

Guatemala, June 22nd, 2021

Andrea Maria Pelliconi Research Assistant
Ana Zbona Civic Freedoms & Human Rights Defenders Project
Vitória Dell'Aringa Rocha, Research Assistant for Latin America
Business & Human Rights Resource Centre

Re: E-mail received on June 15th, 2021

Reforestadora de Palmas de El Petén, S. A. (REPSA) has the vision to be a model of operational efficiency and sustainability, reason why throughout the years, we have focused on continuous improvement by identifying gaps, developing plans and implementing actions that have allowed us to move forward in our desired path towards sustainability.

We seek to operate in a responsible manner, to be a source of decent employment that respects human rights and natural resources, and above all, we aim to create shared value in our neighboring communities. Currently, we make significant efforts to comply with international standards for the responsible and sustainable production and commercialization of palm oil, where our processes are constantly verified and validated by internal and external stakeholders to ensure sustainable practices across our value chain.

In order to address what was included in your e-mail, enclosed find important information regarding our operation:

Intimidation of environmental and human rights defenders

REPSA, as part of Grupo HAME, has a Sustainability Policy with specific commitments related to human rights. Our policy prohibits any kind of retaliation towards any person and expresses the company's respect for Human Rights Defenders.

See policy on our website: <https://repsa.com.gt/policies/?lang=en>

In relation to past grievances with local NGOs, REPSA engaged the representatives of both organizations (Condeg and La Comisión por la Defensa de la Vida y la Naturaleza) from 2017 to 2019, assisted by independent mediators, in order to address the incidents and foster dialogue. The company also carried out internal investigations to further understand the cases and took corrective actions to help prevent incidents like these from happening in the future. Read more in our Grievance List: <https://repsa.com.gt/claims-list/?lang=en>



Lima Choc case, 2015:

The Guatemalan authorities have confirmed that REPSA is not related to this case. See letter from the Prosecutor's Office of 2018: <http://repsa.com.gt/wp-content/uploads/2018/11/Cartas-REPSA-y-MP-caso-LimaChoc-nov2018.pdf>

Illegal detention of activists, 2015:

The case was dismissed by the Prosecutor's Office (Public Ministry) due to the complainants' decision to desist. Within the case file it can be verified that REPSA did not appear as an accused nor involved party, there was not, nor is there any legal action of any kind against the company.

Read more on the actions REPSA took to address this case on our Grievance List: <https://repsa.com.gt/claims-list/?lang=en>

La Pasión River case

The legal case of La Pasión River remains under investigation phase, still pending the definition of next steps by the appointed court.

Even though, legal responsibility on the river case has not been ruled by the authorities, REPSA recognizes the importance of adopting a proactive approach and engaging in broader monitoring efforts. Therefore, the company has carried out several actions in benefit of La Pasión River, which are all published in our Grievance List: <https://repsa.com.gt/claims-list/?lang=en>.

In 2019, REPSA in a joint effort with the Municipality of Sayaxché started an initiative to create a “**Comprehensive Action Plan for La Pasión River**”, with the purpose of promoting the implementation of actions towards comprehensive watershed and micro-basins management as a means to support social and environmental development in the area. See our MOU with the Municipality of Sayaxché: <https://drive.google.com/file/d/1H3-vOPaDGpEJe6DRuVtXoJkiS9-GaVki/view>

Company impacts and Human Rights

In terms of Human Rights REPSA has the following mechanisms and initiatives as part of its Sustainability Policy:

Mechanisms in place

- **Code of Conduct** (<https://repsa.com.gt/compliance/?lang=en>);
- **Disciplinary Manual**;
- **Grievance Mechanism** to address labor and community related concerns (<https://repsa.com.gt/wp-content/uploads/2020/12/Procedimiento-MQC-REPSA-EN.pdf>);
- **Social Impact Assessment (SIA)** carried out with a participatory approach in consultation with neighboring communities and local stakeholders and an **Impact**



- Mitigation Plan** with specific actions aimed at addressing the impacts identified in the SIA and subject to third-party verification and accountability;
- **Employee Engagement Unit** aimed at strengthening the company's relationship with its employees;
 - **Training program** to educate employees on Sustainability and Human Rights;
 - **Gender Program** with a Corporate Gender Commitment (<https://repsa.com.gt/policies/?lang=en>) and Gender Committees in all palm oil operations;
 - **Child labor internal audits.**

Initiatives

- **Direct dialogue with local and international NGOs** to address gender and labor matters;
- **Ulula pilot project** (currently taking place) promoted by RSPO and buyers in partnership with Proforest LATAM. This initiative aims to survey working conditions and establish an automated complaints line, which will support the continuous improvement of our employee engagement strategy;
- **Labor rights due diligence** (currently taking place), conducted by regional law-firm Alta QIL+4 in order to identify challenges and assure compliance with applicable labor regulations.

We believe that **second and third-party verification** is crucial to validate progress and identify opportunity areas. REPSA has been undergoing external verifications since 2016, including two evaluations to the execution of its Sustainability Action Plan by Earthworm Foundation (2018 and 2020)¹, an external audit to its Grievance Mechanism conducted by Earthworm Foundation² with the participation of Oxfam Guatemala (2019), a Human Rights due diligence guided by Cegesti³ -an independent organization and ILO member- (2019-2020), an environmental and social assessment carried out by Green Development⁴ (2020), as well as due diligences conducted directly by clients and business partners. Also, the effective execution of REPSA's Impact Mitigation Plan is periodically overseen by community members and local stakeholders through in presence visits.

We reiterate our commitment to continue working alongside stakeholders and undergoing third-party evaluations to improve our sustainability performance.

¹ Second party verification.

² Second party verification.

³ Third party verification.

⁴ Third party verification.



United Nations Human Rights Rapporteurs letter, Nov.2020

On November 2020 UN Human Rights Rapporteurs sent a letter to the Guatemalan Government expressing some concerns regarding respect for human rights in the country's palm oil sector.

According to these procedures the Government of Guatemala is responsible for responding directly to the UN Human Rights Rapporteurs based on its own due diligence, it is not up to the companies mentioned in the letter to reply.

Read more on the Special Procedures of the Human Rights Council:

<https://www.ohchr.org/EN/HRBodies/SP/Pages/Introduction.aspx>

Committed to transparency, we promote an open doors policy, whereby information regarding our plans and progress is published periodically in our website www.repsa.com.gt. Additionally, we have a confidential, safe and free of charge Grievance Mechanism that anyone can use, which allows us to be aware of and address any concern related to our operations. Toll-free number 1801-13-77777 quejasconsultas@grupohame.com.

At REPSA, we reaffirm our commitment to continue in our path towards sustainable production of palm oil. We appreciate having the opportunity to give input in regards to your queries and we take this opportunity to invite all stakeholders including local and international NGOs with concerns related to past grievances to visit us in presence and see our progress. Feel free to reach us at contactenos@grupohame.com to coordinate logistics.

We strongly believe that dialogue and engagement is the way to move forward.

Reforestadora de Palmas de El Petén, S.A.

