



**coexca S.A.**

www.coexca.cl

Maule, October 28th, 2020

Mrs.

**Hannah Matthews**

Researcher for Latin America

Business & Human Rights Resource Centre

Dear Mrs. Matthews,

We salute you cordially and we extend our gratitude in advance for the deference to contact us to inform our point of view about the article to be published in the bulletin of the Business & Human Rights Resource Centre (BHRRC). The publication provides a series of affirmations about our company, Coexca Inc., and the Investment Fund for Developing Countries (IFU).

First of all, we would like to categorically refute some of the statements observed in the article, particularly, one related to our pig farm "San Agustín del Arbolito" located in San Javier city, in the Maule Region. It is false that such facility did not have administrative and environmental licenses, as stated in the article. Quite the contrary, these permits have always been available: Environmental Qualification Resolution (RCA N°165/2008), and then, when the company proposed the authorities the optimization of the swine manure management systems, it was approved by the Environmental Qualification Resolution (RCA N°225/2019). This resolution continues to be valid and approved by Chile's Environmental Evaluation System.

## **1.- COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

For your information, since the design of this farm until today, a group of people – motivated to protect the interests of the Real Estate entrepreneur Mr. Álvaro Letelier, who acquired a plot of land near that facility six years after our company acquired the RCA 165/2008 – started a systematic campaign against our company because of the installation of this farm, involving an economic interest from this businessman.

This situation has triggered diverse judicial actions by our firm in an attempt to defend ourselves from arbitrary acts and false accusations. Evidence has proven that in all of these cases, our claims have been validated by courts and administrative and environmental authorities.

+56 71 2631919

Longitudinal Sur Km. 259. Talca, Región del Maule, Chile



Alongside judicial actions, Chile's Environmental Evaluation Service (SEA) rejected three appeals filed by these people and confirmed the Environmental Qualification Resolution (RCA N°225/2019) for the facility, being the decision unanimously ratified by the Regional Evaluation Committee on September 17<sup>th</sup>, 2019. Moreover, the SEA technically dismisses eventual negative effects of the project in its operation in different aspects, for example, in terms of odor pollution – which according to the claimants – could represent a health threat to the community and a detriment to their life quality. On this matter, the SEA observes that the technical evaluation concludes that the samplings are within the levels established by the authorities, in accordance with regulations, discarding odor contamination that could affect the life quality and health of the people that live near the facilities and/or crops as in the case of the vineyards in that area. Besides, this entity dismissed negative effects on water resources or supposed damage to underground waters, that might affect – for instance – the wetland Ciénaga de Name. Likewise, the institution refuted that the farm produced adverse effects on the soil – due to treated waters and solid residues – or damaged natural resources used as economic support by the community, biological diversity, and flora and fauna of that place.

Amidst the development of this process, the detractors and the family of mister Álvaro Letelier filed a protective appeal in the Court of Appeal of Talca. The appellate court rejected the plea, where Chile's National Institute of Human Rights (INDH) adhered to the case against the company. The court decision indicates that the rights claimed in the appeal such as the right to life, to bodily and psychological integrity, and the right to health are not affected. "About the claimed rights by the present appeal, it must be accounted that life, bodily integrity, and the right to health, do not appear, that in the current situation of the zone, could imminently affect them in none of these rights" – reads the document.

In fact, the Court of Appeal is categorical – circumstance subsequently ratified by the Supreme Court – about the operation of the facilities not affecting the right to life, health and bodily integrity, and validated the lawfulness of the processes in the venue upon acknowledging the full validity of the environmental resolution. In addition, the court ruling backed the participation of environmental regulatory agencies, namely, the Ministry of Health and the Environmental Superintendence.



The court of appeal solely orders that the company comply with the obligations imposed by the Environmental Qualification Resolution N°165/2008 to develop their authorized economic activities, without prejudice that a new act by competent authorities might alter such resolution. The firm has exceeded in this compliance and continues to do so to this day. This has been demonstrated through the high standards and technology utilized in the operations in that farm, becoming the most modern facility with the highest standards in Latin America.

## 2.- THE HIGHEST STANDARD IN LATIN AMERICA

In effect, both Coexca Inc. and the Investment Fund for Developing Countries (IFU) from Denmark have a categorical compromise to comply with the highest standards in Chile and worldwide in terms of animal wellbeing, environmental management, sustainability, pork production, among others.

The aforementioned has been demonstrated in their project “San Agustín del Arbolito”, farm that contains an underground swine manure management system, whose disposal is stored in a German-made biodigester that creates electric energy for the operations of the facility. Additionally, liquid digestate is utilized in the irrigation of trees in the venue. For this process, there is a hermetically sealed reservoir with a flexible membrane and active carbon filters. Also, the totality of the breeding pavilions has forced ventilation systems that significantly reduce odor emissions. Therefore, in terms of odoriferous emissions, the farm complies with the Dutch regulations for urban zones i.e. this facility could be located in urban areas in Germany, Holland or in the Nordic countries. This can be possible due to the state-of-the-art technology utilized in the farm. Furthermore, there are periodic assessments, commanded by the company, in order to obtain objective and quantifiable data.

## 3.- RELATION WITH THE COMMUNITIES AND CONTRIBUTIONS TO SOCIETY

The article mentions “intense conflicts” with the communities, which is only applicable to the interest group indicated in the precedent paragraphs. Our relation with the community is optimal. We have a clear and active policy of corporate social responsibility that goes far beyond our own collaborators; workers with stable jobs and career opportunities in our company. Besides, they have working benefits that guarantee their safety both during working hours and in their transportation from the farm to their houses and vice versa.

As for our relation with the communities, the actions undertaken by our company are directed towards providing drinking water to more than half a hundred families whose residences are located in rural areas in the surroundings of the farm. Without this help, these families would present serious issues in their life quality. Thus, weekly, our company purchases drinking water to supply the community, delivering it to their residences.

Also, Coexca Inc. has built a strategic partnership the Rural Drinking Water Cooperative of Sauzal, a place located 18 kilometers away from the farm, to ensure the supply of this vital element to the population of the zone with approximately 500 families comprised largely by elders. Likewise, in that area, our company helps the “Octavio Palma Pérez” school and their neighborhood council, with whom it develops a series of activities that contribute to the members of those communities.

In addition, the residents of Santa Rosa de Purapel and Vado de la Patagua or Majuelo have also agreed to this partnership, through which community centers have been built and small businesses of locals have been promoted.

The performance of Coexca Inc. has also been oriented to the development of the pork industry in the country. This way, the firm has been actively supporting a new law for this sector and is playing a relevant role in the work groups convened by the Chilean Government to analyze and discuss the draft bill that regulates the emission of pollutants in pig farms cause discomfort in some communities due to odoriferous contamination. Coexca Inc. is influencing the creation of a law that matches the highest international standards.

Alongside IFU, our company is working with other actors of the Chilean industry, and has been bringing international experts to advise the business, and to share experiences with the authorities about regulations in the most advanced countries in the pork industry.

Consequently, Coexca Inc. has promoted events about this matter. For example, the firm sponsored a webinar this August on the new proposed regulation for odoriferous pollution. This event was organized by the environmental specialized site Codexverde ([www.codexverde.cl](http://www.codexverde.cl)) and the University of Desarrollo.





Dear Mrs. Hannah Matthews: Coexca Inc., and IFU reiterate their compromise with the compliance of all regulations, the highest of norms globally. We work on that every day. We are concerned that the institution that you stately lead, might consider valid information sources of dubious quality, scarce journalistic rigor and/or openly biased. These comments about our company are filed with unknowledgeable details about how this project operates, and there is no willingness to counter their versions to corroborate the veracity of their statements, something crucial in journalism these days.

Our company complies with all the environmental regulations and will doubtlessly continue on the same path because it part of our culture.

Yours sincerely,

Guillermo García González  
General Manager  
Coexca Inc.

