

SUSTAINABILITY REPORT

Socapalm 2012



1. Strategy and Profile

1.1 Strategy and Analysis

Sustainability is an integral part of our corporate strategy and we are convinced that productivity and efficiency go hand in hand with sustainability. We already report on the agricultural and financial performance of the Company, so reporting on our sustainability performance seems only the next logical step. Therefore, we started our first sustainability report following the Global Reporting Initiative guidelines.

Since the take-over of the Company in 2000, we have put in place several policies and procedures related to health, hygiene, education and environment. Our investments have not only targeted our own employees but also the surrounding communities. From the very beginning, SOCAPALM has been conscious of its role as a motor of development and we recognize that the communities in which we operate are an integral part of our activities. Therefore, we invested in easier access to health, education, water and better access roads. We can truly say that after 10 years of investments, there is a real visible progress on the terrain and we are proud of our achievements so far.

The last 2 years we have started working towards putting in place an Environmental Managed System. We use the ISO process approach as the framework for implementation of the RSPO standard because we are convinced that the ISO framework can help us structure our sustainability activities. Our main objective for the year 2013 is obtaining ISO 14001 certification for our estates, starting with Mbongo, Mbambou and Eséka sites.

The past year has provided many challenges but also many opportunities. 2012 marked some important achievements: a lagooning system was built at each site to treat the palm oil mill effluents, our continued partnership with DEG on social issues leads to a further improvement of our medical and educational facilities, the appointment of a Social Coordinator helps us better plan and coordinate our social activities and investments on the various sites and the development and implementation of an Environmental Management System based on ISO 14001 will further enhance our environmental performance.

1.2 Organizational profile

SOCAPALM (La Société Camerounaise de Palmeraie) is an industrial producer of palm oil in Cameroun. The Company grows oil palm on a 58 000 ha concession, of which around 32,000 is planted, and employs more than 1600 people. There are 32 villages spread over the various sites. The annual production is around 80 000 tons of crude palm oil, which is entirely sold on the local market. SOCAPALM's production represents almost 70% of the local demand in crude palm oil, making the Company the uncontested leader of Cameroun's palm oil supply.

SOCAPALM's oil palm is grown on 6 different sites with adjacent factories for palm oil extraction:

SITES	LOCALISATION	HECTARES	OIL MILL CAPACITY
Mbongo	Sanaga maritime	4290	40 T/h
Eséka	Nyong et kéllé	2601	10 T/h
Dibombari	Moungo	5930	40 T/h
Mbambou	Sanaga maritime	5785	40 T/h
Kienké	Océan	9713	40 T/h
Edéa	Sanaga maritime	3609	20 T/h
TOTAL		31928	190 T/h

SOCAPALM has its headquarters in Douala, Cameroun, and is listed on the Douala Stock Exchange. The Company was established in 1968 as a state Company and was privatized in 2000. The current shareholders' structure is as follows: Palmcam, which is retained 100% by Socfinaf, retains a controlling 65% shareholding, 14% is retained by private investors from Cameroon, and the government of Cameroon is the third largest shareholder holding an 8% interest.

1.3 Report parameters

The report and data in this report cover all SOCAPALM estates and mills as at 31 December 2012, unless otherwise stated. Its content and reporting framework was determined and modeled following the GRI guidelines on Sustainability Reporting. This is the very first Sustainability Report in its current form and the Company engages itself to publishing a yearly Sustainability Report. Since we are still beginning our reporting journey, we recognize that restatements are likely to occur in future reports. However, we believe that the overall content of this report is a fair reflection of our performance.

In case you have any comments or questions on the contents of this report, feel free to contact our head office at:

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Concerning the methodology used, we primarily used the following methods of data collection: in-house social and HSE questionnaires, checklists (waste, chemicals, HSE induction) and annual reports. We continue to develop and fine-tune a robust framework for managing and reporting Sustainable Development performance.

1.4 Governance, commitment and engagement

The Board of Directors of SOCAPALM takes an active role in guiding and formulating the sustainability strategy and recognizes this is essential to the overall success and performance of the Company. The Company's top management is convinced that the protection of the health and safety of its employees and other stakeholders, as well as the protection of the natural resources and biodiversity, are strategic to the successful development of the Company.


The Board is led by an Independent Chairman, and consists of 8 Directors. The composition of the board reflects the international nature of our business, including nationals from Belgium, France and Cameroon. The board is responsible for the general direction and performance of SOCAPALM and they formulate and monitor business strategies, oversee budgets and financial positions.

Since 2009, SOCAPALM has a dedicated sustainability team with relevant specialists to support the implementation of sustainability objectives. A team of sustainability consultants working at a Group level supports this QHSE team by performing biannual audits and site visits, giving continuous feedback and offering Group templates for data gathering and monitoring.

In general, SOCAPALM's General Manager defines, in coordination with Group level, the sustainability priorities and objectives of the Company's QHSE management. Based on feedback from the QHSE officer and monthly activity and direction committee reports, he coordinates and corrects where needed. The QHSE officer coordinates the sustainability actions on site, trains staff members on the Company's QHSE policy, performs internal audits, proposes action plans for each site...He is supported by 5 HSE assistants, one for each SOCAPALM site (Eséka excluded).

SOCAPALM's management systems are linked to international standards, such as RSPO and ISO 9001 and 14001. Moreover, we are inspired by other frameworks such as SA8000, OHSAS18001, ILO core labour conventions, the Universal Declaration of Human Rights, the GRI guidelines... Especially ISO 9001 and 14001 helps us providing a management structure, whereas RSPO principles and criteria helps us determining priority areas. As a responsible producer, we also try to address other issues of concern to stakeholders and therefore the Group put in place a Code of Conduct, addressing business ethics, an issue currently not addressed in RSPO guidelines. In order to make sure all employees understand and accept the new policy, workshops were organized explaining the policy to senior management providing real-life examples and their appropriate solutions.

When it comes to stakeholder engagement, SOCAPALM has an issue-based approach. We try to identify the problem we want to address and the role we can play, and then we look for stakeholders who can help us tackle this issue. Regular consultation



rounds with our local stakeholders (such as civil society, surrounding village heads...) are organized to identify and discuss concerns that may exist with respect to SOCAPALM's environmental, social and economic performance. Moreover, employees and other stakeholders can also make use of the grievance procedure in place.

In recent years, we have realized that serious commitment to our stakeholders depends heavily on our willingness to be transparent and accountable for our activities. Therefore, we make great efforts to increase the amount of information that is made available to our stakeholders.

2. Economic

2.1 Disclosure on management approach

SOCAPALM's overall economic strategy is one of sustainable growth through productivity increases. Increases in yields can be achieved through better management practices and rigorous replanting programmes. SOCAPALM is an old plantation so improving the optimal age of our palms and continuing our efforts to improve seed quality, will have a positive effect on the yield and consequently on oil extraction rates. We believe that land productivity can be increased by means of Research and Development and therefore we work together with several internationally recognized research institutes.

As a big employer and the leader of the domestic palm oil supply, we have a true impact on local economy and we are fully conscious of the economic responsibilities this entails. Our presence in various isolated regions produces an influx of technology in those rural communities and leads to higher regional economic development.

In recent years, we have invested substantially in SOCAPALM and we will continue to do so in years to come. 2012 marked the end of two of the Company's big investment projects: the inauguration of our new factory at Mbambou and the construction of a lagoon at each site. Besides replanting, we also continue to develop some of the remaining areas within our concession.

2.2 Economic performance indicators

Economic performance


For the financial year ending 31 December 2012, we reported a turnover of xxx. These results are partly due to ... but also reflect... Some information on the financial results for the year 2012: turnover, profit, production, prices, revenues, operating costs, payments to capital providers and governments...(figures to be added)

SOCAPALM is aware of the fact that being a responsible palm oil producer includes commitment to the reduction of GHG emissions and awareness of the issues related to climate change in general. This engagement is reflected in our strategy and entails some financial implications. Most GHG emissions from palm oil are related to land use conversion and palm oil mill effluents. Our main strategies are therefore: no planting on peat, no planting on primary forest and replanting strategies to increase yield. Future investments in methane capture of palm oil mill effluents are also necessary but we are still in the process of determining what is the best way to achieve this in our local context. However, all these investments are indispensable if we take our engagement to emissions reduction serious.

Changing weather patterns because of climate change may also pose a potential threat to any agricultural Company. For oil palm in particular, extremely dry conditions form the biggest risk. So far, SOCAPALM has not been affected by severe droughts. We have always monitored weather patterns and there are no signs of an increase in extreme weather.

Market presence

All our employees receive fair pay. Pay and conditions for employees exceed national and industry minimum standard and provide some additional discretionary income. Moreover, our wage packet includes housing, medical care, utilities as well as



some school fees and transport. Besides employing local people, we also use locally based suppliers and contractors whenever possible. Over the past years, we have also made important investments to improve the housing conditions on SOCAPALM sites. Before the privatization of SOCAPALM, little investment and ongoing maintenance had taken place. Therefore, we committed to a program of new house building and existing housing reparation. We started with the sites where the needs are most pressing due to new developments. We are aware that improvement in the housing conditions are urgent and will make continuous substantial investments in the years to come.

Indirect economic impacts

We recognize that those unemployed by SOCAPALM often do not have access to certain basic services. We therefore consider that the communities in and around our plantations are an integral part of our operations and invest heavily in strengthening basic local infrastructure, such as road networks (annual maintenance of national roads), schools, and hospitals... Our operations are generally located in remote areas where infrastructures and economic opportunities are scarce. Our presence in these formerly isolated regions and the increased accessibility of these communities lead to easier market access, higher economic activity and other spin-off activities and business opportunities. By improving access to medical and educational facilities for our employees and the surrounding communities, we contribute to poverty alleviation and amelioration of the economic situation.

SOCAPALM is also fully aware that disputes and conflicts with local communities can severely damage our license to operate, our reputation and the long-term viability of our business. Therefore, our HSE correspondents have the additional task to liaise on a regular basis with the surrounding communities to ensure that we understand and respond to their concerns.

Several community projects have been undertaken and services for public benefit have been provided in 2012. We will briefly touch on some initiatives launched in 2012. Community gardens of around 1600m² were developed in each village to help local people grow food crops and fruit trees. The seeds, equipment and technical assistance are provided by SOCAPALM. SOCAPALM also organizes awareness campaigns in the villages to educate mothers on how to feed their little ones. This to help battle malnutrition in the 0 to 5 age group and improve the eating patterns of the local population. SOCAPALM also invests in a literacy program. Research in 2010 revealed that 29% of Cameroun's youth is illiterate. Therefore, we decided to organize classes during the long school break in order to give those people a chance to improve their level of education and to convince the communities of the importance of education. Apart from summer classes, we also organize computer classes for our employees and sewing classes for women of the surrounding villages to provide them with some additional income.


3. Environmental

3.1 Disclosure on management approach

Preservation and protection of the environment is one of SOCAPALM's key priorities since 2008, when an environmental audit was performed and consequently an individual environmental management plan for each SOCAPALM site was developed. This marked the turning point: the Company launched its HSE policy and engaged a QHSE officer who reports directly to General Management.

The main challenge for SOCAPALM at the moment is obtaining ISO14001 certification for its estates, starting with Mbongo, Mbambou and Eséka sites before the end of 2013. We are strongly engaged towards achieving our goal, have set out ambitious targets and the entire team works very hard to reach them. An Environmental Management System was developed following ISO14001:2004 standard and an accompanying manual, explaining this EMS, is available for consultation to all employees.

To further underline our commitment towards managing and minimizing the impact of our activities on the environment, SOCAPALM has a written environmental policy, which is communicated to all employees (whether permanent, interim or internships) and to all suppliers and contractors. Our environmental policy and HSE requirements are transmitted to each of



them before entering into an agreement.

Whether energy and water consumption, emissions, effluents and waste or biodiversity are concerned, SOCAPALM's management approach and system is the same and consists of several steps. It starts with the identification of our quantitative and qualitative impacts on the environment, an inventory of all relevant legal requirements and the subsequent planning of our mitigating actions. An environmental action plan is set up for each calendar year, clearly mentioning objectives, deadlines, means for achieving our targets...These action plans are reviewed during the year and modified when necessary. Additionally, all potential environmental risks and accidents are identified and an action plan is developed, describing how to mitigate those potential risks and how to deal with environmental incidents. The second step is the implementation of the action plans and it consists of the development of operational procedures, training of our employees and communication of our performance to all stakeholders. Upon employment, all employees receive an HSE induction and every employee involved in activities having a potential environmental impact, is further formed and trained. After analysis of our environmental performance, the needs for specific trainings in certain domains are assessed and implemented. Operational procedures are developed for water consumption, energy consumption and waste management in order to avoid any divergence with respect to our environmental policy and objectives. The third step, monitoring, is of key importance. Monitoring and control of our environmental performance, conformity with procedures in place and achievement of set objectives, is guaranteed by internal and external audits, monthly follow-up by the H&S committees and data measurements and registration. The QHSE assistant identifies the non-conformities with an elaborate checklist: he monitors that recommendations are correctly and fully implemented, that information is correctly broadcast, that recommendations are properly understood and respected. He identifies potential problems and non-conformities. Results are discussed during bi-annual Management Meetings. This brings us to the last step in our cycle: implementation of corrective and preventive action to address a detected non-conformity. These actions will almost always involve a training component, to further form our employees and create awareness about the detected problem.

Besides ISO14001 certification, SOCAPALM identified two other priorities for 2013: systematic bi-annual analysis of the mills' smoke emissions with a corresponding action plan in case of a detected non-conformity, increased training of the employees working with chemicals to reduce the number of accidental spillages, continue with the construction of garbage bins in the villages to avoid loitering and facilitate domestic waste collection.

3.2 Environmental performance indicators

For more details on our environmental performance, we would like to refer you to Chapter 5: Data.

Materials

In line with our RSPO commitments, we are continuously striving to reduce our application of chemicals or inorganic fertilizers. This is achieved through an integrated pest management system (IPM), which tries to minimize and replace synthetic chemicals throughout our operations by opting for natural pest control methods. The objective is to keep pests below harmful levels rather than pest eradication. It includes the encouragement of birds as predators of pests and biological and other non-chemical control measures whenever available and practicable. Using the strict minimum of chemicals, reduces exposure of our operators and other potential ecological impacts and costs.

SOCAPALM still uses small amounts of chemicals that are classified 1A or 1B by WHO. Under chemicals we understand pesticides, fertilizers, fuel and all other chemicals used in our factory, workshop or garage. All chemicals are accompanied by their Material Safety Data Sheet (MSDS). Use of Paraquat, Aldicarbe, Carbofuran is reduced to its minimal level. Managers are actively seeking alternative and less harmful chemicals with the same efficiency against insects.

A procedure was written and implemented in 2012 to ensure that all chemicals are stored and handled in a safe way to prevent accidental spillage and pollution and to ensure the H&S of our workers and our environment. The QHSE officer performs regular compliance audits by means of an elaborate checklist, identifying the non-conformities and improvement opportunities.



Energy

Maximization of energy efficiency is achieved through preventive maintenance of our equipment and installations. SOCAPALM uses fibers and shells produced during the process of FFB, making the oil palm mills almost entirely self-sufficient. More than 4 300 000 kWh has been produced by the oil palm steam turbines fed by biomass. One of our sites, Edéa, also has a small bio-fuel factory producing biodiesel from local palm oil. The bio-diesel is for Company use only and is not commercialized. Consumption of energy and fuel is monitored and registered monthly.

Water

Water is used for irrigation, in the oil palm mill (steam generation) and in the employees' households. Irrigation in the nursery is carried out according to the rain gauge in order to apply 10mm/day; no systematic irrigation is conducted. Drinking water is provided to the resident population through boreholes and water pumps. The parameters issued by WHO were chosen as indicators to water quality. Samples are taken according to the law, at the various boreholes and water pumps. These samples are analyzed in registered laboratories. Water consumption at factory level is monitored and varies between 1,17 and 1,82 cubic meter/ton FFB processed, which stays below the commonly accepted benchmarks (1 to 2 m³/t processed FFB). SOCAPALM will start monitoring water consumption per sector in order to know exactly where the highest consumption takes place so that appropriate action can be taken to further reduce total consumption.


Biodiversity

New developments at SOCAPALM are rare but where we do expand, we adhere to the precautionary principle for new developments. We do not plant on peat or on land containing high conservation values (HCV). We preserve wet spots, microhabitats (steep terrain, rocky hills) and ecologically sensitive areas (riparian areas, natural protected areas). An example is the voluntary preservation of the monkey natural reserve at Kienké. HCV forests are protected following ProForest guidelines. It is also general policy to keep high trees (1 high tree/25 ha) for birds of prey and non-planted areas are kept in each concession for endemic rodents. The principle of free, prior and informed consent is implemented for all new developments.

Emissions, effluents and waste

We seek to minimize and address any immediate impact on our surrounding environment by regularly and precisely monitoring and managing our effluents and emissions. Our most significant waste source is the effluent from the palm oil mills. Since 2010, SOCAPALM has greatly invested in a lagoon system for each site, consisting of aerobic and anaerobic ponds. At the end of 2012, construction of lagoons was finalized (Dibombari being the last estate equipped with a lagooning system) and no more effluents are released in nature. All POME is now treated in those ponds to ensure that Biological Oxygen Demand (BOD) levels do not exceed the IFC standards and are safe for discharge or land applications. Regular monitoring of POME is guaranteed, reporting on the following parameters: pH, DBO₅, DCO, TSS etc. Methane capture facilities, to turn biogas emissions into energy, are not yet in place. All mill solid waste, e.g. empty fruit bunches (EFB), is applied and re-used on site.

To minimize the environmental impacts of our waste as much as possible, a Group procedure was developed in 2012 to ensure that waste management is in compliance with the Company's policy and current legislation. It describes the practices for waste management (collection, transport, recovery and disposal), both industrial and domestic waste, and the correct execution of those practices so that workers can complete their duties without compromising the health and safety of others or the environment. All types of waste generated by our activities have been analysed and an appropriate treatment was recommended. For the collection and handling of waste, HSE guidelines are developed with respect to Personal Protective Equipment, waste storage...Waste is collected and subsequently either disposed (lagoon, landfill) or recovered (e.g. energy recovery, recycling). Waste management is conducted in accordance with the priority order of the European waste treatment hierarchy. However, the focus is on minimizing the amount of waste generated and to re-use whenever possible. Waste treatment generally depends on the type of waste, for instance, scrap metal is directed towards a scrap metal dealer, wood chips are used for energy recovery. Hazardous waste (waste oil, empty phytosanitary containers, outdated chemicals, etc.) is



collected by a registered Company in Douala. Medical waste is incinerated locally in an incinerator complying with the Cameroon and WHO standards. SOCAPALM' waste management procedure is available for consultation to all stakeholders.

Since 2009, SOCAPALM has progressively replaced and improved the equipment of its mills in order to increase their performance and reduce their environmental impact. The first step was the construction of silencers to reduce the noise of the sterilizers, since before it often exceeded the accepted norm. Secondly, the boilers were equipped with chicanes to assure a better of dust at the base and reduce smoke emissions. These boilers allow for a better combustion and consequently a better quality of emissions. The next step for 2013 is the bi-annual analysis and monitoring of smoke emissions.

Compliance

SOCAPALM did not receive any fines for non-compliance with environmental laws and regulations in 2012.

Overall

Total amount of investments and expenditure on HSE in 2012 is 174 012 €.

4. Social

4.1 Disclosure on management approach

At SOCAPALM, we believe that host societies and local communities should benefit from our presence and share in the value created by our activities, and this is set out in our Code of Conduct and other Company policies and documents. Our approach to social aspects derives from these documents and underlines our commitment to high ethical standards and compliance with applicable laws.

Our H&S system is guided by OHSAS, while we base our labour and human rights policies on the standards set out in SA8000 guidelines. The outlined requirements are inspired by the various conventions and recommendations of the International Labour Organization and on the Universal Declaration of Human Rights of the UN. Freedom of association, non-discrimination and a ban on forced and child labour are not our only commitments, we also focus on fair pay, decent housing and other welfare amenities for our staff.

A formalized Social Management System is not yet in place at SOCAPALM since our main focus for the next year is on the implementation of the Environmental Management System in order to obtain ISO14001 certification. This, however, does not imply that we are not already working towards putting a social management system in place. Various internal procedures have been developed to frame specific elements of SOCAPALM's social management approach. We monitor our HR performance against HR standards and targets through a system of social reporting on an annual basis.

In 2012, huge improvement has been made in the documentation of our social Standard Operating Procedures. Records are now kept according to standardized forms, a social coordinator was appointed and social action plans were developed for each site.

In 2013, we will continue the development of standardized procedures for HR and we will further concentrate our efforts on health, education and community. Concerning health, we will increase the frequency of the awareness and sensitization programmes in our schools and villages, following a fixed action plan and schedule, we plan to develop and distribute a health magazine to our employees and to continue the training of our medical staff on the importance of hygiene. Concerning education, we will start our collaboration with the NGO IECD, ask the government to increase the number of teachers at our schools with subventions from SOCAPALM in order to improve the quality of our education and make additional school equipment available to our schools. Concerning the surrounding communities, we will put up communication boards in all villages, select and train peer educators from the surrounding villages and further increase their accessibility to clean and

potable water.

4.2 Social performance indicators

Labour practices and decent work

Employment

SOCAPALM is in compliance with all applicable local, national and international laws and regulations relevant in our sector concerning payment and conditions of employment e.g. working hours, deductions, overtime, holiday entitlement, maternity leave, notice period, salaries and allowances, staff benefits, resignation, termination, retirement...Records are kept on the number of direct, in-direct and temporary staff, on staff working hours, overtime, payroll, benefits... All details on pay and working conditions are described in SOCAPALM's codes and all this documentation is publicly available for consultation at each site. Monthly reports are established, mentioning the percentage of the workforce that was absent, the number of employees... All staff members receive annual performance evaluations, forming the basis for salary increments. Contractual agreements with contractors, sub-contractors or suppliers are signed and copies are available. SOCAPALM also provides free and adequate housing, free water, and free medical care. All welfare amenities are to national standard and in line with national and international laws and regulations.

Each SOCAPALM site has a central health center with a full-time doctor assisted by his medical staff (nurses, midwives, lab). The health centers offer medical services to both our employees and the people from the surrounding villages. In recent years, there has been a steep increase in the number of consultations, due to a bigger workforce, modernization of our medical equipment and the impact of our awareness and sensitization campaigns.

Labor/management relations

SOCAPALM pursues a constructive social dialogue and has written procedures for negotiation and communication with their employees and representatives. These procedures are described in SOCAPALM's official documents and communicated to staff by their representatives. Following the complaints and grievance procedure in vigor, employees can write down their complaints in a record book that is kept at each site. During monthly meetings between management and staff representatives, these complaints are discussed and a formal reply is prepared. Employees are represented by their union representatives and are covered by a collective bargaining agreement.

Occupational health and safety

The health and safety (H&S) of our employees is one of our top priorities and the last 2 years we have invested considerably in monitoring systems, reporting mechanisms and continuous training for our employees on H&S issues. Health and Safety Committees are established on each site to advise on prevention and safety and to organize regular training sessions. Our employees are trained on specific safety issues important for their particular job and receive appropriate protective clothing. There is a reporting system for accidents in place to identify areas of concern so that a procedure can be worked out to prevent similar accidents in the future. Although our accident rates are generally low, we have set year-on-year reduction targets and take additional actions to strengthen safety procedures and to further drive down the number of accidents.

Everybody is aware of the high rates of HIV/AIDS infection on the African continent and Cameroun is no exception. This is not only a societal tragedy but also poses a long-term risk to our business, as it has an impact on our labour force and the availability and health of our workers. It is a true challenge to the socio-economic development of the regions we are working in since especially the productive age-segment of the working population is affected, leading to a loss of educated and trained manpower. We are playing an active role in creating awareness and offering access to anti-viral medication and other treatments. Since 2008, we have worked in a partnership with the DEG (Deutsche Investitions und Entwicklungsgesellschaft) with as goal the improvement of HIV/AIDS prevention and health care for our workers and their families. HIV/AIDS action plans have been developed on each site and qualitative and quantitative indicators and targets have been formulated and form the basis for further reporting. More specifically, the programme consists of: rehabilitation of our hospital facilities, provision of equipment, drugs and consumables, training of health staff and peer educators, organization of awareness raising campaigns and intensification of our collaboration with local NGO's and national programmes.



Training and education

SOCAPALM employs more than 1600 employees, of which at least 95% is locally hired. Through our on-the-job training we are able to fill in most jobs with locally recruited staff. We understand that if we want to attract and retain the best workers, we need to invest in our employees and create an environment with opportunities. SOCAPALM has therefore a broad-based training programme in place. Many of our employees go to some sort of skill-upgrading every year. For manual workers, there are ongoing on-the-job and health and safety trainings, whereas for staff, a wide range of in-house and external training courses are available, aimed at continued learning as well as personal development. All of our staff has annual appraisals. SOCAPALM is generally known as a stable employer with decent conditions and prospects for long-term development. Employee turnover is consequently very low.

Not only our employees are our concern, the health and safety of the people living in our communities is equally important to us. In this respect, the H&S committees play a very important role in raising awareness and responsabilising the population on various issues. An action plan is drawn up to identify the various topics that will be addressed during the year. The committees visit the villages and schools on a monthly basis and elaborate on the chosen topics. In 2012, campaigns were organized on the importance of hygiene and cleanliness in the villages, the prevention of cholera, the prevention of HIV/AIDS, malnutrition, malaria, tuberculosis, and vaccination...

Accessibility to education has also been one of SOCAPALM's priorities and this has been supported by the construction and renovation of various schools during the last 12 years. We count now 41 schools built by SOCAPALM in partnership with the government. In 2012, a technical high school was constructed in Kienké. Generally, we also observe in our statistics that more and more children from the surrounding villages or from contractors are visiting our schools and we can only be happy with this positive evolution.

Diversity and equal opportunities

The recruitment procedure is exhaustively documented and based on objective criteria. We employ both men and women in various positions, also in top management. Approximately 20% of our employees are female and they are represented in all categories of employment. We realize that we need to put in additional efforts to further increase the percentage of women in our workforce. The plantation sector is generally very male-dominated since many of our key work functions require hard physical labour. Women generally don't apply for those jobs; however, we will focus on ways in which we can further include women in our workforce, for instance in administration.

We aim to create a harmonious working environment where all employees are free from violence and harassment. Physical, sexual and verbal harassment is unacceptable and cause for immediate disciplinary measures. Any employee has the obligation to report such behaviour. Fortunately, very few incidents take place on the work floor. However, when harassment or violence has occurred, appropriate disciplinary action is taken, including dismissal. In our villages, physical harassment or domestic violence is more common. When such cases are reported, our medical team intervenes.


Human rights

Investment and procurement practices

The suppliers and contractors that work with SOCAPALM are made aware of SOCAPALM's Environmental Policy, HSE requirements and Code of Conduct. When the Code of Conduct was implemented, training sessions took place to explain the contents of the code with real-life examples to our employee representatives. In so far as possible, we try to screen our suppliers and contractors on their respect of human rights. However, we recognize that we can still improve our performance in this field by more actively checking their compliance with SOCAPALM's standards. Especially, for small contractors we realize that their employees do not always receive the same benefits or treatment as SOCAPALM employees.

Discrimination

The Company does not discriminate on the basis of race, nationality, ethnic origin, sex, age, religion, disability, sexual orientation, union membership and political affiliation or any other condition. We strive for a workplace where the personal dignity of each individual is respected. We employ, train, compensate and promote employees on the basis of their job-related competence, attributes and skills only and other criteria do not have any influence on a person's suitability for a job or



promotion. No incidents of discrimination have been reported in 2012.

Freedom of association

SOCAPALM is committed to good labour relations and undisputedly respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. All personnel are informed about their right to join an organization of their choice and there is a collective bargaining agreement in place. There are 4 different unions and about 80 union representatives for all Socapalm sites. These representatives are chosen during 2 yearly union elections, organized independently from the Company, and they represent the Company employees in their monthly meetings with General Management, where they discuss productivity, community welfare and other relevant issues. All meeting reports are available for consultation to our stakeholders. Overall, we enjoy good labour relations and there has been no incident where the right to exercise freedom of association or collective bargaining was at risk.

Child and forced labour

The Company does not engage in or support the use of child labour. This is clearly mentioned in SOCAPALM's Code of Conduct, the labour code and the recruitment procedures. The code of conduct that is signed by employees at recruitment mentions that the Company is unmistakably opposed to any form of child labour. We make great efforts to verify the ages of all employees, including but not limited to birth certificate, school and church records, ID card and driving license. Despite our clear engagement towards banning child labour, we are still in the process of developing a child labour remediation plan. This plan will describe the procedures for remediation of children found to be working in inadequate conditions and the system put in place to provide financial and other support to enable those children to attend school. Forced labour is also not present at SOCAPALM. Every employee is fully informed about the conditions of service and the general regulations during recruitment and upon employment and have clearly communicated and signed contracts. Employees are free to terminate their employment if they give reasonable notice and can leave the work site after completing the standard workday. We never hold travel documents, identification papers or other types of bond from employees.

Security practices

SOCAPALM is committed to ensuring the safety of its employees and the security of its assets and therefore a security team is in place at each site to safeguard our workers and our premises. The security guards patrol around the plantation and, whenever necessary, seek to resolve security issues without violence. Our security staff is allowed to direct the search of persons, vehicles and property on SOCAPALM premises in accordance with local laws.

Indigenous rights


SOCAPALM engages with the surrounding local communities to understand whether there are any issues that need to be addressed in terms of land rights or community needs. It is the QHSE assistant's task to liaise on a regular basis with the neighbouring communities. In recent years, we had some minor issues around land boundaries but we were able to solve these quickly.

Society

Most of the topics covered in this chapter are addressed in SOCAPALM's Code of Conduct, ranging from competition issues, corruption and bribes to possible conflicts of interest. All employees, consultants, suppliers are expected to adhere to this Code in all their dealings with or on behalf of the Company. SOCAPALM adheres to the highest ethical standards in all our dealings with government or other institutions. Employee non-compliance with the Code must be reported and results in disciplinary action.

Community

As previously explained, SOCAPALM supports local communities through donations and contributions to community-based projects. We try to focus on key issues such as improvements in health, education and poverty reduction in and around the areas where we operate. In order to increase the impact and success of our activities and to provide greater access to additional funds, we try to collaborate as much as possible with existing government and non-government organizations. In future, we will try to further increase these efforts in order to guarantee a long-term and strategic approach. One example is our collaboration with the NGO IEDC. In 2012, SOCAPALM took contact with this NGO to discuss a possible collaboration on



occupational training for young school dropouts (between 13 and 19 years) from our surrounding communities. A 3-year programme to learn a profession will be offered, thus increasing their chances on the labour market. Last year, SOCAPALM also invested in a new health center in the surrounding communities of Mbambou. This donation will increase the accessibility to medical care for the villagers at Mbambou.

Dialogue between SOCAPALM and its surrounding communities has always existed but has only become formalized since 2009 when SOCAPALM wanted to plant additional hectares within its concession. An institutionalized communication platform with the village heads and other representatives of the surrounding communities was established. Each party can demand a meeting when there is a need to discuss certain issues. Some of the issues addressed during the meetings are: employment of youngsters from the villages, social infrastructures such as access to water, theft of palm oil fruits... In 2011, the efficiency of the system was evaluated and revealed that there was an information gap between the village heads and the village inhabitants. To address this problem, a register was made available at each site. In this register, every inhabitant from the surrounding communities can formulate a request or make an observation in writing, which will be answered in writing by SOCAPALM. Apart from this register, another one was developed to assemble all requests for aid or donations of the villages. In order to further improve our communication with the surrounding communities, we will organize quarterly meetings and draw up a calendar with fixed data for each village. Another idea is to put up public communication boards in each village.

Corruption

The Code of Conduct, signed by all employees upon engagement, clearly prohibits the use of funds to make a payment, direct or indirectly, in money, services or any other form to a government official, political party or any other representative, to convince them to exert influence to assist SOCAPALM or not to perform his lawful duty.

Public policy

No contributions of any kind were made to political parties, politicians and related institutions in 2012. SOCAPALM abstains from participating in political activities and, whether or not local law limits the use of corporate funds to support political parties, we do not make contributions to political parties, politicians or related institutions at any level of government.

Anti-competitive behavior

SOCAPALM acts independently and in its own interest in all commercial situations affecting competitive conditions of trade and avoids all practices that restrict competition. In 2012, no legal action was undertaken against SOCAPALM for anti-competitive behaviour, anti-trust and monopoly practices.

Compliance

SOCAPALM did not receive any fines for non-compliance with social laws and regulations in 2012.

5. Data

	Unity	2012
Financial data		
Turnover	EUR	
Profit	EUR	
Production	T of FFB	
Operating costs	EUR	
Total HSE expenditure & investments	EUR	174012
Workforce		
Employees	nb	1653
Employee turnover	nb	83
Female workers	nb	292
Male workers	nb	1361
Rate of absenteeism	%	8,33
Health & Safety		
Working accidents	nb	
Work-related fatalities	nb	
Work-related injuries	nb	
Training sessions	nb	
Training hours	H	
Factory data		
Fuel use per processed ton of FFB	l/T FFB	0,5 (Dibombari) to 1,22 (Eséka)
Water use per processed ton of FFB	m3/T FFB	1,17 (Mbongo) to 1,82 (Eséka)
Electricity use per processed ton of FFB	kWh/T FFB	17,44 (Mbongo) to 46,34 (Edea)
Air: SOx	mg/m3	
NOx	mg/m3	
CO2	mg/m3	
POME: pH	pH	
DBO5	mg O2/l	
DCO	mg O2/l	
Use of Aldicarbe	Kg	
Use of Paraquat	Kg	
Use of Carbofuran	Kg	
Total weight of waste (POME not included)	T or m3	
Medical statistics		
Clinics & health centres	nb	15
Health staff	nb	45
Consultations	nb	44621
Hospitalizations	nb	385
Prevalence of 5 most common diseases	%	Malaria (20,6%), Respiratory diseases (17,3%), Diarrhea (11,6%), Muscular pains (11,6%), Skin infections (10%)
Child births	nb	108
Women receiving contraceptives	nb	263
Condoms distributed	nb	20716
Voluntary HIV tests performed	nb	2925
HIV positive patients receiving treatment	nb	199
HIV positive women receiving PMTCT medication	%	2
Positive malaria tests	nb	3837
Educational statistics		
Nursery schools	nb	10
Primary schools	nb	26
Secondary schools	nb	5
Classes	nb	182
Teachers	nb	218
Students	nb	6541
Ratio teacher/students	nb	1/30
Average number of students per class	nb	41