



January 2024

To whom it may concern,

Our companies, leading organizations in the beauty, personal and health care, and oleochemicals sectors, are committed to ensure that our palm derivatives supply chains are free from deforestation, respect human rights, and support local livelihoods.

The [Action for Sustainable Derivatives](#) (ASD) is a collaborative initiative aiming to accelerate transformation of the palm derivatives industry towards compliance with **No Deforestation, No Peat, No Exploitation (NDPE) principles**. ASD members work together to harmonize approaches, standardize tools and methodologies, and mutualize efforts, recognizing that this collective approach creates efficiencies towards environmental and social impact. Taking a sectoral approach allows for economies of scale, participation of smaller derivatives sector players, and an aligned derivatives sector voice in the supply chain.

Despite commitments of most palm industry players to NDPE principles, reports of grievances* in the palm sector persist. As End Users of palm oil derivatives, we are often multiple layers away from grievance issues in the supply chain, making it a challenge to understand and address them. ASD supports us in identifying, analyzing, and assessing cases' severity, giving the right level of information to take actions on priority grievances.

Over the past few years ASD has had a grievance resolution process led by its members, independently. However, ASD recognizes several challenges in individual grievance management. There is a duplicative and time-consuming effort for companies to individually reach out to suppliers and follow-up regularly. Suppliers then face multiple bilateral and unharmonized demands that are time-consuming to respond to. Understandably, responses end up being standardized and lack detail, and individual companies have limited leverage to effect change.

As such, ASD would like to address grievances collectively, in compliance with anti-trust laws, by harmonizing the supplier engagement process.

To support us in this process, [Transitions](#), a third-party sustainability consultancy with extensive expertise of the oleochemicals supply chain and knowledge of its players, will engage suppliers on behalf of all ASD members. Their role and mission will include reaching out to suppliers in the palm sector targeted by a grievance and collecting information whether the suppliers have considered the grievance and if they have taken corrective action. They will also provide a review of the actions identified and inform ASD members when a gap is observed. The information obtained during this engagement phase will be shared with ASD members, who will have the right to take action in return, but on an individual basis.





As one of our partners for the palm-based procurement and key players in the sector your participation is key to the success of grievance resolution.

We are confident this collective approach generates time and resources efficiencies for all parties involved. We thank you in advance for your active support of and cooperation with **Transitions** to facilitate this process.

**The term grievance refers to an accusation against a company's activity which is suspected of breaching NDPE commitments or infringing on other policies (including national or international rights and laws). A grievance can be raised by workers or by external stakeholders (civil society, members of a local community, an environmental association, the press, etc.).*

Yours faithfully,

ASD Participating Companies

