



Terms of Reference

Independent Investigation of the Complaint against
INDUSTRIAS OLEOPALMA S.A. DE C.V.
(a subsidiary of Oleoquímica Mexicana S.A. de C.V.)
MEXICO

1.0 Background

INDUSTRIAS OLEOPALMA S.A. DE C.V. (a subsidiary of Oleoquímica Mexicana S.A. de C.V.) (hereinafter referred to as "*the Respondent*") is an RSPO member and is bound to comply with all its Key Documents. On 29 November 2024, a complaint (with reference RSPO/2024/17/MAM) was lodged against the Respondent on the following allegations: -

1. **Allegation on Dismissal of Workers:** The Complainant alleges that the Respondent has unjustifiably dismissed workers, deceiving them into resigning with the promise that they will be rehired;
2. **Allegation on Lack of Compensation Payment:** It is alleged that the Respondent did not pay the dismissed workers the full amount of compensation for early termination of contract, breaching Mexican federal labour law;
3. **Allegation on Bribery:** It is alleged that the Respondent bribed the authorities to obtain the parcel certificate from the National Agrarian Registry (RAN) required by Mexican Law;
4. **Allegation on Falsification of Information:** It is alleged that the Respondent has falsified information regarding land ownership in order to use it as evidence to avoid the imposition of non-conformities during audits; and
5. **Allegation on Wrongful Storage of Crude Palm Oil:** The Complainant alleges that crude palm oil is stored in tanks that do not receive any maintenance. Therefore, the Mexican legislation regulating this matter is not being complied with.

For the purposes of determining this Complaint, the Complaints Panel has directed the Secretariat pursuant to section 7.1.4 of the Complaints and Appeals Procedures 2017 to engage an independent investigator/expert to conduct an independent investigation for the purposes of determining if the above-mentioned allegations are true or otherwise.

2.0 Objectives

The objectives of the independent investigation are to:

1. Investigate the allegations listed under item (1.0) above and gather evidence for the independent Complaints Panel's determination.



2. Investigate the allegations listed under item (1.0) above against the requirements of the provisions of the RSPO Key Documents (including but not limited to):
 - a. **RSPO Code of Conduct for Members 2022 - Clause 2.3:** *Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict.*
 - b. **RSPO Principles & Criteria 2018 (P&C) - Criterion 1.2:** *The unit of certification commits to ethical conduct in all business operations and transactions.*
 - c. **RSPO Principles & Criteria 2018 (P&C) - Criterion 2.1:** *There is compliance with all applicable local, national, and ratified international laws and regulations.*
 - d. **RSPO Principles & Criteria 2018 (P&C) - Criterion 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 living wage (LW).*
 - e. **RSPO Principles & Criteria 2018 (P&C) - Indicator 6.2.3:** *There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.*

Note: To refer to the Mexican National Interpretation of the RSPO Principles & Criteria 2018.

3. Investigate whether the Respondent has complied with Mexican labour laws concerning individual worker rights, in alignment with the Mexican National Interpretation of the RSPO Principles & Criteria 2018.

3.0 Methodology

The primary methodology for this independent investigation comprises an on-site review and desk research to meet the above-mentioned objectives. The on-site review shall include interviews with workers within the area subject to this Complaint, as well as other relevant stakeholders or relevant third parties, where applicable.

The independent investigation will ensure that: -

- a. The evidence gathered (including testimonial evidence) from both Complainant and Respondent, as well as any other relevant stakeholder(s) and publicly available information from third parties, is independently reviewed and verified in relation to each of the allegations raised;
- b. Each allegation is analysed to meet the objectives as set out under item (2.0) above; and
- c. Safeguards are in place to protect the identities (if any) of human rights defenders, whistleblowers, complainants, community members, and workers, with the aim of reducing the risk of potential reprisals against individuals or communities involved in the investigation.

4.0 Expected outcome



The expected outcome of this exercise is a report from the Independent Investigator/Expert addressing all the elements listed under the objectives. The report is to be submitted in both English and Spanish.

The draft report prepared by the Independent Investigator/Expert will be shared with the independent Complaints Panel for their review. Further clarification (if necessary) is to be provided by the Independent Investigator/Expert to the independent Complaints Panel before the report is finalised.

A copy of the draft report will be provided to the Parties to this Complaint for the sole purpose of factual verification, subject to compliance by the Parties to any requirements made by the Independent Investigator/Expert (if applicable).

5.0 Terms of Engagement

The terms of engagement are as follows:

1. In line with Sections 8.4.1 and 8.4.2 of the Complaints and Appeals Procedures 2017 (CAP 2017), the Independent Investigator/Expert must sign and execute a Non-Disclosure Agreement and shall at all times adhere to the highest level of professionalism during the investigation process. This includes: -
 - i. Timeliness and adherence to the schedule and deadlines. The Independent Investigator/Expert shall provide a clear work plan and an indicative timeframe for the independent investigation;
 - ii. Carrying out an independent investigation in an impartial and objective manner during the process. This independent investigation must include both on-site and desktop verifications;
 - iii. Ensuring all findings and analyses 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 throughout this exercise.
2. RSPO Secretariat will: -
 - i. Share all relevant information pertaining to the Complaint (subject to confidentiality, where applicable), including but not limited to the RSPO Key Documents and supporting documents relied on during this Complaint; and
 - ii. Facilitate meetings to clarify instructions and direction of the investigation as applicable.

6.0 Independent Investigator/Expert



RSPO proposes that the investigation be carried out by individuals or teams with a strong investigative background. The Independent Investigator/Expert should meet the following minimum criteria: -

- 1. **Regional expertise:** Based in Latin America, preferably with specific experience working in Mexico;
- 2. **Relevant sector experience:** Proven track record in conducting similar investigations or studies within the palm oil sector and/or the agriculture industry;
- 3. **Language proficiency:** Fluent in English and Spanish - both written and spoken;
- 4. **Independence and impartiality:** Does not have a conflict of interest with the Respondent (Industrias Oleopalma S.A. de C.V.), the Complainant, any entities or individuals listed in the Complaint, or staff members of the RSPO Secretariat;
- 5. **RSPO knowledge:** Has sufficient knowledge of interpreting the RSPO Key Documents;
- 6. Able to carry out an independent analysis of the data captured to meet the objectives in item (2.0) above;
- 7. **Legal expertise, and environmental and social context:**
 - a. Has a proven track record of stakeholder engagement, Mexican labour law, and regulations on property acquisition in Mexico.
 - b. Has knowledge of the application of the Mexican Standard NMX-F-817-SCFI-2020 and the other official Mexican standards that complement said standard.

7.0 Schedule

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

8.0 Estimated Cost

The RSPO has allocated a budget for this exercise. It will meet the reasonable cost of the Independent Investigator/Expert.

Parties who meet the requirements of this ToR are invited to submit a copy of your Curriculum Vitae and a fee proposal to complaints@rspo.org

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