

PROGRESS REPORT 1

SUSTAINABILITY PLAN
2019



Report on progress attained
from January - April 2019

LETTER FROM CORPORATE AFFAIRS DIVISION



In Grupo HAME we believe in sustainability as the effective and comprehensive implementation of economic, environmental and social best practices to create value for our partners and shareholders, suppliers and service providers, workers, neighboring communities, government, stakeholders and all those involved in our value chain. This requires a continuous effort towards the vision of becoming the leading company that will serve as a benchmark for the industry because of our competitiveness, responsible production of palm oil and good neighbor relations.

We are aware that being one of the largest employment generators in our areas of influence entails the responsibility of offering the best working conditions, maintaining a constructive relationship with neighboring communities and implementing environmental management best practices.

Considering sustainability the main element that guides our operations, we saw the need to establish corporate commitments in a **Policy on Responsible and Sustainable Production** and to develop a strategic framework that allows its effective management for the continuous improvement and growth of the company.

In this sense, we carry out best practices in our operations through the annual **Sustainability Plan**, which operationalizes the Policy and establishes four areas of work: Labor, Human Rights, Environment and Transparency.

For a third consecutive year, we practice transparency and accountability through the **Progress Reports**, periodic and public documents that seek to show our progress and challenges. We hope these enable a constructive dialogue that brings us closer to communities, workers, suppliers, civil society organizations and other stakeholders so that they can join our path towards sustainability.

A handwritten signature in black ink, appearing to read 'Rubén Morales'.

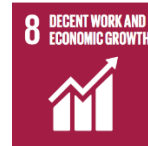
Rubén Morales
Head of Corporate Affairs



LABOR

Commitment 1

Always maintain a dignified and respectful treatment towards its workers, acting in a transparent, fair and equitable way, without any type of discrimination during the recruitment, hiring, promotion and retirement processes.



	Activities	Progress
1.1	Train workers on labor rights and working conditions.	✓ 12,412 trainings on labor conditions and rights were given to permanent and temporary workers. Among the topics addressed were freedom of association, workers contracts, salaries and benefits, as well as social security.
1.3	Encourage the use of the <i>Grievance Mechanism</i> : socialization among workers and communities.	✓ 94% of workforce received training on the Grievance Mechanism.
1.4	Ensure <i>minimum living space</i> for workers in housing sites: 3.8 m ² per person.	✓ 9 housing sites for temporary field workers were monitored. Results showed company complied 100% with the minimum living space commitment during January, February and March.

Commitment 2

Prohibit discrimination based on age, race, religion or creed, gender, disability, sexual orientation, pregnancy, nationality, or other reason. Zero tolerance towards any attitude that may be perceived as sexual or labor harassment, abuse of power, threats or intimidation; as well as zero tolerance towards the use of violence against workers and communities in the area of influence.



	Activities	Progress
2.1	Train workers on the company's <i>Policy on Responsible and Sustainable Production (PRSP)</i> .	✓ 96% of the workforce was trained in January on the PRSP and its 6 commitments. ✓ 12,412 trainings were offered to temporary and permanent workers as part of the personnel induction program.

Commitment 3

Young workers are allowed only according to current labor regulations, in addition to formal and explicit parental consent, as well as the minor's participation in special induction and constant monitoring of activities to ensure his/her wellbeing.



	Activities	Progress
3.1	Supervise hiring processes to ensure compliance with legal requirements.	✓ According to internal audits, there were no minors working for the company from January to April.

Commitment 4

Comply with local regulations and adopt best practices according to international standards in Occupational Health and Safety (OHS). Provide all workers with the necessary tools and equipment to carry out their duties with complete safety and hygiene, as well as training on its proper use.



	Activities	Progress
4.1	Update the <i>Occupational Risk Matrix</i> for plantations and mills.	Implementation of an ergonomics prevention project: ✓ 1,150 workers trained on proper posture for safe lifting and handling of heavy loads. ✓ 45 plantation supervisors and managers were trained to instruct workers on safe lifting.
4.2	Implement procedure for safe handling of agrochemicals: monitor and coordinate activities.	✓ 334 workers received training on safe handling of agrochemicals, use of Personal Protective Equipment (PPE) and security labels, among other topics.
4.3	Carry out Occupational Health and Safety (OHS) <i>Internal Audit Program</i> in plantations, mills, warehouses and mechanical workshops.	✓ First quarterly audit conducted in plantations, warehouses, mechanical workshops and mills. Aspects assessed: knowledge and compliance with safe work procedures (SWP), compliance with the PPE delivery and stock procedure for each area, execution and equipment for emergency care, and compliance in the purchase, storage, handling and transport of chemicals and agrochemicals; among others. Average result of compliance was 89/100.

4.4	Follow up on agreements reached by the <i>Occupational Health and Safety Committee</i> .	✓ OHS Committee held 4 meetings (January, February, March and April). ✓ Among activities promoted by Committee is the verification of conditions of the trucks that transport fruit.
4.5	Implement <i>preventive medicine and occupational health programs</i> in plantations and mills.	✓ Pre-employment evaluations were conducted to 100% of new workers. ✓ From January to March, annual medical evaluations were conducted to 72% of the workforce. Remaining staff will be evaluated in May. ✓ Specific medical evaluations were conducted to 51% of workers that handle agrochemicals. Remaining staff will be evaluated in May.
4.7	Weekly review of conditions of Personal Protective Equipment (PPE) and tools.	✓ 29 inspections carried out in warehouses and plantations to verify supply, conditions and correct use of PPE in risk tasks (handling of agrochemicals and harvesting-cutting of fruit). Results showed average compliance of 90%.



HUMAN RIGHTS

Commitment 1

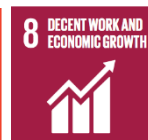
*Respect Human Rights of people and communities in areas of influence which may be impacted by operations.
Respect for Free, Prior and Informed Consent (FPIC).
Respect for cultural identity and indigenous people.*



	Activities	Progress
1.1	Update <i>Social Impact Assessment</i> for each of the company's operations: participatory approach with stakeholders.	✓ 12 participatory workshops were held to consult local stakeholders on the impacts of the operation. 358 people participated, among them members of 18 communities; Community Development Councils (COCODES), Auxiliary Mayors and Women Committees for Development; female leaders and health promoters, religious leaders, cocoa producers and parent councils; as well as 10 NGOs; 16 public institutions, including the Municipality; service providers; 4 fruit suppliers and staff members of different areas within the company.

Commitment 2

Promote respect for Human Rights in all its activities, and, if necessary, implement corrective measures. All workers will be part of a prevention program, including procedures to report any transgression.



	Activities	Progress
2.5	Socialize the company's <i>Policy on Responsible and Sustainable Production</i> with local stakeholders.	✓ PRSP was socialized with 30 members of the COCODES of 10 communities in the area of influence. ✓ 15 "Educational Visits" were held. Stakeholders from 17 communities participated, among them COCODES, Auxiliary Mayors and Women Committees for Development, female leaders and health promoters, religious leaders, cocoa producers and parent councils; as well as 10 NGOs, 16 public institutions, including the Municipality of Sayaxché, service providers and 4 fruit suppliers.

Commitment 3

Limit provision of security services to preventive actions (without engaging in activities that are exclusive responsibility of public security).



	Activities	Progress
3.1	Review and update the <i>Security Management Protocol</i> .	✓ 100% of security staff was trained on the role of public security and the scope of action of private security (possibilities and limits). ✓ All trained workers were evaluated on their level of comprehension. The average result was 75/100. ✓ Security guards are continuously reinforced on these topics as part of their training program.
3.3	Reinforce the use of the <i>pyramid of action</i> .	✓ To promote an adequate use of the pyramid of action, new teaching material that highlights the importance of each step was placed in strategic spots. ✓ 100% of security staff was trained on the content and purpose of the pyramid of action. ✓ All trained workers were evaluated on their comprehension of the subject, 90% of them got more than 80 points. ✓ Security guards receive reinforcement on these topics on a monthly basis as part of their training program.

Commitment 5

Ensure that private security personnel is properly trained to respect the rights of workers and neighboring communities.



	Activities	Progress
5.1	Enhance the Training Program for security personnel.	✓ 100% of security staff was trained on Human Rights and basic conduct topics: greetings, courtesy, adequate use of signals. ✓ All trained workers were evaluated and approved comprehension evaluation.



ENVIRONMENT

Commitment 2

Protect biodiversity in the areas where the company operates and preserve High Conservation Value (HCV) areas.



	Activities	Progress
2.1	Implement maintenance and enhancement plans for High Conservation Values (HCVs) and biodiversity monitoring.	✓ Main actions of HCV plans executed: identification / signalization of HCV, socialization of AVC with stakeholders (governmental institutions, NGOs and communities), training plan on HCV for staff.

Commitment 3

Implement a Soil Conservation Program that reduces erosion from water and wind, promotes the responsible use of fertilizers, and avoids the use of fire or burning.



	Activities	Progress
3.1	Coordinate implementation of <i>Soil and Water Conservation Plan</i> in plantations and mills.	✓ Main actions of Soil Conservation Plan executed: integration of organic matter (rachis), maintenance of live barriers, and creation of drainages in Finca El Tucán.

Commitment 5

Prevent pollution by extracting and disposing of solid and liquid waste in an environmentally safe manner, using water responsibly and constantly reducing greenhouse gas emissions (GHG).



	Activities	Progress
5.1	Implement <i>Integrated Waste Management Plan</i> .	✓ 9,118 Kg of waste was recycled, and 19,832 Kg of organic waste was used for compost. These represent 79% of waste generated by the company.
5.3	Implement <i>Plan for Greenhouse Gas (GHG) Reduction</i> .	✓ Main actions of the Plan to Reduce GHG executed: integrated pest management (biological control) and composting plant (bio-evaporator).

Commitment 7

Establish permanent systems to guarantee water quality of industrial and packing processes, avoiding the discharge of improperly treated water into any body of water.



	Activities	Progress
7.1	Supervise Special Wastewater Treatment Systems and Wastewater Treatment Plants (WTS) to ensure their correct functioning.	✓ Monthly measurement of efficiency in organic load removal in the WTS of both mills was conducted by internal laboratory. Results showed that in Q1 mills had an average efficiency of 98% (REPSA 1) and 99% (REPSA 2).
7.2	Monitor water quality of special and ordinary wastewaters (effluent) on a periodic basis.	✓ Monitoring of water quality (palm oil mill effluent) performed by certified independent laboratory - ECOQUIMSA- in 3 spots of the WTS of each mill (lagoons and fertirrigation). Results showed efficiency in organic load removal of 93.9% for REPSA 1 and 96.10% for REPSA 2. These comply with the parameter established by Governmental Agreement 236-2006, for the final disposal of reuse water for general agricultural irrigation.



TRANSPARENCY

Commitment 1

Always act ethically and transparently, conducting its business in a responsible manner, operating under a philosophy of zero tolerance towards any act that contradicts the following principles: Good Faith, Honesty, Loyalty, Legality and Truthfulness. The Company undertakes not to give, promise, receive or accept (directly or indirectly) any type of compensation not officially established.



	Activities	Progress
3.1	Implement activities within <i>Anti-Bribery System Action Plan: ISO 37001 Certification</i> .	✓ Main activities of Phase 2 “Analysis and Development of Antibribery System” implemented: • Follow-up meeting with Acción Ciudadana / Transparency International; • Definition of procedure to identify and investigate irregularities; • Review of Code of Conduct; • Design of corporate Policy on Donations; • Review and update of due diligence procedures and documents: risk matrix, sworn declarations, conflict of interest clauses; • Development of procedure to address breaches in Antibribery Management System; • Evaluation of business partners’ profiles and contracts.

This report only covers commitments within the Policy that had activities programmed and executed during the months of January, February, March and first half of April 2019.

REPSA will report progress regarding the implementation of 2019 Sustainability Plan bi-monthly and will publish a final report in early 2020.

For more information, visit our website:

www.repsa.com.gt