



NaturAceites
Responsables por Naturaleza



Response to Allegations from Romero Initiative, ECCHR and Foodwatch

NaturAceites commitment to develop a responsible and sustainable operation recognizes the respect for human rights as one of our core values. Our progress and efforts towards ensure sustainability and human rights are publicly available in our annual [Sustainability Report](#), based on the Global Reporting Initiative Standards (GRI).

NaturAceites is aware of the recent report “In the shadow of the oil palm”, produced by the Christian Initiative Romero (**CIR**) and the grievances published by Foodwatch and the European Council for Constitutional and Human Rights (**ECCHR**). The accusations suggested our involvement in disregarding land rights, labor rights, and causing environmental pollution. The complaint specifically implicates NaturAceites in the supplying of palm oil to Walter Rau Lebensmittel, a producer for Edeka renowned for margarine and vegetable oil.

1. To address these concerns, we aim to communicate our response with our supply-chain partners and stakeholders, providing clarification on specific matters:
 - In January 2024, we received a communication through several clients, indicating that NaturAceites was mentioned in a statement by The European Center for Constitutional and Human Rights (**ECCHR**) and the consumer organization Foodwatch. The allegations pertain to a previous statement mentioned in a blog by the Romero Initiative (**CIR**). We have already addressed through our Compliance and Grievance Mechanism in June 2023 and in January 2024 (Case number 382)
 - On February 14th, 2024, NaturAceites received a request from Edeka under The Supply Chain/Due Diligence Act (LKSG), obliging Edeka to conduct a comprehensive risk analysis and risk assessment. In response, NaturAceites completed a questionnaire addressing human rights and environmental due diligence obligations and risks. Despite the non-mandatory nature of the questionnaire, NaturAceites chose to complete it with the goal to demonstrating transparency and ensuring compliance with its policies and best practices regarding human rights, environment, and labor rights.
 - Additionally, the compliance officer, responsible for the investigation process and the management of the Compliance and Grievance Mechanism, contacted the Romero Initiative with the aim of gaining a comprehensive understanding of the topics highlighted in the publication to understand the specific sources and cases that substantiate the claims. At the time of this statement and the conclusion of the investigation process, there has been no response from Romero, only an email indicating that they would evaluate our request.





- Communication was established with RSPO to provide clarifications regarding the events mentioned in the Romero report. RSPO, in turn, issued a statement making it clear that no formal complaint has been filed to date in RSPO's Complaint System concerning the allegations in Guatemala or Honduras mentioned ([RSPO Reponse to Member Allegations in Guatemala and Honduras - Roundtable on Sustainable Palm Oil \(RSPO\)](#))
- Currently, there are no legal processes related to human rights violations, land tenure issues, labor rights or environmental pollution against NaturAceites, as mentioned by ECCHR, Foodwatch or CIR.

As previously stated, our compliance officer undertook a comprehensive internal review and analysis of the mentioned statement, revealing the following findings that substantiate our position:

a. Land rights and responsible Growth and New Plantations

- i. Operations are carried out exclusively within the limit of NaturAceites legal property. We do not operate on third party lands or belonging to communities.
- ii. A comprehensive due diligence process has been completed for 100% of NaturAceites' properties to ensure their legal standing.
- iii. NaturAceites and its RSPO-certified supply chain have publicly committed to adhering to the New Planting Procedure established by the Roundtable for Sustainable Palm Oil (RSPO) standard. This includes the requirement for a Free, Prior, and Informed Consent (FPIC) procedure with neighbors and representative stakeholders for any responsible growth.
- iv. FPIC processes for existing plantations and new developments involve participatory mapping workshops with communities. These workshops aim to verify recognition of property limits and boundaries, ensuring the consent of neighbors.

b. Human Rights Policy Enforcement

- i. NaturAceites conducts an annual Human rights impact assessment, using the methodology of the Danish Institute for Human Rights. This assessment ensures compliance with our sustainability policy and values, respecting human rights, labor rights and land tenure. The results are [publicly available](#).
- ii. NaturAceites maintains positive and direct relationships with elected representatives of communities mentioned in the publications. These representatives, legally organized as Community Development Councils (COCODES in Spanish), engage in systematic local development roundtables. These discussions include addressing complaints related to land tenure, environment, and labor rights according to our Grievance Mechanism.



- iii. NaturAceites adheres to and enforces the Voluntary Principles on Security and Human Rights (VPSHR). The private security company we engage with ensures that since 2017, security agents and personnel do not use firearms. Agents receive on-site training on human rights and the proportional use of force. These efforts are traceable and enforceable through the contract between NaturAceites and the security company.

c. Labor Rights

- i. We conduct regular internal audits systematically to ensure compliance with our [Human Rights and Sustainability Policy](#), Labor Policy, and the national legal framework related to labor rights.
- ii. The Ministry of Labor conducts annual audits to verify compliance with Internal Work Regulations, ensuring labor conditions in our operations. These audits extend their scope to monitor labor rights, addressing issues such as respect for women, non-discrimination, and adherence to labor rights. This includes freedom of association, prohibition of forced labor and child labor, as well as evaluating conditions of employment and remuneration.
- iii. Labor Improvement Committees exist in each region, providing spaces where employees can submit requests related to working conditions and propose additional initiatives to support collaborators.
- iv. We have dedicated Gender Committees for women, reinforcing the rights and practices promoted by the company regarding respect for women.
- v. All workers are encouraged to report any risk situations to their immediate supervisor, labor representatives, and SSO (Safety, Security, and Occupational Health) personnel. This information is thoroughly considered in the analysis for implementing improvements.

d. Water Management and Responsible Use of Agrochemicals

- i. According to the World Resource Institute, the geographical regions where NaturAceites operates are not considered high-risk for water supply. The recorded rainfall in these areas adequately meets the agronomic water requirements for the plantations.
- ii. We conduct biannual participatory monitoring of water quality passing through our plantations. This involves collaboration with representatives from communities, government bodies, and environmental organizations such as Fundación Defensores de La Naturaleza and Asociación Balam. The results are openly shared with local authorities and stakeholders to ensure our operations do not negatively impact rivers and water quality.





- iii. Third-party civil society organization FUNCAGUA conducted Water Footprint Audits in 100% of our mills. This process resulted in the establishment of targets for water reduction, increased efficiency, and responsible consumption. Progress has been reported annually since 2018.
 - iv. Our implementation of a biological and integrated pest control system has systematically reduced agrochemical usage by -74% compared to 2016, aligning with internationally recognized good agricultural practices. NaturAceites strictly enforces the prohibition of agrochemicals listed in the Rotterdam and Stockholm Conventions, World Health Organization 1A and 1B classifications, and Paraquat.
2. NaturAceites has been a certified member of the Roundtable for Sustainable Palm Oil (RSPO) since 2015. We uphold our commitment by undergoing third-party independent audits annually. These audits verify our compliance with environmental, social, labor, safety, and health standards for our workers, among other topics.
 3. We have successfully certified 100% of our owned plantations and mills according to the RSPO standard. Additionally, we are dedicated to extending this certification to cover 100% of third-party plantations by 2025, with an ongoing commitment to sustainability.
 4. Since 2021, we have consistently published a Public Sustainability Report, demonstrating our dedication to best practices. We ensure the alignment of this information with SPOTT requirements (Sustainability Policy Transparency Toolkit), a transparency assessment that evaluates the quality and disclosure level of our reporting on Environment, Social, and Governance (ESG) practices.
 5. NaturAceites, committed to transparency and in strict adherence to its policies, has showcased compliance to the RSPO standard, alignment with the No Deforestation, No Peat, No Exploitation (NDPE) policies of its clients, and exemplary practices and due diligence in human rights, environment, and labor rights.

Guatemala, March 2024



NaturAceites
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For more information on this matter, please feel free to contact:

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Case Number:	382
Reception date:	January 31, 2024



Context:	<p>Description: Allegations and mentions of Naturaceites by Romero Initiative, ECCHR (European Center for Constitutional And Human Rights), and Foodwatch</p> <p>The content was published between January 25 and February 19, 2024. The first customer inquiries were received on January 31 and February 2, 2024</p> <p>The following substantive allegations are identified:</p> <ol style="list-style-type: none"> 1. Allegations regarding the establishment of plantations on third-party property, specifically in indigenous communities. 2. Applicability of Human Rights 3. Labor rights 4. Water management and responsible use of agrochemicals <p>Source:</p> <ol style="list-style-type: none"> 1. https://www.ecchr.eu/en/press-release/beschwerde-gegen-edeka-die-handelskette-tauescht-verbraucher-mit-nachhaltigkeits-siegel/ 2. https://www.ci-romero.de/palmoel-report-2024/
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1. Topic/ reported situation	Investigation
<p>Allegations regarding the establishment of plantations on third-party property, specifically in indigenous communities.</p>	<p>Risk: Infringement to third-party property rights</p> <p>The following evidence was found during the process of investigation and documentary review:</p> <ol style="list-style-type: none"> I. Historical registry and cadastral studies in 100% of its own, leased, and associated producer plantations. II. The polygons of the company's own and producer farms (shapes) are publicly available on NaturAceites' website: https://www.google.com/maps/d/edit?mid=1qnM4wug7f_jBcaUWE0XcAPay2kRDu&usp=sharing III. Naturaceites' Human Rights and Sustainability Policy clearly state that no plantations or developments will be established on third-party or communal lands. IV. New plantations are established are obligatorily based on New Plantations Procedure by RSPO standards. This necessarily involves the completion of Free, Prior, Anda Informed (FPIC) Consent assessments and conducting participatory workshops on land issues before the commencement of operations, as stipulated in Naturaceites' Human Rights and Sustainability Policy. V. Inclusion of FPIC (Free, Prior, and Informed Consent) criteria was identified, indicating that operations are only carried out on private lands (owned or leased) with proper legal backing.

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	<p>VI. Participatory mapping for agricultural regions was identified, where communities express recognition of the company's properties, as well as rights of use, easement, or passage within the estates.</p> <p>VII. Both the Policy and the grievance and compensation mechanisms for loss of land rights include dialogue and mediation processes, including the involvement of third parties who can advise the parties or act as observers.</p> <p>VIII. The legal department confirmed that there are no formal criminal complaints related to violations or disputes over property rights.</p>		
Conclusion	No inconsistencies or breaches are identified in the establishment of plantations on own or third-party properties. All supporting documentary and registry information is available, providing certainty regarding land ownership in NaturAceites' land and those of its producers.		
Root Cause	Improvement Plan	Responsible	Estimated Implementation date
<ul style="list-style-type: none"> Regarding compliance with legislation on land ownership and/or leasing. Also, internal policies and adherence to applicable laws in line with Naturaceites' business ethics. 	<p>a. Enhance the visualization on the website of the shapes or maps of company-owned and producer farms, as well as the results of participatory mapping conducted with communities regarding land-related issues.</p> <p>b. Publicize compliance with RSPO standards and national legislation to communities, emphasizing points related to legality and land tenure.</p>	<p>a. y b. Sustainability Manager, Social Management Department, Communications Department, and Compliance Officer.</p>	June 30 2024

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2. Topic/ reported situation	Investigation
Human Rights	<p>Risk:</p> <ul style="list-style-type: none"> I. Right to Life, Disproportionate Use of Force. II. Potential breach of an agreement that may have caused discontent within a community group <ul style="list-style-type: none"> I. an update to the Human Rights and Sustainability Policy was carried out in 2022 based on annual assessments and recommendations made by stakeholders. The update made explicit reference to fundamental human rights, ILO standards, and the RSPO's policy on the protection of human rights defenders. II. Audit reports of the RSPO standard, a sustainability international standard for palm oil, were reviewed. This standard includes annual assessments of NaturAceites' producers and supply chain by independent external audits. Examining audit reports dating back to 2015, no significant findings were observed that questioned the company's practices, posing a risk to human rights of communities, employees, or stakeholders. This demonstrates the ongoing monitoring of human rights by an independent third party. These reports are publicly available on the RSPO website. III. Documentary information shows that, in the only case where a judicial eviction was carried out (Finca Chabiland), it was done through the due process stated in the National Police Department Protocol. The process was endorsed by institutions guaranteeing the protection of human rights, such as the Human Rights Ombudsman (PDH), the Attorney General's Office (PGN), and the Commission for Peace and Human Rights (COPADEH) at the time of the eviction order, serving as guarantors of human rights during the process. These records have been validated and audited by RSPO.

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	<p>IV. Information on the complaints and claims handling procedure and remediation on land issues was reviewed. The company prioritizes dialogue and resorts to legal action only as a last resource, in cases where the other party fails to respect due process and comply with laws or demonstrates an attitude that jeopardizes the life and assets of the company and its employees. The process of advising on improvements in the comprehensive management of complaints and claims by the EF Group (whose report has not been socialized yet) has been taken into account https://naturaceites.com/consultas-y-reclamos-naturaceites/</p> <p>V. It has been identified that NaturAceites maintains active channels of engagement with the communities mapped in their influence area. This is based on social engagement procedures with Community Development Councils (COCODES), in adherence to the provisions outlined in NaturAceites' Human Rights and Sustainability Policy. https://naturaceites.com/sostenibilidad-naturaceites/</p> <p>VI. As part of the community engagement process, Environmental and Social Impact Assessments are developed collaboratively with the communities of influence and stakeholders. These assessments identify both positive and negative impacts of the company's operations, and Mitigation and Monitoring Plans or Social Management Plans (PGS) are agreed upon. They are annually audited by an independent third party through document review and structured interviews conducted privately without the company's presence to identify any risks or non-compliance with the participatively agreed Social Management Plans.</p> <p>VII. Due diligence in Human Rights conducted in 2023 was reviewed, publicly available, and action plans have been defined for improvement opportunities. The implementation of these plans for 2024 is currently underway. No actual impacts associated with the violation of any human rights were identified.</p>
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Conclusion	No inconsistencies or breaches in the compliance with Human Rights were identified. The complaints and claims management channel remains open and will be strengthened through advisory and due diligence for continuous improvement.		
Root Cause	Improvement Plan	Responsible	Estimated date of implementation
Possible lack of knowledge of the existence of communication channels to convey reasonable concerns for attention and communication.	a. Strengthening Plan for Communication Channels regarding events arising from reasonable concerns from stakeholders	a. Social Management Department, Communications Department, and Compliance Area.	June 30, 2024
3. Topic/ reported situation	Investigation		
Labor Rights	Risk: Infringement to Labor Rights <ul style="list-style-type: none"> - The formalization of the Human Rights and Sustainability policy, which regulates the internal conduct of Naturaceites' employees was identified. This policy includes provisions for respecting women, non-discrimination, prohibition of forced labor, prohibition of child labor, and the right to free association. Furthermore, it is aligned with the labor regulations of the Ministry of Labor and agreements to which Guatemala is a signatory. - Based on the due diligence on Human Rights conducted in 2023 (publicly available), no actual impacts associated with the violation of any human rights were identified. - The establishment and operation of bipartite and Gender committees were identified. These committees aim to harmonize and proactively manage the relationship between Naturaceites 		

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	<p>and its employees, as well as provide safe spaces for dialogue and identification of improvements in NaturAceites' processes.</p> <ul style="list-style-type: none"> - NaturAceites has a Health and Safety Policy and Plan that empowers workers to report any conditions of risk or danger that may threaten their life, safety, and/or occupational health. - It has been identified that NaturAceites has a Health and Safety Policy and Plan that empowers workers to report any conditions of risk or danger that may threaten their life, safety, and/or occupational health. - No infringement to labor rights in NaturAceites have been identified, based on Labor agreements and employment contracts. - As of the current date, no labor disputes or claims by NaturAceites employees were identified. - Audit reports of the RSPO standard, a sustainability standard for palm oil, were reviewed. This standard includes annual assessments of NaturAceites' producers and supply chain by independent external audits. Examining audit reports dating back to 2015, no significant findings were observed that questioned the company's practices, posing a risk to human rights of communities, employees, or stakeholders. This demonstrates the ongoing monitoring of human rights by an independent third party. Furthermore, these reports are publicly available on the RSPO website. 		
Conclusion	No inconsistencies or breaches to labor rights established by NaturAceites and the Guatemalan labor regulations were identified.		
Root Cause	Improvement Plan	Responsible	Estimated implementation date
Possible lack of knowledge of the existence of communication channels to convey reasonable	Strengthening Plan for Communication Channels regarding events arising from reasonable concerns from stakeholders	Social Management Department, Communications Department, and Compliance Area.	June 30, 2024

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concerns for attention and communication.			
4. Topic/ reported situation	Investigation		
Water Management and Responsible Use of Agrochemicals	<p>Risk: Soil contamination due to the use of agrochemicals and inadequate water management.</p> <p>I. The monitoring carried out in collaboration with communities and FUNCAGUA, through sample collection, was reviewed. Through these efforts, objectives for reduction, responsible use, and efficiency are established. The results of our progress have been communicated since 2018.</p> <p>II. Naturaceites' operations are located in areas categorized as low risk for water access by the World Resources Institute. Based on rainfall records in these regions, they are deemed suitable for agro-industrial development.</p> <p>III. Procedures and monitoring of effluents from agro-industrial processes were in place, ensuring NaturAceites' commitment to preventing water pollution.</p> <p>IV. Biological control procedures and comprehensive pest management practices were reviewed, demonstrating a 74% reduction in agrochemical use compared to 2016.</p> <p>V. Naturaceites' commitment to not using Paraquat and any other chemicals listed by the World Health Organization (Categories 1A and 1B) or in the Stockholm and Rotterdam Conventions has been identified as part of its policies.</p> <p>VI. NaturAceites' adherence, monitoring, and management of Greenhouse Gas (GHG) emissions, resulting from operations, were identified as part of carbon footprint management and sustainable objectives, which are publicly accessible.</p>		
Root Cause	Improvement Plan	Responsible	Estimated date of implementation

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Possible lack of awareness of communication channels to convey reasonable concerns for attention and communication. Delayed response to allegations.	a. Strengthening plan for communication channels regarding events arising from reasonable concerns of stakeholders.	a. Social Management Department b. Communications Department and Compliance Area.	June 30, 2024
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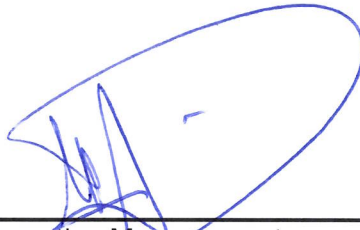
As part of this investigation in February 2024, NaturAceites approached the Christian Initiative Romero organization. As of the issuance of this statement, no opportunity has been provided to understand the specific causes and cases that support the claims included in their publication. Nevertheless, communication remains open to understand, analyze, and address as appropriate.

NaturAceites, as a certified member of the Roundtable on Sustainable Palm Oil (RSPO) since 2015, maintains its commitment by undergoing annual independent third-party audits. These audits verify our compliance with environmental, social, labor, safety standards, and health standards for our workers, among other topics.

We have successfully certified 100% of our plantations and processing plants according to the RSPO standard. Furthermore, we are committed to extending this certification to cover 100% of third-party plantations by 2025, demonstrating our ongoing commitment to sustainability.

Since 2021, we have consistently published a Sustainability Public Report, demonstrating our commitment to best practices. We ensure the alignment of this information with SPOTT (Sustainability Policy Transparency Toolkit) requirements, an assessment of transparency that evaluates the quality and level of disclosure in our reports on Environmental, Social, and Governance (ESG) practices.

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Executive Management

Carmel Lumanán

Communication Department



Reviewed by Sustainability Department



Reviewed by Audit and Compliance Department

Guatemalan, 04 of March 2024
