

TERMS OF REFERENCE

Independent verifier for the implementation of the Respondent's Action Plan as directed by the Complaints Panel's decision.

Honduras- Latin America

I. Background

ACEITES Y DERIVADOS SOCIEDAD ANÓNIMA S.A. (ACEYDESA) is an RSPO member and is required to comply with all its Key Documents. On 29 April 2024, after considering the factual allegations and available evidence presented within the Complaint with reference RSPO/2020/07/LSL, the independent Complaints Panel issued a decision letter¹ (hereinafter referred to as the "CP's decision letter"), in which the following directives were made: -

- a. The Respondent is given one (1) month from the date of issuance of the decision letter to draw up an action plan to remedy the breaches to be submitted to the CP for approval.
- b. The Respondent is granted a period of six (6) months from the approval of the action plan by the CP to implement the action plan and remedy the breaches.
- c. During the period of the aforementioned six (6) months, the CP directs the Secretariat to proceed to identify an independent verifier. At the end of the six (6) months period, the independent verifier is to verify the implementation of the Respondent's action plan and to also perform a full audit to verify the Respondent's compliance with all of the RSPO Principles & Criteria 2018. The independent verifier is to thereafter submit a report on the verification findings to the CP for further deliberations.
- d. Should the Respondent fail to submit an action plan within the stipulated period as set out in item (a) above, or if the independent verification finds that the Respondent is failing to comply with the directives as set out above, the Complaints Panel is at liberty to exercise its discretion in accordance with the powers vested in it by the Complaints and Appeals Procedures 2017.

¹ For more information, see the entire decision letter on:

<https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/GB000003WD5K/ckhzbqvk1IL36GbmPStUOi3B8SpPTY91OWx7iluiAM0>

The Spanish version on:

https://rspo.my.salesforce.com/sfc/p/#90000000YoJi/a/GB000003WD5P/DNn_hW3Bz5LhoSudBAS3_yhpHhhU3lIRhJccGvv.M

- e. The lifting of this sanction is subject to the CP being satisfied with the implementation of the Respondent's action plan to remedy the said breaches and its compliance with the RSPO P&Cs.

In accordance with the above directives, the Respondent has submitted an action plan to remedy the breaches as set out in the CP's decision letter and the said action plan has been approved by the Complaints Panel. To ensure the Respondent's compliance to the aforementioned directives, and pursuant to the requirements of item (c) above, an independent verifier is to be engaged to verify the implementation of the Respondent's action plan in order to determine whether or not the aforementioned directives have been complied with and the breaches as set out in the CP's decision letter has been remedied by the Respondent.

II. Objectives

The objectives of the independent verification are to:

1. Assess the implementation of the Respondent's action plan and to satisfy the requirements of item (c) above;
2. Determine if the breaches of the following provisions have been remedied:
 - a) **RSPO Principle & Criteria 2018 (P&C) - Criteria 2.1:** *There is compliance with all applicable local, national, and ratified international laws and regulations.*
 - b) **RSPO Principle & Criteria 2018 (P&C) - Criteria 3.6:** *An occupational health and safety (H&S) plan is documented, effectively communicated, and implemented.*
 - c) **RSPO Principle & Criteria 2018 (P&C) - Criteria 4.2.1:** *The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRDs, community spokesperson and whistle blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRDs.*
 - d) **RSPO Principle & Criteria 2018 (P&C) - Criteria 6.2:** *Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide a decent living wage (DLW).*
 - e) **RSPO Principle & Criteria 2018 (P&C) - Criteria 6.7:** *The unit of certification ensures that the working environment under its control is safe and without undue risk to health; and*
3. Determine if the breaches of the RSPO Principles & Criteria as set out in the CP's decision letter have been satisfactorily remedied by the Respondent.

III. Methodology

The primary methodology for this independent verification is onsite and desk research. It is designed to meet the above objectives.

The independent review will ensure that: -

1. The evidence gathered from both Complainant and Respondent as well as any other relevant information from the relevant stakeholder(s) and relevant publicly available information from third parties on each of the tasks of the action plan submitted shall be reviewed;
2. An analysis and evaluation on the extent of compliance with the applicable provisions of the RSPO Key Documents pursuant to the requirement of item (c) above;
3. Based on the findings of the independent verification, to provide recommendations (where applicable) in accordance with the requirements and scope of the RSPO Key documents; and
4. Any weaknesses found during the desk research must be properly verified during the onsite audit.

IV. Expected outcomes

Expected outcome of this exercise is a report from the independent verifier addressing all the elements listed under the objectives. The report is to be submitted in both the English and Spanish languages.

V. Terms of Engagement

The terms of engagement are as follows:

- a. The independent verifier shall at all times adhere to the highest level of professionalism. This includes: -
 - i. Timeliness and adherence to the schedule and deadlines;
 - ii. Carrying out an independent verification in an impartial manner, including being neutral and objective during the process;
 - iii. Ensuring all findings and analysis are supported with evidence gathered;
 - iv. Timely reporting to the Grievance Unit within the RSPO Secretariat; and
 - v. Maintaining the confidentiality of all information and supporting documents received and reviewed in the independent verification.
- b. RSPO Secretariat will: -
 - i. Furnish the independent verifier with all relevant information pertaining to the verification exercise; and
 - ii. Facilitate meetings to clarify instructions and direction of the review where and when required.

VI. Independent Verifier

RSPO proposes that the assessment is carried out by individuals/teams of strong investigative background. The independent verifier should meet the following minimum criteria: -

1. Proven track record in doing similar study in the palm oil sector and/or agriculture industry.
2. Fluent in English and Spanish - both written and spoken.
3. Does not have a conflict of interest with the Respondent, ACEITES Y DERIVADOS SOCIEDAD ANÓNIMA S.A. (ACEYDESA), the Complainant, individuals and organisations supporting the Complainant (if any) or members of the RSPO Secretariat.
4. Has sufficient knowledge of interpreting the RSPO Key Documents.
5. Able to carry out an independent verification and analysis of the data captured to meet the objectives in item (II) above.
6. Has knowledge of stakeholder engagement, regulations on labour law in Honduras, dispute resolution, and occupational health and safety regulation.
7. Has knowledge of Honduran law.
8. Based in Latin America.

VII. Schedule

The timeline for this exercise is dependent on the availability of the independent verifier. Parties to the Complaint will be updated on the agreed timeline of the assessment upon consultation between the Secretariat and the independent verifier and upon approval of the timeline by the Complaints Panel.

VIII. Estimated Cost

The RSPO has allocated a budget for this exercise. It will meet the reasonable cost of the independent verifier.

For parties interested to undertake the above assessment, kindly submit your fee proposal along with the Curriculum Vitae to complaints@rspo.org

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