



Year 1 Action Plan Monitoring Report

Reforestadora de Palmas del Petén SA (REPSA)

May 2017



A note from TFT to readers – June 2017

This monitoring report was developed on behalf of a TFT member company that sources from Reforestadora de Palmas del Peten SA (REPSA). This report is intended to present the progress and areas for improvement in the implementation of REPSA's Action Plan. The Action Plan was developed in collaboration between TFT and REPSA in April 2016. The Action Plan activities are aimed at addressing the findings of TFT's assessment of REPSA conducted in November 2015. The company began implementing the Plan in May 2016.

This report was initially written for use by REPSA and the TFT member companies that have supported REPSA's progress towards developing and implementing a responsible palm policy. The opportunity to share this report, in full, with stakeholders represents a step forward in transparency. We hope the observations and recommendations in the report can help inform further conversation about key challenges and solutions. We want to clarify, however, that we see this report as just one part of the solution finding and monitoring needed to build trust and show company progress. The TFT-CBI [Social Scoping Report](#) & [Addendum](#) form another part of the solution finding, and are intended as a foundation for incorporating stakeholder voices. Moving forward, we hope that stakeholder participation becomes central to shaping and evaluating future solutions and monitoring of progress. As additional context, we want to note the following:

- The Action Plan was developed in collaboration between TFT and REPSA, without external stakeholder consultation. At the time of Action Plan development, the company was ready to begin changing practices, but many stakeholders were wary of engaging. TFT strove to include activities in the Action Plan that reflected stakeholder concerns. However, given the lack of a participatory process, TFT recognizes that the Action Plan may not address the concerns of all stakeholders.
- The report is not intended to replace community verification of progress. The success of this and future Action Plans will be determined primarily by the perceptions of local communities and stakeholders. Stakeholder involvement in future monitoring processes will be critical for building a mutual understanding of success.
- Given the large number of activities outlined in the Action Plan, the color codes (red, yellow, and green) are meant to serve the reader as a quick guide to the general level of progress of each activity. However, this simple system does not reflect the nuance of activity implementation and should not replace careful reading of the report. Furthermore, the completion of Action Plan activities should not signal an end to the process of engagement and continuous improvement. The report outlines the steps REPSA has taken to implement the Action Plan, but is not intended as a comprehensive roadmap for addressing root social and environmental challenges.

Please don't hesitate to reach out should you have questions or comments.

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Introduction

This monitoring report was developed on behalf of a TFT member company that sources from Reforestadora de Palmas del Peten SA (REPSA) and/or REPSA's corporate partners of Grupo Hame. The report is based primarily on a field visit by TFT to REPSA that sought to obtain a firsthand understanding of REPSA's progress in executing the REPSA Action Plan over the past five months (Dec 2, 2016 – April 30, 2017). The Action Plan was developed in collaboration between TFT and REPSA in April 2016 to address recommendations and findings of the assessment report that was produced in March 2016 and based on a field visit by TFT to REPSA in November 2015. The company began implementing the Plan in May 2016.

The Action Plan is a one-year work plan (May 2016 – April 2017) structured in a log frame and comprised of one overarching goal, six main objectives, specific results under each objective, and activities. The overarching goal of the Action Plan is to "Develop systems and capacities for effective implementation of a responsible palm oil production policy". The main objectives of the action plan are:

1. Clear values and corporate-level policies on responsible production/operations are developed and understood by your stakeholders
2. Human rights (local communities, civil society, workers, and other stakeholders) and the law are fully respected
3. The company is transparent with stakeholders about its policies, plans, grievances, and operations
4. Protect and restore Key Conservation Values
5. Environmental Impacts are minimized and managed effectively
6. Shared values are created with communities and others

Monitoring visit scope and objectives

The monitoring field visit sought to confirm progress of key activities in the Action Plan, understand the internal corporate context of its implementation, and identify opportunities for continuing implementation of pending activities and additional improvement. The intention of this report is thus to document and support the company's pursuit of continuous improvement at the close of the 12-month period of the Action Plan.

The monitoring visit was carried out by TFT from May 8 – 12th, 2017. The TFT visit to REPSA included meetings with REPSA managers in Guatemala City, meetings with REPSA staff and workers at the mill and plantation offices, site visits in the plantations and the REPSA I mill, and meetings with authorities from the National Council for Protected Areas (CONAP).

The visit complemented a series of remote Action Plan monitoring meetings that occurred via teleconference between TFT and REPSA (with occasional participation of several REPSA clients) between January and April 2017.

Report structure

The report is structured in two sections. The first is a brief summary and overview of the report findings and TFT's main observation regarding the overall status of the Action Plan activities. This summary includes a table of the Action Plan activities, indicating which activities were monitored during the visit, and assigning a simple color-scheme status appraisal of green, yellow or red to each activity. This next section is comprised of tables for each monitored activity, which include summaries of progress and recommendations for improving the quality or timely implementation of the activities. These summaries of activities and progress are grouped thematically into the following sub-sections:

- Corporate values and policies;
- Community engagement, conflict management, and grievance mechanism;
- Worker's rights and safety;
- Transparency;
- Protection of key conservation values;
- Management of environmental impacts.

The grouping of activities generally follows the structure of the Action Plan, but in a few cases, the activities are taken out of the original order to allow for the review of similar activities together. For example, the activity related to the dissemination of the corporate policy prohibiting violence and intimidation is addressed in the section on "corporate values and policies". Likewise, and the activities related to the grievance mechanism and conflict management, which follow the section on worker's rights, are now grouped together in an earlier section.

Summary of Monitoring Findings

Prior to the development of the Action Plan in April 2016, REPSA began implementation of some of the recommendations made in the November 2015 assessment visit exit meeting and the March 2016 TFT assessment report. The implementation of the Action Plan commenced in May 2016, and has continued over the past 12 months. The company's progress can be divided roughly into three categories: 1) activities that have been fully implemented or where the company has made progress as scheduled 2) activities where the company has made partial progress, and 3) activities that the company has not commenced or progress has been very limited. The progress summary table (table 1) on the following pages provides an overview of progress to date and links to specific activity summaries.

Over the last 5 months of the action plan, REPSA made progress improving working conditions, strengthening occupational (labor) health and safety practices and protocols, and protecting or restoring key conservation values. The installation of water filtration systems at 15 sites complemented earlier work on water purification systems at the worker housing sites. These new systems provide potable water to sites where workers bath and wash clothes, and will increase the efficiency and lifetime of the water purification systems by filtering water before it is purified. TFT visited 5 of the 9 worker housing sites. At these sites, the company has completed the construction of new worker housing and is in the final phases of furnishing these new structures with bunk beds and lockers. The refurbishing of existing worker housing and reducing the density of workers in those older structures is ongoing. New infrastructure for workers who apply agrochemicals has been developed, including sites with showers and laundry services that reduce worker contact with contaminated garments and equipment. Several new hires have been made since TFT's last visit, which has increased the capacity for action plan implementation. These hires include a new corporate human resources person who runs the group-level Grievance Mechanism and two REPSA Community Relations team members. REPSA also recently supported a follow-up visit by the CBI-TFT social scoping team designed to deepen understanding of stakeholder perceptions/concerns and recommend possible next steps for dialogue and conflict resolution.

Since the TFT visit in November-December 2016, the company's management has improved its delegation and oversight of Action Plan activities between headquarters and the teams based in the Petén.

Key remaining challenges center around inviting/creating meaningful participation of community, civil society, and NGO stakeholders in REPSA's efforts to improve practices. This includes formally involving stakeholders in grievance investigation and resolution, soliciting input from communities on the *what* and *how* of watershed restoration and management, designing meaningful opportunities for stakeholder participation in verifying improved practices around labor, environmental management, etc., and proactively seeking stakeholder input/feedback on work plans/reported results.



TFT reviewed verification documentation for most of the activities of the Action Plan. The progress summaries for each activity below note the cases where verification materials were not available.

TFT's evaluation of REPSA's progress should not be viewed as a replacement for community and/or civil society validation and monitoring of progress.

Table 1. Action Plan activities and the TFT appraisal of the status of each activity.

Legend: Activity Status Appraisal Categories	
	Very limited or no progress
	Partial progress
	Completed*

*Note that the “completed” appraisal category indicates that Action Plan Activities have been fulfilled, but does not indicate an end to the journey of continuous improvement. REPSA has already gone above and beyond on certain Action Plan Activities, and we encourage an ongoing commitment to improvement.

Activity		TFT Appraisal	Page Number
1.1.1	Public statement of values of company.		11
1.1.2	Creation of Responsible Palm Oil Production Policy (e.g. no-deforestation, no exploitation, new planting procedures, transparency).		11
1.2.1	Socialization of values/policy within the company.		12
1.2.2	Socialization of values/policy externally.		13
2.1.1	Process developed for identifying/involving <i>local communities</i> and <i>local civil society</i> in grievance diagnostic process and addressing grievances.		14
2.1.2	Ongoing systems for community engagement are established in a participatory manner.		17
2.2.1	Process developed for identifying/involving <i>other stakeholders</i> in grievance diagnostic process and addressing grievances.		15
2.3.1	Independent assessment of labor practices and policies carried out by a reputable and mutually accepted expert party, identifying gaps and corrective actions.		18
2.3.2	Analyze a year of mill and agricultural employment data to understand number of permanent and temporary contract laborers throughout the year in relation to seasonal labor usage fluctuations to help determine appropriate utilization of temporary vs. permanent contracts.		19
2.3.3	Ensure that no consecutive temporary contracting occurs for workers in cases where the activities undertaken are in reality permanent in nature.		20
2.3.4	Renovate all worker housing sites at REPSA to ensure safe, humane, and hygienic accommodation, worker privacy, and access to well-maintained sanitation facilities and clean and potable water, in accordance with industry best practices.		20
2.3.5	Add a third shift to the mills to ensure that workers do not exceed 60 hours per week or 12 hours per day.		22
2.3.6	Register/calculate the work day of plantation workers including all time workers are required to be on the plantation, and implement a system for registering the arrival and departure of workers from the worksite.		22



Activity		TFT Appraisal	Page Number
2.3.7	Establish 3 health and safety committees (1 for each mill and 1 for agriculture) with mixed committee comprised of temporary and permanent workers as well as management and staff, and evaluate occupational health and safety risks by worker function and not only area.		23
2.3.8	Provided new and existing workers with orientation and training about their fundamental rights as workers, recognizing and informing all of its workers of their rights to organize unions and collectively bargain without negative consequences.		24
2.3.9	Develop clear explanations (on pay slips and other formats) for workers of the calculation of compensation (including piece rate compensation).		24
2.3.10	Develop and implement effective requirements and agreements with transportation providers to arrange for and verify safe transportation is provided for workers between their home communities and REPSA.		25
2.3.11	Develop additional channels for workers to report grievances, complementing the existing bi-lingual phone line now in operation.		16
2.3.12	Personal Protection Equipment (PPE) is provided to all workers and replaced when necessary for each job function, free of charge and based on the Occupational Health and Safety risk assessments, and all workers and managers are regularly trained on their use, and PPE training and use is monitored and documented.		25
2.3.13	Provide short-term solution to ensure that safe drinking water is freely provided to all workers at work sites.		26
2.3.14	Ensure that safe drinking water is freely provided to all workers at work sites (long term)		26
2.4.1	Develop and make operational grievance mechanism (with stakeholder input in development and testing).		15
2.5.1	Develop and communicate (internally and externally) corporate policy on no tolerance of intimidation and violence.		13
2.5.2	Provide full cooperation to appropriate authorities in their investigations of possible past incidents of human rights abuses by company staff, workers, or contractors.	See note in section 2 of the report	17
2.5.3	Take corporate disciplinary action against workers and staff involved in kidnapping incident, and develop recommendations and plan to prevent similar incidents from occurring in the future.		27
2.5.4	Current methods for conflict management are reviewed and revised in accordance with new corporate policies (e.g. no de-legitimization of stakeholders, legal actions against critics, quid pro quo with potential critics).		18
2.6.1	Security procedures/protocols are reviewed and updated for vetting, recruiting, training, equipping, and monitoring the security teams used by the company and its contractors, ensuring that human rights principles are respected.		28
3.1.1	Channels of dissemination of information developed (e.g. website, progress reports, etc).		28
3.1.2	Publish Action Plan and invite stakeholder comments and input.		29
3.1.3	Publish updates on Action Plan progress.		29
3.1.4	Publish and regularly update Grievance Mechanism.		29



Activity		TFT Appraisal	Page Number
3.1.5	Dashboard (modeled on best practices for transparency in global PO sector).		30
3.2.1	Stakeholders are identified / mapped.		30
3.2.2	Activity 2.5.1.		31
3.3.1	Stakeholder engagement strategy developed and updated with inputs from diagnostic study, stakeholder mapping etc.		31
3.3.2	Stakeholder engagements are started and maintained to ensure two-way communication occurs (in addition to grievance mechanism).		32
4.1.1	Refer to Activity 1.1.2		11
4.2.1	Riparian, wetland, and watershed practices and plans reviewed and updated or established.		33
4.3.1	Develop and implement plan to restore and protect riparian and wetland buffer zones according to best practice and legal requirements.		32
4.4.1	Fulfill requirements of CONAP [National Council for Protected Areas].		34
4.5.1	Submit to relevant authorities Environmental Impact Studies (EIA) and other required documents for permits and requirements for plantation operations.		33
4.5.2	Submit to relevant authorities required documents for permits and licensing of the REPSA mills. ¹		34
5.1.1	Produce/update solid waste management plan.		35
5.2.1	Produce/update waste water management plan.		35
5.2.2	Establish and publish a "zero discharge policy" for palm oil mill effluent (POME), and make POME management methods and corresponding designs, studies, and permits available for public consultation.		36
5.3.1	Produce/update chemical management plan.		36
5.3.2	Train all workers on the safe use and management of chemicals, and eliminate the use of Paraquat in company and supplier plantations.		37
5.4.1	Produce/update air management plan with goals for continuous reduction of emissions of greenhouse gases and other pollutants.		37
5.5.1	Produce a plan for meeting all [environmental] legal and regulatory requirements, and file all required documentation without delay.		38
5.6.1	An investigation of the river pollution events of 2015 is carried out by a mutually accepted credible independent party with full cooperation from the company		38

¹ This activity corresponds to Result 4.5 “Legal requirements/regulations for plantations and **mills** are fully complied with in a timely manner”. This activity was not originally included in the Action Plan, but corresponds to this Result and is included here in order to ensure monitoring of progress on this result and the full reporting on the company’s progress.



Progress summaries and recommendations for specific Action Plan activities

The status of activities and recommendations for improved or accelerated implementation are presented in summary tables for each activity monitored. The tables are grouped according to six sub-categories that roughly follow the order of the Action Plan:

1. Corporate values and policies;
2. Community engagement, conflict management, and grievance mechanism;
3. Worker's rights and safety;
4. Transparency;
5. Protection of key conservation values;
6. Management of environmental impacts.

Each summary table includes the following information:

- Activity number and definition according to the Action Plan;
- Colored symbol appraisal (same as in Table 1) of the project status as observed by TFT;
- Brief status description of the progress (not implemented, partially implemented, implemented);
- Priority level of the activity according to the Action Plan (e.g. high or low);
- Observations and findings regarding the implementation of the activity; and
- Recommendations for improving the quality and execution of the activity.

1. CORPORATE VALUES AND POLICIES

Activity 1.1.1: Public statement of values of the company			
Appraisal:		Status: Implemented	
Observations and findings: See 1.1.2 and REPSA vision statement on website.			
Type of verification: Review of documentation.			
Recommendations: • None.			

Activity 1.1.2: Creation of Responsible Palm Oil Production Policy (e.g. no-deforestation, no exploitation, new planting procedures, transparency).			
Appraisal:		Status: Implemented	



Observations and findings: The updated Policy for Responsible Palm Oil Production is available on the REPSA website.
Type of verification: Review of documentation.
Recommendations: None.

Activity 1.2.1: Socialization of values/policy within the company.		
Appraisal: 	Status: Partially implemented	
Observations and findings: - The Policy for Responsible Production of Palm Oil has been posted at worker housing facilities and company warehouses. - All new workers are introduced to the Policy for Responsible Production of Palm Oil in an induction workshop given by REPSA's Human Resources team. This workshop covers approximately a dozen other policies and administrative issues. - Beginning in March 2017, the REPSA Community Relations team began leading additional trainings focusing specifically on dissemination of the Policy for Responsible Production of Palm Oil. This training has targeted the company's 168 <i>caporales</i>, who are the direct supervisors of the thousands of REPSA field workers. As of April, 95 <i>caporales</i> had received the training (in groups of 6-18). There is currently no training material outlining standard workshop content/format. - The Community Relations team indicated the <i>caporales</i> have started to share this knowledge with field workers during 5-minute lectures at the beginning of the work day. There is currently no system in place for tracking if/when <i>caporales</i> are training field workers, which field workers have received the training, or what content has been shared with field workers. - The Community Relations team indicated that after trainings with <i>caporales</i> are complete, they will provide similar training to REPSA administration/management.		
Type of verification: Interviews with REPSA staff and review of documentation.		
Recommendations: Document & standardize trainings given by the Community Relations team (e.g. through the creation of workshop modules) using/incorporating appropriate and creative training techniques in order to ensure all employees receive the same basic training. Update as needed. Develop support materials that <i>caporales</i> (field supervisors) can use when training field workers about the Responsible Palm Oil Production Policy. Take into consideration literacy levels of field workers and develop visual (non-text based) materials.		



- **Create a simple system for registering the training of field workers** in order to track dissemination of the Policy for Responsible Production of Palm Oil and ensure that workers have been trained.
- Accelerate implementation of training with REPSA administration/management.
- **Evaluate comprehension of the Policy** by (1) field supervisors (*caporales*) and (2) field workers to ensure that they understand the spirit of the policy, and (3) REPSA administration/management.
- See 2.3.8 for recommendations on worker rights (one component of the Policy for Responsible Production of Palm Oil).

Activity 1.2.2: Socialization of values/policy externally.

Appraisal:



Status: Partially implemented

Observations and findings:

- In July 2016, the company met with several national environmental NGOs to present the Policy for Responsible Production of Palm Oil. In January 2017, a second wave of policy socialization took place, including several government ministries, academic institutions, private sector groups, and embassies.
- The Community Relations team reports that during their weekly visits to 32 communities (each community is visited approximately once every 2 months), topics covered include REPSA's policies. REPSA has documented which community leaders (COCODES, mayors, women's groups, etc.) have received this information. It was not clear to TFT the level of policy detail provided during these meetings.

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:

- **Focus future policy socialization on local civil society organizations** (and national CSO's that directly/indirectly work in the Sayaxché region).

Activity 2.5.1: Develop and communicate (internally and externally) corporate policy on no tolerance of intimidation and violence.

Appraisal:



Status: Partially implemented

Observations and findings:

- All new workers are introduced to the Policy to Prohibit Violence and Intimidation in an induction workshop given by REPSA's human resources team. This workshop covers approximately a dozen other policies and administrative issues.
- Beginning in March 2017, the Community Relations team began leading additional trainings focused specifically on the Policy to Prohibit Violence. As of April, the Community Relations team members had held workshops (groups of 6-18) with 155 of



the 168 *caporales*, who are the direct supervisors of the thousands of plantation field workers. The Community Relations team described that workshops have focused on the importance of non-violent conflict resolution in the work place. The training summary reviewed by TFT focused on behavior between employees during work hours. **There is currently no standard workshop content/format.**

- The Community Relations team indicated the *caporales* have started to share the knowledge they have gained with field workers during 5-minute training sessions at the beginning of the work day. **There is currently no system in place for tracking if/when *caporales* are training field workers, which field workers have received the training, or what content has been shared with field workers.**
- The Community Relations team indicated that after trainings with *caporales* are complete, they will provide similar training to REPSA administration/management. The Community Relations team reports that during their weekly visits to 32 communities (each community is visited approximately once every 2 months), topics covered include REPSA's policies. It was not clear the level of policy detail provided during these meetings.
- **No direct socialization of the policy with local CSOs/NGOs has taken place.**

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:

- **Ensure that the future training sessions on the No Violence Policy include special emphasis on promoting tolerance of local organizations/individuals** critical of the company.
- **Document & standardize trainings** given by the Community Relations team (e.g. through the creation of workshop modules) using/incorporating appropriate and creative training techniques in order to ensure all employees receive the same basic training. Update as needed.
- **Develop support materials that field supervisors** (*caporales*) can use when training field workers about the Policy to Prohibit Violence and Intimidation. Take into consideration literacy levels of field workers and develop visual (non-text based) materials.
- **Create a simple system for registering the training of field workers** in order to track dissemination of the Policy to Prohibit Violence and Intimidation and ensure that workers have been trained.
- Accelerate implementation of training with REPSA administration/management.
- **Evaluate comprehension of the Policy** by (1) field supervisors (*caporales*) and (2) field workers to ensure that they understand the spirit of the policy, and (3) REPSA administration/management.

2. COMMUNITY ENGAGEMENT, GRIEVANCE MECHANISM, AND CONFLICT MANAGEMENT (part of Action Plan objective 2)

Activity 2.1.1: Process developed for identifying/involving *local communities* and *local civil society* in grievance diagnostic process and addressing grievances.



Appraisal: 	Status: Partially implemented		
Observations and findings: REPSA supported a social scoping process carried out jointly by TFT and CBI to identify stakeholder perceptions/concerns and understand the potential a dialogue/conflict resolution process moving forward.			
Type of verification: Interviews with REPSA staff and review of documentation.			
Recommendations: Implement recommendations outlined in the TFT-CBI Scoping Report Addendum (published May 2017).			

Activity 2.2.1: Process developed for identifying/involving <i>other stakeholders</i> in grievance diagnostic process and addressing grievances.			
Appraisal: 	Status: Partially implemented		
Observations and findings: See 2.1.1			
Type of verification: Interviews with REPSA staff and review of documentation.			
Recommendations: See 2.1.1			

Activity 2.4.1: Develop and make operational grievance mechanism (with stakeholder input in development and testing).			
Appraisal: 	Status: Partially implemented		
Observations and findings: - Currently, grievance management is being transitioned from the local REPSA team to a centralized Grupo Hame system. Channels for reporting grievances include: phone hotline, webpage, email, and in writing (via local REPSA complaint boxes or via letter to Grupo Hame headquarters). Note that this transition reflects a shift in strategy from the REPSA Grievance Mechanism description published online. - A group-level phone hotline – operated by a third party call center – has been established. The call center has been training a bilingual Q'eqchí - Spanish speaker in Guatemala City who can receive grievances via the hotline. On May 26th, Grupo Hame received confirmation that the bilingual hotline is fully operational. Grupo Hame reports that the local REPSA hotline will continue to operate for a 3-month transition period.			



- The new Grupo Hame Grievance Mechanism registers and tracks grievances across the group, including those reported by the local REPSA team. Upper management explained that the group-level committee meets monthly – unless an urgent issue arises, in which case an ad hoc meeting is convened – to review new grievances and follow-up on previous grievances. Once grievance management is fully transitioned from the local REPSA team to the centralized Grupo Hame system, the group-level committee will decide if/when to activate the local REPSA grievance management committee in investigating or resolving a grievance. For now, the local REPSA grievance committee continues to oversee labor/worker complaints and community grievances.
- The **Ernst & Young Labor Audit Summary** (publicly available online) **notes employees are not using the grievance hotline for fear that their calls will not be treated anonymously. TFT has heard similar concerns from NGO stakeholders.**
- The Community Relations team explained that during their visits to communities, they include an explanation of the REPSA grievance mechanism (including the hotline number) and provide the opportunity for community members to fill out a grievance form if desired.
- A member of the Grupo Hame Grievance committee explained to TFT that third parties may be brought in to investigate/resolve grievances if necessary.
- It is not yet clear how Grupo Hame/REPSA will transparently log grievances and report on grievance resolution.

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:

- **Update the online description of the REPSA Grievance Mechanism to reflect the new strategy of group-level management.**
- Socialize group-level Grievance Mechanism with REPSA management to ensure alignment in the approach to processing and addressing grievances.
- Inform workers about the new channels for reporting grievances and update hotline numbers on signage once transition is complete.
- Provide a toll-free hotline number to facilitate use by workers and stakeholders.
- Follow EY recommendations to address the issue of anonymity when reporting grievances through the phone hotline.
- **Actively engage stakeholders, particularly community/civil society/NGOs, around issues of grievance reporting and resolution.** Seek advice on how to increase confidence in the grievance mechanism process and implement strategies necessary to strengthen the mechanism.
- With stakeholder participation, **develop a robust and transparent system for when to involve local communities and local civil society in identification and resolution of grievances.**
- Develop a transparent system for logging grievances and reporting on grievance resolution.

Activity 2.3.11: Develop additional channels for workers to report grievances, complementing the existing bi-lingual phone line now in operation.



Appraisal: 	Status: Partially implemented		
Observations and findings: See 2.4.1			
Type of verification: Field observation and interviews with REPSA staff.			
Recommendations: See 2.4.1.			

Activity 2.1.2: Ongoing systems for community engagement are established in a participatory manner.			
Appraisal: 	Status: Partially implemented		
Observations and findings: - Community Relations reports that they have continuous and systematic engagement with 32 communities of “direct impact”. Each community is visited approximately once every 2 months. This is a significant increase from the 10 communities engaged at the time of TFT’s December 2016 visit. - The company has carried out diagnostic studies of community perceptions of the company in 34 communities, resulting in 1,400 pages of reports and 34 individual mitigation plans. These reports and plans for communities have not yet been articulated with a coherent community engagement strategy at the company level.			
Type of verification: Interviews with REPSA staff and review of documentation.			
Recommendations: - Develop a comprehensive community engagement strategy based on the diagnostic studies, community input, and informed by the CBI-TFT Social Scoping Report. - When engagement involves contributions to development, involve communities in project prioritization and execution in order to foster greater collaboration and power sharing.			

Activity 2.5.2: Provide full cooperation to appropriate authorities in their investigations of possible past incidents of human rights abuses by company staff, workers, or contractors.			
Appraisal: Not assessed	Status:		
Observations and findings:			



TFT has not found a credible way to monitor this activity and is open to exploring options with civil society stakeholders and REPSA.
Type of verification:
Recommendations: - Support joint-fact finding moving forward in order to foster resolution of grievances. - As recommended in 2.4.1., with stakeholder participation, develop a robust and transparent system for when to involve local communities and local civil society in identification and resolution of grievances.

Activity 2.5.4 Current methods for conflict management are reviewed and revised in accordance with new corporate policies (e.g. no delegitimization of stakeholders, legal actions against critics, quid pro quo with potential critics).		
Appraisal: 	Status: Not implemented	
Observations and findings: The company has not yet carried out a formal review or evaluation of past conflict management methods in order to inform new practices.		
Type of verification: Interviews with REPSA staff.		
Recommendations: - Undertake a corporate level review of conflict management methods and develop new guidance (in accordance with Policies) to guide engagement, public communications, and legal recourse when dealing with stakeholder conflicts. - As recommended in Activity 2.4.1., actively engage stakeholders, particularly community/civil society/NGOs, around issues of grievance reporting and resolution		

3. WORKERS RIGHT'S AND SAFETY (part of Action Plan objective 2)

Activity 2.3.1: Independent assessment of labor practices and policies carried out by a reputable and mutually accepted expert party, identifying gaps and corrective actions.		
Appraisal: 	Status: Implemented	
Observations and findings: The company hired Ernst and Young to carry out the labor audit. TFT and several REPSA customers reviewed the terms of reference and provided feedback. The audit took place		



in March 2017. The full audit report was not made available for TFT review, but an EY compiled summary of findings is available publicly on REPSA's website.

- The company did not involve local civil society in the audit process (e.g. reviewing the TORs and methodology, participating in the audit process, and reviewing data, results, and findings).
- **Members of the REPSA Human Resources and Community Relations team acted as Q'eqchí translators during the EY audit.** Their presence may have affected the candor of worker responses.

Type of verification: Staff interviews and documentation.

Recommendations:

- Publish the terms of reference of the labor audit.
- **Publish the full audit report to increase transparency and build trust with stakeholders.**

Activity 2.3.2: Analyze a year of mill and agricultural employment data to understand number of permanent and temporary contract laborers throughout the year in relation to seasonal labor usage fluctuations [...].

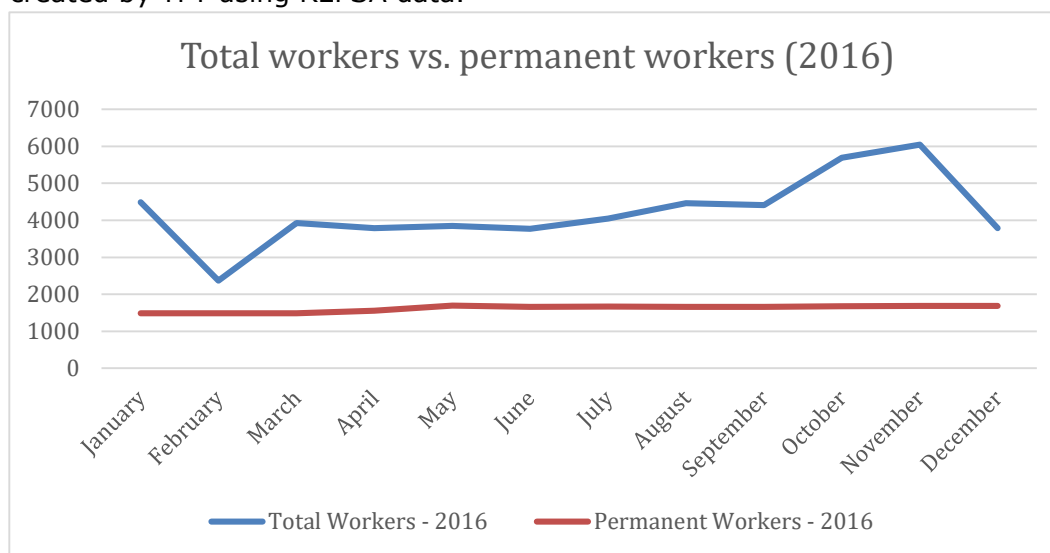
Appraisal:



Status: Implemented

Observations and findings:

- The Human Resources Department at REPSA's mill office has carried out an analysis of the number of permanent and temporary workers at REPSA in 2016. Graph below created by TFT using REPSA data.



- The Human Resources Department also provided an analysis of "re-instatement" i.e. the number of temporary workers that return to REPSA for consecutive 30 day contracts.

Type of verification: Interviews with REPSA staff, review of documentation.

Recommendations:

- See 2.3.3.



Activity 2.3.3: Ensure that no consecutive temporary contracting occurs for workers in cases where the activities undertaken are in reality permanent in nature.

Appraisal:



Status: Partially implemented

Observations and findings:

- REPSA Human Resources has come to the conclusion they need to convert some temporary positions into permanent positions.
- Human Resources told TFT that they are actively seeking to hire more permanent workers. According to data shared with TFT, in 2017 (January-April) the number of permanent workers was up ~12% compared to 2015/2016 numbers for the same months. Permanent positions included: washing worker uniforms, pollinating, and plantation field work. We cannot comment on whether the ratio of permanent to temporary workers has shifted during this time as we have not seen data on the number of temporary workers from 2015/2016.

Type of verification: Interviews with REPSA staff and review of documents.

Recommendations:

- Review and clearly document the company's policy on contracting permanent vs. temporary workers.
- Use the analyses mentioned in 2.3.2 above as the basis to review the company's labor contracting policies and set goals for increasing the number of permanent workers. All positions/activities which are ongoing by nature should be classified as permanent. REPSA should provide the opportunity for temporary workers with ongoing work to convert to permanent positions, if desired by the worker.
- Share progress related to this issue in future Progress Reports. Communities have expressed particular concern related to permanent vs. temporary workers.

Activity 2.3.4: Renovate all worker housing sites at REPSA to ensure safe, humane, and hygienic accommodation, worker privacy, and access to well-maintained sanitation facilities and clean and potable water, in accordance with industry best practices.

Appraisal:



Status: Partially implemented

Observations and findings:

POTABLE WATER FOR SHOWERS AND SINKS FOR PERSONAL HYGIENE

- TFT observed new water filtration systems and new water storage tanks at 5 worker housing sites visited. REPSA indicated that such systems have been installed at all 9 worker housing sites and 6 other locations to provide potable water to showers,



bathrooms, laundry facilities and other points at housing and offices. These systems are in addition to the **water purification systems** implemented at the 9 workers housing sites in 2016. **Water towers to increase water storage** for these new systems were **under construction** at the sites visited.

- A significant investment has been made to install these systems and provide clean water for bathing and other uses.

RENOVATION AND/OR CONSTRUCTION OF WORKER DORMITORIES

- The monitoring visit to 5 of 9 of REPSA's worker housing sites confirmed that **work on the new dormitorios at these sites was completed**. Finishing touches were being put on these structures and installation of new bunkbeds and lockers was nearly complete. Some new dormitory units were already in use during TFT's visit.
- **New worker housing provides ~3.8m² of floor space/worker.**

EXISTING WORKER DORMITORIES

- **Existing dormitories structures have not yet been renovated.** Pending work includes making the lockers under old bunks functional, replacing locking mechanisms on all doors to allow them to be locked from the inside and outside, and increasing space for each worker from the current ~2.4m² to 3.8 m².
- The previously noted shortage of mattresses was resolved. **There are now sufficient mattresses, and the company has a stock of new spare mattresses** in case replacements are needed.
- **Fumigation of the housing sites takes place each month to control mosquitos.**

LAVATORIES

- Toilets at worker housing sites visited were refurbished or undergoing upgrading and being connected to the new wastewater treatment systems located at each housing site.
- **Signage and orientation about good hygiene practices are missing at key locations** (sinks and toilet areas). The company indicated that signage and training on these issues will be part of the "second phase" of improvements at the housing sites.
- **No soap, toilet paper, or towels are provided to workers.** Human resources indicated that this would be evaluated.

Type of verification: Field observation and interviews with REPSA workers.

Recommendations:

- When renovation of existing dormitories takes place, **ensure minimum standard area per worker is provided.**
- **Implement signage in appropriate languages and formats** (consider illiteracy rates) about personal hygiene (e.g. handwashing) at the lavatory and sink areas.
- **Install soap dispensers at the lavatory sites** to facilitate personal hygiene.
- **Involve the company's Occupational Health and Safety Department and/or the new company doctor in reviewing housing conditions,** management, and plans for remodeling and improving the hygiene and safety of the dormitories.
- In conjunction with this review, **consider the provision of mosquito nets at no cost to all workers at the housing sites.** The company doctor cited mosquito-borne illnesses such as dengue fever, Zika, and the chikungunya virus as one of the three main types of



illnesses that affect the worker's health and impacts absenteeism. Mend mosquito screens on doors where holes exist.

- Consider utilizing medical data regarding stomach and intestinal illness to monitor impact of the water purification systems on worker health.

Activity 2.3.5: Add a third shift to the mills to ensure that workers do not exceed 60 hours per week or 12 hours per day.

Appraisal:



Status: Ongoing implementation

Observations and findings:

- A third shift was added to the RESA 1 and 2 mills.
- Workers work shifts from 6am – 2pm, 2pm – 9pm, and 9pm – 6am. Three hours of the night shift are paid as overtime.
- There is a daily report of hours worked that is reviewed by the head of each area of the mill. Human Resources reviews time reports weekly.
- Human Resources Department confirmed that some workers were still exceeding 60 hours per week, but do not exceed 72 hours (Guatemala's legal maximum). REPSA reports they are working to reduce hours where necessary to ensure that workers to not exceed 60 hours/week.

Type of verification: Interviews with REPSA staff.

Recommendations:

- Human Resources should continuously monitor worker hours to ensure that no workers exceed 60 hours of work per week.

Activity 2.3.6: Register/calculate the work day of plantation workers including all time workers are required to be on the plantation, and implement a system for registering the arrival and departure of workers from the worksite.

Appraisal:



Status: Implementation pending

Observations and findings:

- The REPSA Human Resources team has a plan to implement a biometric system to register/measure the arrival and departure of plantation workers and indicates that it will be done by August 2017. Grupo Hame has recently implemented similar systems in other group-owned mills.

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:



- Accelerate the implementation of the analysis and the development and piloting of a system for registering work hours of agricultural workers. This is to ensure completion of the 60-hour weekly maximum and minimum wage requirements of costumer policies.

Activity 2.3.7: Establish 3 health and safety committees (1 for each mill and 1 for agriculture) with mixed committee comprised of temporary and permanent workers as well as management and staff, and evaluate occupational health and safety risks by worker function and not only area.

Appraisal:



Status: Implemented, follow-up required.

Observations and findings:

- Temporary workers participate in the general OHS committee. This is a change and an improvement since the last TFT visit.
- The OHS department has evaluated/mapped occupational health and safety risks by type of activity.
- The OHS Department has developed indicators for the reduction of risks.
- The OHS Department has a plan to visit the worker housing sites.
- The OHS committees have reorganized their meeting minute record keeping so that they can easily follow-up on past issues raised.

Type of verification: Interviews with REPSA staff and workers, and review of documentation.

Recommendations:

- Create a formal protocol/process for the OHS committee. Include details about committee member selection and specify the participation of temporary workers.
- Raise awareness about who the members of the Occupational Health and Safety Department sub-committees are in order to facilitate communications between members of the larger workforce and the OHS team. Different options could be implemented, but posting photographs or assigning shirts or armbands to these team members should be considered.

Activity 2.3.8: Provided new and existing workers with orientation and training about their fundamental rights as workers, recognizing and informing all of its workers of their rights to organize unions and collectively bargain without negative consequences.

Appraisal:



Status: Partially implemented



Observations and findings:

- There is currently no stand-alone orientation/training for workers on their fundamental rights. The induction training Human Resources gives to all new workers references the right to organize, but does not provide in depth information on this or other rights.
- The Community Relations team mentioned human/workers' rights as a topic where additional capacity is needed.
- The company indicated that it recently hired a consultant expert in human rights who has worked as an advocate at the intersection of business and human rights. TFT does not have visibility into the role this consultant will play within the company.

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:

- Develop a robust training for workers on their fundamental rights.
- As recommended by the Community Relations team, bring in an expert on human/workers' rights to build capacity and/or train field workers directly.

Activity 2.3.9: Develop clear explanations (on pay slips and other formats) for workers of the calculation of compensation (including piece rate compensation).

Appraisal:



Status: Partially implemented

Observations and findings:

- New pay slips were instituted starting in June 2016. At that time, pay slips did not include a clear explanation of remuneration by productivity ("piece rate"). TFT has not seen an updated pay slip.

Type of verification: Interviews with REPSA staff and review of documentation.

Recommendations:

- Pay slips should include a clear explanation of the calculation of compensation, including piece rate compensation.

Activity 2.3.10: Develop and implement effective requirements and agreements with transportation providers to arrange for and verify safe transportation is provided for workers between their home communities and REPSA.

Appraisal:



Status: Implemented

Observations and findings:

- The company explained that independent transportation companies provide transportation within the plantation. No trucks or tractors were observed transporting



workers. A bus driver interviewed confirmed that he provides transportation within the plantation.

- The company explained that it has replaced the assistants (*auxiliares*) who previously reviewed transport companies to ensure that drivers and vehicles met REPSA safety standards. The company explained that it now directly reviews driver credentials and buses. These include driver's license, police records, vehicle and company registrations, and other identification. Drivers must sign a form acknowledging that they will comply with the company's safety requirements.

Type of verification: Field observation, interviews with REPSA staff and review of documentation.

Recommendations:

- Staff should continue to closely monitor transportation, to ensure safe transportation.
- Workers should be informed of safety standards and encouraged to use grievance mechanism channels to report any shortcomings or concerns about transportation safety.

Activity 2.3.12: Personal Protection Equipment (PPE) is provided to all workers and replaced when necessary for each job function, free of charge and based on the Occupational Health and Safety risk assessments, and all workers and managers are regularly trained on their use, and PPE training and use is monitored and documented.

Appraisal:



Status: Implemented

Observations and findings:

- Workers interviewed confirmed that they receive PPE without charge each day.
- Documentation of the distribution and inspection of PPE was available at the agricultural storage sites visited.
- The company has a protocol for inspecting the use of PPE at random and at different work sites.
- The EY labor audit observed proper implementation of PPE use.

Type of verification: Field observation, interviews with REPSA staff and workers and review of documentation.

Recommendations:

- Document the inspections of the proper use of PPE by agricultural workers.
- Include water containers and water on the Personal Protection Equipment inspection checklist used at the warehouses, so that the routine inspections by the OHS Department check for their use.



Activity 2.3.13: Provide short-term solution to ensure that safe drinking water is freely provided to all workers at work sites.

Appraisal:



Status: Partially implemented during short-term time frame required

Observations and findings:

- During the Action Planning process, a 3-month timeline was agreed upon for a short-term solution to safe drinking water. REPSA began installation of water purification systems at worker housing sites in June/July, and reported that installation was completed at the end of August, 2016 (~4 months after the start of the Action Plan).
- See Activity 2.3.14 for details on long-term solution to safe drinking water.

Type of verification: Interviews with REPSA staff.

Recommendations:

- None.

Activity 2.3.14: Ensure that safe drinking water is freely provided to all workers at work sites (long term)

Appraisal:



Status: Partially implemented

Observations and findings:

- REPSA has now installed **water purification systems** at each of their 9 worker housing sites. **Water quality is regularly tested.**
- Installation of **water filtration systems** at the worker housing sites has complemented the water purification systems. These new systems provide potable water to sites where workers bath and wash clothes, and will increase the efficiency and lifetime of the water purification systems by filtering water before it is purified.
- REPSA management reports that they have **distributed receptacles to some workers so that they can bring clean water into the field.** They estimate that distribution will be complete in June/July 2017. Buses that bring day workers to REPSA operations stop at water taps so that receptacles can be filled before work begins.
- Company managers explained that they continue to consider the option of retrofitting buses that transport workers so that they can carry additional water into the field and serve as a backup source of water during the day.
- REPSA has placed signage at water taps recommending minimum daily water consumption for workers (3.5 L). REPSA explained that the company doctor will be offering an updated recommendation on this minimum daily water consumption.

Type of verification: Field observation, interviews with REPSA.

Recommendations:

- **Accelerate the distribution of receptacles to all workers** (standard size that meets recommendations for minimum daily water consumption).



- Include water containers and water on the Personal Protection Equipment inspection checklist used at the warehouses, so that the routine inspections by the OHS Department check for their use. (Same recommendation as for 2.3.12)

Activity 2.5.3: Take corporate disciplinary action against workers and staff involved in kidnapping incident, and develop recommendations and plan to prevent similar incidents from occurring in the future.

Appraisal:



Status: Partially implemented

Observations and findings:

- The company stated that they are not legally permitted to investigate this incident as it occurred outside workhours/workplace.
- In order to prevent/address any future incidents, REPSA created a public Policy to Prohibit Violence and Intimidation which stipulates: "This policy applies to all employees, third parties, contractors, agents, and visitors during their work or while performing any activity within our operations. It also applies to employees outside our operations when acting on behalf of REPSA with our stakeholders or with local communities." REPSA has reiterated their commitment to enforcing this policy.
- See Activity 2.5.1. for a description of training on this policy and recommendations for strengthening training.

Type of verification: Interviews with REPSA.

Recommendations:

- Should any future situation arise, use Policy to Prohibit Violence and Intimidation as the basis for disciplinary action against REPSA employees.
- As recommended in Activity 2.4.1., actively engage stakeholders, particularly community/civil society/NGOs, around issues of grievance reporting and resolution.

Activity 2.6.1: Security procedures/protocols are reviewed and updated for vetting, recruiting, training, equipping, and monitoring the security teams used by the company and its contractors, ensuring that human rights principles are respected.

Appraisal:



Status: Partially implemented

Observations and findings:

- An expert consultant in security systems and human rights was hired by the company and carried out an on-site evaluation of company security resources and practices. The consultant produced a report with recommendations.
- The report was not made available for TFT review, but summary recommendations were shared publicly by REPSA in their third Progress Report.



- The company has committed publicly to implementing 7 recommendations from the assessment, including the Voluntary Principles for Security and Human Rights (see 3rd Progress Report).
- The company indicates that some changes have occurred as a result of the visit, including a large reduction in the number of armed security personnel (67%). TFT noted fewer armed security personnel at the plantation and mills sites.

Type of verification: Field observation, interviews with REPSA.

Recommendations:

- Accelerate the implementation of security assessment recommendations.
- Update security procedures/protocol.
- Report on updated procedures/protocols and progress made toward their implementation.

4. TRANSPARENCY (objective 3)

Activity 3.1.1: Channels of dissemination of information developed (e.g. website, progress reports, etc).

Appraisal:



Status: Implemented

Observations and findings:

- REPSA has a website (pages available in a combination of English, Spanish, and Q'eqchi') and has been regularly publishing progress reports (English, Spanish).

Type of verification: Interviews with REPSA staff.

Recommendations:

- Ensure that local stakeholders who may not be accessing online reports are aware of REPSA plans, activities, etc. This could be done through community meetings, radio broadcasts, etc.

Activity 3.1.2: Publish Action Plan and invite stakeholder comments and input.

Appraisal:



Status: Implemented, follow-up recommended

Observations and findings:

- A summary of the Action Plan was published in 2016.



Type of verification: Review of documentation.
Recommendation: For future Action Plans / Work Plans published online, include a link and invitation for readers to comment.

Activity 3.1.3: Publish updates on Action Plan progress.		
Appraisal: 	Status: Implemented, follow-up recommended	
Observations and findings: Public updates (3) were published periodically over the last year to report on REPSA's progress on Action Plan implementation. The most recent Progress Report was published in May 2017.		
Type of verification: Interviews with REPSA staff and review of documentation.		
Recommendations: - Consider options for facilitating two-way communication with the update reports. Future reports could encourage readers to link or address for readers to send comments, questions and other feedback about the Action Plan. - Take into consideration stakeholder requests for additional information when developing future public updates.		

Activity 3.1.4: Publish and regularly update Grievance Mechanism.		
Appraisal: 	Status: Partially implemented	
Observations and findings: See 2.4.1.		
Type of verification: Interviews with REPSA staff and review of documentation.		
Recommendations: - Update the online description of the REPSA Grievance Mechanism to reflect the new strategy of group-level management. (Same recommendation as 2.4.1) - As recommended in 2.4.1, develop a transparent system for logging grievances and reporting on grievance resolution.		

Activity 3.1.5: Dashboard (modeled on best practices for transparency in global PO sector)



Appraisal: 	Status: Not implemented		
Observations and findings: - REPSA has created a centralized location for sustainability-related reporting on their website. This includes links to relevant policies (Policy on Responsible Palm Oil Production, Policy to Prohibit Violence and Intimidation, Zero Effluent Discharge Policy), progress updates, community development programs, etc. - As described in Activity 2.4.1., REPSA is in the process of transitioning grievance management to a group-level system. This new system is not yet described on the website. - REPSA is not currently reporting on specific grievances/grievance resolution.			
Type of verification: Interviews with REPSA staff and review of documentation.			
Recommendations: - Update the online description of the REPSA Grievance Mechanism to reflect the new strategy of group-level management. - Report publicly on grievances & grievance resolution.			

Activity 3.2.1: Stakeholders are identified / mapped			
Appraisal: 	Status: Implemented, follow-up required.		
Observations and findings: In November 2016, REPSA completed a stakeholder mapping exercise.			
Type of verification: Interviews with REPSA staff and review of documentation.			
Recommendations: - Revise and refine stakeholder mapping strategy as part of updated stakeholder engagement strategy (Activity 3.3.1). - Periodically update stakeholder mapping.			

Activity 3.2.2: Activity 2.5.1			
Appraisal: 	Status: Partially implemented		
Observations and findings: See Activity 2.5.1			
Type of verification: Interviews with REPSA staff and review of documentation.			



Recommendations:

- See Activity 2.5.1

Activity 3.3.1: Stakeholder engagement strategy developed and updated with inputs from diagnostic study, stakeholder mapping etc.**Appraisal:****Status:** Partially implemented**Observations and findings:**

- In November, Grupo Hame drafted a strategy document for stakeholder engagement. This document provides an overview of stakeholder identification, analysis (including the “legitimacy” of stakeholders), mapping, prioritization, and engagement, as well as a description of associated company roles and responsibilities. A few details need updating (e.g. the strategy makes reference to the KPMG labor audit).

Type of verification: Review of documentation.**Recommendations:**

- Update stakeholder engagement strategy document, including inputs from CBI-TFT Social Scoping Report and Addendum. Reexamine aspects of the stakeholder analysis process such as the “legitimacy” of stakeholders.
- Ensure stakeholder participation is central to stakeholder engagement strategy. Engagement strategy could include additional aspects such as identification and management of potential conflicts, the development of partnerships, and stakeholder participation in monitoring and evaluation.
- Share the stakeholder engagement strategy with the public.

Activity 3.3.2: Stakeholder engagements are started and maintained to ensure two-way communication occurs (in addition to grievance mechanism).**Appraisal:****Status:** Partially implemented, ongoing**Observations and findings:**

- See 2.1.2

Type of verification: Interviews with REPSA staff**Recommendations:**

- Expand stakeholder engagement to include local CSOs (and CSO’s with direct/indirect work in the region). Ensure that this engagement includes opportunities for stakeholders to voice opinions/concerns as well as learn about REPSA’s policies & implementation.



- Complement/enhance current strategies for community engagement through dialogue as recommended in the Social Scoping Report/Addendum.

5. PROTECTION OF KEY CONSERVATION VALUES (objective 4)

Activity 4.3.1: Develop and implement plan to restore and protect riparian and wetland buffer zones according to best practice and legal requirements.

Appraisal:



Status: Implementation ongoing

Observations and findings:

- The company has further developed riparian restoration and maintenance plans.
- The company indicated that in 2017 it will reforest an additional 280ha by removing 2-3 rows of palm that border primary and secondary roads of local communities and reforesting these areas.
- REPSA began implementing a Differentiated Managed Plan for all palm located within 10 m of minor waterbodies. This Plan excludes application of all pesticides, herbicides & fertilizers. It is TFT's understanding that Guatemalan law requires preservation of a 25 m forested buffer zone on either side of *navigable rivers*. REPSA's Differentiated Management Plan is a voluntary effort to provide additional protection to local water resources. Other new measures include the start of the removal of some palm planted along stream banks.
- In order to monitor water quality and measure the impact of the Differentiated Management Plan, REPSA has initiated a sampling program at 17 sites in waterbodies that pass through operations. Samples are collected 4 times a year, and twice a year results are analyzed by an independent laboratory.

Type of verification: Field observation, interviews with REPSA staff and review of documentation.

Recommendations:

- Continue restoration process, document progress, and socialize results with stakeholders.
- Develop a robust monitoring and evaluation plan for restoration efforts and environmental benefits.
- Consider opportunities for improving restoration efforts in the context of Action Plan activities 4.4.1 and 4.5.1.
- Consider opportunities for leadership in region-wide riparian restoration/protection (see recommendations in Scoping Report/Addendum).
- Invite local communities to participate in existing water quality monitoring. Consider expanding monitoring program in order to provide mutually credible, watershed-level results (same recommendation as included in the Scoping Addendum).



Activity 4.2.1: Riparian, wetland, and watershed practices and plans reviewed and updated or established.		
Appraisal: 	Status: Implemented, follow-up action required	
Observations and findings: See Activity 4.3.1.		
Type of verification: Field observation, interviews with REPSA staff and review of documentation.		
Recommendations: - Consider opportunities for leadership in region-wide riparian restoration/protection (see recommendations in Scoping Report/Addendum). (Same as Recommendation for 4.3.1) - Invite local communities to participate in existing water quality monitoring. Consider expanding monitoring program in order to provide mutually credible, watershed-level results (same recommendation as included in the Scoping Addendum). (Same as Recommendation for 4.3.1)		

Activity 4.5.1: Submit to relevant authorities Environmental Impact Studies (EIA) and other required documents for permits and requirements for plantation operations.		
Appraisal: 	Status: Implemented, follow-up action required	
Observations and findings: - The company has submitted all 6 environmental impact studies known as a <i>Diagnóstico Ambiental</i> (DA) – as required by law – to the Ministry of the Environment and Natural Resources (MARN). Three of these 6 DAs were also submitted to CONAP. - The company had previously planned to submit 7 DAs, but the seventh area (“Argentina”) was being leased by REPSA and it has been returned to its owner at his request. This area will continue to provide fruit to the REPSA mills.		
Type of verification: Interviews with REPSA staff and interviews with CONAP.		
Recommendations: - Moving forward, fulfill CONAP + MARN expectations for a transparent and participatory process to involve stakeholders in developing and implementing mitigation measures for the protected areas affected by overlaps with REPSA’s plantations. - Collaborate with the owner of the Argentina farm to ensure that it complies with the environmental requirements of the national authorities. - As stakeholders have expressed concern about the transparency of the DA process, consider publishing all 6 DAs and a description of participation solicited before DAs		



were submitted to MARN/CONAP (e.g. radio broadcasts as described by Grupo Hame management)

Activity 4.4.1: Fulfill requirements of CONAP [National Council for Protected Areas].

Appraisal:



Status: Implemented, follow-up required

Observations and findings:

- The company has presented to CONAP all three environmental impact studies (*Diagnóstico Ambiental* - DA) required. (The most recent was presented on May 12, the last day of TFT's monitoring visit.) This first step will start a multi-stage review process for the approval of the plantation operations, and if approved, an environmental license will be issued. The plantation areas of these three DAs overlap with the buffer areas or multiple use areas of three different protected areas, and thus are of special concern for CONAP.
- CONAP confirmed that it has carried out on-site inspections of the two of the three areas for which REPSA presented DAs. CONAP confirmed that it received cooperation from REPSA in carrying out these visits.
- The company informed TFT that it is developing a **plan to work with local protected areas in the Petén to improve conservation through the strengthening of sustainable livelihoods of local communities. This project will be implemented by Rainforest Alliance.**

Type of verification: Interviews with REPSA staff and regional CONAP authorities, review of documentation.

Recommendations:

- Continue cooperating with CONAP during future visits and the development of any additional mitigation measures that it may require of the company.
- **Consider implementing innovative and robust protection & mitigation measures that go beyond legal requirements,** especially with broad social participation and support. For example, during the TFT visit CONAP and REPSA began discussing the possibility of collaborative land use planning in the Petén.

Activity 4.5.2: Submit to relevant authorities required documents for permits and licensing of the REPSA mills.²

² This activity corresponds to Result 4.5 "Legal requirements/regulations for plantations and **mills** are fully complied with in a timely manner". This activity was not originally included in the Action Plan, but corresponds to this Result and is included here to ensure monitoring of progress on this result and the full reporting on the company's progress.



Appraisal: 	Status: Implementation in Progress
Observations and findings: The company received operating licenses for the REPSA I and II mills.	
Type of verification: Interviews with REPSA staff and interviews with MARN authority	
Recommendations: Publish information about the process of developing the DA, mitigation measures, and obtaining the licenses. Include information about how the public, including local stakeholders were informed (e.g. rapid participatory diagnostic workshops and radio spots).	

6. MANAGEMENT OF ENVIRONMENTAL IMPACTS (objective 5)

Activity 5.1.1: Produce/update solid waste management plan.	
Appraisal: 	Status: Implemented
Observations and findings: - REPSA has a Solid Waste Management Plan dated September 2014; they explained this was plan updated in 2016 and will correct the date on the plan. - REPSA has created and implemented a system for registering all solid waste produced in each area of operation. - The company has implemented measures to effectively reduce the mixing of boiler ash and cake with water runoff on the loading area of the REPSA I mill. Canals were dug uphill of the mill to divert groundwater and runoff from the mill area, thus reducing the surface water on the mill site. At the time of the visit, the company was planning construction of gutters on the mill roof to limit runoff. The mill no longer channels and pumps the ash/water runoff from the mill site into the La Pasi3n River.	
Type of verification: Field observation and interviews with REPSA staff, review of documentation.	
Recommendations: - Ensure Solid Waste Management Plan is up to date; correct date on current Solid Waste Management Plan. - Accelerate the installation of planned measures for reducing runoff on the site, including gutters for REPSA 1 structure and eventual pavement for patio.	

Activity 5.2.1: Produce/update waste water management plan



Appraisal: 	Status: Partial implementation		
Observations and findings: REPSA has installed 15 new wastewater treatment systems for worker camps and other work sites. These systems have replaced older septic systems.			
Type of verification: Field observation and interviews with REPSA staff			
Recommendations: Monitor new wastewater treatment systems, update management plan as needed.			

Activity 5.2.2: Establish and publish a "zero discharge policy" for palm oil mill effluent (POME), and make POME management methods and corresponding designs, studies, and permits available for public consultation.

Appraisal: 	Status: Partially implemented		
Observations and findings: - REPSA has established a Policy of Zero Discharge, which is now publicly available on their website. This includes a general description of the POME treatment process. - As of April, Community Relations had lead trainings with 79 of 168 caporales (field supervisors) on the Policy of Zero Discharge (see activities 1.2.1 and 2.5.1 for more details on the structure/strategy of these trainings). - The mill has been hosting representatives from local communities (including COCODE leaders and school groups) to visit the mill and see the POME treatment ponds.			
Type of verification: Review of documentation			
Recommendations: - Include more descriptive images and design details on the website. Simple diagrams of the pond systems or an overhead photo of each mill's pond system (such as the one on the October 12, 2016 Facebook post) would help the reader understand each system. - Publish plans about future improvements, including the methane capture systems under consideration. - Given past scrutiny of REPSA, consider implementing programs for community verification or auditoría social related to POME management.			

Activity 5.3.1. Produce/update chemical management plan.



Appraisal: 	Status: Implemented		
Observations and findings: The company has a comprehensive chemical management plan, first drafted in 2014 and updated in December 2016.			
Type of verification: Review of documentation and interviews with REPSA staff.			
Recommendations: Periodically review and update chemical management plan.			

Activity 5.3.2. Train all workers on the safe use and management of chemicals, and eliminate the use of Paraquat in company and supplier plantations.			
Appraisal: 	Status: Implementation ongoing		
Observations and findings: - New infrastructure for workers who apply agrochemicals has been developed, including sites with showers and laundry services that reduce worker contact with contaminated garments and equipment. - The company has indicated that it has visited its third party suppliers of FFB and shared lists of banned chemicals. It reinforced this communication by inviting all the suppliers to the offices of REPSA 1 where they reiterated their expectations in terms of chemical management best practices. - The company indicated that providers are being required to accept all sustainability and certification requirements of REPSA as part of contracts moving forward. - Based on observations from TFT's two monitoring visits, REPSA has eliminated the use of Paraquat at its operations.			
Type of verification: Review of documentation and interviews with REPSA staff.			
Recommendations: Implement verification system (e.g. requesting chemical lists or random inspections) to ensure Paraquat is not used by 3rd party plantations.			

Activity 5.4.1. Produce/update air management plan with goals for continuous reduction of emissions of greenhouse gases and other pollutants.
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Appraisal: 	Status: Partially implemented		
Observations and findings: - The company has measured its greenhouse gas footprint and has identified measures for reducing GHG. - The company has measured particulate matter (PM10, PM2.5), Nitrogen Dioxide, and Sulphur Dioxides. Plan for reducing these contaminants is pending.			
Type of verification: Review of documentation and interviews with REPSA staff			
Recommendations: Produce air emissions mitigation plans for particulate matter and other relevant contaminants.			

Activity 5.5.1. Produce a plan for meeting all legal and regulatory [environmental] requirements, and file all required documentation without delay.			
Appraisal: 	Status: Implemented		
Observations and findings: - The company has created a matrix to track compliance with Guatemalan environmental and health & safety laws. - See Activities 4.4.1 and 4.5.1 for details on the <i>Diagnósticos Ambientales</i> and mill licensing requirements.			
Type of verification: Review of documentation			
Recommendations: None			

Activity 5.6.1. An investigation of the river pollution events of 2015 is carried out by a mutually acceptable credible independent party with full cooperation from the company			
Appraisal: 	Status: Not implemented as recommended		
Observations and findings: The company hired the Colegio de Biólogos de México to investigate the April & June 2015 contamination events of the La Pasión River. REPSA shared company-compiled bullets summarizing the findings from CBM's investigation. REPSA explained that they cannot share CBM documents (executive summary or full report) while the court case remains open.			



- While this is an important step for REPSA's internal understanding of events, the intention of Activity 5.6.1 was to generate mutually acceptable/credible information, i.e. support an investigative process that included stakeholder input on methodology/design and that produced results that could be shared publicly with all actors.
- REPSA has explained that when CBM was contracted to investigate the river pollution events, the Action Plan had not been finalized and they did not fully grasp the significance of involving stakeholders in selecting a "mutually acceptable credible independent party." REPSA has indicated they are committed to joint fact-finding moving forward.

Type of verification: Review of documentation and interviews with REPSA staff

Recommendations:

- Implement CBI-TFT Scoping Addendum recommendations related to joint fact-finding (articulated in *Understanding & Engaging Diverse Views*)



Appendix 1: Monitoring Visit Agenda

Visit Itinerary - Guatemala

Sunday, 7 May 2017

- TFT travel day

Monday, 8 May 2017

- Meeting with TFT staff and REPSA staff in Guatemala City to review itinerary and logistics.

Tuesday, 9 May 2017

- Flight to REPSA, Sayaxche, Petén.
- Meeting with REPSA department heads to review objectives and visit plan
- Field visit to worker housing sites Union B and Champeguano.
- Visit to REPSA I treatment ponds.
- Meeting with Human Resources department
- Meeting with general Occupational Health and Safety committee

Wednesday, 10 May 2017

- Field visit to worker housing sites Mirador, Cubil, and Camelias.
- Lunch with REPSA II managers.
- Second meeting with Human Resources team.
- Meeting with Environmental Management team
- Meeting with Community Relations team

Thursday, 11 May 2017

- Travel from Sayaxche to Flores, Peten
- Meeting with CONAP regional office planning staff.
- Flight from Flores to Guatemala City

Friday, 12 May 2017

- Meeting with Grupo Hame
- Teleconference with REPSA department heads to review findings and recommendations.
- Exit meeting TFT-REPSA; Presentation of initial findings, recommendations, next steps.



Appendix 2: Photographs of field sites



New worker housing buildings and shower facility at the "Union B" housing site.



Signage at worker housing specifying minimum amount of drinking water.



New worker showers at the "Union B" worker housing site.



New water filtration for wash areas.



New worker showers and sinks.



Wastewater treatment system at housing site.





New toilets installed in worker housing.



Existing bunkbeds being installed and refurbished in new housing building.



Refurbishing new toilets and connection to wastewater treatment.



Figure __. Doors at housing sites require new locks that allow locking from inside and outside and mending of mosquito screens.



New worker housing building, two-level bunkbeds with safety railing, and lockers.



Removal of palm along permanent stream in the plantation.





Laundry, showers, and changing area for chemical workers



Signage at laundry, changing and shower facilities for agrochemical workers.



Additional stock of mattresses for worker housing.



Buses used for internal transport and transportation to and from local communities.



Lockers to be renovated in old dormitories.

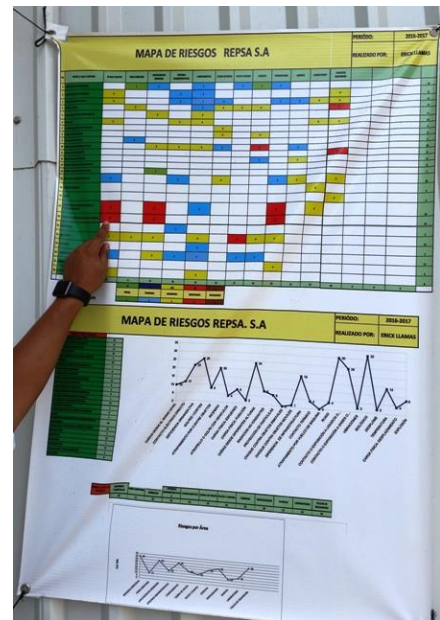


Purified water available at one of the worker camps. Day workers are given the opportunity to fill up water bottles at these taps before the work day begins.





Filtered water at worker laundry area.



Risk map at REPSA I mill site.

