



## **GABON**

# **TECHNICAL FORM FOR THE PRESENTATION OF A CASE**

## **Chapter I – Details of the Case**

### **1. Organisation(s) or group(s) responsible for presenting the case**

NGO Muyissi Environnement

### **2. Name of the company and/or consortium involved**

Société de Transformation Agricole et Développement Rural (Sotrader) is a joint venture between Olam International (49%) and the Republic of Gabon (51%). Olam International's other plantation business in Gabon is Olam Palm Gabon, a joint venture with the Republic of Gabon (40%) and Olam International (60%). It also operates a rubber plantation, Gabon Special Economic Zone and fertiliser company among others.<sup>1</sup> Olam International is a food and agri-business company that supplies food ingredients, feed and fibre as well as industrial raw materials such as rubber and wood.

### **3. Place and type of operation in which events related to the accusation/case occurred**

Sotrader is a palm oil and food crop plantation company in collaboration with smallholders in the Ngounié province in Gabon. Sotrader reports it has 58,400 hectares under its control for palm oil cultivation, of which 8,623 hectares are planted and set up with infrastructure, 22,498 hectares unplanted and 27,279 hectares managed as High Conservation Value area.<sup>2</sup> Sotrader is a public private partnership in the GRAINE program, or the Gabonese Initiative for Achieving Agricultural Outcomes with Engaged Citizenry, with the objective to 'accelerate economic diversification' and to 'increase the share of agriculture in national wealth in order to guarantee greater food security and reduce youth unemployment'.<sup>3</sup> The Ndende Sotrader plantation borders the Olam Palm Gabon plantations.

## **Chapter II – Details on the Company / Consortium**

### **1. Country or countries where the company has its headquarters / main office**

Sotrader was established in Gabon as a public private partnership in the GRAINE program in 2014.

### **2. Ownership of the company's capital**

Olam International (Olam) is listed on the Singapore stock exchange. In 2014, Temasek, an Asian investment company owned by the Singapore government<sup>4</sup>, became the majority shareholder. As of end December 2019 it holds 53.6% of the shares. Other substantial shareholders are strategic investor and client Mitsubishi Corporation (Japan, 17.4%), Kewalran Chanrai Goup (established in Olam in 1989, 7%), the Olam management team (6.3%) and Orbis Group (6.9%).<sup>5</sup> Other financial institutions that hold shares and bonds as of February 2019 are from the US (Waddel and Reed financial, Vanguard, Morgan Stanley, JP Morgan Chase, Muzinich & Co)

<sup>1</sup> Olam, Annual report 2019 and <https://www.olamgroup.com/locations/west-and-central-africa/gabon.html>

<sup>2</sup> Sotrader RSPO Annual Communications On Progress 2019, <https://rspo.org/members/4125/SOTRADER-Societe-Gabonaise-De-Transformation-Agricol>

<sup>3</sup> African Development Bank, 2017, GRAINE programme support project. Appraisal report phase I. [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/GABON\\_-\\_GRAINE\\_PROG.\\_SUPPORT\\_PROJECT\\_PHASE\\_I\\_ENG.PDF](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Boards-Documents/GABON_-_GRAINE_PROG._SUPPORT_PROJECT_PHASE_I_ENG.PDF)

<sup>4</sup> <https://www.temasek.com.sg/en/who-we-are>

<sup>5</sup> <https://www.olamgroup.com/investors/company-information/shareholding-structure.html>

and France (Crédit Agricole) among others.<sup>6</sup> Norway's Government Pension Fund Global seems to have divested from Olam since 2018<sup>7</sup> and Olam no longer features in the list of its 2019 holdings.<sup>8</sup>

### 3. Country or countries in which the parent company has its operations

Olam International is a large multinational that has farming, buying, processing and sales operations in over 60 countries.<sup>9</sup>

### 4. Country of company's incorporation/registration

Olam International is listed on the Singapore exchange.

## Chapter III – General argumentation of the Case

Sotrader, which is a joint venture between the Gabonese State and Olam International, has obtained from the government a concession of 58,400 hectares in which two villages (Nanga and Ferra) are located. In 2015, when Sotrader established in these two villages to develop oil palm tree nurseries, it promised to plant these palms in other sites where Olam was already present. It was only during the public consultations that the communities were informed that it was in their villages that the oil palm plantations would be developed as part of the promotion of contract farming with smallholders, grouped together in a cooperative. This project, practically imposed by the political leaders of the region, was presented to them as an opportunity to "become rich with industrial oil palm plantations".

For communities industrial oil palm plantations were not part of their cultural life and it was difficult for them to assess the impacts. The project was unlikely to benefit them, especially as the villages would find themselves surrounded in the future by an ecosystem different from the one inherited from their ancestors. The communities feared losing their land, their way of life, and their food sovereignty.

Moreover, from the moment the plantations were developed, both communities realised that they had lost a large part of their land, about 18,000 hectares, so they demanded, through a petition supported by other national and international organisations in September 2019, that the company halt the expansion on one side of the territory not yet exploited.<sup>10</sup>

The communities addressed the petition to the administrative authorities with the help of a local organisation and an international civil society network against the expansion of monocultures, particularly oil palm.

At the national level, there is a violation of the Constitution with the violation of the right to property, violation of the rural domain and that of customary use rights recognised in Gabon's Forest Code. The country is a signatory to the UN Declaration on the Rights of Peasants and Other People Working in Rural Areas.

## Chapter IV – Impacts: Violations of people's rights and destruction of the environment

The impact on the places where the accusation is made<sup>11</sup>: The communities feel alienated in their own territories as Olam has been asking for several years that people get a permit issued by the company in order to enter the concessions. Many villagers complain that they still do not have this permit and therefore cannot access their own territory.

<sup>6</sup> Forests & Finance database, updated in March 2019 by Profundo, data without segment adjusters and derived from Thomson Reuters Eikon, Thomson EMAXX and corporate information.

<sup>7</sup> <https://news.mongabay.com/2019/03/norway-divests-from-plantation-companies-linked-to-deforestation/>

<sup>8</sup> <https://www.nbim.no/en/the-fund/holdings/holdings-as-at-31.12.2018/?fullsize=true>

<sup>9</sup> <https://www.olamgroup.com/locations.html>

<sup>10</sup> <https://wrm.org.uy/actions-and-campaigns/help-stop-the-advance-of-oil-palm-plantations-in-gabon/>, accessed 25 March 2020

<sup>11</sup> This information is derived from: WRM et Muiyssi Environnement (February 2020) Communities facing zero deforestation pledges: the case of Olam in Gabon

And those who do obtain a permit complain that they can no longer continue their activities on their territory during Olam's working hours (between 8:00 a.m. and 4:00 p.m.), including not being able to fish in the few remaining lakes. According to a woman from the village of Nanga, women without a permit can only fish on Sundays in the remaining lakes around Massounga, Mikanzou, Tsassaou, and Moulalambé. Only licensed villagers could access these lakes during the week, but only outside of company working hours. Restrictions on fishing and hunting affect people's identity.

Another problem was described by the villagers of Ferra. They complained that the company had dug ditches, called "drains," around its plantations, supposedly to prevent elephants from entering and destroying them. But villagers are also unable to cross the drains as they are dug at depths of 3 to 4 meters, and accidents involving people and animals have been reported. By digging these drains, Olam is violating the freedom of movement of the villagers, as well as their right to use traditional trails throughout their territory. The drains restrict the right of villagers to fish, hunt, harvest food, materials, and medicinal products, and even to grow their own food, while denying them the right to visit sacred sites in the forests.

As a result, to access their territory the villagers are obliged to use the only available road: the one that crosses the Olam plantations. On this road there is a checkpoint guarded by Olam guards, who only let people through if they have a permit issued by the company. The guards also search people's bags. According to one villager: "If an Olam security officer finds you in possession of game or fish, they will seize the meat or chase us away from where we are fishing".

Fishing is a traditional activity of women in the region. However, it has become much more difficult for the women of the communities involved in Olam activities to fish in the rivers and small lakes locally called "marigots".

The way Olam has established its oil palm plantation blocks has also had a negative impact on women's fishing activities, as the company completely disregards the geography of the region's basins. The flow of water into the basins has been obstructed and many of them have been filled, which in practice has had a serious negative impact on rivers and lakes. The women of the Nanga village, located between the Sotrader and Olam Palm Gabon concessions, were in one of the worst situations described. According to one villager, most of their lakes are now "inaccessible".

Women in the region also complain about water pollution caused by runoff of chemicals such as fertilisers and other toxic plant protection products, as well as by plantation workers defecating in small lakes where women traditionally fish. And according to villagers in Nanga and Ferra, "most of the rivers and lakes we used to use have been filled as the plantations advance, and the ones we have left have a problem: when we bathe with this water, our bodies start to itch".

Pollution of the lakes forces women to travel long distances to find drinking water. To make matters worse, the company is now considering irrigating its plantations because of the increasingly long periods of drought affecting the region. In the village of Bemboudie, women complain that Olam wants to set up irrigation reservoirs for its plantations along the Ovigui River, which runs through a dozen villages. For the women of the region, this is the only river they can still use to go fishing.

Hunting in the forests and savannahs and visiting sacred sites within the plantations have also become difficult. Women in Mboukou said many of these activities had to be conducted clandestinely because if they were stopped by security agents, the animals they had hunted would be confiscated. Villagers are also dissatisfied with the fact that Olam does not seem to distinguish between villagers and outsiders to the area, especially workers who do not belong to the local communities. Many villagers complain about plantation workers who enter the forests to hunt in areas belonging to the communities without their permission. These hunting restrictions violate not only the legal rights of community members, but also a clause in the social contracts signed between Olam and the villagers. In these contracts, the company assured the villagers that they would be able to hunt and fish freely for subsistence purposes on their territories.

Deforestation threatens food sovereignty. The "zero deforestation" commitment adopted by Olam in 2017<sup>12</sup> has not compensated for the deep ecological and social damage caused by the company's destruction of thousands of hectares of forests in the Ngounié province since 2012.

To date, in Plots 1 and 2, Olam has already destroyed most of the forests. This destruction continues to have a serious impact on communities and their livelihoods.

A woman from the village of Mboukou, one of the most affected communities, explained how, by taking control of fertile community land and by its destruction, Olam had deprived them of the land necessary for their subsistence: "All the forest was destroyed; they built their livelihood base in our forest and destroyed our land."

For Olam, on the other hand, deforestation has been very lucrative. Given the size of its concessions, the amount of conversion wood cut in future plantation areas has been enormous. No information is available on the benefits obtained from this conversion wood. The villagers stated that the company had promised part of the profit from the sale of this wood to their communities. In the village of Kanana, people complained about waiting for the promise to be fulfilled.

The impacts caused by the destruction of the forest and the subsequent establishment of large-scale oil palm monocultures are numerous and serious:

1. The destruction of areas where villagers used to harvest foodstuffs such as fruits and medicinal plants;
2. A profound ecological imbalance, including the fragmentation of wildlife habitats and the destruction of water points; this has created a huge problem with elephants and other animals regularly roaming the communities in search of food; villagers have also observed a significant increase in the population of flies, as well as other insects and reptiles, including snakes;
3. The destruction of fertile fields for food production in forests and savannahs that are now covered with monoculture oil palm;
4. The use of chemicals, fertilisers and pesticides on plantations, which contaminate the region's soils, rivers and lakes;
5. The water needs of the plantations - this situation has been aggravated by the irrigation program planned by Olam to ensure year-round water availability for the plantation areas, exposing the communities to an even greater risk of water scarcity.

A university article on the destructive effects of intensive logging of Olam in areas transformed into oil palm plantations explains: "Logging contributes to the opening of passages that facilitate the approach of elephants to the villages. Also, logging is the first cause of destruction of natural habitats through the cutting of plant species. The elephant, for example, which is the first animal involved in conflicts linked to the destruction of crops in the fields in Gabon, has a dense and diversified diet." An elephant reportedly consumes between 150 and 180kg of food per day in the dry season and between 200 and 260kg in the rainy season. Thus, the search for food may be one of the main causes of their migration to villages when their natural habitat is destroyed by logging. "The presence of elephants in some villages in this province [Ngounié] is connected to the creation of Olam Palm oil palm plantations."<sup>13</sup>

The human-wildlife conflict has increased and the Ministry of Water and Forests, which is in charge of these conflicts, is understaffed and has a limited budget. Villagers complain that they even have to pay for transportation costs themselves if they ask the agency's staff to report a situation when wild animals have damaged their crops. In 2017, with 317 complaints, Ngounié province received the highest number of complaints related to elephant threats to crops, with Haut-Ogooué province next in line with 247 complaints.

In the villages most affected by Olam plantations, the only way to produce food is to set up small plots of land around the villagers' homes. The soil in these plots is generally much less fertile than in the farms used before Olam took control and transformed them into oil palm plantations. The women of Kanana and Sanga complain that the quality of the food they produce is declining and that some crops taste bitter and others tasteless. In addition, if and when the crops ripen, the harvested products rot more quickly. Women attribute this to soil pollution. Elephants, porcupines, monkeys and other animals are also ravaging their fields and there is nothing they can do about it.

<sup>12</sup> <https://www.olamgroup.com/content/dam/olamgroup/sustainability/policies-codes-and-standards/palm-policy/palm-policy-pdfs/sustainable-palm-policy-jan-2019.pdf>

<sup>13</sup> Dr. MOUKAGNI Léa-Larissa (2019) L'Impact de la conservation sur les communautés rurales dans la province de la Ngounié au Gabon.

A villager from Boungounga described the situation this way: "We don't have any more space to plant so we plant near our huts because of the elephants that devastate everything when we try to do it in the forests we have left. So we decided to do them near our houses, but for some time now we have been victims of these elephants that come behind our houses to feed themselves and we even fear for our safety and that of our children."

Even in the village of Lambaréné-Kill, where women still practice traditional agriculture, people are suffering from the invasion of elephants and the destruction of their farms. This has forced them to watch over their farms day and night, which is both exhausting and discouraging. Some prefer to abandon food production altogether under such dangerous conditions, while wondering what other options they might have for survival.

This problem jeopardises the food security and food sovereignty of populations and increasingly impoverishes communities. In order to feed their families, women are often forced to buy food, provided they have found work that provides them with a monetary income.

In order to avoid deforestation, plantations are spreading in savannah areas. The communities visited during our field trips did not report any significant destruction of forest areas by Olam around their villages since the company had committed itself to zero deforestation in 2017. However, they explained that Olam had continued the destruction of savannah areas in Plot 3 and Plot Sotrader and that this was also threatening their livelihoods.

Researcher Boussou Bouassa G. in his PhD, revealed the importance of the savannahs in the provinces of Ngounié and Nyanga. His information on soil formation mentions two particularly relevant aspects: firstly, soil is an important water reservoir during the dry season and it reinforces natural vegetation. Second, good moisture conservation allows the rapid regrowth of grasslands. In addition, the diversity of these savannahs is important for wildlife, such as buffalo.

As far as the communities are concerned, women in particular have traditionally used the savannah, where they can find and produce food, and there are also trees that grow only in this savannah. Now that Olam's no-burning policy prohibits burning the savannah, villagers say that it also puts their mushroom harvest at risk, as traditional controlled burning ensures a good mushroom harvest. The women in the village of Doubou explained that the extra income from mushroom harvest was very important to their household and allowed them, for example, to buy school supplies for their children. But now that Olam's activities have expanded into savannah areas this source of income has been lost.

Olam International was found to have cleared over 19,000 hectares of forest in the Kango (Awala) and Mouila plantations it manages as Olam Palm Gabon between 2012 and 2016. These areas contained primary forest with important biodiversity and community use as well as other mature forest that held massive carbon stocks.<sup>14</sup>

### **In the impacts mentioned above, what was the involvement of the company?**

The multinational company tries to carry out social actions stemming from the contracts established with the communities by also setting up a number of consultation and communication procedures, management and settlement of disputes and conflicts as well as negotiation with the local communities through a social communication service.

Unfortunately from an environmental point of view, despite some mitigation measures, especially regarding possible pollution, the communities have not been satisfied because the ponds are still obstructed, hunting, fishing and harvesting challenges persist, the human/wildlife conflict is growing and the lack of land to cultivate remains a concern for all of the communities that are victims of land grabbing.

---

<sup>14</sup> Might Earth, 2016, Palm Oil's Black Box. [http://www.mightyearth.org/wp-content/uploads/2016/07/Olam-technical-report\\_Dec-9-with-images\\_lowres1-002.pdf](http://www.mightyearth.org/wp-content/uploads/2016/07/Olam-technical-report_Dec-9-with-images_lowres1-002.pdf)

### Who has been primarily or differently affected by the activities of the business?

Communities have been directly affected.

### What strategies has the company used to legitimise its actions or suppress resistance?

The strategy of the multinational company was first to obtain the agreement and support of high-level government officials by emphasising the development factor based in the case of Gabon on the diversification of its economy, which was long dependent on oil. This support was extended to the local elites and a few trusted individuals from the various communities. In the villages, the multinational did everything possible to convince the community leaders (command auxiliaries) accused of selling the land. After acquiring the lands, the company made several promises in connection to jobs, improved roads, schools, health facilities and even housing.

Later, the company launched public consultations through private consulting firms to give the impression of free, prior and informed consent. In this way it was able to obtain signatures from communities. To expand its plantations, the company promised to improve food security with the GRAIN Program, a program in which it would promote contract farming with smallholders, presenting them as an opportunity to “get rich with industrial oil palm plantations”.

The other strategy is to use a partnership with conservation NGOs and RSPO labels to create a ‘green’ image.<sup>15</sup> During and after conducting deforestation at large scale in Gabon, the company turned towards willing certification schemes and civil society to increase the greenwashing of its operations using RSPO certification as well as new ‘commitments’ and sustainability policies.<sup>16</sup> Massive deforestation was ongoing when Sotrader became an RSPO member in 2015<sup>17</sup> and did not prevent Oil Palm Gabon from certifying its plantations.<sup>18</sup>

## Chapter V – Resistance Strategies: Local and National Level

### What resistance strategies have social organisations and affected communities adopted in the place of business?

At the beginning of Olam’s establishment process in the province of Ngounié, organisations like Brainforest committed themselves to denouncing the lack of transparency in the agreements between the multinational company and the State, the land insecurity to which the rural communities were exposed, and the absence of legal frameworks in the area of industrial agriculture. The communities did not protest because they were victims of influence peddling, threats, and intimidation by the political-administrative authorities. They were told that this is a project of the President of the Republic and therefore it could not be challenged.

In the north of the country, a member of parliament was categorically opposed to the rubber plantation project in his locality, and to this day he is in prison. Due to a complaint by the organisations Brainforest and Mighty Earth against Olam to the FSC at the end of 2016, Olam stopped logging after destroying more than 19,000 hectares of forest in the Mouila and Awala plantations.<sup>19</sup>

With regard to Plot/Sotrader, the communities of Nanga and Ferra villages launched a petition in September 2019 in which they asked Sotrader/Olam to stop planting on a part of the concession still undeveloped because of the negative consequences already observed on the planted areas. A march was organised in the commune of Ndendé and the petition was officially handed over to the prefect of the locality where Sotrader has its headquarters in the province. This petition was launched with the support of the NGO Muyissi Environnement and the International Alliance on Monocultures supported by organisations such as GRAIN, WRM, RADD and SEFE. Rainforest Rescue also launched the petition at the international level.<sup>20</sup> Muyissi Environnement and WRM published a report on the impacts of Olam’s commitment to zero deforestation on the communities.<sup>21</sup> In recent years, committees such as the Women’s Committee have been setting up with the support of national and international organisations to strengthen their capacities, claim their rights or denounce the abuses against them.

<sup>15</sup> Sotrader, 2020, RSPO Annual Communications On Progress 2019. <http://bmi-sbl.be/nl/references.html>

<sup>16</sup> <https://www.olamgroup.com/content/dam/olamgroup/sustainability/policies-codes-and-standards/palm-policy/palm-policy-pdfs/sustainable-palm-policy-jan-2019.pdf>, accessed 25 March 2020

<sup>17</sup> <https://rspo.org/members/4125/SOTRADER-Societe-Gabonaise-De-Transformation-Agricol>

<sup>18</sup> <https://www.rspo.org/members/754>, accessed 25 March 2020 & <https://www.olamgroup.com/news/all-news/press-release/olam-achieves-rspo-certification-for-its-fourth-palm-plantation.html>

<sup>19</sup> <http://www.mightyearth.org/olam-and-mighty-earth-agree-to-collaborate/>

<sup>20</sup> <https://www.rainforest-rescue.org/petitions/1195/stop-the-advance-of-oil-palm-plantations-in-gabon>

<sup>21</sup> WRM et Muyissi Environnement, February 2020, Communities facing zero deforestation pledges: the case of Olam in Gabon

### **Has a case been presented to a local, national or international court?**

No cases have been presented before national or international tribunals, however, for some time now communities have been demanding the return of part of the land currently occupied by the multinational company.

### **Is there any evidence of corporate influence and control that has played a role against the interests of those affected? How would you describe the company's relationship with local / national government?**

Present in Gabon since 1999, Olam, which was essentially involved in the logging and the timber industry, multiplied its investments with the arrival of the new President of the Republic in 2009 to the point of appearing to be the main investor in Gabon. Its investment portfolio consists of Olam Rubber Gabon, Gabon Advance, an essential partner of the Gabon Fertilizer Company project alongside Tata Chemicals and the Gabonese State. Olam leads the Awala Palm Ore (Estuary Province) of Plot1/Mouila, Plot2/Mandji, Plot3/Moutassou and the Plot/Sotrader oil palm component of Ndendé (Ngounié Province), the Heveaculture project in Bitam/Minvoul (Woleu-Ntem province), the Mandji free zone project in Port-Gentil (Ogooué Maritime province) and the Ngok Economic Zone (Estuary province). Concretely, Olam states that its various activities in Gabon are carried out through joint ventures associating Olam International with the Gabonese State.<sup>22</sup> The relations are so close with the Presidency of the Republic that it is widely assumed that Olam enjoys privileges.

### **Has the company filed a complaint against the government - using ISDS (Investor-State Dispute Resolution System) or other dispute resolution mechanisms, with ICSID and other tribunals - what was the result?**

There has never been such a complaint by Olam against the Gabonese state.

### **Has the company filed a complaint or taken other action against a community organisation or community activists?**

Olam has not lodged a complaint against communities, but it has filed a complaint against a local resident for illegal logging in their concession, an area of community activity that has been declared HVC since Olam's installation. In 2019, the community member was convicted and given a conditional three-month sentence by the court and payment of a fine of CFA100,000 and was ordered to pay CFA150,000 in damages.

### **What are the main obstacles to access to justice for affected communities?**

The main challenges are: intimidation and threats against communities by administrative, political and even judicial authorities. There is also corruption in the administration. While the possibility of a successful prosecution of Olam is very low, at least this is now part of the collective consciousness of the communities.

## **Chapter VI – Global context: Policies, player, states and institutions and national/international frameworks relevant to the case**

### **1. What official international instruments and / or international declarations are ignored or violated by the accused company?**

African Charter on Human and Peoples' Rights; UN Universal Declaration of Human Rights; ILO Convention 169 on Indigenous and Tribal Peoples; UN Declaration on the Rights of Indigenous Peoples.

### **2. What are the national and international institutions that facilitate the entry and operation of this company / consortium?**

In Gabon, the Presidency of the Republic, the Government with the Ministries of Economy, Agriculture and also some civil society organisations.

At the international level there are institutions such as the FAO, the World Bank through the International Finance Corporation (IFC), the African Development Bank (AfDB).

<sup>22</sup> <https://www.olamgroup.com/locations/west-and-central-africa/gabon.html>

### **3. Has the company's entry to the country been facilitated by the policies of international financial institutions?**

Yes, the policies of financial institutions such as the World Bank, the International Finance Corporation (IFC), and the African Development Bank have facilitated Olam's establishment. Ecobank Capital, the investment banking arm of Ecobank, announced in July 2012 that it has raised the sum of USD228 million required to close the first tranche of a loan syndication on behalf of Olam Palm Gabon. Ecobank Capital was the lead arranger, with two co-arranging banks (Afreximbank and BGFI Bank Gabon). The Central African Development Bank participated as a lender.<sup>23</sup> This connects the development of the plantations to the World Bank, since Ecobank is an IFC financial intermediary in Africa.<sup>24</sup>

The African Development Bank has been instrumental in the expansion and development of the Sotrader plantation. Sotrader requested up to USD100 million through the private sector window in 2016. GRAINE receives program support of a total of EUR115,984 million, with 85% AfDB and 15% Government financing from 2018 – 2023.<sup>25</sup>

### **4. What mechanisms or instruments have these financial institutions used to facilitate the entry of the company?**

The African Development Bank has provided loans (state financing for activities benefiting Olam) The International Finance Corporation has carried out consultations.

### **5. If it is a transnational corporation, what has the position of the government of the corporation's home country been? Has it facilitated the entry to the country where it is denounced?**

It is obvious that Singapore has supported Olam International's work in Gabon because the majority shareholder is Temasek, the sovereign wealth fund of the Singaporean government.

### **6. In the place where the company is reported, have the national and local authorities favoured the company by making changes to the legislation? Are these changes related to the impunity with which the company acts? What was the position of the national government in this conflict?**

Moreover, in its document on the "Living landscapes policy", Olam underlines that it supports the policy of development of "sustainable palm oil". This policy only requires the protection of High Conservation Value (HCV) and High Carbon Stock (HSC) forests. This means that the remaining forest areas, which the consultants hired by the company consider to be over-exploited or degraded forests, may be destroyed. According to WRM, the Gabonese government in 2018 announced the change of the forest definition for the country, a risky exercise that might redefine current forest areas that have to be preserved or regenerated into areas up for clearance. This seems to play into the hands of multinationals like Olam with zero-deforestation policies.<sup>26</sup>

### **7. What role do the shareholders / majority owners play in the company? What is the relationship between the vaccinated company and the government of the country in question?**

The shareholders (Gabonese State and Olam) have decided to increase the industrial oil palm plantations and become number one in Africa. The relationship is very close.

### **8. Does the company receive public or private funds? From whom?**

Sotrader (in which the State is the majority shareholder with 51% of the shares) receives both public and private funding. Important financial institutions that have credit relationships with Olam (bonds and underwriting) from 2014 – 2019 are from the UK (HSBC, Standard Chartered), US (JP Morgan Chase), Australia (ANZ, national Australia Bank, Commonwealth Bank, Westpac), Singapore (DBS), Japan (Mizuho Financial), France (BPCE Group, BNP Paribas), Germany (Commerzbank) and the Netherlands (Rabobank, ING Group, ABN), among others.<sup>27</sup>

<sup>23</sup> <https://allafrica.com/stories/201207250959.html> <sup>24</sup> <https://disclosures.ifc.org/#/enterpriseSearchResultsHome/siat>

<sup>24</sup> IDI, 2017, Unjust enrichment: How the IFC profits from landgrabbing in Africa, page 10

<sup>25</sup> African Development Bank (2017) GRAINE programme support project phase 1.

<sup>26</sup> <https://wrm.org.uy/articles-from-the-wrm-bulletin/section1/olam-palm-gabon-pretends-to-use-the-forest-definition-to-implement-its-zero-deforestation-pledge/>

<sup>27</sup> Forests & Finance database, updated in March 2019 by Profundo, data without segment adjustors and derived from Thomson Reuters, Bloomberg, Trade Finance Analytics and corporate information.

At the same time the Norwegians divested, likely because of massive deforestation in Gabon, Olam received the first ever 'sustainability' loan facility in Asia in March 2018. This was a USD500 million revolving credit linked to sustainability criteria with a three year lifespan. Dutch ING bank was the Sustainability Co-ordinator for the Facility and French BNP Paribas acted as the Facility Agent with 13 other banks involved.<sup>28</sup>

**9. Has a lobby or interest group become involved with the intention of favouring the company in the dispute?**

The lobby that supported the company is the Roundtable on Sustainable Palm Oil (RSPO).

**10. Do you know of any policies, requirements or procedures of the institution or lending institutions that are not followed?**

The AfDB, IFC, Ecobank and various private banks and pension funds that finance Olam International have forest and human rights policies on paper, but implementation is often weak. The Norwegian Global Pension Fund already divested from Olam. Some of these financiers rely on certification schemes for their due diligence, but certification schemes do not prevent or address deforestation, human rights violations and other issues. The massive deforestation by Olam in Gabon is a clear violation of the FSC Policy for the Association of Organisations with FSC, but Olam remains a member.<sup>29</sup> RSPO principles and criteria have been violated over the past years on environment, labour and other social issues, but Olam Palm Gabon and Sotrader remain members and retain or receive new certificates.<sup>30</sup>

This form is based on the "Technical Form for the Presentation of a Complaint against a Transnational Corporation", of the Permanent Peoples' Tribunal, used in the Permanent Peoples' Tribunal on Transnational Corporations in Southern Africa (Manzini - Johannesburg, 2016-18).

NB: This is an unofficial translation of the original French document

Publication date: 20.11.2020

28 Olam\_press release, 26 March 2018, Olam International secures Asia's first sustainability-linked club loan facility of US\$500.0 million

29 <https://fsc.org/en/document-centre/documents/resource/368>

30 <https://www.rspo.org/resources>