




 <b>NaturAceites</b>	<b>TOPICS MANAGEMENT REPORT - EVENTS BASED ON CONCERN/ISSUE REPORT</b>		 <b>NaturAceites</b>
<b>Procedure Code</b> INF-Q&R-2023-01	<b>Elaboration date:</b> March 20, 2023	<b>Last update:</b> _____	<b>Number of modifications:</b> <b>0</b>

<b>Case Number:</b>	382
<b>Reception date:</b>	January 31, 2024

<b>Context:</b>	<p><b>Description:</b> 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"> <li>1. Allegations regarding the establishment of plantations on third-party property, specifically in indigenous communities.</li> <li>2. Applicability of Human Rights</li> <li>3. Labor rights</li> <li>4. Water management and responsible use of agrochemicals</li> </ol> <p><b>Source:</b></p> <ol style="list-style-type: none"> <li>1. <a href="https://www.ecchr.eu/en/press-release/beschwerde-gegen-edeka-die-handelskette-taeuscht-verbraucher-mit-nachhaltigkeits-siegel/">https://www.ecchr.eu/en/press-release/beschwerde-gegen-edeka-die-handelskette-taeuscht-verbraucher-mit-nachhaltigkeits-siegel/</a></li> <li>2. <a href="https://www.ci-romero.de/palmoel-report-2024/">https://www.ci-romero.de/palmoel-report-2024/</a></li> </ol>
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1. Topic/ reported situation	Investigation
<b>Allegations regarding the establishment of plantations on third-party property, specifically in indigenous communities.</b>	<p><b>Risk:</b> Infringement to third-party property rights</p> <p>The following evidence was found during the process of investigation and documentary review:</p> <ul style="list-style-type: none"> <li>I. Historical registry and cadastral studies in 100% of its own, leased, and associated producer plantations.</li> <li>II. The polygons of the company's own and producer farms (shapes) are publicly available on NaturAceites' website: <a href="https://www.google.com/maps/d/edit?mid=1qnM4wug7f_jBcaUWE0XcAPay2kRDues&amp;usp=sharing">https://www.google.com/maps/d/edit?mid=1qnM4wug7f_jBcaUWE0XcAPay2kRDues&amp;usp=sharing</a></li> <li>III. Naturaceites' Human Rights and Sustainability Policy clearly state that no plantations or developments will be established on third-party or communal lands.</li> <li>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.</li> <li>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.</li> </ul>



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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>		
<b>Conclusion</b>	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.		
<b>Root Cause</b>	<b>Improvement Plan</b>	<b>Responsible</b>	<b>Estimated Implementation date</b>
<ul style="list-style-type: none"> <li>Regarding compliance with legislation on land ownership and/or leasing. Also, internal policies and adherence to applicable laws in line with Naturaceites' business ethics.</li> </ul>	<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
<b>Human Rights</b>	<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>I. Right to Life, Disproportionate Use of Force.</li> <li>II. Potential breach of an agreement that may have caused discontent within a community group</li> </ul> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>



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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 <a href="https://naturaceites.com/consultas-y-reclamos-naturaceites/">https://naturaceites.com/consultas-y-reclamos-naturaceites/</a></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. <a href="https://naturaceites.com/sostenibilidad-naturaceites/">https://naturaceites.com/sostenibilidad-naturaceites/</a></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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<b>Conclusion</b>	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.		
<b>Root Cause</b>	<b>Improvement Plan</b>	<b>Responsible</b>	<b>Estimated date of implementation</b>
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
<b>3. Topic/ reported situation</b>	<b>Investigation</b>		
<b>Labor Rights</b>	<b>Risk: Infringement to Labor Rights</b> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- The establishment and operation of bipartite and Gender committees were identified. These committees aim to harmonize and proactively manage the relationship between Naturaceites</li> </ul>		





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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"> <li>- 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.</li> <li>- 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.</li> <li>- No infringement to labor rights in NaturAceites have been identified, based on Labor agreements and employment contracts.</li> <li>- As of the current date, no labor disputes or claims by NaturAceites employees were identified.</li> <li>- 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.</li> </ul>		
<b>Conclusion</b>	No inconsistencies or breaches to labor rights established by NaturAceites and the Guatemalan labor regulations were identified.		
<b>Root Cause</b>	<b>Improvement Plan</b>	<b>Responsible</b>	<b>Estimated implementation date</b>
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.			
<b>4. Topic/ reported situation</b>	<b>Investigation</b>		
<b>Water Management and Responsible Use of Agrochemicals</b>	<p><b>Risk:</b> 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>		
<b>Root Cause</b>	<b>Improvement Plan</b>	<b>Responsible</b>	<b>Estimated date of implementation</b>



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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

  
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 Reviewed by Sustainability Department

  
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 Communication Department

  
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 Reviewed by Audit and Compliance Department

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 Guatemalan, 04 of March 2024