



DATE: 8th December 2023

TO: Ms. Beatriz Balbin
Chief, Special Procedures Branch
OHCHR

FROM: On behalf of Takahisa KUNO, Representative Director and President
of The Nisshin Oillio Group, Ltd.
Takashi SEGAWA
Executive Officer,
General Manager, Personnel & General Affairs Department

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PAGES: 4 (INCLUDING THIS PAGE)

SUBJECT: Re: JOINT COMMUNICATION FROM SPECIAL PROCEDURES

Dear Ms. Balbin

I am writing in response to your letter dated 26 October 2023 delivered to Mr. Takahisa KUNO, the Representative director and President in relation to the allegations against Ocho Sur P. SAC. and the existing human rights due diligence policies and processes in The Nisshin Oillio Group Ltd (hereinafter known as "The NOG", "the Company" or "the Group"). On behalf of the NOG, may I extend appreciation for your careful attention to the grave issue.

Upon receiving the letter, The NOG conducted an internal investigation and concluded the following:

1. Additional information in relation to the allegations

The NOG referred to all the companies of the Group if they have any business relationship with Ocho Sur P. SAC. or its group companies and found Industrial Quimica Lasem, S.A.U. ("IQL"), a manufacturer and manufacturer of fine chemical products including oil products for industrial use and cosmetics, might have indirect transaction with SERVICIOS AGRARIOS DE PUCALLPA S.A.C

The Nisshin Oillio Group, Ltd.

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(Extraction Mill, a subsidiary of Ocho Sur) in the past. SEVICIOUS AGRARIOS DE PUCALLPA S.A.C. was listed in the palm mill list that we had previously published on our website.

IQL clarified with a Tier 1 supplier, Lasenor Emul, S.L. ("Lasenor"), who offered IQL the mill list, relating to the allegations against Ocho Sur P. SAC, Lasenor informed us that they recognized human rights issues by Ocho Sur P. SAC, in October 2022, and have ceased all trading activities with SERVICIOS AGRARIOS DE PUCALLPA S.A.C since 2023. The NOG and IQL officially **SUSPENDED** all trading activities with and registered them under our Grievance log. Please refer to URL below.
https://www.nisshin-oillio.com/english/sustainability/pdf/Nisshin_Grievances-Log.pdf

We will contact Lasenor through IQL for an update on their monitoring and investigation on Ocho Sur. NOG will also plan to conduct human rights due diligence on Lasenor through IQL.

2. THE NOG's commitments towards Human Rights Due Diligence and its requirements towards suppliers

Our Palm Oil Sourcing Policy [Palm Oil Sourcing Policy](#) and [The Nisshin Oillio Group Human Rights Policy](#) outlined our Company's commitments to No Deforestation, No Peat and No Exploitation (NDPE). We strive to ensure our operations adhere to standards that meet or exceed these commitments and focus on supporting other industry actors to do the same.

At The NOG, we believe that businesses have the responsibility to support and uphold fundamental human rights stipulated in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. Furthermore, we are also committed to promptly mitigating and resolving the negative human rights impacts arising from our business activities. This aligned with our business core values and governed by our Group Policies.

Our company places significant emphasis on ensuring that our suppliers conduct thorough human rights due diligence to uphold both human rights and environmental standards, including those concerning Indigenous Peoples and human rights defenders. We will have established clear guidelines and expectations for our suppliers, mandating them to integrate human rights considerations into their operations. Self-Assessment Questionnaire ("SAQ") was also implemented to assess the subsidiaries and will be implemented to the Group's suppliers to identify negative impact on human rights issue.

In accordance with the UN Guiding Principles on Business and Human Rights, we will make continuous efforts to identify any negative impact of our business on human rights and to prevent and alleviate such impact.

3. Ensuring the Safety of Human Rights Defenders, Journalists, and Vulnerable Groups: Company Initiatives and Considerations

On 13 September 2022, the Japanese government published the Guidelines on Respecting Human Rights in Responsible Supply Chains. To support and align with the Government's initiatives, NOG is in the preliminary stage of implementing human rights due diligence. This aims to identify, prevent,

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mitigate and account for how it addresses adverse human rights impacts. This includes impacts that The NOG may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships.

When assessing human rights risks, we engage with affected stakeholders and pay special attention to vulnerable groups such as women, children, migrant workers and indigenous peoples. In all cases, we consider our rights-holders and ensure a people-first approach.

In addition, we are dedicated to safeguarding the rights of human rights defenders, journalists, and groups facing vulnerability, including Indigenous Peoples, as an integral part of the process outlined above. This commitment involves actively supporting and protecting these individuals and groups, acknowledging their specific challenges, and ensuring their safety and well-being.

4. Remedial measures for a negative human rights impact and deforestation.

According to The NOG Grievance Procedure, it requires the Company to prepare an action plan to address and resolve the grievance, communicating the plan to relevant parties. Subsequently, the outcomes will be communicated to external stakeholders, and an agreement will be reached regarding the communication of actions and progress.

In addressing deforestation issues, the NOG actively uses the Global Forest Watch to conduct constant monitoring using satellite images to identify, observe, and verify deforestation that may occur in our palm oil supply chain. In the event that deforestation is detected in our palm supply chain, The NOG will register the relevant company in the Grievance Log and continuously monitor them.

5. Human Rights Due Diligence: Actions Taken and Future Plans

a. Strengthening Group Policies and Grievance Mechanisms

We understand the critical importance of an effective framework that not only safeguards human rights but also addresses any arising issues promptly. Therefore, we will be strengthening our policies and grievance mechanisms considering recent developments.

b. Training and capacity building

Recognizing that impact assessments and social audits aren't the sole solutions for addressing human rights risks, we conduct educating our employee about our policies. From 2023 onwards, we have started investing in training and empowering our suppliers. We will introduce our new Code of Conduct to all employees and subsidiaries. This comprehensive training covers various facets, including the promotion of respect for human and labour rights. It emphasizes our fundamental expectation for every employee to understand the implications of their work on human rights within our operations, value chain, and communities.

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c. Collaborating to advance business respect for human rights

We believe that human rights are best advanced through collaboration. We actively seek out opportunities to work with our stakeholders to collaboratively advance positive systemic change and together enhance our leverage to address the root causes of adverse human rights impacts. In 2022, one of our subsidiaries also took part in the Labour Transformation Programme (LTP) organised by the non-profit Earthworm Foundation (EF), which aimed to promote better labour management and ethical recruitment practices for more responsible value chains. We aim to extend the program to additional subsidiaries and suppliers, incorporating a broader scope in the future. This expanded engagement will encompass various issues, such as violations of Indigenous Peoples' and local communities' rights, the absence of Free, Prior, and Informed Consent (FPIC), harassment of Human Rights Defenders (HRDs), deforestation, and environment degradation.

d. Prioritizing Vulnerable Groups in Human Rights Risk Assessment

Strengthen engagement with affected stakeholders in assessing human rights risks particularly focus on vulnerable groups, including women, children, migrant workers, and Indigenous Peoples. Implement specialized measures to address the unique challenges faced by these groups in risk assessment processes.

6. THE NOG's commitment in addressing human rights issues publicly.

Our commitment to transparency and accountability drives us to publicly disclose our robust grievance mechanism on our website. This mechanism serves as a vital avenue for anyone, internally or externally, to report concerns regarding human rights risks and impacts across our supply chain. Through this accessible platform, stakeholders can voice their grievances confidently, knowing that we take each report seriously and initiate thorough investigations.

On behalf of Takahisa KUNO, Representative Director and President,
Best Regards,

A handwritten signature in black ink that reads "Takashi Segawa".

Takashi SEGAWA
Executive Officer,
General Manager, Personnel & General Affairs Department
The Nisshin Oillio Group, Ltd.

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