Division service of state property survey and land tenure. However, the stages following the survey visit report (validation of the maps, negotiation with communities, etc.) were not yet done by August 2020. It should be noted that communities state that they do not have a clear idea of the progress of the process that the company is carrying out.

The identification, GPS mapping of farms, and registering of smallholder concerns is still ongoing. Once this has been completed, EF will support Socfin to develop a formal policy for smallholder responsibilities regarding implementation of sustainable practices, as well as formalizing contractual relationships.



Cornerstone and signage showing limits of the company's concession, maintained by the company.



Key 2020 achievements

- EF-facilitated meeting between SOCAPALM and the national representation of SYNAPARCAM, ensuring that inputs from critical parties are also received.
- Validation during a tripartite meeting (government, community, and Socfin) of the map of Socapalm's Kienké concession produced by the Divisional service of property survey and land tenure.
- Draft of a memorandum of understanding between SOCAPALM and the chiefs of riparian communities in Kienké, to clarify the amount of land to be retroceded and also to make suggestions to the State for the utilization of the retroceded land. In August, 2020, this memorandum was signed by SOCAPALM Kienké and the chiefs of riparian communities.
- Collaboration between SOCAPALM Kienké and the indigenous peoples' organization BACUDA, to help the company to ensure that rights of indigenous peoples are respected during the retrocession process and in all SOCAPALM Kienké operations.
- Renovation and construction of workers' accommodation is progressing.
- Development of the stakeholder engagement strategy document for SOCAPALM Mbongo and Mbambou.
- With aid from the UK government, young graduates were selected and trained as social practitioners in EF's Centre of Social Excellence in Cameroon, to be placed as interns to strengthen and support Socfin sustainability teams in 2021.



Workers' accommodation in Kienké



SOCFIN key achievements
in Cameroon / SOCAPALM



SOCAPALM, Cameroon

1. Good progress has been achieved by SOCAPALM on worker housing improvements and demarcation of the concession boundaries.
2. EF recommends that each SOCFIN site develop and implement a stakeholder engagement strategy to ensure consistent communication and follow-up. We also suggest that SOCAPALM hold an Open Day to socialize Socfin's responsible management policies with stakeholders, present progress and challenges, and create a framework for constructive exchange among SOCAPALM and local stakeholders
3. There is a need for SOCAPALM to review and to strengthen its grievance management system to ensure improved recording and follow up.
4. In the context of the preparation of RSPO certification by SOCAPALM, there is a need to foster a deeper understanding on the principles and criteria of RSPO within senior and middle management.
5. It is critical to strengthen the monitoring system of subcontractors regarding compliance with legal requirements and the SOCFIN Group's Responsible Management Policy (regular training and awareness-raising, audits/inspections of activities, etc.)
6. Given the important numbers of subcontractors and smallholders involved in SOCAPALM production and supply chains, we encourage SOCAPALM to develop a Child Labor Monitoring and Remediation System.

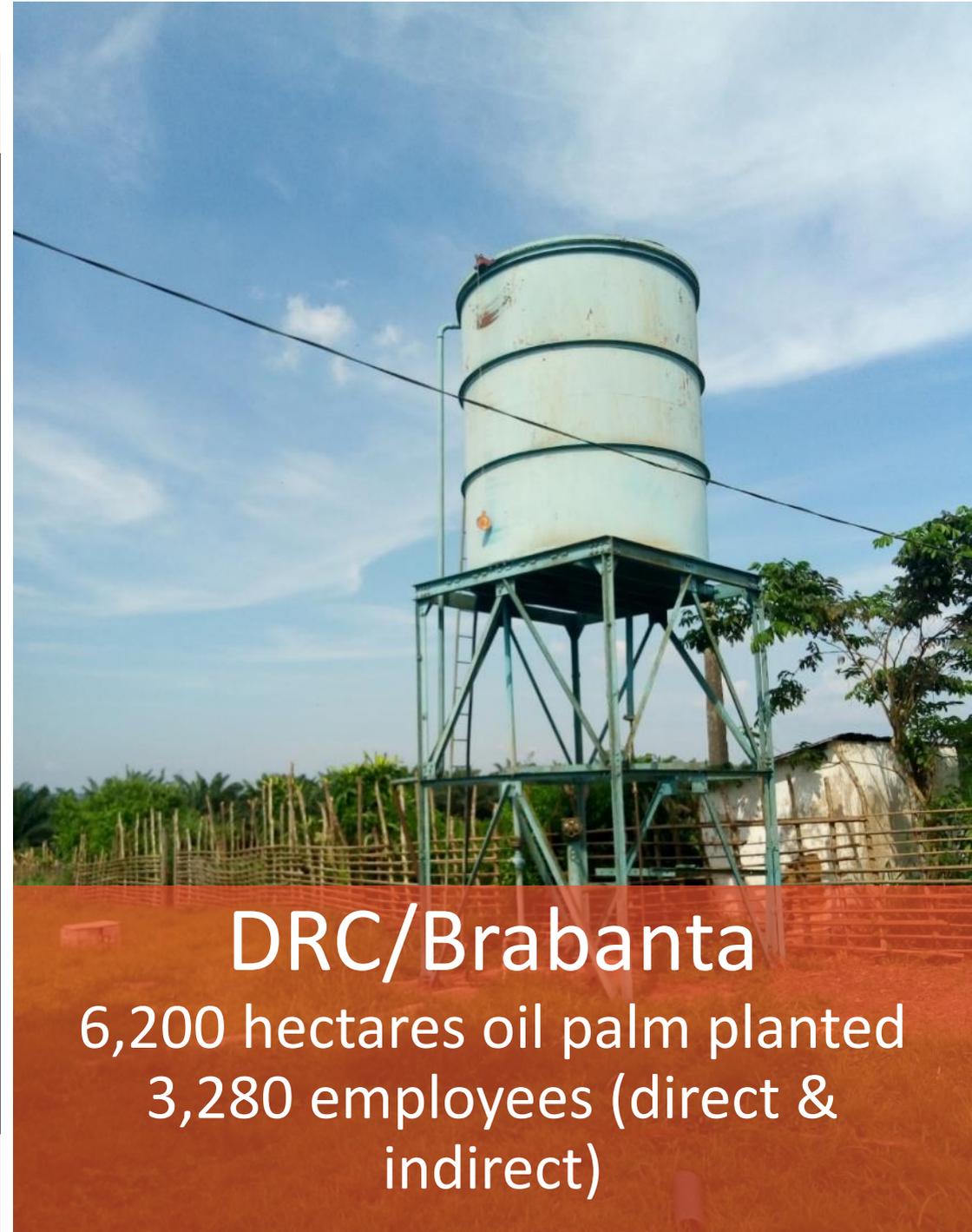


Key 2020 Activities in Brabanta

- In October 2020, EF conducted a 6-day field visit of Socfin's Brabanta operations, to follow up on 2019 Action Plan recommendations. During that visit the following activities were conducted:
 - Assessment of the level of implementation of the action plan
 - Assessment of the level of ownership and implementation of responsible management procedures
 - Organization of a brainstorming session on the stakeholder engagement strategy and identify areas for improvement
 - Training on proactive conflict management
 - Meeting with some riparian communities



Brainstorming session on the stakeholder engagement strategy



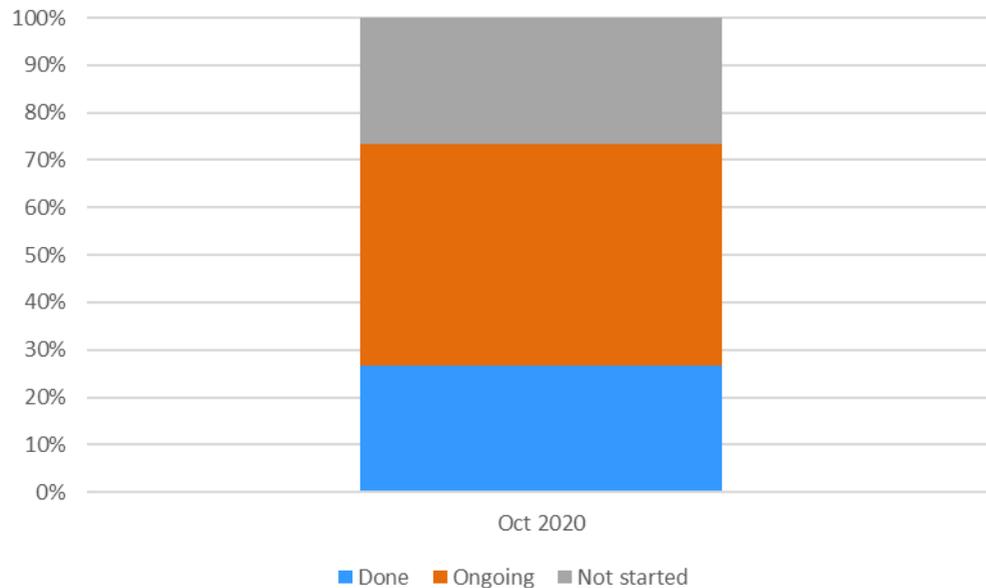
DRC/Brabanta

6,200 hectares oil palm planted
3,280 employees (direct & indirect)



Brabanta: Progress in implementation of the Action Plan related to SOCFIN's Responsible Management Policy

Progress on Action Plan Items:
Brabanta



Worker housing remains an issue. Although construction projects are underway, policies and standard for workers accommodations must be finalised and implemented.

Health and safety at work: Good progress has been made (distribution of boots, construction of showers for chemical treatment workers, etc.), but it is important to ensure consistent quality of the equipment and infrastructure provided.

Communities/stakeholder engagement : A range of activities are regularly carried out for and with communities, including socializing Socfin's policies and grievance mechanism as well as supporting community development projects. However, formalisation of the engagement strategy and robust documentation are required.

Workers' rights: Improvements have been made in certain policies, but gaps remain which are expected to be corrected through human resource management systems in 2021. The company also needs to implement an education programme for workers on their rights as well as the responsibility of employers.



2020 Key achievements

- Management team of Brabanta trained on proactive conflict management.
- Draft of workers' accommodation policy developed and shared with Brabanta for review and validation.
- Standards regarding workers' accommodation were developed by Brabanta and then reviewed and amended by EF.
- Brainstorming session conducted on stakeholder engagement strategy.



Training session on proactive conflict management



SOCFIN key achievements in DRC/Brabanta



Brabanta, DR Congo

1. The monitoring system of subcontractors regarding compliance with legal requirements and the Responsible Management Policy needs to be strengthened, to include regular training and awareness-raising, audits/inspections of activities, etc.
2. Skills of staff representatives need to be strengthened so that they can fully play their role within the company.
3. Rehabilitation and/or construction of worker housing needs to continue, especially to ensure sufficient access to potable water.
4. Appropriate showers for workers in charge of chemical treatment need to be constructed.
5. There is a need to ensure that the wastewater retention dam that is under construction will be compliant with legal requirements and the SOCFIN Group's Responsible Management Policy on protection of water courses.



Key 2020 Activities: SAC

A field visit was conducted in SAC in December 2020, with the following objectives:

1. Understand local stakeholder perspectives on SAC operations.
2. Assess the level of ownership and implementation of responsible management procedures among SAC staff.
3. Analyze RSPO audit outcomes and identify key improvement areas and support needed.
4. Align on priorities and associated action plan for EF to support SAC.

Based on the outcomes of this visit, an Action Plan was developed for follow-up in 2021. The 2021 Annual Membership Report will include an update on how SAC is progressing on its Action Plan.



Community fish pond



Business development supported through micro finance by SAC



Sierra Leone/SAC
12,300 hectares oil palm planted
3,287 employees (direct & indirect)



SAC, Sierra Leone

1. SAC's sustainability policy implementation is mature; there is a thorough application of environmental and social commitments.
2. There is a need to develop a robust community and stakeholder engagement strategy.
3. Some community members expressed reservations about the transparency of the land survey process, specifically that no documentation shared with them during and after the process. SAC was in the process of sharing booklets detailing land compensation at the time of EF's visit. Given the number of communities within the plantation complex and the different understanding of the process, it remains critical for SAC to maintain a proactive dialogue with communities to address any concerns raised.
4. The company would benefit from having a clear understanding of future food production lands needs for a growing community, to avoid the risk of land conflicts due to competition for arable land. This could be achieved through a baseline study of all villages, including predicted population growth and land available for farming, and determining community resilience in terms of access to alternative livelihoods and income streams. SAC can then use this baseline and projections to determine future actions to support food security for neighbouring communities in the landscape.
5. The management of subcontractors needs to be improved, with special attention on working conditions including working hours, contracts, and health and safety.
6. The proactive communication system needs to be reinforced at the local, national and international levels. This should include a clear approach to developing communication pieces that get the right balance among presenting challenges, plans to tackle these and successes along the way.

2020 Achievements

In 2020, Socfin Group made significant progress on some key sustainability challenges. The decision to increase resources devoted to implementing their Responsible Management Policy has resulted in notable improvements, including a more proactive response to grievances and continued investments in worker housing. Many important changes have been driven through the process of gaining certification to the RSPO standard for palm oil.

Some challenges remain for Socfin to be able to fully realize the vision and principles laid out in its Responsible Management Policy. Nonetheless, we feel that with continued resources devoted to responsible production and continuous engagement of management at all levels, the company is well-placed to close these gaps in 2021.

2021 Key challenges

Communities' rights and stakeholder engagement

- Socfin should continue its efforts to include a broader section of the community in its engagement and outreach, to build trust among all sectors.
- There is a need to proactively share updates with stakeholders on progress being done to address allegations and grievances.

Workers' rights

- Monitor subcontractors' working conditions to ensure compliance with legal requirements and SOCFIN Group's policy for responsible management.
- Continue to improve worker's living conditions where necessary (housing, potable water, access to electricity).

Supply chain

- Develop and implement a strategy for ensuring third party suppliers comply with Socfin's sustainability policies

Collaborative management

- In many sites, there is a need to foster collaboration among different departments regarding their roles and responsibilities for responsible management, e.g. implementation of policies and procedures, record-keeping, and monitoring of actions for improvement.

“Scaling up our
efforts to meet 2021
commitments”