

## **GRIEVANCE PROCEDURE**

**FUJI OIL HOLDINGS INC.**

### **1. BACKGROUND**

Fuji Oil Holdings launched its Responsible Palm Oil Sourcing Policy in March 2016, recognising that sustainable development is integral to the long-term viability and success of Fuji Oil's palm businesses. The Responsible Palm Oil Sourcing Policy has incorporated no deforestation, no peat land development and no exploitation requirements to meet the rising market demand for traceable, responsibly produced palm products.

Fuji Oil Group recognises the important role that stakeholders play in the successful implementation of its Policy. The Fuji Oil Group Responsible Palm Oil Sourcing Policy includes a commitment to establish a Grievance Mechanism to provide a platform for stakeholders to raise grievances regarding the implementation of the Fuji Oil Group's Responsible Palm Oil Sourcing Policy across its palm supply chain. This grievance mechanism will align with the United Nations Guiding Principles on Business and Human Rights criteria for effective non-judicial grievance mechanism: legitimacy, accessibility, predictability, equitability, transparency, rights-compatible, a source of continuous learning, and based on engagement and dialogue. All grievances logged under the Grievance Procedure will be dealt with in a timely manner, and all investigations and findings will be reported transparently. To ensure the effective implementation of the grievance procedure, an annual review of the procedure will be conducted, taking into consideration input received from stakeholders.

Fuji Oil Group acknowledges that the Roundtable on Sustainable Palm Oil (RSPO) maintains a grievance process to which Fuji Oil Holdings has an existing commitment, while the scope of Fuji Oil Group Responsible Palm Oil Sourcing Policy will in some cases require a more dynamic approach to stakeholder engagement and transparency. In principle, however, all grievances raised through the RSPO grievance process will follow the RSPO process.

### **2. OBJECTIVES**

This procedure is to support and enhance the implementation of the Fuji Oil Group Responsible Palm Oil Sourcing Policy by addressing stakeholders' grievances relating to Fuji Oil Group and its' suppliers. It is intended to serve as a guide to review, manage, monitor and address the outcome of stakeholder grievances (from any external parties, including individuals, government organizations and non-governmental organizations) concerning the implementation of the policy across the Fuji Oil Group's palm supply chain. Fuji Oil Group recognises that feedback and input from stakeholders is valuable to enhance transparency in our supply chain and provide a means to gauge progress on the implementation of the Policy.

### 3. SCOPE

The Fuji Oil Group Responsible Palm Oil Sourcing Policy and this Grievance Procedure applies to Fuji Oil Group’s global business operations and their palm oil suppliers at group level<sup>1</sup>. This procedure covers activities related to the handling of stakeholders’ grievances regarding the implementation of the Policy. This includes the recording of grievances, taking action to verify claims, rectifying confirmed issues (including suspension), reporting the verification results, responding to stakeholders, managing and monitoring any follow-up action.

The intended target of the grievance will be identified in the Grievance list: (i) Fuji Oil Group, (ii) direct supplier, and/or (iii) indirect supplier (in the Fuji Oil Group’s palm supply chain). Grievances raised through both official and unofficial channels will be categorised according to the following structure:

No.	Category	Scope
1.	Grievances against Fuji Oil Group	Relates to Fuji Oil Group’s own business unit operations.
2.	Grievances against a direct supplier	Relates to a direct supplier of Fuji Oil Group.
3.	Grievances against an indirect supplier	Relates to an indirect supplier to Fuji Oil Group via a direct supplier.

Table 1: Fuji Oil Grievance scope and categories.

### REFERENCES

- a) Fuji Oil Group Responsible Palm Oil Sourcing Policy
- b) UN Guiding Principles on Business and Human Rights

### 4. DEFINITIONS

A grievance is a complaint, allegation, concern or problem which an individual or a group has raised to the Fuji Oil Group to address and identify a resolution to because it is related to Fuji Oil’s palm supply chain.

### 5. RESPONSIBILITIES - MANAGEMENT TEAMS

Tasks		Responsible
Grievance Coordination	a) Receiving Grievance	Supply Chain Management Group
	b) Grievance Validation	
	c) Grievance Registration	
	d) Grievance Handling	

<sup>1</sup> Supplier at Group Level is defined based on RSPO’s definition of “group”. For further information, please refer to: <https://www.rspo.org/publications/download/638ae27c7f6b004>

	e) Monitoring	
	f) Conclusion	
	g) Closing	

## 6. WORKFLOW PROCESS

### a) Receiving a Grievance

#### Grievances raised through official channels

Issues raised against Fuji Oil’s operations or suppliers (as mentioned in Table 1 above) will be recorded as grievances if they allege a breach of Fuji Oil Group’s Responsible Palm Oil Sourcing Policy. Grievances can be raised to Fuji Oil Group via any of the following channels:

Via email to : palm-grievance@fujioilasia.com  
 By telephone to : +65 6804 7731  
 In writing to : 61 Science Park Road, #03-15/24,  
 The Galen, Science Park II, Singapore 117525  
 Attention to: Fuji Oil Supply Chain Management Group

- Grievances must include the following information:

Full Name  
 Name of Organization (if any)  
 Address  
 Phone No./Fax No./Email Address (at least one contact point)  
 Description of the grievance in detail  
 Evidences to support the grievance

The Grievance Raiser will be notified once the grievance has been received. Supply Chain Management Group may request any further information and will keep Grievance Raiser informed through out the grievance process.

#### Grievances raised through unofficial channels

In addition to grievances submitted through the official channel above, issues raised against Fuji Oil’s operations or suppliers (as mentioned in Table 1 above) through unofficial channels, such as the media and the internet, will be recorded as grievances if they allege a breach of Fuji Oil Group’s Responsible Palm Oil Sourcing Policy and are connected to Fuji Oil Group’s supply chain directly or indirectly.

### b) Grievance Validation

All reports received via the grievance communication either officially or unofficially channel will be evaluated by the Fuji Oil Holdings’ Supply Chain Management Group using a Grievance Decision Tree (See Appendix A). If necessary, Supply Chain Management Group will communicate with the Grievance Raiser to obtain further details and/or evidence of the grievance. The aim of the validation process is to confirm if the complaint falls into the category of a grievance. In accordance with the Grievance Decision Tree (Appendix A), possible outcomes include:

- a. The grievance is valid and will be recorded;

- b. The grievance is rejected.

### c) Grievance Registration

Upon validation as a grievance, the Supply Chain Management Group shall record each validated grievance in the public grievance list and update it quarterly. If Grievance Raiser needs immediate verification or updates on the grievances, Grievance Raiser can contact Supply Chain Management Group directly. Updated Grievance List will be notify to relevant stakeholders including Grievance Raisers. In the case of rejected cases, Grievance Raiser will be notified of the reasons and is welcomed to submit new evidences to dispute findings.

### d) Grievance Handling

All validated grievances are subjected to the Suspend and Engage Protocol (Appendix F), and upon which if a direct or indirect supplier is verified to be deforesting HCV/HCS areas or developing on peatland after 31<sup>st</sup> December 2015, will be temporary suspended, until they meet the internal minimum requirements. Minimum requirements can be but not restricted to:

- Development of group-wide NDPE policies, and to include in the policy to conduct HCS-HCV assessments and reviews before any new developments
- Development of action plan for the grievance(s) within 3 months upon engagement with Fuji Oil's direct supplier or Fuji Oil.

#### *Grievance against Fuji Oil Group*

- a. The Grievance Raiser will be notify of the progress of the grievance as according to the Grievance Procedure Process Flow Diagram – Fuji Oil Group (see Appendix E(a)).

The Supply Chain Management Group shall verify the details of the grievance(s) raised with the alleged Business Unit. A site investigation will be conducted and an Investigation Report (see Appendix B) will be developed providing summary of the issues and recommended actions to close the grievance(s). The Investigation Report will be provided to the Grievance Raiser for perusal and Supply Chain Management Group shall draft a time-bound Grievance Action Plan (see Appendix C). The Grievance Raiser will be informed of the Action Plan.

- b. The Supply Chain Management Group, shall then take steps to implement the Action Plan together with the Business Unit.
- c. The Supply Chain Management Group shall monitor the implementation of the Action Plan regularly until the grievance is closed. The status of the Action Plan will be updated on the Grievance List and to the Grievance Raiser regularly.

#### *Grievance against a direct supplier*

- a. The Supply Chain Management Group shall contact the supplier and request a time-bound action plan.

Fuji Oil Group shall seek to directly engage the entity to verify the grievance prior to requesting the action plan from the supplier. If a field visit is conducted, an Investigation Report (see Appendix B) will be developed providing recommended actions for the supplier to include in their action plan.

- b. The Supply Chain Management Group shall then monitor the delivery of the action plan regularly until the grievance has been closed. The status of the action plan will be updated on the Grievance List and informed to the Grievance Raiser regularly

#### *Grievances against indirect supplier*

- a. The Supply Chain Management Group shall contact the intermediary (direct) supplier to Fuji Oil Group and request a time-bound action plan from the respective supplier that the grievance has been made against.
- b. The Supply Chain Management Group shall then monitor the delivery of the action plan regularly until the grievance has been closed. The status of the grievance shall be updated on the Grievance List and informed to the Grievance Raiser regularly

#### **e) Monitoring**

The Supply Chain Management Group is responsible for overseeing and monitoring all grievances. In cases relating to grievances made against third-party (direct or indirect) suppliers, the Supply Chain Management Group shall receive progress updates on the implementation of the supplier's action plan. Progress updates on outstanding (open) grievances will be requested from suppliers on a regular basis. This information will be used to communicate with the Grievance Raiser who raised the grievance through any channel. Grievances progresses will be updated on the public grievance list quarterly.

Grievances against direct/indirect suppliers that are not closed within a reasonable timeframe shall be referred to the Supply Chain Management Group. A review of progress must be performed and depending on the nature of progress made, a new grievance action plan may be developed, or the commercial relationship with the supplier will be reviewed until the grievance is closed. In either case, the Grievance Raiser shall be notified.

#### **f) Closing grievance**

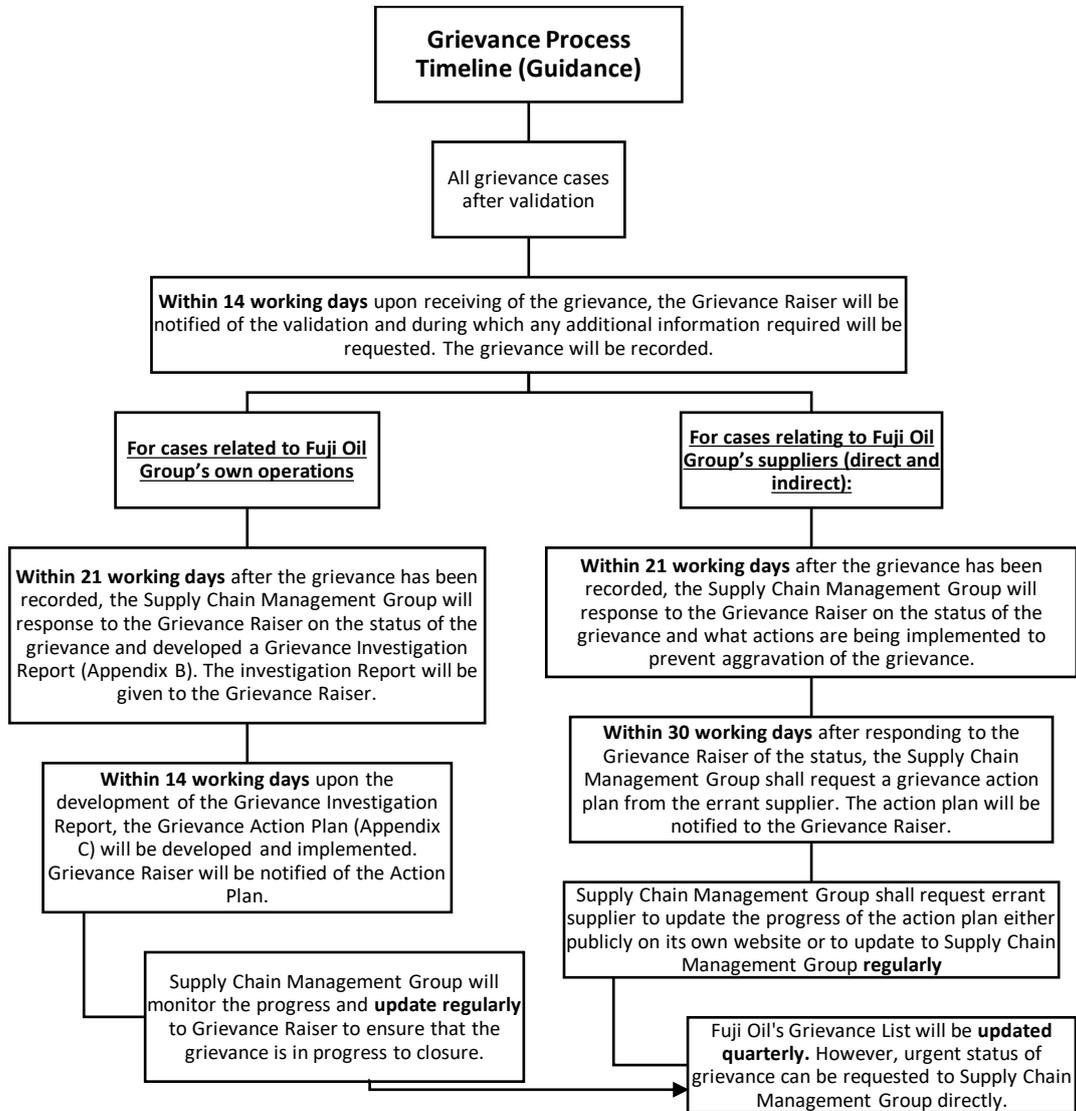
A grievance will be closed when there is verification of compliance with Fuji Oil Group's Responsible Palm Oil Sourcing Policy, or the supplier has been suspended. Upon closure of the grievance, the Grievance Raiser will be notified and to seek the Grievance Raiser's feedbacks. Subsequently, the Supply Chain Management Group shall update the status of the grievance on the Grievance List.

Any party that is unsatisfied with the closure of the grievance can reply in writing to Supply Chain Management Group and they will be properly reviewed. Where appropriate and necessary, additional follow up action can be initiated including but not limited to a joint discussion/review of the grievance and/or a joint field visit to the grievance site.

### g) Timelines

The grievance resolution process often involves numerous stakeholders and the length of time required to process cases may vary depending on the complexity of the grievance.

The following timeline below acts as guidance to the key stages of the Grievance Procedure:



### Attachments

Appendix A: Grievance Decision Tree

Appendix B: Investigation Report Template

Appendix C: Grievance Action Plan Template

Appendix D: Grievance List

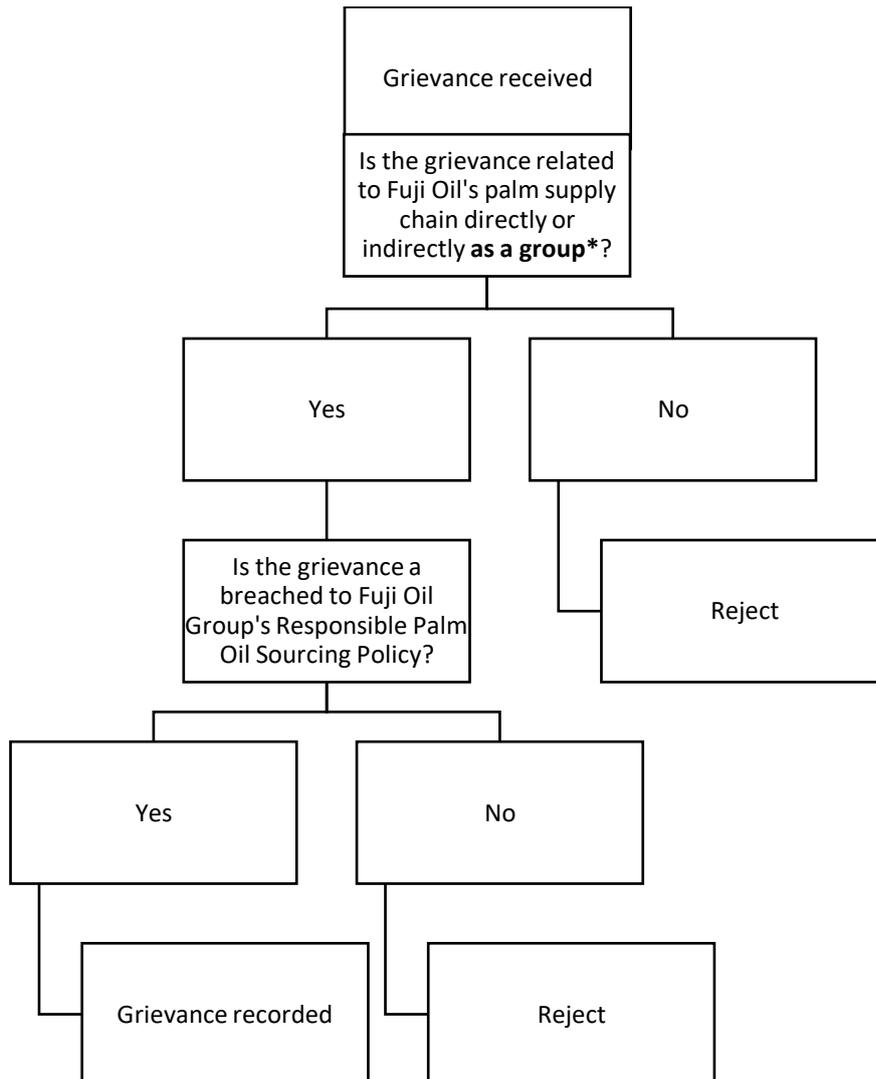
Appendix E (a): Grievance Procedure Process Flow Diagram – Fuji Oil Group

Appendix E (b): Grievance Procedure Process Flow Diagram – Direct Suppliers

Appendix E (c): Grievance Procedure Process Flow Diagram – Indirect Suppliers

Appendix F: Suspend and Engage Protocol

### Appendix A: Grievance Decision Tree



\* Supplier at Group Level is defined based on RSPO's definition of "group". For further information, please refer to: <https://www.rspo.org/publications/download/638ae27c7f6b004>

Appendix B

Grievance Report Template- Grievance Against Fuji Oil Group

**1. BACKGROUND**

Relevant background information

**2. OBJECTIVE**

Clearly describe the objective of grievances and rationale of allegation

**3. EXPECTED OUTCOMES**

List the expected outcomes and proposed resolution to the grievance

**4. FIELD INVESTIGATION**

Onsite investigation / verification of the grievance will be conducted  
Issues and observations will be identified during verification / investigation  
Methodology used will be stated  
Finally, conclusions will be written

**5. REPORTING**

Investigation result and proposed time bound action plan

Appendix C

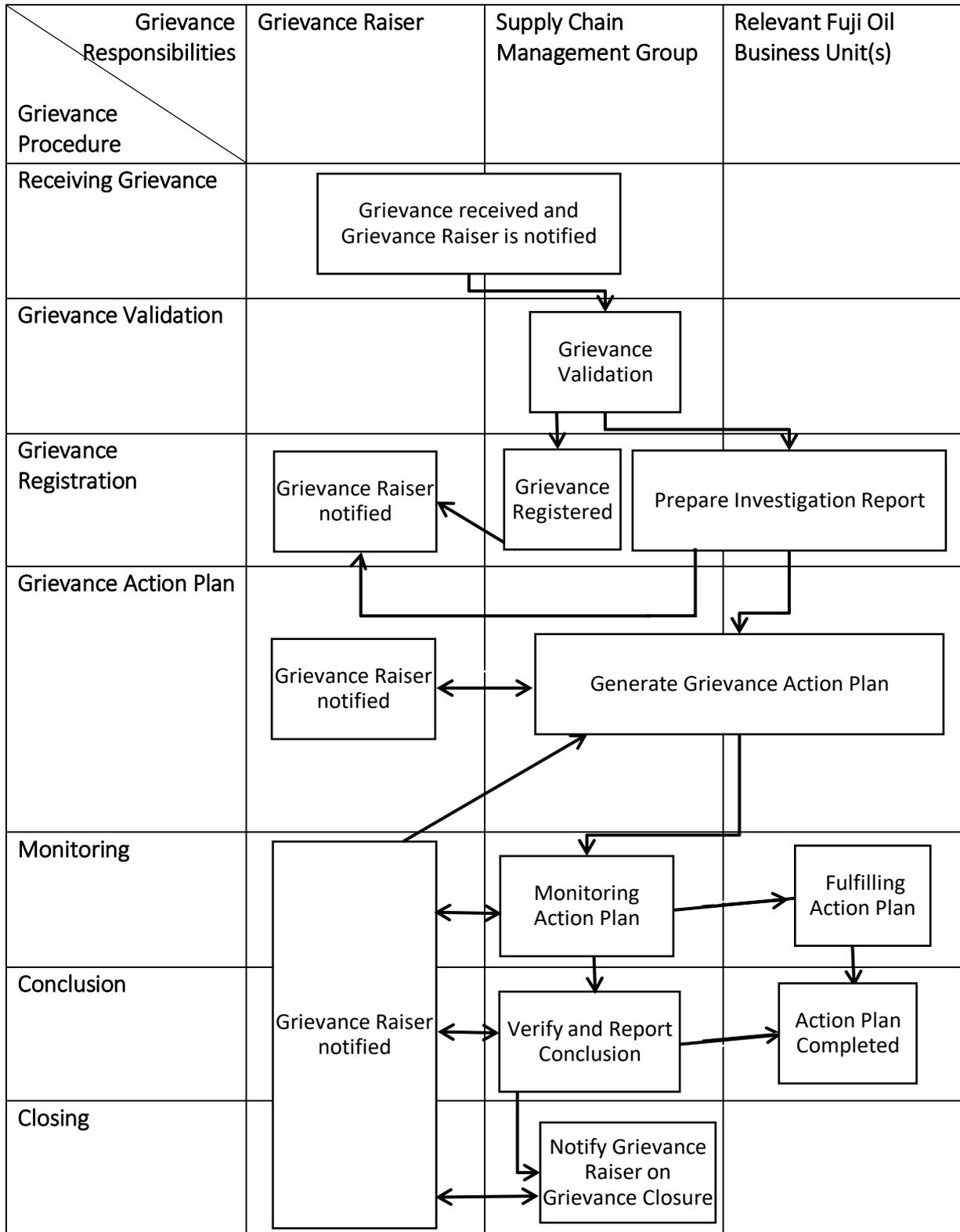
Grievance Action Plan Template

No.	Target	Action	Deliverable	PIC	Due Date	Status
...	Issue / complaint as reported in grievance	Detailed description of activity	Agreed outcome that must be met for grievance to be considered closed	Person in Charge, Company name and position.	Date for activity to be completed	Ongoing / closed

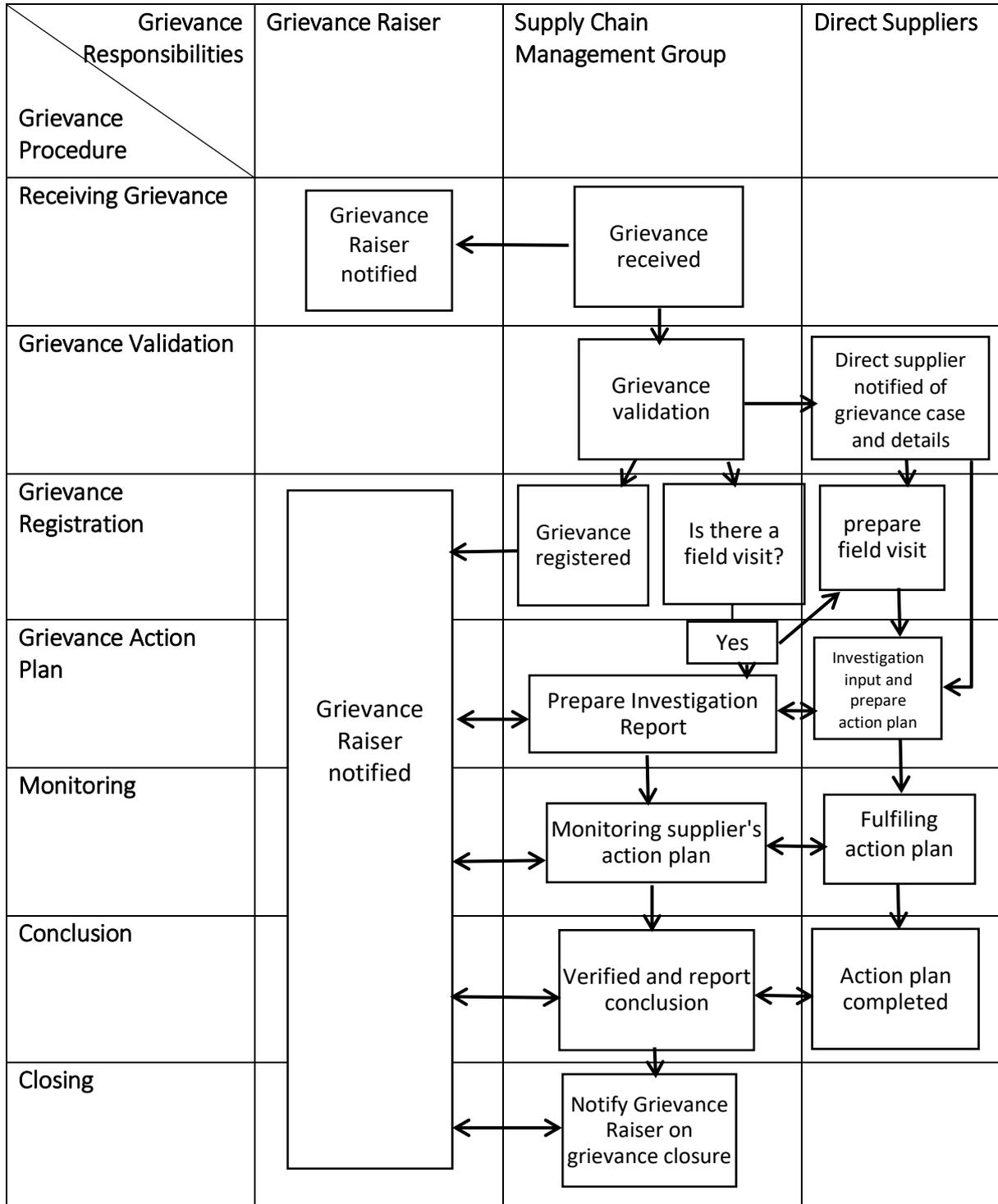
Appendix D: Grievance List Template

No.	Alleged Suppliers	Grievance Cases	Grievance Raiser	Issues	Alleged upstream suppliers	Supply Linkage <sup>(1)</sup>	Progress	Status

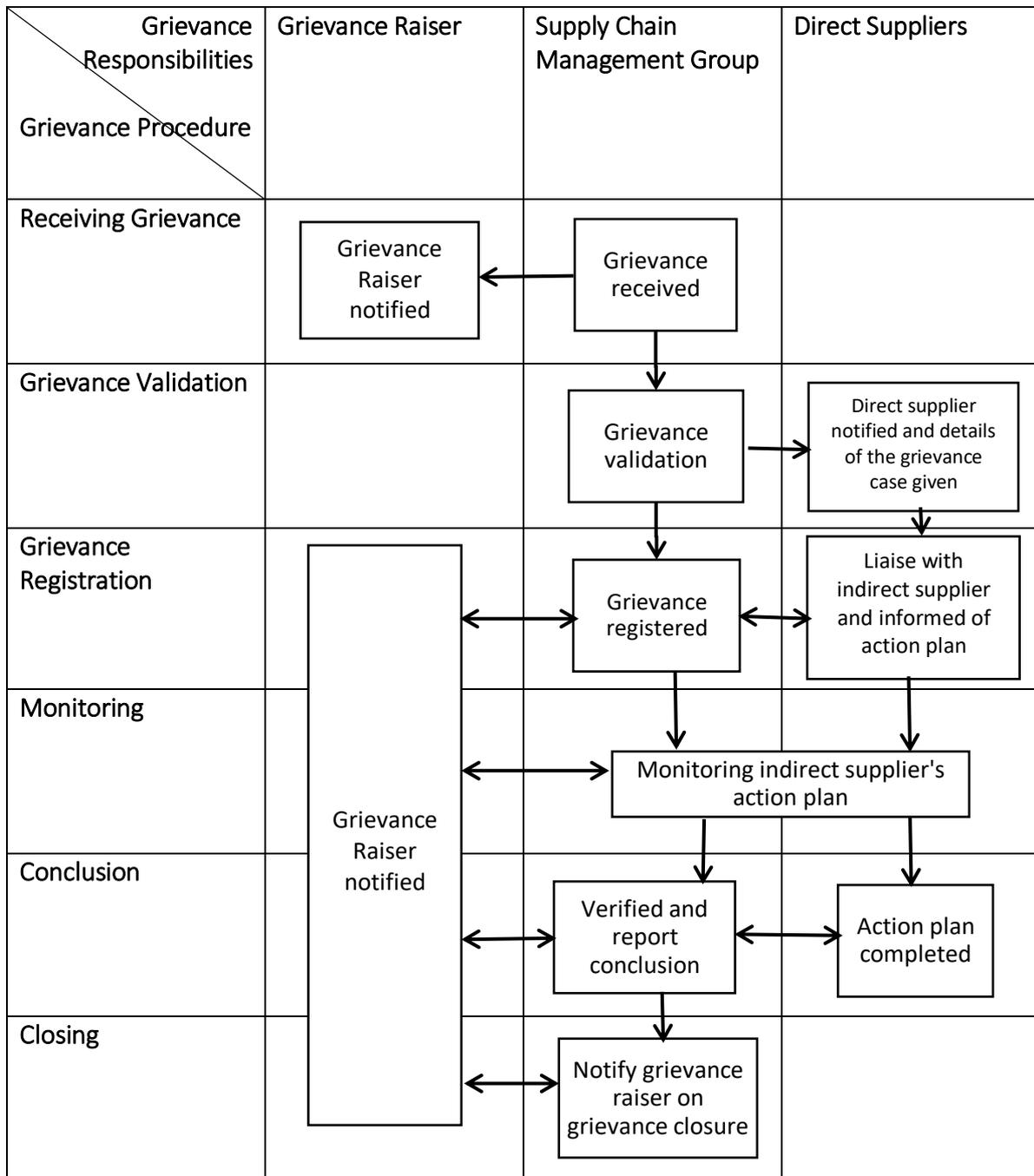
Appendix E (a): Grievance Procedure Process Flow Diagram – Fuji Oil Group



Appendix E (b): Grievance Procedure Process Flow Diagram – Direct Suppliers



Appendix E (c): Grievance Procedure Process Flow Diagram – Indirect Suppliers



Appendix F: Suspend and Engage Protocol

