



Second Progress Report

Sustainability Action Plan 2017-2018

November 2017 - February 2018

REPSA (Reforestadora de Palmas de El Petén, S.A.) presents its II Progress Report on the company's Sustainability Action Plan 2017-2018, in order to communicate the implementation of the activities and tasks carried out during the period of November 2017 - February 2018 in a transparent manner.

The Sustainability Plan contains 21 activities, from which 97 tasks stem, which are being implemented with the goal of achieving the following results (components):

- 1) **The company is transparent with workers and stakeholders about its institutional policies, corporate values, plans, operations, and nonconformities.**
- 2) **Human Rights are respected and promoted.**
- 3) **The natural resources for the production of palm oil are responsibly managed by the company, based on best practices for the reduction/mitigation of possible impacts to the natural environment (water, soil, and air).**
- 4) **The company contributes to the generation of local development.**

Access the updated version of the Sustainability Action Plan here:

<http://repsa.com.gt/sustainability-action-plan-2017-2018/>

COMPONENT 1. *The company is transparent with workers and stakeholders about its institutional policies, corporate values, plans, operations, and nonconformities.*

1.2.2 Submit the new Sustainability Action Plan draft and invite NGOs to provide comments and contributions.

- In late 2017, REPSA individually met with an international NGO with presence in Guatemala, to present the 2017-2018 Sustainability Action Plan and invite comments. The consultations and comments issued by the organization during the meeting were used as input to strengthen the plan.
- In January and February 2018 REPSA held meetings with another international NGO with presence in Guatemala, to provide updates on the main advances in the implementation of the Action Plan and learn about their comments and perspectives.
- It is important to mention that not all stakeholders felt comfortable offering comments and/or recommendations to the plan when it was socialized. We hope to build relationships of trust, so in the future, stakeholders can participate in the creation of plans and projects.

**** Due to NGOs request of confidentiality, we are not including their names in this report. We hope that, in the near future, as we build relationships of trust with the organizations, they will feel comfortable and agree to have their names published.***

1.2.5 Publish periodic reports on Action Plan progress: quarterly progress reports.

- In November 2017, REPSA published the I Quarterly Progress Report¹, with information on the implementation of the activities of the plan, during the months of July - October 2017.
- From February 13 to 15, 2018, REPSA held 6 workshops with local stakeholders in Sayaxché to socialize the implementation of the 2017-2018 Sustainability Action Plan and discuss the next steps. People from 32 of the communities defined in the area of influence of the company attended these workshops: 6 representative of the Municipality of Sayaxché, 10 local representatives of public institutions, 43 members of Community Development Councils (COCODES), 49 women leaders, 25 teachers, and 35 religious leaders.
- As with the August 2017 workshops where the draft Action Plan was shared, these meetings were accompanied by a representative of Acción Ciudadana (Transparency International Guatemalan Chapter) as observer.
- REPSA is open to receive additional feedback from stakeholders on the activities of the plan and its implementation, as this will help strengthen this as well as future plans.

1.2.7 Socialize new policies generated by the company as well as updates/amendments to existing policies with stakeholders.

- In January 2018, REPSA met with the Human Rights Ombudsman (PDH) and asked for support to review the *Policy to Prevent Violence and Intimidation (PPVI)*, with the purpose of providing input that will contribute to enrich its content. In February 2018, REPSA met again with the PDH to discuss the content of the policy and received recommendations to strengthen it. At this moment, the suggestions are being incorporated to launch an improved version of the policy in

¹ See REPSA's I Quarterly Progress Report (July - October 2017): <http://repsa.com.gt/primer-informe-de-progreso-2017-2018/>

April when the project to strengthen its implementation will be carried out, that we will execute with the Consensus Building Institute (CBI) and an external entity with which we have a collaborative agreement.

1.3.1 Evaluate the effectiveness of the grievance mechanism to identify opportunities for improvement.

1.3.2 Re-design the grievance mechanism procedure for attending labor, community and public complaints.

- In January 2018 an international consulting firm -with which we work to strengthen our social management system- and the aforementioned external entity visited REPSA to conduct an audit of REPSA's complaint/grievance mechanism and a diagnosis that identified the areas that need to be improved.
- The diagnosis revealed several weaknesses of the mechanism, particularly the lack of worker and community confidence to express their complaints, the little knowledge users have about how their complaints are resolved (who, how, when, etc.), and a weakness in process systematization.
- Based on the analysis performed, the mechanism was re-designed and the strengthening of the following areas was prioritized: scope of the mechanism, channels for receiving complaints and questions, integration of processes to address labor and community complaints, systematization of the procedure to investigate cases, classification of complaints, definition of response and resolution times, appeals mechanisms, user communication, process to deal with public complaints (including past allegations).
- In addition, the mechanism was aligned to the effectiveness criteria for non-judicial grievance mechanisms, according to United Nations Guiding Principles on Business and Human Rights²: legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on participation and dialogue.

1.3.3 Socialize the new grievance mechanism procedure with stakeholders and invite them to give their contributions and suggestions.

- In February 13-15, 2018, during the workshops, the draft of the new complaints and consultation mechanism was shared with 148 members of Sayaxché stakeholders: community leaders and COCODEs representatives, religious leaders, women leaders, local representatives from public institutions, and teachers. Their comments, suggestions, and consultations were collected, and will be considered within the mechanism.
- The socialization of the new procedure to groups of workers and civil society organizations will be carried out during March, to obtain their inputs.
- The new Grievance Mechanism will be published and will be functional in April 2018. It will be audited periodically and we hope to have the participation of external entities to evaluate its effectiveness.
- In addition, we will seek feedback from stakeholders on the implementation of the mechanism and, in particular, its results in the prevention and solution of grievances.

² Guiding Principles on Business and HR of the United Nations:
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_SP.pdf

1.3.10 Re-structure the strategy to address past grievances not yet resolved.

1.3.11 Implement a plan of attention to past grievances.

- As part of the management system consultancy, we have created a strategy to address not-yet-resolved past claims, based on joint dialogue, joint investigation, and fact-finding, and the proposal of preventive actions, to reach mutually-agreed solutions between the company and the aggrieved parties.
- In order to address past claims, in November 2017 we initiated internal investigation processes conducted by corporate managers to better understand the allegations and find possible solutions.
- Additionally, with the results of the investigations, actions were identified that the company must implement to prevent future incidents related to HR, such as:
 - o Strengthen PPVI content and ensure it emphasizes the promotion of respect and tolerance towards people/organizations that criticize the company.
 - o Improve Policy implementation: with support from the CBI and with the PHD as local partner, in April training will be provided to the staff responsible for disseminating the policy among workers and communities to strengthen their capacities and provide them with tools (culturally-pertinent support material, training records, comprehension assessments, etc.) .
 - o Formalize and socialize REPSA's policy and criteria for granting support and/or means to workers who are community leaders to participate in community-related events.
 - o Update and socialize the Code of Ethics with staff and communities, and ensure it clearly promotes Human Rights respect among workers, both in the workplace and while participating in community and/or political activities.
 - o Analyze strategies to socialize corporate policies with REPSA's supply chain suppliers.
- The implementation of some of these actions started in January 2018. However, we hope to share the results of investigations and actions with the aggrieved parties to get their perspective on corrective actions, prevention of incidents, and reach mutually agreed solutions.
- REPSA's Complaint Mechanism will be the main channel to learn about, attend, and resolve any type of labor, community, and/or public complaint.

1.4.1 Review and update stakeholders mapping.

1.4.2 Analyze the current situation of company's relationship system with stakeholders.

- During this period, the social management system consultant carried out an analysis of REPSA's relationship with local and national stakeholders. This analysis identified the need for the company to design a strategy that allows for trust-building with stakeholders in order to initiate processes of permanent dialogue, prioritizing transparency, communication, and accountability. Although REPSA maintains frequent communication with communities and other local groups in its area of influence, it is necessary to increase the groups with which the company relates; to systematize the relationship processes, and integrate them in an engagement plan.
- The stakeholder mapping was reviewed and updated in January 2018. It constitutes the base for the creation of the strategic engagement plan, as it allows REPSA to identify all stakeholders and actors with whom engagement should be initiated and/or strengthened, as applicable. In

addition, this mapping helps the analysis of the type of engagement the company wants to build with each party, which we expect to be able to define together with each actor.

- We will continue working with the consultant on strengthening our stakeholder engagement strategy and operational plan during the next phase of the consultancy, scheduled to begin in April 2018. We believe this consultancy will help us better structure the community engagement REPSA currently conducts in the 32 communities defined as within the area of influence of the company, to make it more efficient.

1.4.4 Identify opportunities for dialogue to promote stakeholder participation in a multisectorial process focused on approaching development issues (based on the recommendations of the CBI and TFT study).

1.4.5 In consultation with local and national stakeholders, develop a roadmap for generating a multisectorial dialogue.

- Based on the scoping study prepared by CBI and TFT in 2016 and 2017 to identify the conditions required for the generation of a multisectorial dialogue that collectively addresses development issues, in January and February 2018 REPSA designed a draft roadmap that identifies the opportunities and paves the way in the medium and long term towards this dialogue.
- Prior to initiating the promotion of this dialogue in the region, it is crucial that the company reaches certain milestones, mainly the resolution of past claims and the consolidation of its bilateral relations with stakeholders.
- This first road map draft contains the milestones, challenges, focus, and opportunities for multisectorial dialogue, in order to guide the actions of the company towards this purpose.

1.5.1 Comply with the execution of the actions set forth in the Governance Pact of Sayaxché, the cooperation agreements with the Municipality of Sayaxché, the Association of Friends of Development and Peace, and the Social Progress Institute.

- As follow-up to the commitment made through the Governance Pact framework of creating a Social Security hospital (IGSS by its initials in Spanish) in Sayaxché, in November 2017 IGSS reported that after visiting the municipality, a property with the ideal characteristics to establish the hospital had been found and that they were going to put together a special commission within IGSS to define the adjustments the property required, to be able to start providing services in January 2018.
- According to IGSS, the change of departmental authorities of the institute delayed the process and did not allow the hospital to start operating in January 2018, as planned. They are willing to continue the efforts. To this end, a meeting is currently being coordinated with COCODES, the Municipal Mayor and the Departmental Governor of Petén, where IGSS will update them on the process and the dates they see feasible to start providing services in the municipality.
- In November 2017, at its meeting with the PDH, REPSA told the office of the prosecutor about the process initiated with IGSS and invited them to join as interested party. The PDH was interested and stated they would consult internally to define their involvement.

COMPONENT 2. *Human Rights are respected and promoted.*

2.1.1 Prepare a Policy draft via external consultancy (ABHR).

- At the end of 2017, the consulting firm Advocacy for Business and Human Rights (ABHR) delivered REPSA the first draft of a Human Rights Policy, based on the United Nations Guiding Principles on Businesses and HR.
- The policy aims at guiding REPSA's actions -at corporate and operative levels- to respect and promote Human Rights, facilitating the application of international standards. This includes a chapter on security, which adheres to the Voluntary Principles on Security and Human Rights (PVSDH).³
- The document is currently being reviewed by management. It is expected to socialize it with institutions and entities competent in the subject as well as with stakeholders in April, to validate it and obtain a final version that integrates and complements the other policies related to HR, such as the PPVI.

2.2.2 Develop a training workshop to review/validate the matrix of risks identified in the previous workshop (2.1.1), and tackle the expectations listed in the VPSHR with managers and heads.

- With the aim of aligning REPSA's actions on safety, prevention and risk management to those of the PVSDH and preventing HR incidents, in 2017 work was started with the international firm McFetridge Consulting.
- In November 2017 the second visit of the consultant to train REPSA managers and heads on the methodology to develop an action plan to prevent and/or mitigate the risks identified in the previous workshop (August 2017) took place.
- In February 2018 (late February - early March) the third visit of the consultant and his team took place to review and validate the risk matrix created in November by REPSA management, as well as to develop a workshop for corporate managers to be trained in the design of their risk matrix.
- These matrixes will become REPSA's Risk Mitigation Action Plan, which will be aligned to the principles and methodology suggested by the VPSHR on risk evaluation, interaction among companies and public security, and interactions between companies and private security.

2.3.4 Validate the Policy to Prevent Violence and Intimidation with an expert in HR.

See Activity 1.2.7.

2.4.1 Complete the renovation of all workers' dormitories to standardize living space in all bedrooms (3.8 m² per worker).

2.4.4 Evaluate vital spaces on a regular basis to ensure 3.8 m² per worker.

- REPSA has nine camps to accommodate non-local agricultural workers who work during seasons of high production.

³ Voluntary Principles on Security and Human Rights: http://voluntaryprinciples.org/files/principios_voluntarios_espanol.pdf

- Occupation of camps must guarantee the regulation defined by REPSA of 3.8 m² minimum living space per person, a measure that exceeds the standard of the International Labor Organization (ILO), which establishes a minimum 3.6 m² per person.⁴
- Current REPSA's occupant capacity in the camps -with the expansions made in 2017-, is as follows:

1.UNION B	376
2.SANTA MARIA	376
3.TUCAN	376
4.MIRADOR	376
5.CUBIL	376
6.GUADALUPE	296
7.CAMELIAS	224
8.CHAMPEGUANO	144
9.ARGENTINA	144
TOTAL	2,688

- In spite of 2017 expansions, in November it was detected that camps had exceeded their lodging capacity.
- During December 2017 and January 2018, the 9 camps secured the minimum living space of 3.8 m² for each worker.
- During three weeks in February 2018, capacity was exceeded in one camp (Guadalupe) because another camp (Argentina) was temporarily closed for maintenance. This situation is being corrected by relocating workers to their proper camps.
- That is why, based on the projections of requires temporary workers and camp capacity for 2018, a strategy was designed to avoid exceeding the Minimum Living Space standard, which focuses on hiring local workers in the months requiring more labor and in which there is no more space available in the camps. These local workers will be hired for a fixed-term as the seasonality of production requires, and at the end of the established period, they will be granted payment of the benefits as dictated by law.

2.4.2 Refurbish damaged infrastructure in housing complexes.

- In January and February 2018, repairs and adjustments were made in the nine camps and three housing complexes, according to each one's specific needs. Among the repairs carried out are paint maintenance, lamps change, taps review and replacement, maintenance of water purifiers.
- Annually -from January to April-, major preventive maintenance is carried out, and corrective maintenance to the infrastructure is provided as needed during the rest of the year.

⁴ See ILO standard: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/--multi/documents/publication/wcms_116344.pdf

2.4.3 Implement an evaluation program to maintain hygienic conditions in housing complexes.

- The nine camps are cleaned daily, and the 3 housing complexes are cleaned from Monday through Saturday. This includes indoor and outdoor cleaning and checking up of rooms, drinking water tanks and purifiers, kitchen and soap traps, wastewater treatment plants (WWTP), river water grids, electrical system and water pipeline, and LP gas.
- On a weekly basis, cleaning of walls, dormitories window screens, food pantry, kitchen, and washing of purifier filters is performed.
- Every 2 weeks, maintenance of green areas, reservoir, landscaping, and vegetable processing for the kitchen are performed.
- Monthly, generators and water pumps are serviced by the shop, mattresses are washed, and fumigation and pest control is carried out.
- Every 6 months walls are painted and the infrastructure and bunk beds of the dormitories are repaired.
- To monitor the conditions of camps and housing complexes, the person in charge of each camp conducts daily reviews to evaluate the following aspects: cleaning of areas, leaks and possible contamination, state of infrastructure and equipment, good manufacturing practices and hygienic handling of food, feeding process, water, purification process.
- These same criteria are reviewed weekly by the camp supervisor; monthly by the Occupational Health and Safety Supervisor and the Services and Housing Coordinator, and monthly by the Financial Administrative Manager. Corrective actions are issued by the Service and Housing Coordinator for those camps and complexes not complying with some aspect of the evaluated criteria.

2.4.5 Supervise the water purification system operation to guarantee access and supply of drinking water for all workers in the workplace.

- Every 6 months the operation of the water purification system is reviewed. Duly certified labs (we work with ECOQUIMSA and Laboratorio Santa Sofía) collect a water sample from each of the camps y perform measurements to analyze different aspects, such as residual chlorine levels, chlorides, color, conductivity, nitrates, nitrites, odor, pH, sulphates, turbidity, and bacteria.
- The most recent review was carried out in December 2017 and according to the results presented by the laboratory from different camps, 100% of the drinking water cleaning systems of the camps comply with optimum conditions for worker use.
- The next measurements are scheduled for May and June 2018.

2.4.6 Periodically monitor the quality of water for human consumption.

- The quality of water for human consumption is monitored on a quarterly basis in camps and administrative areas by a duly accredited external company that gathers information and samples through its technical staff.
- The results of the monitoring carried out by the accredited laboratories (Santa Sofia and ECOQUIMSA) in REPSA's 9 potable water sampling devices that were analyzed in November 2017 indicated that 100% of the devices comply with the physical and microbiological parameters laid down by the Guatemalan Standards Commission (COGUANOR NTG29001 2010).

2.4.7 Finalize biometric systems installation for recording work entry time of company's operational level workers.

- From July to December 2017, 25 biometric systems were installed at 15 points in the plantations: Santa Maria (2), La Unión B (3), Tucán (3), Camelias (2), Mirador (3), Nicté (1), Champeguano (1), Cubil (3), Tamarindo (1), Repsa Office (1), Nueva Jerusalem (1) Shop II (1), Mill II (1) Shop I (1), Mill I (1). In 2018, 3 additional biometric systems were installed for a total 28 biometrics currently functioning to record the entry of workers into operations.
- Installation of the last seven systems is scheduled for March and April 2018, thus completing 100% coverage of areas planned to have a biometric system. These systems allow recording entry and exit of workers to the mills, shops, and offices to ensure that their working hours do not exceed 60 hours per week.
- Currently the system only records the entry of field workers, but not the exit, since they leave at different times and sometimes stay within the facilities several hours after having finished their workday (which would alter the hours recorded), but above all it is due to the fact that the staff leaves via different places -though there is only one entry point for field workers, they can leave through several exits. Working hours of field workers currently are calculated based on the attendance lists kept by the foremen for their crews to ensure they do not exceed 60 work hours per week. We are exploring more efficient, objective and transparent options to ensure that no worker exceeds the weekly number of hours established by international standards, either with new strategies to make the biometric system functional by marking the departure of field workers, or by changing the work hours payment scheme to pay for productivity or "by piecerate", as done in other sectors of the Guatemalan agribusiness.
- Before implementing the changes, the potential impact these might have on workers will be analyzed, and we will seek stakeholder opinions to anticipate interpretations. The process will be performed in a participatory manner, socializing the changes opportunely to workers, community leaders, and stakeholders, to ensure understanding by workers that the new dynamics will not harm payment of their salary.

2.4.8 Periodically evaluate the service transport for internal and external personnel to verify coverage and quality.

- During this period, the program to monitor transportation coverage and quality continued functioning.
- REPSA uses 44 buses for its operation, including those transporting the personnel that "travels daily" and those used for movement between plantations.
- To verify coverage of the transportation service, the Logistics Department supervisor performs 5 weekly inspections, (20 units chosen at random each month) covering 100% of the units every 9 weeks. In this verification, compliance with the scheduled trips is checked, reviewing the number of trips made and the number of kilometers traveled by trip according to internal route mappings. These verifications are intended to guarantee transport to workers and ensure that providers of the service comply with the routes.
- In addition, to ensure that the buses meet the mechanical and legal conditions to transport workers safely, the interior and exterior of the buses are inspected every month and a half.

Among the aspects evaluated are lights, the condition of tires, spare tire, fire extinguishers, tools, starting system, state of license plates, cushions and chairs, battery insulation, etc., as well as the vehicle circulation permit.

- The supervisor issues a report on the condition of each bus (if it complies or not) and follows up to ensure that the company or the owner implement the corrective measures. Bus service providers not complying receive a warning letter with a specific timeframe. Those who still do not comply are dismissed as REPSA suppliers.
- Among the main findings identified in the period reported (aspects that do not meet criteria) are the lack of a hand lamp, the poor condition or absence of a spare tire, fire extinguishers, tools, and back-up alarm.

COMPONENT 3. *The natural resources for the production of palm oil are managed responsibly by the company, based on best practices for the reduction/mitigation of possible impacts to the natural environment (water, soil, and air).*

3.1.1 Register the Tamarindo conservation area within the system of private natural reserves.

- The documentation for filing for registration of the Tamarindo area as a private natural reserve before the Association of Private Natural Reserves of Guatemala (ARNP by its initials in Spanish) was concluded. The dossier includes an inventory of forest species, a characterization of phytosanitary conditions of the site, and the management plan to preserve and enrich this reserve.
- It will be delivered to ARNP in March, to comply with their requirements and those of the Guatemalan System of Protected Areas (SIGAP by its initials in Spanish)/CONAP.

3.2.1 Execute the plans contained in the Wastewater Technical Studies for residential Wastewater Treatment Plants (WWTP).

- Following up on the activities proposed in the PTAR Technical Study carried out by an independent environmental consultant in August 2017 for the continuous improvement of these plants, the schedule of execution of actions was updated.
 - Characterization of residual water in all treatment systems in a laboratory that has at least some ISO 17025 accredited methodologies. (biannual: the first was done in November 2017, the second is scheduled for April 2018)
 - Improve the water treatment plants chlorination systems.
 - Perform tests with evaporative-pond-type treatment systems. (July 2018)
 - Sludge removal and treatment. (August 2018, if sludge volume so warrants).
 - Install separating sewage rainwater drains in phytosanitary laboratory. (April 2019)
 - Wastewater technical study update (August 2022).

3.2.2 Conduct four efficiency monitoring of WWTPs, two internal and two external.

- In November 2017 the second external monitoring of the year was carried out by Analytical Solutions, a duly accredited laboratory (the first was done in August 2017)

- This monitoring covers all the treatment plants of special and ordinary water from the camps, administrative areas, and agricultural warehouses.
- According to the water quality monitoring reports, 100% of the WWTPs are within the permissible range of the physicochemical and microbiological parameters established in Government Agreement 236-2006 of the Ministry of Environment and Natural Resources (MARN).

3.2.3 Implement a wastewater management program for the oil extraction process in the Wastewater Treatment Systems (WWTS) and the reuse of treated water in the palm plantations.

- The special wastewater from the crude palm oil extraction process is treated in anaerobic sedimentation ponds that work by means of bacteria in a process of decomposition of material. The hydraulic retention time of the ponds is 30 days, to use finally the disposal of the treated effluent as input in the nutritional process of the palm crop (fertigation).

3.2.4 Record, monitor and conduct efficiency and quality analysis of water treated in STAR.

- In November 2017, the second annual analysis of efficiency and quality of treated water was carried out in the special wastewater treatment systems (STAR) of both mills (REPSA 1 and REPSA 2), through the accredited laboratory Analytical Solutions.
- The result indicated that both systems meet the parameters of physicochemical and microbiological results and are within the permissible range of the type 1 final reuse disposition (for fertigation) according to MARN Government Agreement 236-2006.

3.2.5 Check the wastewater treatment systems efficiency (STAR and WWTP).

- STAR and WWTP are verified through two annual monitoring carried out by accredited laboratories (REPSA works with ECOQUIMSA and Analytical Solutions).
- In November 2017, the second annual monitoring of 2017 was carried out and the results verified the 100% efficiency of the ordinary wastewater treatment systems (WWTP). The efficiency of the special wastewater (STAR) anaerobic system was 95%, which exceeds the minimum design parameter of organic load removal (75%).

3.3.1 Comply with the administrative requirements of company's 8 environmental instruments (6 agricultural and 2 industrial) before MARN and CONAP.

- In September 2017 MARN approved the updating of the environmental instruments for the Argentina and Guadalupe farms (Resolution N° 03044-2017/DIGARN/MOCM/arg), the Zona del Tucán (Resolution N° 03034-2017/DIGARN/MOCMD/mfmp) and REPSA Central Zone (Resolution N° 03041-2017/DIGARN/MOCM/saov).
- REPSA currently awaits environmental instruments updating approval for 3 agricultural plantations that require a no-objection statement from the National Council of Protected Areas (CONAP), which are the farms Tamarindo (CONAP Registration No. 2016-119755), Valle Verde (CONAP Registration No. 2016-119762) and San Román (CONAP Registration No. 2017-38152).
- In November and December 2017, CONAP made field visits to Tamarindo and Valle Verde farms, and in March 2018 visited San Román. Now, for MARN to resolve and approve the updating, CONAP has to issue the report that will be the basis for MARN's resolution. It should be noted

that the law does not establish maximum deadlines for CONAP to issue these reports or for MARN to issue resolutions.

3.4.1 Implement the Waste and Solid Waste Comprehensive Management Plan in each area of the operation.

- Waste and solid waste responsible management consists in characterizing and identifying the type of waste, testing composting systems, improving the separation system and/or classification of solid waste through training, and extracting and finally disposing of recyclable and special handling waste.
- Our residue collection system is made up of eight collection points distributed in two routes, where solid waste is extracted twice a week.
- A volume of 54,700 pounds of organic matter 1,841 pounds of plastic, 2,241 pounds of aluminum, 12,608 pounds of paper, and 12,400 pounds of non-recyclable material were managed during this quarter.

3.4.2 Twice a year evaluate the operational efficiency of the plan, focusing on the Reduction, Reuse and Recycling criteria.

- The volume of the toilet train extraction of the operation is recorded weekly, and every month a consolidated report is issued where the relationship of the operation and the generation of waste is evaluated, aiming at giving an adequate management and final disposal to the solid waste generated by the activities of the company.
- From November 2017 to February 2018 REPSA managed a total volume of 23,945.50 recyclable waste through specialized companies, registered and authorized by the competent agency.
- Recently, REPSA received recognition from one of the companies that manage its solid waste for its effort to improve the quality of responsible waste management, as an advance towards the 3R program.
- Originally, the operational efficiency evaluations of the reduction, reuse, and recycling plan were to be performed on a semiannual basis; however, an internal decision was made to do it annually, and next evaluation was scheduled for June 2018.

3.4.3 Perform the use of chemicals review of the agricultural production operation by defining the points of efficiency for reducing synthetic products use.

- In November and December 2017, the integrated pest management program -herbicides, entomopathogenic fungi, and parasitoids- was evaluated, reducing the use of synthetic products for pest and disease control by more than 10% between 2016 and 2017.
- Currently a consolidated report is prepared annually at year-end (the last one was prepared in December 2017); however, the capacity to do it every six months is being evaluated.

3.4.4 Every six months, update the list of chemicals allowed in the palm farming operation.

- The list of chemical products allowed in the operation is updated every 3 months. The last update was in February 2018 and the next one is scheduled for the month of April.
- This list is compared with the Sustainable Agriculture Network (RAS) prohibited and restricted products list, to avoid the inclusion of this type of substances in our technological package.

3.4.5 Carry out a training and awareness program for responsible use of chemicals with company's application teams.

- With the objective of encouraging the correct use of personal protective equipment to prevent incidents associated with direct contact with chemicals and agrochemicals, the Occupational Health and Safety Department trains and sensitizes the company's application teams each quarter.
- In the reporting period, 75% of workers who were supposed to receive this training actually received it and the 9% that failed are in a new training process.
- Correct use and transportation of chemicals and agrochemicals, as well as proper use of personal protective equipment (PPE) are among the topics addressed in the training.

3.4.7 Communicate the list of products allowed in the palm plantations (internally and with external fruit suppliers) to ensure third-party plantations do not use prohibited products.

- In November, a letter was sent to each provider with the list of products allowed in the oil palm plantations, so they are aware and do not prohibited-use products.

3.4.8 Perform quarterly inspections in internal warehouses and those in external fruit suppliers to check stocks of chemicals and records of use and application of chemical controls.

- In the reported period, 2 out of 3 (66.67%) of independent suppliers' warehouses -randomly selected- were inspected in search of banned products and with the intention of verifying compliance with the list of products permitted in palm oil production.
- Both independent producers complied with the list of products allowed and no existence in their cellars of any of the product banned was recorded.

3.5.1 Prepare the Carbon Footprint for the quantification of Greenhouse Gas emissions and update the emissions reduction plan.

- In December 2017, the carbon footprint report was received for the period October 2016 - September 2017.
- In this study, emission sources were identified, annual values were recorded, and calculations were made using values from the greenhouse gas emissions (GHG) calculator of international certification standards.
- Results indicated that, in the evaluated coverage, 656.01 kg of CO₂ equivalent (carbon dioxide) were generated for each ton of crude palm oil.
- The following actions aimed at reducing GHG emissions were identified: analysis of fertilizer use efficiency; fossil fuels, electricity consumption, management of wastewater treatment systems, and management of carbon sinks.

COMPONENT 4. *The company contributes to the generation of local development.*

4.1.1 Implement a leadership course for COCODES leaders, youth, agricultural promoters and health facilitators.

- From June to December 2017, a diploma course was held for local people with the aim of promoting responsible citizenship and strengthening capacities for proper management of community development.

- This involved 73 community leaders, 75 municipal employees, 13 agricultural promoters, and 16 family mothers.
- It is expected in the future to be able to make strategic alliances to expand the coverage of the course and serve representatives of public institutions.

4.2.1 Train health promoters on the rational use and disinfection methods of water for consumption.

- Aiming at contributing to minimize morbidity and mortality rates in the communities in the area of influence.
- In December 2017 a training cycle (started in March 2017) was concluded in which 300 promoters from the communities Canaleño, Nueva Jerusalén La Laguna, La Torre, Santa Rosa, Colonia, El Tucán, La Ceiba, Nuevo San Fernando and El Pato, of the municipality of Sayaxché, received training. Linterna I and Linterna II, of the municipality of Chisec.
- These training is held biweekly in Q'eqchi' language, using a participatory methodology.

4.2.2 Implement plans for lot and Housing Management.

- The implementation of housing and lot management plans by REPSA has the objective of ordering and improving the housing conditions, as well as ordering the distribution of the spaces for planting crops and rearing backyard animals.
- To improve home infrastructure and basic services, REPSA's community relations technicians, together with the beneficiary families, create a baseline where the needs of homes and lots are identified; and deadlines for the execution of improvements are defined.
- REPSA implements these plans with 25 health promoters of La Ceiba, San Fernando, and La Torre communities. Thirteen families of La Ceiba, Nuevo San Fernando and La Torre communities from the municipality of Sayaxché, Petén.

4.3.1 Donate food to schools to support nutritional project (450 students benefitted).

- Aiming at contributing to improving school performance of preschool and primary school children and promoting student attendance to achieve 180 days of official classes, REPSA donates banana rations bi-weekly to 3 educational establishments (Santa Rosa , La Torre and Barrio San Jorge El Pato communities), benefiting 522 children.
- The Parent Councils receive the fruit and safeguard it in ripening chambers placed in the educational centers. Family mothers are trained on how to diversify the forms of preparation of the fruit for proper consumption.
- During the reporting period 88 boxes of bananas were donated (8.800 bananas in total) to the 3 educational centers.

4.4.2 Carry out health infrastructure projects with neighboring communities.

- During the reporting period, REPSA led the following infrastructure projects: construction of the Health Post in La Torre and renovation of El Tucán and La Ceiba Health Posts.
- These improvements in infrastructure and health posts conditions contribute to improve the provision of services of such units, thus benefiting 1,424 families in the area.

4.4.3 Carry out school circulation projects to contribute to the safety of students in neighboring communities schools.

- From November to February 2018, support was provided to the circulation of school students of Tamarindo and El Tucán, to help generate a safe environment for the students (450) and the educational community.