

PRESS KIT: Q&A

SPECIFIC INSTANCE TO THE NATIONAL CONTACT POINT OF THE NETHERLANDS

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WHAT IS THE COMPLAINT ABOUT?

The case refers to the involvement of **Louis Dreyfus Company B.V.** (LDC)—a company based in The Netherlands and leader in the trading of agricultural commodities—in sourcing palm oil from illegally deforested areas in the Peruvian Amazon. The case was filed before the **National Contact Point** of the Organisation for Economic Cooperation and Development (OECD), due to the breach of the OECD Guidelines for Multinational Enterprise that establish principles and standards for responsible business conduct.

Despite abundant public information concerning the grave environmental and human rights impacts, since 2020 LDC has purchased crude palm oil to Servicios Agrarios de Pucallpa SAC, the extraction plant of the Ocho Sur Group whose oil palm plantations are involved in the illegal deforestation of over 12,000 ha of Amazon virgin forest, human rights violations of the Indigenous Community of Santa Clara de Uchunya and the Shipibo-Konibo people and corruption schemes for land grabbing.

WHAT ARE THE ALLEGATIONS?

Louis Dreyfus Company allegedly failed to undertake appropriate risk-based due diligence to identify, prevent and mitigate adverse impacts caused by its business relationship with the **Ocho Sur Group** in Peru.

The complaint further alleges that Louis Dreyfus Company is responsible for having contributed to the adverse environmental and human rights impact in Peru by buying palm oil from Servicios Agrarios de Pucallpa, the extraction plant of the Ocho Sur Group, and failed to exercise leverage by continuing this trading partnership.

The complaint also concerns misleading claims by Louis Dreyfus Company, on its website, and in other official publications, related to palm oil sustainability, its

“green” credentials and the compatibility of its operations with human rights and environment in breach of the OECD standards in relation to disclosure, communication and consultation with the interested stakeholders such as consumers, shareholders, investors.

WHY IS THIS IMPORTANT?

Due to the characteristics of the palm oil supply chain, just a small group of very large multinational companies refines, processes and trades palm oil from thousands of mills. Particularly, refining and trading are the most concentrated part of the supply chain, where the palm oil produced sources a conspicuous number of consumer goods companies, reaching a countless number of consumers. LDC is among the biggest of this small group of refiners and traders.

Because of this market concentration, a major trader such as LDC has important leverage on growers and mills, including in respect of the adoption and enforcement of sustainability commitments. For this reason, compliance with the OECD Guidelines and the correct implementation of sound environmental management system by a key player such as LDC, could not only enhance the implementation of No Deforestation policies on the ground, by growers, but also set the example and influence other transnational agri-commodity traders who participate in the supply chain of forest-risk commodities, making the palm oil supply chain really sustainable and deforestation-free.

This case is also important to achieve more transparency in the palm oil supply chain and provide more reliable information to the interested stakeholders—such as consumers, shareholders, investors, etc.—, who are now receiving inaccurate and misleading statements on sustainability.

WHAT IS THE GOAL OF THIS COMPLAINT?

Through this complaint, Indigenous leaders of AIDSESP and FECONAU, and the **co-complainants** not only request to address the urgent, serious and irreparable impact of corporate harm underway in the Peruvian Amazon and the impunity that surrounds and enables it, but also to acknowledge the predominant role that Louis Dreyfus Company and other major commodity traders play in the market of agricultural commodities around the world in promoting real compliance with sustainability standards, and also influencing other companies who participate in the supply chain of forest-risk commodities to put in place a sound environmental management system and carry out the appropriate due diligence.

WHAT IS THE NATIONAL CONTACT POINT OF THE OECD?

The case against LDC was filed before the OECD National Contact Point (NCP) of the Netherlands due to the non-compliance of the OECD Guidelines for Multinational Enterprises on human rights, environment, anticorruption, etc. NCPs are offices set up by governments that have adhered to the OECD Guidelines for

Multinational Enterprises. The NCPs evaluate whether the issues raised merit further examination and offer its good offices to provide a mediation and conciliation platform between the multinational company and the requesting organizations, which can be used to promote specific company behaviours and lead to agreements of various kinds.

Following an Initial Assessment, the Dutch NCP concluded that the complaint merits further consideration.

WHAT IS THE INITIAL ASSESSMENT?

The NCP conducts an initial assessment of the complaint to determine whether it “merits further examination” and thus it is admissible. This initial assessment is limited to an examination on the basis of the admissibility criteria described below. At this stage, the NCP does not comment on whether the information provided by the parties is correct or whether the company has observed the OECD Guidelines.

In this case, the Dutch NCP concluded that the complaint merits further consideration based on the following criteria:

- The Dutch NCP is the right entity to assess the alleged violation against LDC; there will be an advisory and supporting role for the Peruvian NCP;
- The notifying party is a concerned party (a diverse coalition of Indigenous organisations and international NGO’s) with a legitimate interest in the issues raised in the notification;
- The alleged issues are material and prima facie substantiated, meaning that they are plausible and related to the application of the OECD Guidelines;
- There is a link between the activities of the enterprise and the issues raised in the specific instance;
- The consideration of this specific instance may contribute to the Guidelines’ objectives and enhance their effectiveness.

WHO ARE THE COMPLAINANTS?

The complainants are the Peruvian Indigenous organizations, Interethnic Association for the Development of the Peruvian Rainforest – AIDSESP and Federation for Ucayali and Afluentes Native Communities - FECONAU, with the support of a coalition of Peruvian and international NGOs with extensive experience in addressing unlawful deforestation and climate change issues, the rights of indigenous peoples, and corporate accountability: Forest Peoples Programme, Instituto de Defensa Legal, Instituto de Estudios Forestales y Ambientales – Kené, Environmental Investigation Agency – EIA, and the Center for Climate Crime Analysis – CCCA.

WHO IS THE RESPONDENT MULTINATIONAL ENTERPRISE?

The complaint is against Louis Dreyfus Company B.V., a major trader of agricultural commodities with headquarters in the Netherlands. Louis Dreyfus

Company is one of the world's four largest agribusinesses, part of a group of major traders informally known as the "Big Four" or "ABCD", which control over 70% of the global market of agricultural commodities.

The case refers to its alleged failure to conduct due diligence over its palm oil supply chain, as well as its contribution to the grave environmental harm resulting from extensive deforestation in the Peruvian Amazon and to the human rights violations caused by one of its trading partners in Peru, Servicios Agrarios de Pucallpa SAC, a company part of the Ocho Sur Group.

WHO IS THE OCHO SUR GROUP, THE TRADING PARTNER OF LOUIS DREYFUS COMPANY B.V.?

The Ocho Sur Group is well-known at the local and international level for the human rights and environmental violations carried out since the beginning of its activities, which were in turn the continuation of the illicit conduct by the previous owners of the plantations, Plantaciones de Ucayali SAC (now known as Ocho Sur U SAC) and Plantaciones de Pucallpa SAC (now known as Ocho Sur P SAC).

These violations began with the unlawful appropriation, supported by corruption of public officials, by Plantaciones de Ucayali SAC and Plantaciones de Pucallpa SAC of more than 12,000 hectares, mostly part of the ancestral lands of the Indigenous Community of Santa Clara de Uchunya and the Shipibo-Konibo people, in order to develop the palm oil project. It continued with extensive illegal deforestation to establish the plantations that provide crude palm oil to Louis Dreyfus Company B.V.

The oil palm plantations have always been, and are still to this day, without the environmental authorizations required by law. The plantations and the palm oil extraction plant were built without the free, prior, and informed consent of the Santa Clara de Uchunya community and the Shipibo-Konibo people, which has suffered violations of their collective land, livelihood and self-government rights as indigenous peoples, as well as threats and intimidation in response to their tireless efforts to defend their rights, culture and ancestral lands.