



# **Lafarge sued for financing terrorism**

Press Pack



## **Who are we?**

Sherpa, set up in 2001, brings together lawyers and legal experts to protect and defend victims of economic crimes through legal action, advocacy and training.

## **Why?**

Globalization has disrupted countries' economic systems and modes of production. Economic actors are at times becoming more powerful than states and can cause environmental disasters and/or significant violation of workers' and communities' fundamental rights

Whilst parent companies and companies in command have the upper hand over the strategic decisions and receive the profits from their foreign subsidiaries and subcontractors, they are not legally accountable for their activities' serious damages. Because of this important legal gap, affected populations face many difficulties to access their rights and obtain compensation.

## **What do we aim for?**

We believe that the law is an effective tool to support fair and sustainable development. Through our two programs, Globalisation and Human Rights and Illicit Financial Flows, we aim both to ensure that economic actors throughout the world respect human rights as well as to fight against corruption which stifles societies and harms local populations.

## **Which impact?**

Our legal actions seek to improve legal rights and contribute to creating a legally binding framework which would hold transnational corporations accountable and would ensure that victims can access their rights.

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## I. Litigation against Lafarge

### A. Legal grounds

Following our collected elements, Sherpa and ECCHR, as well as 11 complainants who are former syrian employees, represented by maître Marie Dosé and maître Jean-Christophe Ménard, file a complaint to become a civil party to the criminal case by action of a partie civile for

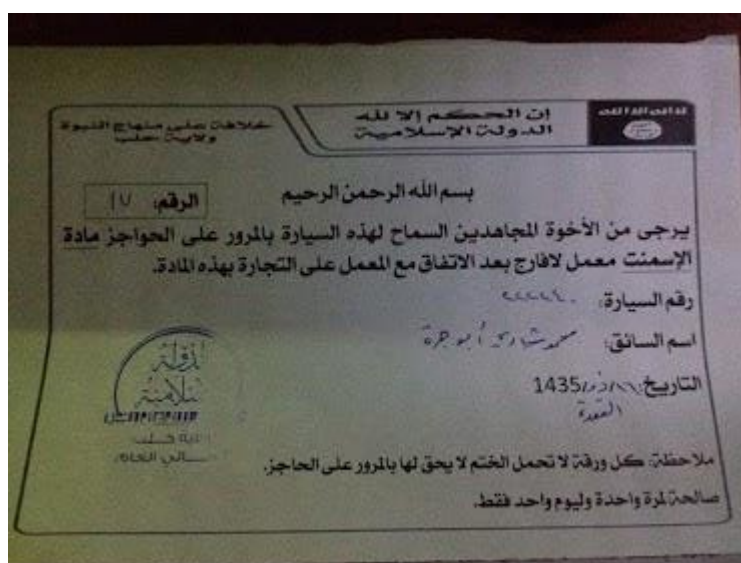
- **Financing terrorism**
- **Complicity in war crimes and crimes against humanity**

against the parent company Lafarge for which Eric Olsen, the current CEO and Bruno Lafont, CEO at the time of the facts are held responsible and against Lafarge Cement Syria, for which Bruno Pescheux and Frédéric Jolibois are respectively held responsible.

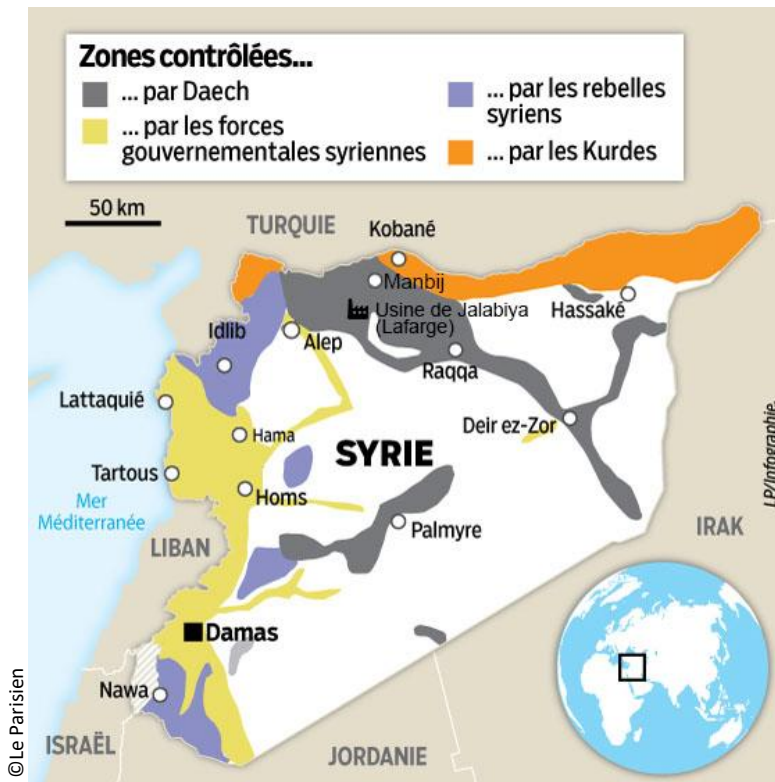
This is the **first** time that NGOs file a complaint against a transnational corporation for financing terrorism and complicity of war crimes and crimes against humanity.

The rise of conflicts in Syria led to the fall in cement production and an explosion of its price. In this context, Lafarge decided, between Spring 2013 and the end of Summer 2014, to pursue its activities in the north of Syria, disregarding the increasing risks for its employees. According to elements we collected, the company would have issued several **payments to obtain pass at checkpoints controlled by ISIS** in order to ensure the transport of raw materials to the Jalabiya factory.

« At the beginning in May 2014, it was a simple note from ISIS, written by hand, where they had put the stamps of ISIS, of the financial department of ISIS. And it became an official document in September 2014 that was already printed. » testifies a former employee of the company. « Lafarge's trucks were crossing smoothly ISIS controlled checkpoints. » confirms another employee.



Official pass from ISIS



Similarly, according to the information we collected, Lafarge also would have sourced **petrol and pozzolana**, two crucial raw materials in cement production, from the armed group.

« There is oil nowhere in Syria apart from the North that is controlled by ISIS. Even Kurdish people were buying oil from ISIS. So it is certain that the oil used by Lafarge came from ISIS. » recalls a factory worker. « For example, with ISIS this is how we worked: Lafarge was paying him (Amro Taleb) 39000 SYP and that he was then paying directly ISIS 17000 SYP » he adds.

These business relations with jihadists would have thus supported the group **finance its terrorist activities**.

According to our collected information, Lafarge in addition would be responsible for **endangerment**. Several workers from the factory have testified they kept working after the repatriation order for French expatriated workers issued in 2012. However, **no adequate protection** for these employees would have been implemented regardless of the increasing insecurity they faced. Several employees were **kidnapped** by ISIS as they were heading **to work** without the company implementing any **adequate precautionary methods** to secure their travels.

«For sure there was fear before the attack. There was a lot of pressure around us with fights and bombings. », tells a former employee of the factory.

Finally, given the evolution of the situation in Syria, Lafarge should have known that the attack of its factory could not be avoided. However, according to the testimonies we have received, no adequate precautionary methods would have been set up. In September 2014, during the attack to the Jalabiya factory, employees relied on their own means to escape.

« The management and the safety managers should have done something. They knew that ISIS was near the plant and nobody took any action to protect employees. As normal people we knew where ISIS was, how many kilometres away. We tried to make personal arrangements to keep safe, but nothing was made by Lafarge's management to protect us. We made this "evacuation" individually as simple people, on our own. » reveals an employee who was there the day of the attack by ISIS.

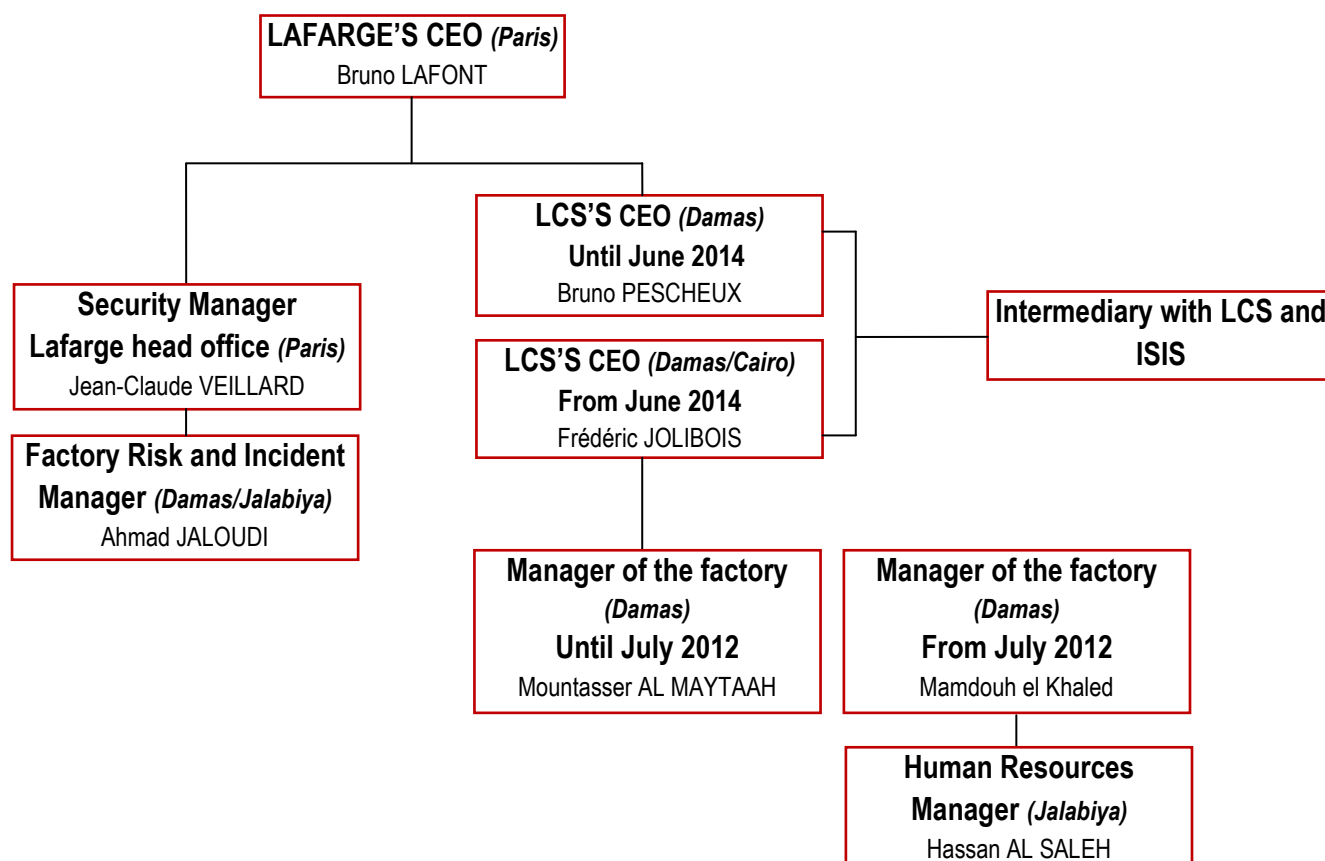
By filing this complaint, civil society organizations thus are also asking the company to be prosecuted for **complicity in war crime and crimes against humanity**. Indeed, financing ISIS's terrorist activities as exposing employees to atrocities committed by the jihadist group would lead the company to **be complicit in war crimes and crimes against humanity** committed by ISIS between Spring 2013 and the end of Summer 2014.

It is difficult, if not impossible, for the judicial authorities **to regulate the actions of multinationals through the activities of their subsidiaries and their subcontractors abroad** when they are at the origin of the violation of fundamental rights. The French bill of duty of care, which would guarantee respect for human rights by regulating the activities of multinationals and on which the parliamentarians will vote on 29 November, appears more essential than ever.

As a reminder, the transnational corporation LafargeHolcim was criticized by journalists from Le Monde in March 2016<sup>1</sup> for their unethical practices in Uganda in pozzolana mines.

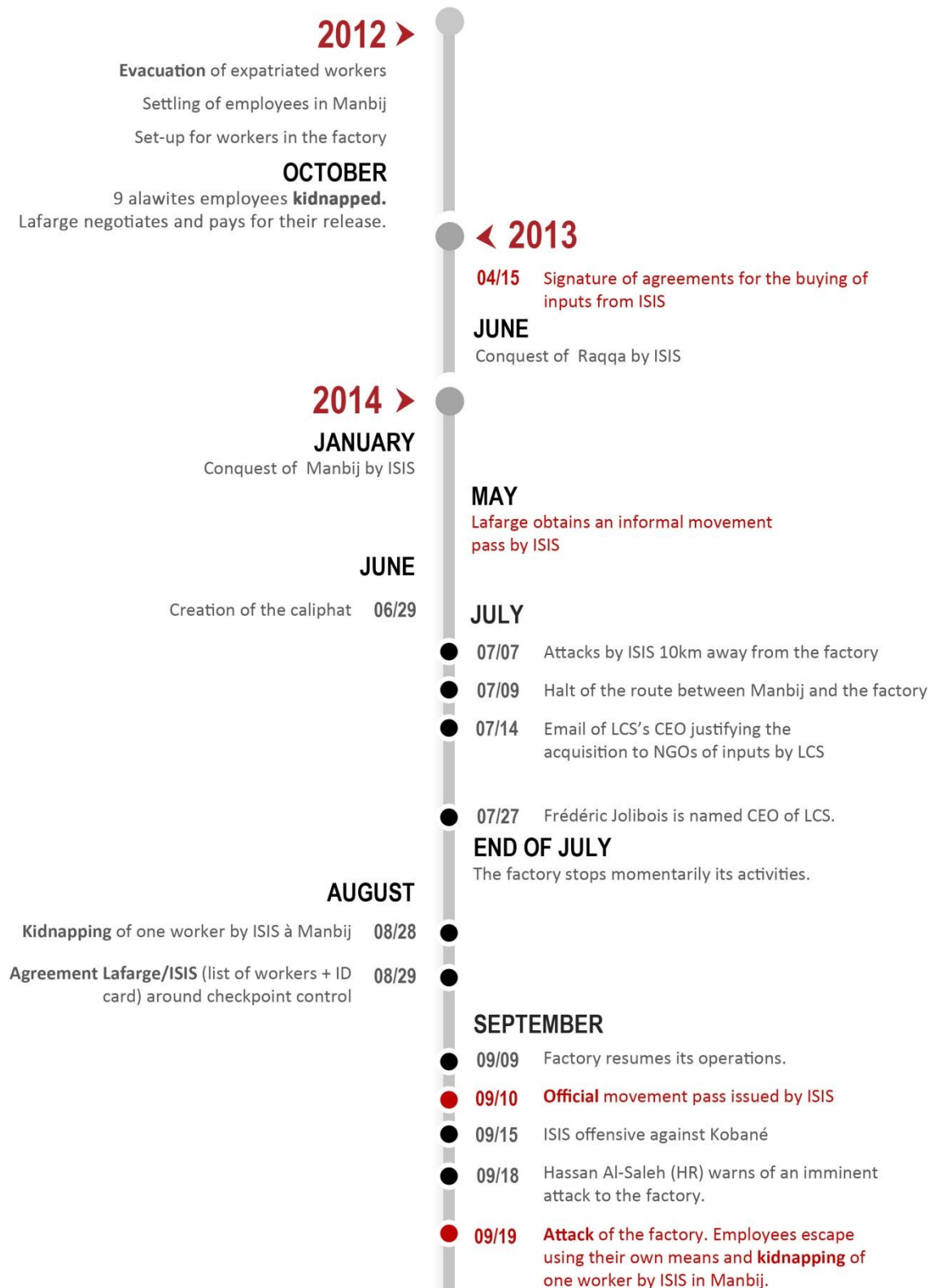
## **B. Summary of the facts**

### *1) People involved in the actions under scrutiny*



<sup>1</sup> [http://www.lemonde.fr/planete/article/2016/03/22/en-ouganda-lafargeholcim-accuse-de-faire-son-ciment-du-minerai-creuse-par-des-enfants\\_4887414\\_3244.html](http://www.lemonde.fr/planete/article/2016/03/22/en-ouganda-lafargeholcim-accuse-de-faire-son-ciment-du-minerai-creuse-par-des-enfants_4887414_3244.html)

## 2) Events



## II. Context

### **A- Situation in Syria**

Syria is a country in the Middle-East on the east coast of the Mediterranean sea. Its capital is Damas. Led by Bachar el-Assad since 2000, Syria is an authoritarian regime.

In 2011, following the protests in Tunisia, Egypt and Libya, the Syrian people rises against the Bachar el-Assad regime and asked for democratic and political reforms. These demonstrations are severely repressed. In July, the rebels organize and form the Free Syrian Army (FSA). Fights between the soldiers support Assad and the rebels increase<sup>2</sup>.

From 2011 to 2015, the Syrian regime is held responsible for the death of 240 000 people and millions of refugees<sup>3</sup>. Human Rights Watch Observatory in Syria declares the 16th of August 2015 that the Syrian military air force had killed 247 people and wounded more than 1000 people in 10 days during the aerial bombings of the eastern suburb of Damas<sup>4</sup>.

The 30<sup>th</sup> of September 2015, the Parisian public prosecutor announces the filing of a criminal investigation regarding the Syrian president Bachar el-Assad for crimes against humanity.

From 2012, the Syrian conflict also witnesses the rise of a new armed group in the war: the Islamic State (ISIS) also known as ISIS.

### **B- The rise of ISIS in Syria**

Born in Irak, "Islamic State of Irak and the Levant", ISIS, was recognised as a terrorist group in 2004 by the United Nations<sup>5</sup>.

The Islamic group enters Syria officially on the 9<sup>th</sup> of April 2013<sup>6</sup>. Following its arrival, the jihadist group quickly conquers a large number of cities in the North-East of the country. In June 2013, ISIS conquers the city of Raqqa. In March 2014, it conquers the city of Manbij<sup>7</sup>. The 13<sup>th</sup> of September, the offensive against Kobané has started<sup>8</sup>. The terrorist group invades all the North of Syria and proclaims the 28<sup>th</sup> of June 2014, the Islamic caliphate from Alep to Mosul in Irak<sup>9</sup>.

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<sup>2</sup> <http://info.arte.tv/fr/la-guerre-en-syrie>

<sup>3</sup> [http://www.lemonde.fr/les-decodeurs/article/2015/09/08/en-syrie-qui-de-l-ei-ou-du-regime-de-bachar-al-assad-a-fait-le-plus-de-victimes\\_4748890\\_4355770.html](http://www.lemonde.fr/les-decodeurs/article/2015/09/08/en-syrie-qui-de-l-ei-ou-du-regime-de-bachar-al-assad-a-fait-le-plus-de-victimes_4748890_4355770.html)

<sup>4</sup> <http://info.arte.tv/fr/la-guerre-en-syrie>

<sup>5</sup> <https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/fr/consolidated.xml&xslt=htdocs/resources/xsl/fr/al-qaida-r.xsl>

<sup>6</sup> Rapport d'information au nom de la mission d'information sur les moyens de Daech, Tome I, Assemblée Nationale, p.30

<sup>7</sup> [http://www.lemonde.fr/syrie/article/2016/06/21/syrie-les-troubles-arrangements-de-lafarge-avec-l-etat-islamique\\_4955023\\_1618247.html](http://www.lemonde.fr/syrie/article/2016/06/21/syrie-les-troubles-arrangements-de-lafarge-avec-l-etat-islamique_4955023_1618247.html)

<sup>8</sup> <http://info.arte.tv/fr/la-guerre-en-syrie>

<sup>9</sup> [http://www.lemonde.fr/proche-orient/visuel/2016/03/15/du-soulevement-populaire-au-conflit-international-cinq-ans-de-guerre-en-syrie\\_4882825\\_3218.html](http://www.lemonde.fr/proche-orient/visuel/2016/03/15/du-soulevement-populaire-au-conflit-international-cinq-ans-de-guerre-en-syrie_4882825_3218.html)



ISIS is known for perpetrating numerous crimes against humanity in the regions under its control but also for the attacks in Europe which are claimed by the jihadist group such as the two attacks in Paris in January and November 2015. In August 2014, the armed group also broadcasts a video featuring the murder of an American journalist, James Foley, who had been until then held as a hostage.

Following the rise of conflicts in Syria, French companies present in Syria close down their activities between 2011 (Total, then the cheese maker Bel in 2012), and 2013 (Schneider Electric). However, the subsidiary Lafarge Cement Syria, which belongs to the transnational group Lafarge, is determined to continue its production activities, regardless of the increasing number of confrontations in the country.

### III. Lafarge group

#### A- Parent company Lafarge

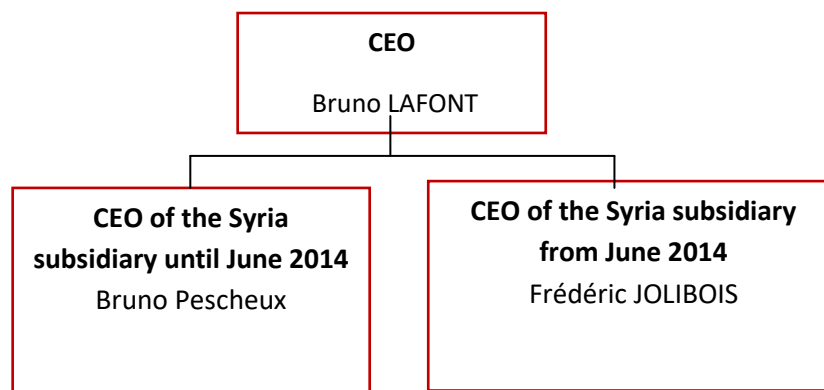


Lafarge, a French company created in 1833 is the global leader in construction material and one of the major actors in cement, aggregates and concrete production. Lafarge headquarters are in Paris, France. The transnational corporation is active in **61 countries, including Syria**, and recorded a **12,8 billion euro** annual sale revenue in 2014<sup>10</sup>. Lafarge is lead by Eric Olsen who took over Bruno Lafont as CEO in July 2015.

Global leader of cement production, cement production also represents the main segment of Lafarge's activities. Indeed, in 2014, **66.5% of total sale revenue** and 87% of operating income of the company came from cement production<sup>11</sup>. In 2015, the company owned **149 cement production sites in 55 countries**, employed **37 000 people** and declared a **sales revenue of 8.55 billion euros** in this sector<sup>12</sup>.

**The Middle-East** is an **important market** for the company. Almost 5500 employee work in the region, there are 7 production sites, 2 aggregate quarries and 55 concrete mixer plants throughout the region.

*Organization chart until July 2015:*



<sup>10</sup> <http://www.lafarge.com/fr/finance-chiffres-cles>

<sup>11</sup> <http://www.lafarge.com/fr/lafarge-en-un-clic>

<sup>12</sup> <http://www.lafarge.com/fr/ciment-en-bref>

**B- Lafarge Cement Syria**

Lafarge Cement Syria (LCS) is a **subsidiary** 98.67% owned by the French group Lafarge. Formerly known as Syrian Cement Company, Lafarge bought it back in 2008 when it acquired the lead Egyptian cement company, ORASCOM.

LCS starts to operate in Syria in 2010 when it launches the production activities of the cement factory Jalabiya in the North of Syria. The subsidiary is run by Bruno Pescheux and then by Frédéric Jolibois.

A year after the start of the operations of Lafarge in Syria, the cement production factory at Jalabiya **reaches soon a daily production of 10 000 tons.**

From February 2012, the rise of the jihadist group ISIS and its participation in the conflict further exacerbates the instability in Syria. In Spring 2013, ISIS's presence increases. In June 2013, ISIS conquers the city of Raqqa, which is 90km away from the factory.

Following the proclamation of the Islamic caliphate, **the LCS factory in Jalabiya belongs to the territory officially occupied by the jihadist group.**

#### IV. Appendix

Pétition <https://www.powerfoule.org/lafarge-eng>

#### VI. Press contact

- We will be available for interviews on **15th November 2016 from 5 to 6 pm** at William Bourdon's office: 156, rue de Rivoli - 75001 Paris, in the presence of **William Bourdon**, President of Sherpa, Maître **Marie Dosé** and Maître **Jean-Christophe Ménard**.
- Press contact: Lisa Rieux, Communication manager: 01 42 21 33 25 / 06 60 29 59 64