

1999-2020

SUSTAINABILITY REPORT



REPSA
Agroindustria Palma

Leaving our mark, generating value.

GRI 102-1, 102 -3

4a avenida, 8-93 zona 9, Edificio Grupo HAME, Ciudad de Guatemala, 01009
(+502) 2429-5555

grupohame.com





Aerial view of workshop and extracting mill 2.

MANAGEMENT LETTER

When Reforestadora de Palmas de El Petén, S. A. (REPSA for its acronym in Spanish) began operations in 1999, little did we imagine the challenge it entailed developing an agro-industrial project in a remote area in the country where no one else had done it before.

Twenty years later, we make a recount of the actions carried out and the path travelled, challenges we faced, setbacks and lessons learnt; as well as reached milestones and prevailing opportunities to continue building with sustainability vision.

Considering twenty elapsed years in such a dynamic and changing era locally, nationally, and globally where borders fade and the already implicit globalization is benchmark, is not simple; for REPSA this meant a transition from a local operation with limiting infrastructure and basic operation services, to functioning as a competing and viable alternative against markets with world class standards.

But taking part in these markets was not built by itself, thousands of people have been responsible to transform REPSA in one of the most successful agro-industrial operations of Latin America. All of them, working arduously with effort and commitment, overcame unprecedented difficulties and achieved results that only few could imagine. Specifying names would be unfair so the present review of reached goals is rather a recognition to the great contribution of many.

Conceptually, the path travelled in terms of adapting REPSA to the highest sustainability standards is expressed in our “Policy of Responsible and Sustainable Production” which poses consequential commitments:

- To guarantee in its operations full and total respect for human rights of people related to its operations.
- To grow and sustainably develop through an upstanding economic, social, and environmental performance.
- To steer its management towards the satisfaction of needs and expectations of clients and consumers ensuring verifiable high-quality products.
- To promote work life quality, while maintaining humane working conditions, a safe environment, ongoing training and facilitating appropriate equipment.
- To identify, prevent, and minimize environmental impact of its operations by integrating responsible technologies and processes that rationally use resources to maximize overall efficiency and availability.
- To strictly adhere to valid laws and regulations, including voluntary regulations implemented in the framework of corporate responsibility as quality of products, zero deforestation, legal trade, and occupational health and safety.



Palm plantation.

Our policy comes to life through a series of actions which had turn the operation not only more efficient but highly oriented towards concrete results:

- Implementation of technologies for reduction of carbon footprint (greenhouse gases generation) and generation of clean energy.
- Decrease of 13.8% in carbon dioxide (CO₂) kilograms equivalents per metric ton of Crude Palm Oil (CPO).
- Reduction of 17% in fossil fuel consumption.
- Recognition as leading entity in the integrated implementation of an industrial waste management system.
- Tenting roof of wastewater treatment lagoons to eliminate methane pollution.
- Implementation of a forest management plan for conservation of forest reserves and restoration of riparian areas for a total of four hundred and fifty-eight hectares (458 ha), which includes extensions in the Guatemalan System of Protected Areas (SIGAP for its acronym in Spanish) in the municipality of Sayaxché.
- Management Plans for High Conservation Values (HCV) of riparian areas and conservation areas of archaeological vestiges.
- Development of an internal system of biodiversity monitoring for protection of aquatic and terrestrial ecosystems in the influence area, including the creation of biological corridors for the conservation of the howling monkey and other native species in the area in alliance with Solidaridad Network for the promotion of a “sustainable landscape approach” in Sayaxché.
- Habilitation of the biggest composting plant in the region, prioritizing use of organic fertilizer in our operation.
- To guarantee safe working conditions for collaborators with a reduction of up to 70% in accident and severity rates in agro-industrial operating areas since 2017.
- Continuous implementation of social projects in areas of health and nutrition, education, agricultural and environmental assistance, and infrastructure for development.



Palm plantation.

The Monitoring Report of Palm Oil Company Actions in Sayaxché, Petén, carried out in 2019 by a civil society organization, indicates that “regarding occupational safety, REPSA had an outstanding score in this monitoring, because important efforts have been made to fulfill the national regulations, and with an important initiative to provide water in every farm,” adding that it “is the company with highest compliance with human rights regulations especially regarding occupational safety.”

- Strengthening of the Grievance Mechanism which was thoroughly reviewed through external auditing conducted by Earthworm Foundation (EF) with the participation of OXFAM Guatemala.
- Update of Social Impact Assessments (SIA) with a participatory and inclusive approach.

- Operations are certified by International Sustainability Carbon Certification (ISCC) and Kosher.
- In 2019, REPSA improved its score in the Sustainability Policy Transparency Toolkit (SPOTT) index by 15%, reaching the position 27 out of 99.

There is a long way to go, we are committed and we will continue with the same vision that the founder of Grupo Hame had and which has been guiding us to date to work as a team, responsibly, balancing environment, company and communities, with respect for current and future generations to which we will hand in an efficient, competing but more importantly, sustainable operation.

Eduardo Castañeda

Sustainability
REPSA a company of Grupo HAME
Sayaxché, Petén,
Guatemala,
January de 2020

ORGANIZATION PROFILE

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-9, 102-13, 102-14, 102-15, 102-16, 102-40

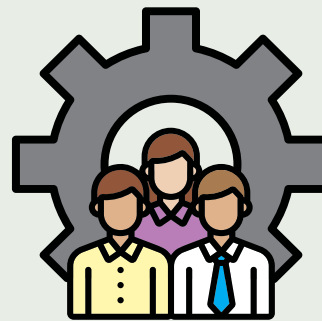
The Sustainability report from *Reforestadora de Palmas de El Petén S.A.* (REPSA) covers the operational and administrative activities of the company for 2019 (January to December). The report follows the guidelines of the Standard of Global Reporting Initiative (GRI) using their main principles. This report does not include the section corresponding to financial status. The report has been prepared independently by Terrambiente Consultores Cía. Ltda. with contribution of the Sustainability Sub-direction, as well as REPSA management and operational areas.

Reforestadora de Palmas de El Petén S.A. (REPSA) is a Guatemalan company, member of Grupo HAME located in the municipality of Sayaxché. Pioneers in palm cultivation in the country and in the Central American region, REPSA is leader in crop innovation and responsible processing of oil palm.

Founded in 1999, since its beginning the operation has been guided by principles of economic, social, and environmental sustainability. It focuses its efforts on being an innovative and efficient company that produces with high quality international standards.

Its main product, the Crude Palm Oil (CPO) is commercialized in the national and European markets as raw material for food production, detergents, biofuels, and other specialized products.

Human capital at REPSA



TOTAL

2,756

Agricultural
personnel

1,877

Administrative
personnel

570

Industry
personnel

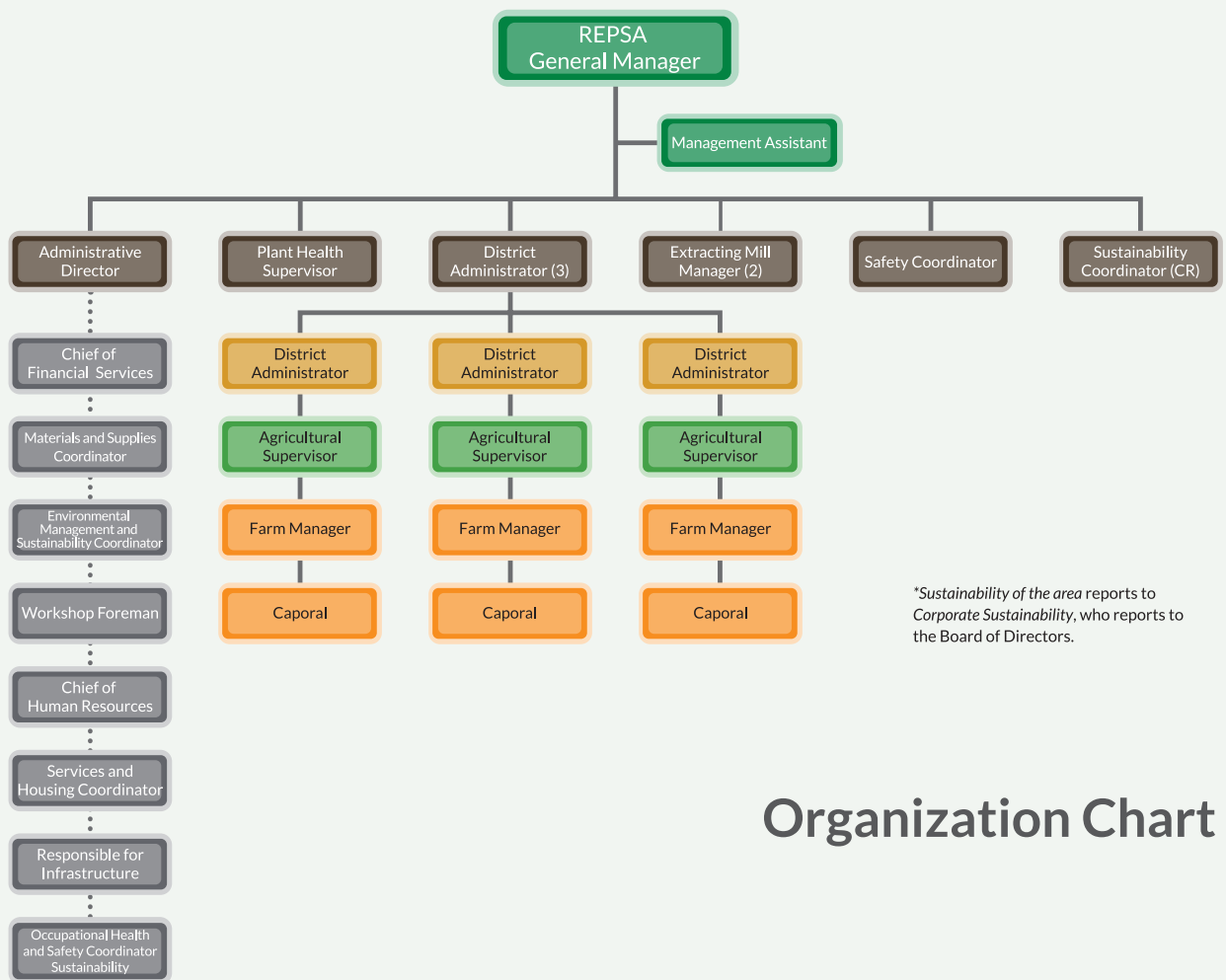
309

Employees annual average for 2019

69% permanent workers;

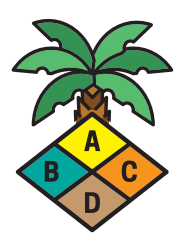
31% temporary workers;

1.3% of the total workforce are women.



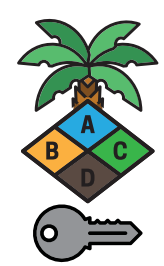
Organization Chart

Our operation in numbers



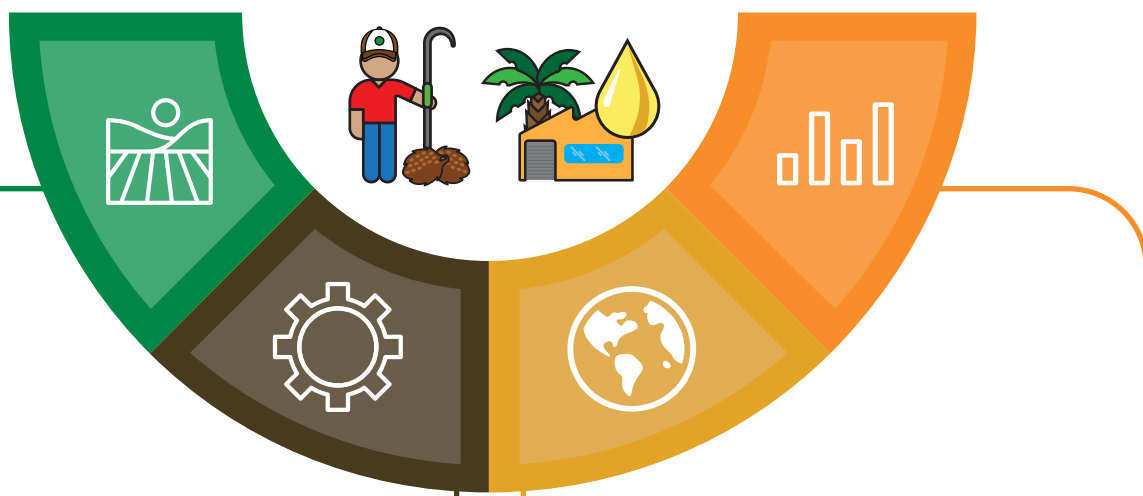
12,524
Hectares of own palm plantations

7,739
Hectares of associate producer



7,090
Hectares of independent producers

Building a New Challenge: How did we do in 2019?



Agricultural Operational Profile

- Owned / associated total area: **20,263 ha**
- Total Area Cultivated with Palm: **19,130 ha**
- Total Area without plantation: **1,133 ha**
- HVC Area: **996 ha**
- Conservation Area: **368 ha**
- **Total Area Other Producers: 7,090 ha**
- **Small Producers Area: 0 ha**
- New Plantations: **0 ha**
- RSPO Certified Area to date: **0 ha**
- ISCC Certified Area to date: **12,524 ha**

Note: In the Operation there are no Small Producers.

Other Information

- Shared Responsibility: **Suppliers Development Model**
- Policy of Responsible and Sustainable Production
- Code of Conduct
- Grievance Mechanism

Challenges

- RSPO awareness in the market
- Demand of Certified CPO
- Commitment with commercial partners or consumers on the use of CSPO

Industrial Operational Profile

- Extracting Mills: **2**
- FFB ton Capacity/Year: **EM1 486,720/EM2 599,040**

Fruit

- Total, Processed FFB: **530,557 ton**
- Total, RSPO Certified FFB: **0 ton**
- Total, ISCC Certified FFB: **249,573 ton**

Crude Palm Oil

- Total, Produced CPO: **127,381 ton**
- RSPO Certified CPO: **0 Ton**
- ISCC Certified CPO: **60,395 ton**

Certifications

- ISCC – Valid until **October 10 2020**
- RSPO: When is Certification planned: **2021**
- Certification ISO 37001 - SGAS

Carbon Footprint:

- **REPSA 1:** 514.5 kg CO₂ eq. /DB-ton CPO
- **REPSA 2:** 600.1 kg CO₂ eq. /DB-ton CPO
- Main Emissions Source: **Fertilizers**

Supply chain:

Fresh fruit bunches of oil palm are supplied to the two REPSA extracting mills by three types of agricultural producers. This supplier characterization is made to differentiate the implementation progress of sustainable fruit production practices.

Own plantations were the first setting in which sustainable production practices have been implemented progressively and, every year through the process of continuous improvement, efficiency is assessed. Another category of fruit supplier is associated independent producers, which are independent companies that have a fruit delivery contract with REPSA and the company has accompanied them in the implementation of sustainable production practices. There are independent producers that have exclusive contract with REPSA, but follow-up of sustainable production practices is in progress.

Company	Producer type FFB	Total extension (Ha)
REPSA	Own plantations	12,564
	Associate independent producer	7,739
	Independent producer	7,090
	Small producers	0
TOTALS		27,353

External initiatives and affiliations to associations

REPSA is affiliated to the Guatemalan Palm Producers Trade Union (GREPALMA for its acronym in Spanish) and the Guatemalan Agricultural Chamber (CAMAGRO for its acronym in Spanish), with active participation in several working groups in both organizations.

Internationally, it is member of the Spanish Palm Oil Foundation and the Private Sector Regional Center in support of the United Nations Sustainable Development Goals and the Global Pact, of which we are members since April 5th, 2013.



MATERIALITY INDEX

GRI 303 Water and effluents, 304 Biodiversity, 305 GHG emissions, 408 Child labor,
412 Human rights, 413 Local communities

REPSA has defined its materiality index taking in consideration the definition as expressed by the Global Reporting Initiative (GRI) and establishing its relation between society, community and company activity, in a consultation process with internal and external stakeholders, amongst which we find senior management of company, employees and NGOs, in such way that mutual interests can be established, impacts can be managed, and future goals can be settled.

The used methodology was developed considering recommended guidelines by GRI, the principles of Communication on Progress (COP) and the SDG Compass, with the objective that results can be adapted to established strategies by the Sustainable Development Goals (SDG).

During the last quarter of 2019, REPSA carried out internal and external assessment to identify priorities to tackle, with an emphasis on Stakeholders, based on material indicators by GRI.

The result of the priorities assessment is summarized in the materiality matrix which includes the following information:

On the vertical axis priority that Stakeholders give to different subjects is established, then after timely weighing its importance, issues with high values are the ones where Stakeholders request greater commitment from the company: with respect to greater investments, to reinforce current practices and management systems, commitments and policies.

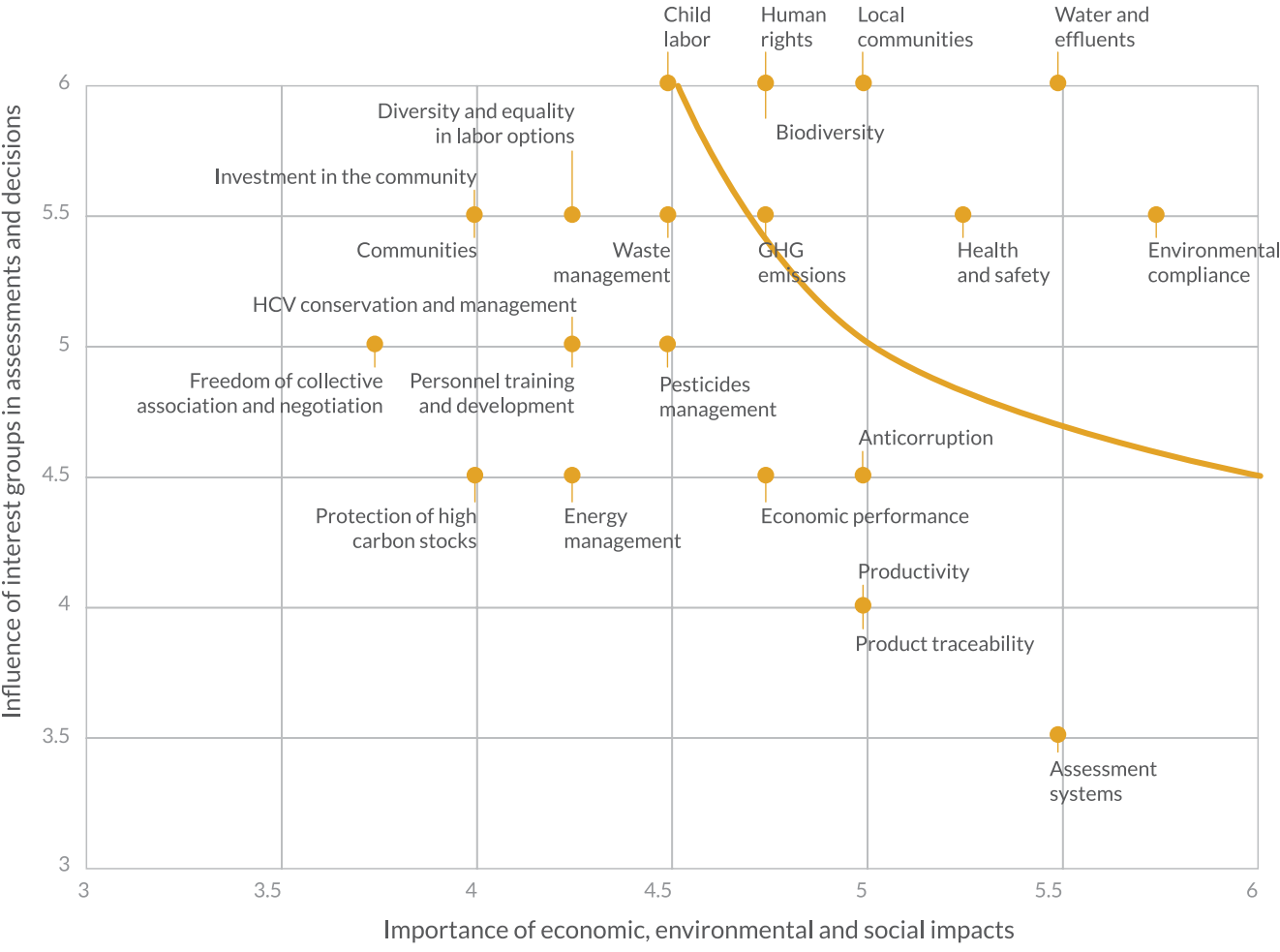
On the horizontal axis subjects in which REPSA prioritizes its efforts are demarcated, taking into account investments projections to meet commitments and potential generated impacts.

This vision allows to establish priorities for both parties and to find common ground for joint coordination.

Results establish that the Materiality Index for the 2019 report, correspond to the following topics:

- Water and effluents
- Biodiversity
- GHG emissions
- Child labor
- Human rights
- Local communities

Materiality index



Water and effluents GRI 303

Water as a shared resource

The Southern zone of the department of Petén, municipality of Sayaxché, keeps a dispersion of a rain regime of 9 months, recording an annual average of precipitation of between 1600 and 2000 millimeters. This enables that most superficial water bodies maintain a permanent flow transforming them into the main water sources for diverse uses in the area.

The location of REPSA extracting mills obeys to an equidistant delimitation of established plantations, being the river La Pasión the primary provisioning water source for industrial processes.

The agricultural plantation has not installed any irrigation system because annual precipitation suffices to provide required moisture, there are designed areas for application of treated effluent in the form of fertigation as soil emulsifier.

Water for industrial and residential use is taken mainly from the river La Pasión, but rainwater is also harvested to reduce pressure on the river. Inside the operation, records on water consumption for industrial process are kept taking as reference the international consumption value of 0.7 cubic meters of water per ton of Fresh Fruit Bunch (FFB). Additionally, verification of water access for collaborators to a level no lower than the recommendation set by the Ministry of Public Health and Social Assistance (MSPAS for its acronym in Spanish) of between 90 to 170 liters per person for rural areas, is carried out.



Drinking water for consumption.

To reduce the pollution risk of water bodies, REPSA has implemented the Protection Plan of Superficial Water Bodies (GAGS-PL-273), which establishes ban of application of pesticides and fertilizers in protection areas of superficial bodies, set to a buffer area of 25 meters to the riverbanks of permanent rivers and 10 meters for intermittent rivers. Preparation of agrochemical mixtures and washing up of application equipment is carried out in exclusive areas, considering prevention measures of environmental risks and distant to water sources.

The plan is oriented to awareness and training of all the company employees for sound and efficient use of water, implementing every reduction measure through installed devices in provisioning water sources for agricultural and industrial use and human consumption.

To achieve our objectives, concrete implemented actions in the operation are the following:

- Commitment from the senior management level to sound water use.
- Permanent training program for water resource stewardship.
- Continuous records of water consumption per type of use (agricultural, industrial, and human consumption).
- Implementation of standard procedures for efficient operation of equipment and installed technologies.
- Preventive maintenance program of the water collection, transmission, and distribution network.
- To avoid washing surfaces, defining areas of dry operation and spill recovery by solid means.

Drinking water for housing quarters and administrative offices

The company provides access to high quality water resource in every facility in the operation. Drinking water is provided in personnel housing quarters for different residential uses like sanitation services, showers and sinks for laundry. There are also supply points of purifying water for hydration and food preparation.

Provenance of water for housing quarters comes from rain harvest and hence it must go through a treatment process for its potabilization and purification. Installed equipment consists of tanks for flocculation, sedimentation, filtering, and a double sanitization with UV ozonation lamps.

The system is designed to keep a permanent availability of purified drinking water, which also benefits in reducing gastrointestinal diseases of the personnel who uses these facilities.

For REPSA, there is satisfaction in implementing these purifying water systems, because in this zone, access to drinking water is almost non-existent. To ensure water quality, ongoing assessment and monitoring are kept taking as reference the national regulation of drinking water COGUANOR NTG 29,001.

About drinking water facilities in REPSA:

“Drinking water (that the company supplies) is good for me, in such a way that we the workers maintain good health and no diseases are contracted, unlike the community where there is no drinking water”.

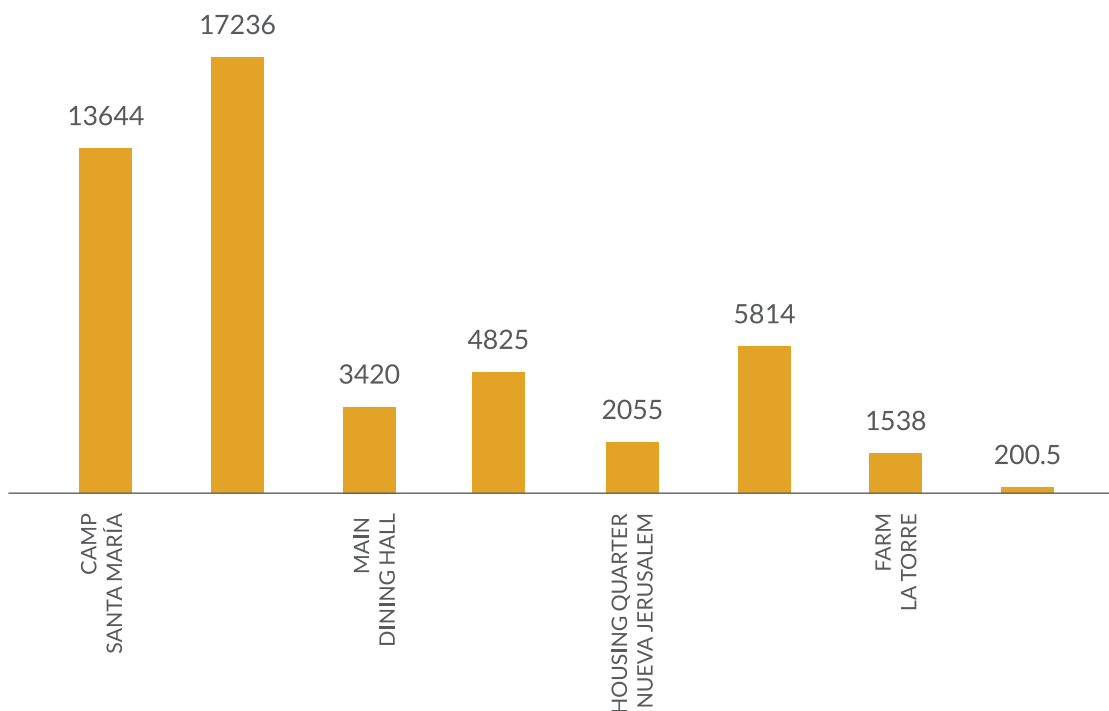
Hugo Rocael
 REPSA agricultural worker,
 from the community Aldea Chiyó,
 Carchá, Alta Verapaz.
 December 11th 2019



Provisioning station of drinking water for workers.

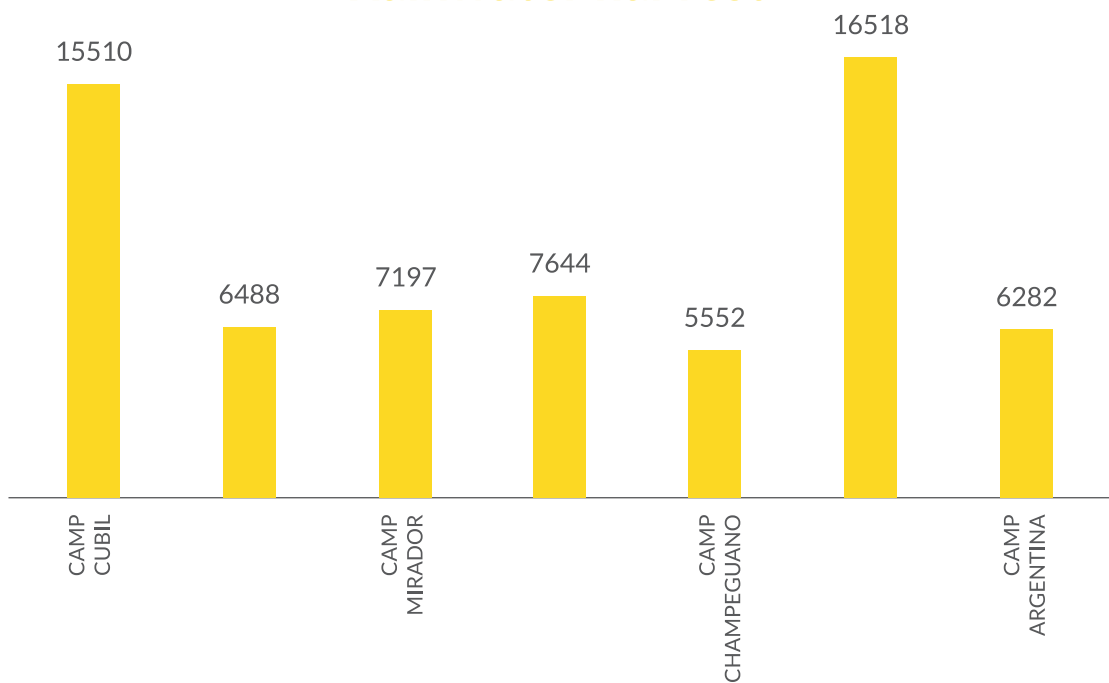
PROVISIONING SOURCE OF REPSA WATER PURIFICATION SYSTEMS (m³)

Superficial source



PROVISIONING SOURCE OF REPSA WATER PURIFICATION SYSTEMS (m³)

Rainwater harvest



Effluent of housing waters

Water used in housing and administrative services in REPSA facilities vent in the internal sewage system, which has anaerobic treatment plants (PTARs for its acronym in Spanish) installed, where reduction process of organic load of wastewater is carried out from pre-treatment until tertiary disinfection treatment through contact, to fulfill regulatory parameters required in the Regulation of discharge and reuse of wastewater and disposal of activated sludges, Governmental Agreement 236-2006.

PTARs efficiency is assessed at least twice a year by an external laboratory accredited under the norm COGUANOR NTG-ISO-IEC 17025, results from analyses are presented to the sustainability company committee for discussion and explanation to manager and chief personnel.

STATISTICS ON PROVISIONING OF DRINKING WATER 2019

In cubic meters (m³)

Administrative Center	January	February	March	April	May	June	July	August	September	October	November	December	Subtotal of water in m ³
CAMELIAS	319	261	133	336	783	758	824	623	660	676	730	385	6488
MIRADOR	1145	1095	728	951	1090	820	1113	255	0	0	0	0	7197
TUCÁN	876	678	833	462	552	577	662	473	541	783	789	418	7644
SANTA MARÍA	1526	1261	906	1022	1665	1601	1575	600	703	1239	1027	519	13644
UNIÓN B	1317	1170	1286	1070	1382	1310	1580	1611	1555	1709	1694	834	16518
GUADALUPE	1453	1439	1502	1176	1490	1267	1654	1493	1227	1800	1794	941	17236
MAIN DINING HALL	286	284	954	149	42	188	188	334	245	216	341	193	3420
HOUSING NICTE	249	296	309	247	360	793	793	740	251	325	260	202	4825
HOUSING NUEVA JERUSALEM	201	214	273	265	287	134	127	112	104	109	132	97	2055
CENTRAL OFFICES NICTE	248	479	601	520	502	463	508	534	453	452	544	510	5814
LA TORRE FARM	0	0	0	0	0	0	275	175	303	347	314	124	1538
TAMARINDO FARM	6	15	19	12	21.5	15.5	19.5	19.5	12.5	20	20	20	200.5
TOTAL PROVISIONING MONTHLY WATER	10528	10249	10299	8436	11759.5	10821.5	8712.5	8712.5	7278.5	8928	9342	5190	114023.5

Effluent of palm oil extraction process

Palm oil extraction process requires cooking of the fruit in water pressure pumps so fruits can become detached, using water steam, this process is known as sterilization. To better understand this process, we will say it does not differ when food is cooked in a pressure cooker, water is required; the palm fruit would be the equivalent to food, the sterilizer to the pressure cooker and temperature to generate water steam inside the pressure cooker. It is worth mentioning that no chemicals are used for the extraction process and the only residue is boiled water and fruit residues; they are treated in a wide treatment system where organic load is reduced and water is returned to its original state.

Operational records on water consumption are conducted permanently and efficiency of the extraction system is assessed to prevent high water consumptions per metric ton of processed fresh fruit bunches.

REPSA adopted the commitment to maintain water consumption under 1.4 m³ of water per metric ton (MT) of processed fresh fruit bunch (FFB).

Goal for 2020 is to operate under 1 m³ per MT of FFB.

After the physical extraction process of palm oil, multiple separating tanks (three in line) have been located to reduce solids that will be disposed as process effluent. Operation of these separating tanks has affected the increase of the organic load removal in the treated effluent in the Wastewater Treatment Systems -STAR for its acronym in Spanish-, known as POME which In English is Palm Oil Mill Effluent. Effluent passage towards STAR is through a cooling tower which reduces effluent temperature of 65° C to 45° C thereby achieving a regulated temperature at the entrance of the first stage of effluent treatment, the methanogenic lagoons. At the entrance of stage one

effluent volume is recorded through the measurement unit, a rectangular dumpsite, installed in lagoon number one, there is also the sampling station, monitoring of the STAR operating efficiency. Chemical Oxygen Demand -COD- of the effluent at the beginning of the treatment is between 13,000 and 98,000 milligrams per liter with a pH of 4.0. The effluent goes through the piston principle towards facultative lagoons, with the objective of creating contact with the sun and the air fostering metabolic digestion of bacteria. At the exit of the last facultative lagoon, there is a second rectangular dumpsite for record of treated effluent flow in stage one. Similarly, there is a sampling unit for monitoring of physicochemical parameters of the effluent under treatment process. Effluent COD at the end of stage one is between 6,000 and 8,200 milligrams per liter, pH of 6.5 to 7.5 with a temperature between 35° and 38° Celsius. Removal efficiency of the organic load in this stage is maintained between 80 and 88%.

Stage two of STAR consists of a batteries system of sedimentation lagoons, one sludge digestion lagoon and the fertigation reservoir lagoon. Sedimentation lagoons fulfill the static process for solid separation of average periods of eight hours retention, to later remove separated solids to the sludge digester. The "polished" effluent in the sedimentation lagoons moves to the facultative lagoon, the fertigation reservoir, where it will be pumped to the plantation and will be applied as soil enhancer in an area located in a five kilometers radius from STAR. COD at the end of the stage two of the effluent treatment is between 930 and 6,000 milligrams per liter, with an average pH of 7.8 at a temperature of 27.8° Celsius, remarkably similar to ambient temperature of the area.

STAR removal efficiency of the organic load of REPSA palm oil extracting mills is kept between 90% and 99%. STAR efficiency monitoring is carried out weekly by personnel of the quality laboratory of the extracting mills. Additionally, bi-annual monitoring are conducted with an external laboratory accredited by the Guatemalan Accreditation Office of the Norm 17025. A summary table with the results of the last three years of external monitoring of the STAR operational efficiency is presented below.

In the following tables, a summary of weekly monitored parameters with results of bi-annual analyses conducted by external accredited laboratories is presented.



Extracting mill No. 1.

Palm oil extracting mill **REPSA 1**

No.	Parameter	2017				2018				2019			
		First Semester		Second Semester		First Semester		Second Semester		First Semester		Second Semester	
		Entry	Fertigation	Ingreso	Fertigation	Ingreso	Fertigation	Ingreso	Fertigation	Ingreso	Fertigation	Ingreso	Fertigation
1	Temperature °C	34.50	27.80	48.00	28.20	52.50	28.30	51.40	26.00	61.50	28.80	53.20	24.80
2	pH	5.00	8.00	5.00	8.00	4.60	8.55	5.00	8.00	4.00	8.60	5.00	6.00
3	COD (mg/l)	29,150	1,700	34,750	1,485	98,000	1,435	24,850	1,560	54,250	2,250	63,150	6,000
4	Efficiency		94%		96%		99%		94%		96%		90%

Palm oil extracting mill **REPSA 2**

No.	Parameter	2017				2018				2019			
		First Semester		Second Semester		First Semester		Second Semester		First Semester		Second Semester	
		Entry	Fertigation	Entry	Fertigation	Entry	Fertigation	Entry	Fertigation	Entry	Fertigation	Entry	Fertigation
1	Temperature °C	77.5	29.4	48.1	23.9	70.6	27.5	52.2	26.5	49.6	31.7	43.2	30.9
2	pH	5.00	8.00	5.00	8.00	4.78	7.42	5.00	8.00	6.84	7.84	4.80	8.11
3	COD (mg/l)	29,050	1,355	56,400	2,490	84,050	2,885	98,500	5,850	13,025	930	96,800	2,005
4	Efficiency		95%		96%		97%		94%		93%		98%

Participatory monitoring

Among undertaken actions for the implementation of transparency commitment of the Policy of Responsible and Sustainable Production, bi-annual monitoring of surface water quality in every permanent river that flows inside or adjoins managed areas by the company, to be carried out with participation of community leaders, municipal and governmental authorities has been coordinated. To develop participatory monitoring, points where water samples will be taken have been identified and established as follows

Point	Reference	Water body	Latitude	Longitude
1	Before the community Tamarindo	Tamarindo River	16° 24' 37.481" N	90° 9' 2.633" W
2	Upstream -Tamarindo Farm	Tamarindo River	16° 24' 24.471" N	90° 8' 40.415" W
3	Downstream - El Mico River	El Mico River	16° 11' 1.072" N	90° 8' 54.433" W
4	Upstream - San Román River	San Román River	16° 8' 47.741" N	90° 17' 30.519" W
5	Upstream - San Román River	San Román River	16° 8' 18.347" N	90° 17' 30.739" W
6	Petexbatún Lagoon	Petexbatún Lagoon	16° 26' 16.614" N	90° 11' 3.253" W
7	Upstream - Chinajá River	Chinajá River	16° 3' 22.591" N	90° 12' 53.643" W
8	After the community El Pato- La Pasión River	La Pasión River	16° 4' 23.704" N	90° 4' 21.352" W
9	River mouth - Chapayal River- San Ignacio.	San Ignacio - Chapayal	16° 7' 4.178" N	90° 5' 27.177" W
10	Upstream - La Pasión River	La Pasión River	16° 7' 15.352" N	90° 5' 23.096" W
11	Below REPSA 1 - La Pasión River	La Pasión River	16° 6' 50.398" N	90° 4' 19.814" W
12	Downstream - El Caldero River	La Pasión River	16° 7' 9.550" N	90° 2' 9.410" W



Participatory monitoring of water bodies carried out by local health authorities, community representatives and REPSA technical personnel.

Removal efficiency of the organic load:

REPSA I 97.54%;

REPSA II 98.52%

Participatory monitoring is also carried out in the Wastewater Treatment Systems of the extracting mills in which 46 leaders of 12 communities partake, ensuring that the sampling is conducted by an external laboratory.

Results of the analyses of water quality of samples taken in superficial bodies as well as exit points of the Wastewater Treatment Systems of the extracting mills, are presented in the meeting of the Municipal Council of Sayaxché to which community leaders attend; among them leaders from the neighbouring communities of the company's operations.

Biodiversity

GRI 304

During 2016, REPSA incorporated to the operations the concepts of High Conservation Values (HCV) for preservation of areas of biological diversity of flora and fauna. In the environmental commitment of the Policy of Responsible and Sustainable Production of 2018, there is a description of criteria to pursue as base of protection of HCV areas identified with HCV Network methodology.

REPSA has already performed its assessment of High Conservation Values with a Licentiate advisor, registered in HCV Network, and the study has been presented to said institution for assessment and approval.

HCV assessment process was carried out in several phases from reviewing existing document information published by various governmental institutions and scientific institutions that have conducted studies in the territory where REPSA operates.

Furthermore, many field tours were undertaken to carry out inventories of fauna groups, which for the most part are indicators of environmental quality in the area. Fauna listings characterized current species and highlighted those which are found in national and international lists of rare, threatened, endangered or endemic species.



Macaw of the Petén area.

Some of the checked listings were the red list of the International Union for Conservation of Nature (IUCN), and the list of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); in addition to national governmental agreements promoted by the National Council of Protected Areas (CONAP for its acronym in Spanish).

Upon examination of the report provided by the company, it can be emphasized that one of the conclusions is that disturbance of natural ecosystems occurred many years prior to the establishment of the crop and that inside plantations managed by REPSA, there are no High Conservation Value areas from the environmental categories (one, two and three); however, in the tours at the perimeter territories of REPSA operation, there were interesting results, identifying in some areas proofs of indicator species of the region. Extracts of what is described in the assessment report on high conservation values of REPSA by the company Bioterra which prepared the study are presented below:

1. **Broad-leaved forests from the Biological Reserve San Román** (under Precaution Principle): with so-called presence of large mammals, amongst which jaguar (*Panthera onca*), puma (*Puma concolor*), ocelot (*Leopardus pardalis*), tapir (*Tapirus bairdii*) and collared peccary (*Tayassu tajacu*), all under conservation categories.
2. **Aquatic ecosystem of La Pasión River**: with presence of Mojarra (*Archocentrus spinosissimus*, *Cichlasoma spp.*, *Vieja spp.*, *Thorichthys pasionis*), tropical gar (*Atractosteus tropicus*), and catfish (*Cathorops sp.*), bleeker (*Rhamdia cabrerai*), which are found under risk categories according to the list of threatened species of Guatemala - LEA.
3. **Terrestrial and aquatic ecosystems of the Lagoon of Petexbatún**, with presence of species in risk of extinction such as: the Southern mealy amazon (*Amazona farinosa*), the bat falcon (*Falco rufigularis*), the barn owl (*Tyto alba*), the black-and-white owl (*Ciccaba nigrolineata*), the roadside hawk (*Buteo magnirostris*) and the ornate hawk-eagle (*Spizaetus ornatos*). Other species under conservation categories present here are: scarlet macaws (*Ara macao*), the Bay snook, endemic species from Petén (*Petenia splendida*), the tropical gar also known as machorra (*Atractosteus tropicus*), the crocodile (*Crocodylus moreletii*), the Central American river turtle (*Dermatemys mawii*), the neotropical river otter (*Lutra longicaudus*) and the racoon (*Procyon lotor*).



Jaguar of Petén.

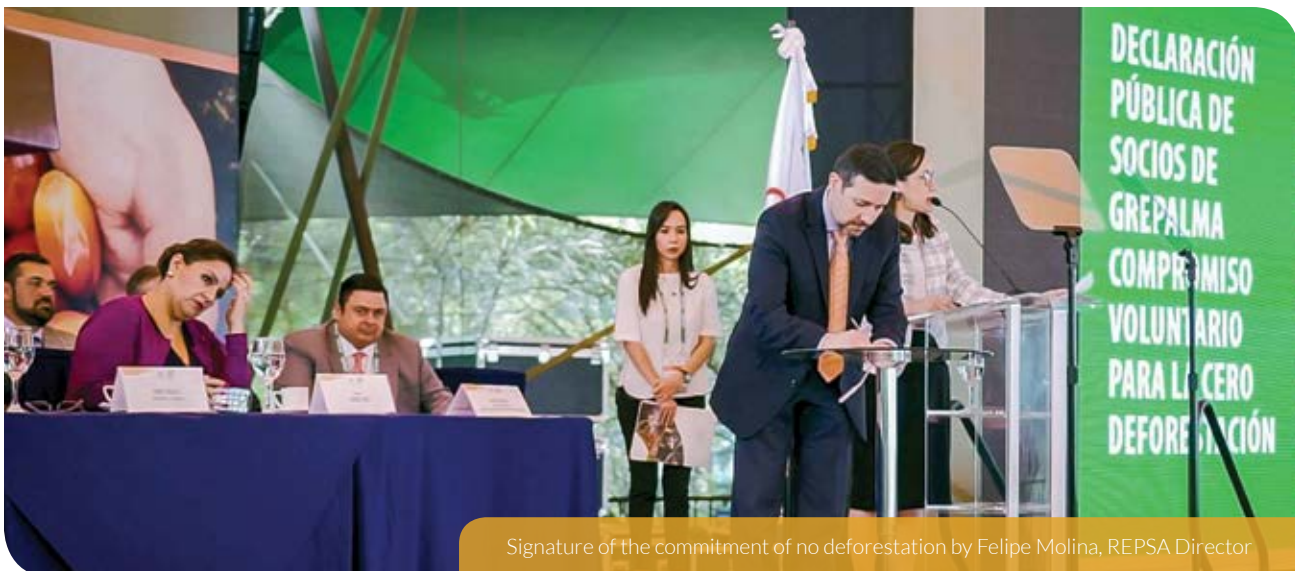
Abovementioned results and conclusions of the assessment report of High Conservation Value Areas, were integrated into the commitments of its Policy of Responsible and Sustainable Production, and concrete strategies were defined to address the issue and to implement reports recommendations, among the most relevant:

- To develop an appropriate planning for sustainable land use that promotes prevention of forest and habitat fragmentation, to avert isolation of protected species.
- To design, document and implement a biological monitoring system to keep record of sighting of rare, threatened, endangered or endemic species of flora and fauna in every area managed by the company.
- To ensure compliance of all national and international regulations related to protection of rare, threatened, endangered or endemic species.
- To continue with training and education program for employees about the importance of preservation of biological diversity of flora and

fauna identified inside the company operations, building awareness in employees and the community not to perform hunting and fishing activities, capture, extraction, and trade of wild animals, nor plant collection, including in forest reserves in areas managed by the company.

- For any new established plantation, guidelines in the Procedures for New Plantations or NPP will be followed, document GAGS-PRO-010 New Plantations, developed in November 2014 and its latest update from July 2019, based on the highest environmental standards, the legislation of Guatemala, as well as the terms in the certification norms RSPO and ISCC.

Under these concepts, the company won't conduct land use changes for agriculture in areas corresponding to primary forests, secondary forests, native forests and regeneration forests and for their identification, established guidelines in current legislation will be followed, as well as in the High Conservation Values principles, High Carbon Reserves of HCV Network, avoiding by all means deforestation for establishment of oil palm plantations.



Signature of the commitment of no deforestation by Felipe Molina, REPSA Director

GHG emissions GRI 305

At present, carbon emissions are one of the main concern areas of the global community, these are associated with global warming derived from high concentration of carbon dioxide, CO₂, into the atmosphere and this is why REPSA has taken measures on mitigation of and adaptation to climate change to reduce its greenhouse gases emissions generated by the agro-industrial operation and contribute in this way from its position on the reduction of its carbon footprint.

The Guatemalan palm sector, being consequent with actions on climate change mitigation, launched the initiative of zero deforestations as a concrete action essential for sustainable production of food and raw materials. On October 3, 2019, during the III International Palm Conference, organized by Grepalma, a voluntary commitment on Zero Deforestation was signed between the Government and the palm sector. REPSA has been one of the first signatory companies, being participant and main actor of this decision; contributing in this way with reduction policies of emissions into the atmosphere by the loss of plant cover and emissions of greenhouse gases (GHG), from land by conversion from degraded organic matter into methane.

Although, carbon emissions are more frequently associated with fossil fuel combustion, we know today that these correspond to a chain of anthropic events that contribute to a cumulative effect, this is why REPSA has taken measures along its production chain for emissions reduction.

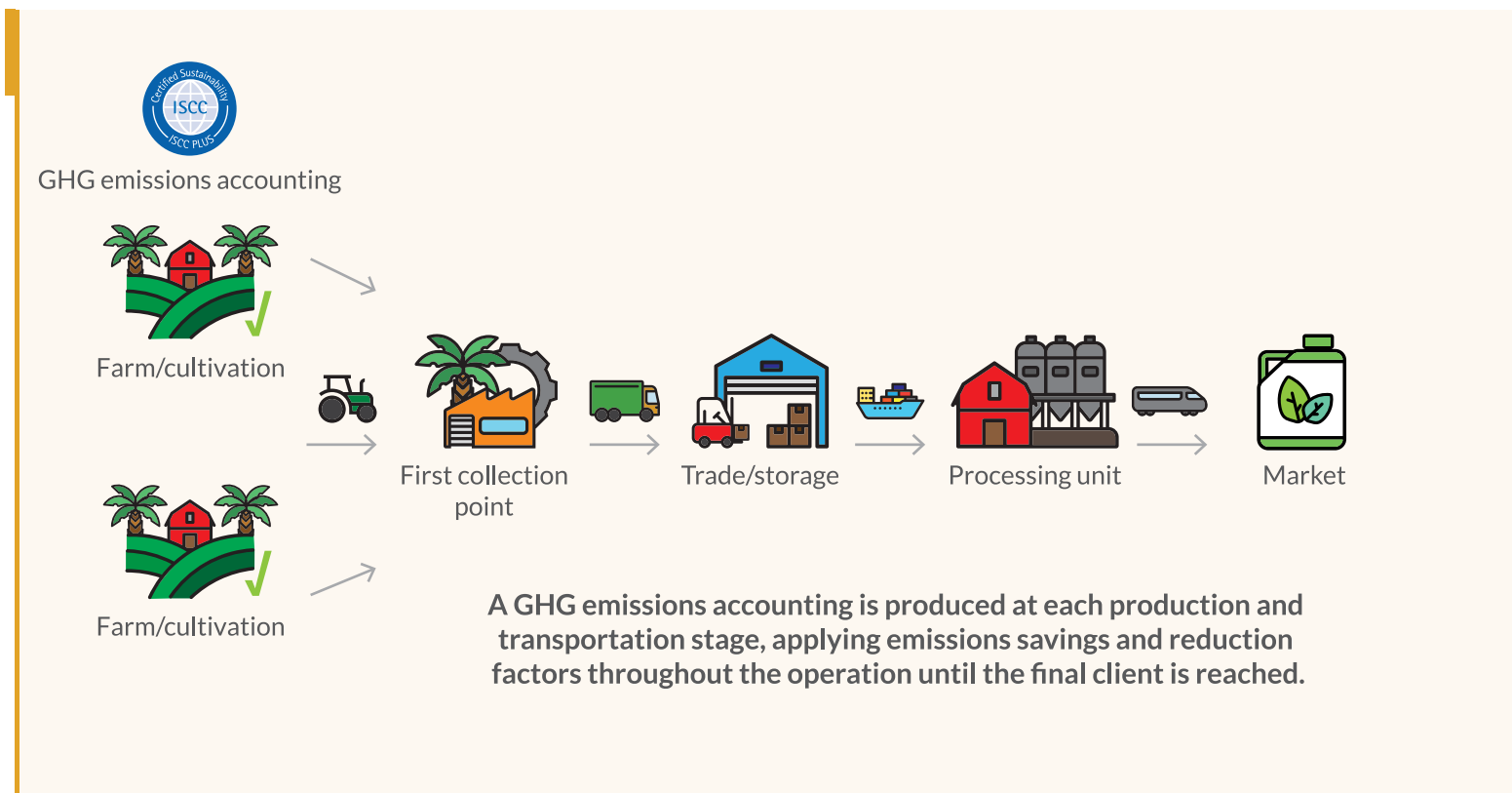
Palm production has a remarkably interesting dynamic regarding the cycle of greenhouse gases emissions to the atmosphere but also in terms of carbon sequestration from the atmosphere and the possibilities of carbon recycling within the same process.

“We have witnessed the signing of several agreements where the palm sector pledges not to deforest and that is good, and this must be known worldwide because sometimes information is distorted and our industry is accused of a deforestation to which we can attest it is not the case”.

Jimmy Morales Cabrera
Former president of the Republic of Guatemala

Among the main agro-industrial activities that were identified as emitting sources of greenhouse gases are fossil fuel combustion for harvest transportation, land use change, application of fertilizers, and solid and liquid waste management from industrial processes. Carbon sequestration from the atmosphere is one of the virtues of palm by permanently converting carbon from the atmosphere into fixed biomass in plant tissues and finally, recycling of organic waste into natural fertilizer, as well as biomass into energy.

REPSA as part of its process of ISCC certification has carried out an accounting on greenhouse gases emissions along its entire production chain. This accounting is based on a complete assessment system established by ISCC, in which information is taken from land use change if there was any forest clearing, crop operations, industrial extraction process of crude oil, transportation, and lastly, product storage and trade.



The last GHG emissions accounting from REPSA based on ISCC methodology presents a value of 614.36 Kg CO₂ equivalent per ton of CPO dried base. When this oil is processed into biodiesel in the European Union and utilized in transportation, it represents a saving of 80% in greenhouse gases emissions compared to the equivalent in diesel. ISCC methodology does not include the fixation factor of atmospheric carbon dioxide in the plantation, reducing the positive impact of the plantation as environmental service.



Composting plant REPSA 1.

After assessing the GHG emissions accounting from the operation, REPSA aware of this reality, has begun a series of mitigation projects for emissions reduction, among which there is a methane gas capture system for the emissions of water treatment lagoons, transforming the lagoons into biodigesters for procurement of methane gas which can be used as fuel for energy generation. Moreover, a composting plant for conversion of biomass, bagasse from the industrial process of palm oil extraction, into organic fertilizer that provides the soil with natural nutrient components, reducing this way GHG emissions from application of synthetic fertilizers.



Wastewater treatment system.

During 2020, REPSA will produce a new GHG emissions accounting, the result will validate strategic investments for reduction of the environmental load by CPO production, because its goal is a reduction of at least 25% from baseline equivalent carbon dioxide value per metric ton of CPO from the previous period. It is worth to establish that a high percentage of REPSA production is acquired by clients who transform it into biodiesel, preventing in this way that equivalent CO₂ from diesel combustion incorporates into the atmosphere.

Human Rights and Child Labor

GRI 406, 412, 102-16, 102-17

As a company of Grupo HAME, REPSA considers that it is of utmost importance the fulfillment of Human Rights in every operation of the group, this is the reason why it has created a Policy of Responsible and Sustainable Production, which has among its main objectives to comply with the “Universal Declaration of Human Rights”, the “Guiding Principles on Business and Human Rights” and the application of International Agreements, generated from the International Labor Organization; besides the Political Constitution of the Republic of Guatemala and current legislation regarding labor. All of these documents framed by the United Nations Organization and signed by the Government of Guatemala.

Policy of Responsible and Sustainable Production establishes:

- **To respect human rights** from workers, women and all people that constitute communities located in influence areas that could be affected by the agricultural operations of the Group, regardless of ethnic origin, language, color¹, religion, gender, nationality, social class and politic affiliation.
- **To always maintain a dignified and respectful treatment towards its workers**, acting transparently, fairly, and equitably, and without any discrimination in processes of recruitment, hiring, promotion, and retirement.
- **Not to permit discrimination**² because of age, ethnic origin, religion or belief, gender, disability, sexual orientation, pregnancy, nationality, or other reason
- **Payment of salary on the basis of the law**³, **respect to working hours and non-employment of personnel under legal age**⁴, with the objective to guarantee that there is no risk to his physical integrity, in accordance with the provisions of the American Convention of Human Rights of Children, the ILO⁵, the Political Constitution of the Republic of Guatemala and the Labor Code.
- **To comply with local regulations** and to implement the best practices according to international standards in terms of occupational health and safety.



Respect for human rights.

¹ ILO Convention 169 on rights of Indigenous and Tribal Peoples.

² ILO Convention 111 on discrimination (employment and occupation).

³ ILO Convention 100 on equal remuneration.

⁴ ILO Convention 138 on minimum age.

⁵ ILO Convention 182 on child labor.

- **Not to tolerate nor promote forced or compulsory labor⁶** and when working hours are required to be wider, provisions on international treaties signed by Guatemala, the Political Constitution of the Republic and the Labor Code on labor issues are applied.
- **To equip workers with relevant tools and equipment** to carry out their functions with total safety and hygiene, as well as training on appropriate use to comply with national legislation and current certifications.
- **Not to tolerate attitude that could be perceived as sexual or labor harassment, power abuse, threats, or intimidation.** And nor to allow use of violence against workers and inhabitants of the communities located in influence areas.
- **Recognizes the right to petition and negotiation** of its workers respectfully between both parties.
- **Respects customary rights** (freedom of passage, access to water sources, school for children, promotion of traditions), constitutional rights on private property, promotes cooperation agreements with different entities both of government, national and international non-profit associations with projects of economic investment focused on biodiversity restoration and protection in the communities located in influence areas which could be affected by the agricultural operations of the group.

The company has implemented such commitments and meets them through the intervention of all workers, suppliers, commercial partners, and Stakeholders, with whom coordination is carried out regardless of their nationality.

Thus, REPSA is committed to complying national laws as well as international agreements and treaties signed by the Congress of the Republic.

RESPECT

We are a company that grounds its operations and activities in compliance with the law and the respect to the environment, collaborators, neighbors, suppliers, clients, stakeholders, and any other person or entity which relates one way or the other with our company.

As a result of the application of these commitments, in 2018 the “Mechanism on complaints and consultations” was constituted. It is a methodological tool which guides addressing nonconformities captured in the system to assess whether these complaints result in disrespect to human rights, and especially labor rights.

During 2019, 261 presented cases were addressed, of which 244 were resolved by mutual agreement and 17 are still in process according to the mechanism methodology, the commitment of the company and the relationship with the community. Cases are addressed by REPSA technical team and are resolved at the highest level of the governing body of the company.

Area	Received	Resolved	In process
Labor	217	206	11
Community	44	38	6
Institutional	0	0	0
TOTAL	261	244	17

⁶ ILO Conventions 29 and 105 on forced labor.

In March 2019, the company carried out an external audit to the Grievance Mechanism. It was performed by Earthworm Foundation (EF), A Social License to Operate (ASLO) independent consulting firm, with the pro bono participation of Oxfam Guatemala. The main objective was to assess the effectiveness in the application of the attention procedure of non-conformities, and consultations from workers, communities, and Stakeholders. Results from the auditing derived in an action plan aimed to closing gaps and to the continuous improvement of the company.

To address the challenges contained in the Auditing report regarding quality control of the mechanism and its application, requirement of structuring a new position in the organization for independent management of the Grievance Mechanism was identified, from which a corporate reach profile -Ethics Management- was created. This management unit has in charge the direct responsibility of proper functioning of the mechanism and compliance with the procedure in every operation area of Grupo HAME, as well as the application of the Code of Conduct of the Group. This position responds directly to the Supervisory Committee, one of the governing bodies integrated by directors and external advisors.

Additionally, in the summary of presented cases in the mechanism auditing, the main problem between the community and the company was identified to be related with communication, with information requests on performed activities by the company, as well as solidarity-based integration between workers and the community.

The action plan derived from the report underwent a socialization and validation process through consultation with Stakeholders and there was ample participation of 140 persons, including community representatives, independent producers, civil society, public sector, and private sector.

Requirements of operational information by Stakeholders and that are within criteria of respect and promotion of human rights are the following:

- Access and conservation of water resources.
- Waste management by the community.
- Air quality.

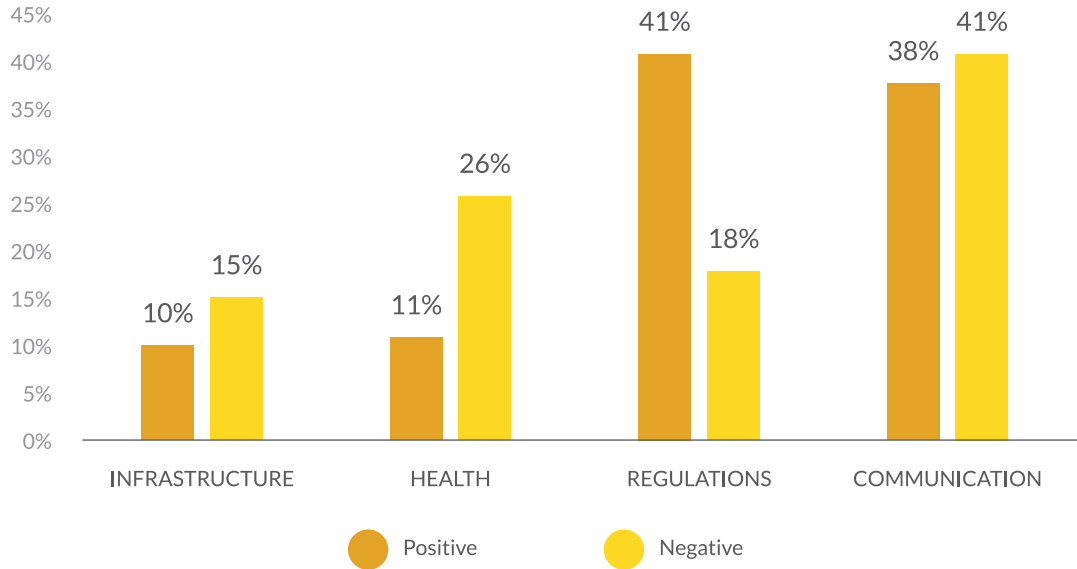
- To generate capabilities for protection of cultural heritage.
- Regularization of passage and customary rights.

These information requirements are compiled in the Social Impact Assessment that REPSA developed from the end of the year 2018 to July 2019, generated by a multidisciplinary team of independent consultants of the company GDT Ambiental. In this study, positive and negative impacts were identified through a consultation process of eleven workshops which included participation of 170 persons.

In these workshops, interests on topics related to human rights were identified, the interests include infrastructure, health, regulations, and communication, which can be identified in the following table:

Stakeholders	Attendants
Internal area	25
Governmental Institutions	19
Non-Governmental Institutions	10
COCODES	24
COMUDER	25
Teachers	25
Cocoa producers	8
Parents council	10
Religious	12
Service suppliers	12
TOTAL	170

Human rights impact



Local communities GRI 413

Since its beginning, REPSA has sought a relationship with communities in the influence area, and in 2012, it embedded in its structure the department of community relations in order to achieve this in a more structured and consistent way in accordance with the company planning. To ensure reaching influence areas, a strategic relation program was implemented with core working issues oriented to social management, health, education, agricultural assistance, and infrastructure improvement for development. Specific actions in the communities located inside influence areas have been conducted to respond to the high demand on knowledge, and as a social contribution towards improvement of social sectors excluded from local decision making, particularly women and youth whom together with different local leaders conform social management for community well-being.

To promote training processes, the Agri-Environmental Rural School -ECA for its acronym in Spanish- was established as a theoretical practical model for technology transfer in each of the core program issues. It initially focused on agricultural and backyard livestock production, to promote food availability of families and the community. Amongst

the first best agroecological practices promoted by ECA is the incorporation of organic matter to the soil, which has enabled development of crops such as cassava, sweet potato, chipilín, chaya, tubers, and plantains, considered crops with high nutritional value, which in addition by their agronomic characteristics allow a short-term production that strengthen local food security.

Derived from the application of primary actions and by request of leaders, women and youth, facilities have been complemented with construction of areas to develop technical training processes in topics of health, education and social management; there are also demonstrative facilities for swine production, among others.

In the ECA concept, since 2013, interactions have been developed by organizing different beneficiary groups in accordance with interest projects, among leaders, women, and youth. One project with great participation has been the integration of groups of agricultural and health women promoters, with whom the first agricultural project called “Learning to plant” was developed. It involved participation of 400 women, whom together for the first time in the history of Sayaxché, have produced carrots, beetroots, chard, among other vegetables.

The next initiative that was carried out was livestock related and was called **“Chain assist”** and consisted of promoting swine production. This was achieved through initial donation from the company of a female sow in gestation (gild/ womb) to every woman promoter.

Every women promoter committed to replicate the donation of a gild of the first litter of piglets to another beneficiary woman of the community promoting women cooperation and encouraging chain assist.

Later, training processes with leaders and youths began, the project was called **“Young Vision 360”** and it involved 30 youth and 60 community leaders of the influence area.

Within the influence area of REPSA operations, ECA has become a leader in technical training and opportunity promotion, benefitting more than seven thousand people, among which community female and male leaders and groups of women and youths. Similarly, capacities of the company collaborators and services suppliers have been strengthened.

Since the Agro-environmental Field School opened, 424 training events have taken place and more than 5 thousand beneficiaries have attended. The development of training processes has prioritized the inclusion of women, encouraging gender equity, and this reflects in the participation of over 3 thousand women, as well as the intervention of more than 600 youths.

Developed topics in training processes have focused on providing technical support to strengthen beneficiaries’ capacities based on the strategic objectives of Agri-Environmental Rural School, these being:

Social Management

- Certificate Young Vision 360.
- Basic masonry.
- Citizen participation and governance.



Training on health and nutrition.



Training on masonry.

- Democratic governance, promotion of productivity and peace.
- Crime prevention.

Health and Nutrition

- Training in health and nutrition “Safe and healthy schools”.
- Training in health and nutrition “Diversification of food diet”.
- Production of jellies and marmalades.
- Production of cassava, plantain, and sweet potato flours for preparation of atoles.



Strengthening of capacities to groups of youths on natural resources stewardship and protection.

- Courses on basic bakery, bread, and doughnut production.
- Water and Sanitation (implementation of plans for housing and plot management).
- Training on embroidered handmade weaving and crochet.
- Creation and training of basic community health teams.

Education

- Certificate on “Educational competences of leadership and construction of learning communities”
- Organization and training of female associates of self-economy groups.
- Training on parents’ role in their children education.
- Literacy of 550 women, in coordination with the National Literacy Council (CONALFA for its acronym in Spanish).

Livestock and environmental assistance

- Training in family gardens structure “Learning by doing”.
- Certificates “Tropical crops adapting to climate change”.
- Livestock training “Animal prophylaxis”.
- Training and agricultural assistance on “Cocoa crop”.
- Training “Environmental conservation”.

Furthermore, an agreement of technical cooperation with Panamerican University of Guatemala (Universidad Panamericana de Guatemala), to bring closer academic training and professionalization in the area, has been signed. In this way in facilities of Agri-Environmental Rural School the professional degree of Agroforestry and Environmental Technician is being taught, benefitting youths from the influence area communities.

OPERATIVE LINES	ACTIVITIES	BENEFITED GROUP	PERIOD 2012 - 2018				
			NUMBER OF EVENTS	SOCIAL MANAGEMENT	HEALTH	EDUCATION	AGRICULTURE AND ENVIRONMENT
Educational Processes	Course on basic masonry	Youths	12	30			
	Young Vision 360	Youths	10	90			
	Citizen participation	Leaders, women, and youths	15	150			
	Governance and development	Municipal employees	15	60			
	Governance and development	Leaders, women, and youths	15	145			
	Crime prevention	Leaders, women, and youths	6	160			
	Democratic governance	Leaders, women, and youths	15	150			
	My first words in English	Youths	6	160			
	SAN "safe and healthy schools"	School children	13		450		
	SAN "diseases prevention"	Health women promoters	24		680		
	Water and Sanitation (PMVL)	Health women promoters	5		50		
	Food preparation	Health women promoters	13		165		
	New Economic Ventures	Basic bakery course	Women	6		30	
Course of weaving production		Women	6		30		
Local farmers market		Women	2		350		
Organization of self-economy groups		Women	30			70	
Educational Processes	Financial training economy groups	Women	60			650	
	Parents training	Parents councils	10			42	
	Certificate School for Parents	Teachers from 10 schools	45			10	
	Certificate leadership and construction of learning communities	Teachers from 10 schools	35			6	
	Literacy processes for women	Women	2			550	
	Training learning to plant	Women	16				400
	Livestock training	Women	15				140
	Agricultural assistance planting and management	Women	12				125
	Training on agr. assistance cocoa	cocoa producers	10				60
	Training on cocoa grafting	cocoa producers	6				60
	Training on environmental conservation	School children and youths	6				340
Swine donation (chain assist)	Women	5				60	
TOTAL EVENTS AND BENEFICIARIES PER OBJECTIVE			424	845	1755	1328	1185
TOTAL BENEFICIARIES			5113				

QUANTITATIVE DATA OF DEVELOPED PROCESSES 2012 - 2019





High conservation value area.

LIST OF INITIALS AND ACRONYMS

CPO	Crude palm oil	GREPALMA	Guatemalan Palm Producers Trade Union
ASLO	Social License to Operate (independent consultancy)	GRI	Global Reporting Initiative
HCV	High Conservation Values	ISCC	International Sustainability Carbon Certification
CAMAGRO	Guatemalan Chamber of Agriculture	SDG	Sustainable Development Goals
CITES	Convention on International Trade In Endangered Species of Wild Fauna and Flora	ILO	International Labor Organization
CO₂	Carbon Dioxide	NGO	Non-Governmental Organization
CONAP	National Council of Protected Areas	UN	United Nations
COP	Communication on Progress	REPSA	Reforestadora del Petén Sociedad Anónima
ECA	Agri-Environmental Rural School	SIGAP	Guatemalan System of Protected Areas
EF	Earthworm Foundation	SPOTT	Sustainability Policy Transparency Toolkit
GHG	Greenhouse gases	UICN	International Union for Conservation of Nature

Collaborators

Eng. Jan Pierre Jarrín Peters

Eng. Steven Wells

Sustainability Sub-direction, Grupo HAME

