



## REFORESTADORA DE PALMAS DE EL PETÉN

Summary report of highlights in the implementation of the Sustainability Action Plan from July 2017 to December 2018.

# ACTION PLAN 2018



[www.repsa.com.gt](http://www.repsa.com.gt)



Quarterly Report 2019



[/repaguatemala](https://www.facebook.com/repaguatemala)





## About REPSA

Reforestadora de Palmas de El Petén, S.A (REPSA), is a Guatemalan company, pioneer in palm oil production in the country and the Central American region.

REPSA was established in 1999 with a long-term vision to be an innovative and efficient company operating with the highest international standards of quality and sustainability.

REPSA operates in Sayaxché, Petén, in northern Guatemala, with own plantations and two mills, where it employs more than 4,700 people.

### Mission:

Be an environmental and socially responsible company efficient in palm oil production, creating high quality products and thus benefiting its shareholders, customers, suppliers, workers, neighbors, and stakeholders.

### Vision:

By the year 2020, be a leading company that serves as a benchmark for the palm oil industry because of its competitiveness, responsible environmental management, sustainable practices and its relationship with workers and stakeholders.

## Corporate Values



LOYALTY



RESPECT FOR  
THE  
ENVIRONMENT



TEAMWORK



INTEGRITY



RESPONSIBILITY

## Milestones in Sustainability



**1999**  
REPSA was established



**MAY 2012**  
Community Affairs Department created



**MAY 2013**  
Complaints Line for workers enabled



**APRIL 2013**  
Adhesion to the UN Global Compact



**OCTOBER 2012**  
Agri-Environmental Rural School (ECA) created



**JULY 2014**  
Governability and Development Pact of Sayaxché signed by REPSA

**NOVEMBER 2015**  
Collaborative Agreement with international NGO specialized in sustainability



**JUNE 2016**  
Policy to Prevent Violence and Intimidation launched



**MAY 2017**  
Consultancy regarding "Voluntary Principles on Security and Human Rights" conducted

**MARCH 2017**  
Labor audit by Ernst & Young



**JUNE 2016**  
First Sustainability Action Plan



Centro Regional de Apoyo para América Latina y el Caribe

**JULY 2017**  
Subscription to *Regional Center for Latin America and the Caribbean* in support of the Global Compact



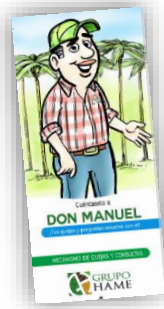
**FEBRUARY 2018**  
Memorandum of Understanding signed with Transparency International (Acción Ciudadana)



**SEPTEMBER 2017**  
Human Rights assessment by an independent firm



**FEBRUARY 2018**  
Human Rights Policy, focused on UN Guiding Principles on Business and Human Rights



**MARCH 2018**  
Grievance Mechanism enhanced



**JULY 2018**  
Human Resources Training Unit restructured



**APRIL 2018**  
Transparency and Compliance Assessment by independent firm



**APRIL 2018**  
ISCC Certification



**AUGUST 2018**  
Action Plan for ISO 37001 Anti-Bribery Certification designed



**OCTOBER 2018**  
Kosher Certification



**NOVEMBER 2018**  
Appearance in SPOTT Transparency Evaluation Index



**OCTOBER 2018**  
New Policy on Sustainable and Responsible Production



**DECEMBER 2018**  
Memorandum of Understanding to work on biodiversity conservation

**Solidaridad**



## About the Report

REPSA presents the Final Report on the implementation of its **2017–2018 Sustainability Action Plan**. This report synthesizes main achievements in its path towards sustainability, and seeks to offer a summary that communicates progress in a transparent manner.

The Action Plan sets specific activities aimed to achieve the following outcomes:

- 1) Transparency and Stakeholder Engagement:** *the company is transparent with workers and stakeholders about its institutional policies, corporate values, plans, operations and grievances.*
- 2) Human Rights and Working Conditions:** *human rights are respected and promoted.*
- 3) Environmental Management:** *natural resources for the production of palm oil are managed responsibly by the company, based on best practices for the mitigation of possible impacts to the environment (water, soil and atmosphere).*
- 4) Local Development:** *the company contributes to local development.*

## Background

In order to achieve international standards of best practices in sustainability, in 2016 REPSA established an Action Plan that puts in practice the commitments adopted in its **Policy on Responsible and Sustainable Production**.

An essential part in the design of the 2017 Plan was receiving feedback from neighboring communities, local authorities and other stakeholders, with whom a constructive dialogue was established.

REPSA monitors the execution of the activities within the Plan on a quarterly basis and offers a progress report to its stakeholders.

These achievements reaffirm REPSA's commitment to continuous improvement in order to attain sustainability as an intrinsic part of the company's business strategy.



# 1

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# 1

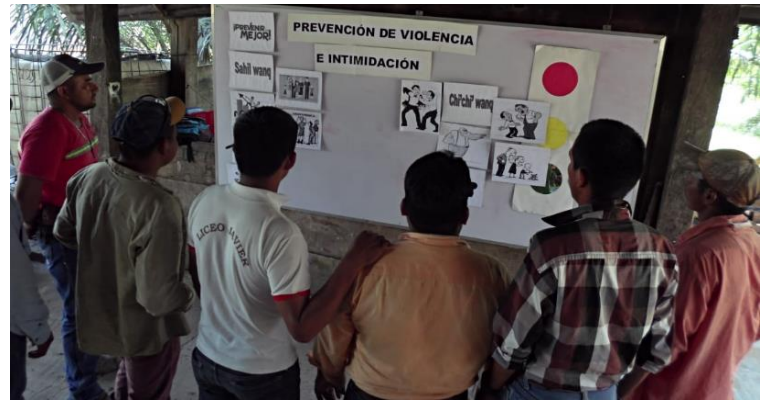
## Transparency and Stakeholder Engagement

Recognizing that engaging stakeholders is an essential part of social management, REPSA works on building long-term relationships based on transparency and respectful dialogue. This has allowed the company to get a sense of stakeholders' perceptions and concerns, and adopt them as input to enhance its sustainability plans.

## Socializing corporate policies and values

In 2018 REPSA restructured and reinforced its Training Unit by hiring additional q'eqchi'-speaking staff to disseminate with workers and communities the company's corporate policies and values –including the *Policy to Prevent Violence and Intimidation*-, as well as the Grievance Mechanism.

Unit members were trained to develop methodology and training materials, in order to improve their communication skills. This training was supported by personnel from the Human Rights Ombudsman's Office (PDH), who shared other successful experiences training people with low education levels on human rights.



Agricultural personnel training

98% of workers received training on Corporate Policies and Values, labor rights, freedom of association, equality of opportunities, environmental responsibility, and prevention of discrimination, violence, intimidation, and sexual harassment.

## Dialogue and Transparency

### Construction of the Action Plan

In August 2017 REPSA held workshops with stakeholders in order to share the results of the 2016-2017 Sustainability Action Plan as well as the draft of the 2017-2018 Action Plan.

More than 200 participants made important contributions to the new plan and expressed their opinion on the impact achieved through the 2016-2017 Plan. Their contributions allowed REPSA to design a Sustainability Plan that takes stakeholders' concerns into consideration.

The company also shared the 2017-2018 Action Plan draft to different national and international non-governmental organizations (NGOs) and invited them to comment. Their queries and observations served as input to enrich the Plan.

\* At NGOs' request, we keep confidentiality and do not include their names in this report.

See more about perspectives of participants: <https://youtu.be/ISCWYtmoQRg>.



## ➤ Communication on Progress

### External stakeholders

- November 2017: I Quarterly Progress Report, activities from July to October 2017.
- March 2018: II Quarterly Progress Report, activities from November 2017 to February 2018.
- July 2018: IV Quarterly Progress Report, activities from March to June 2018.
- November 2018: V Quarterly Progress Report, activities from July to October 2018.

All reports were published on REPSA's website and shared with stakeholders.



[https:// www.repsa.com.gt/anio2](https://www.repsa.com.gt/anio2)



### Local stakeholders

REPSA held periodic participatory workshops at a local level to share with stakeholders its progress in implementing the Plan. Participants included the Municipality of Sayaxché, local representatives of public institutions, members of the Community Development Councils (COCODES) of the 32 communities in the area of influence of the company, female leaders, teachers and religious leaders.

During these workshops, participants were invited to comment and share experiences in order to express their concerns, recommendations and queries regarding REPSA's sustainability Action Plan.

The company reiterates its commitment to continuous dialogue with stakeholders as an inherent part of its sustainability strategy, as well as to openly receive feedback from stakeholders.



\* All workshops were accompanied by a representative of Acción Ciudadana/Transparency International, who attended as observer.

# Grievance Mechanism

REPSA redesigned its grievance mechanism and adopted a transparent and open approach to address complaints and queries submitted by workers, communities and stakeholders, in a fair and timely manner.

## Starting point

In 2017, REPSA's consultant for Social Management assessed the company's social practices and pointed out the need to evaluate the current grievance mechanism.

The existing mechanism was audited and the following areas of opportunity for improvement were identified:

- Lack of confidence among workers and community members to express their complaints;
- Few knowledge about how complaints are resolved;
- Need to systematize the process.

As a result, the mechanism was re-designed in order to broaden its scope, expand the available channels to submit complaints and queries, standardize the processes to address labor and community complaints, systematize the procedure to investigate incidents, categorize complaints, set timelines for each stage, design appeal mechanisms and feedback tools for the complainant.

The new mechanism is aligned with the effectiveness criteria for extra-judicial claim mechanisms established by the *Guiding Principles of Business and Human Rights* of the United Nations<sup>1</sup>, aiming to create a procedure that is legitimate, accessible, predictable, equitable, transparent, compatible, and a source of continuous learning.

<sup>1</sup> UN Guiding Principles of Business and Human Rights: [https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr\\_eN.pdf](https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf)

### 1. ADMISSION AND CONFIRMATION OF COMPLAINT



DEADLINE: 05 DAYS



### 2. VERIFICATION PROCESS



DEADLINE: 15 DAYS



### 3. CLOSURE AND RESOLUTION



DEADLINE: 20 DAYS

## ➤ Feedback from users

REPSA held workshops with several groups of workers to share the new procedure and get to know their perception. 90% of the 240 workers who participated in the workshops expressed a positive opinion on the new grievance mechanism considering it as an opportunity to improve relationships between the company, its workers and communities.

The company also socialized the mechanism with 776 community leaders from 29 communities in its area of influence and received their comments, queries and observations. According to the leaders,

*"The mechanism is easy to use, mainly because it has been translated to Q'eqchi' language and because hiring a bilingual Administrator of Complaints and Queries makes it easier for users to be assisted in their language".*

Likewise, according to participants, confidentiality in handling information adds value to the mechanism.



Workshop with community leaders.

The mechanism was also shared with other stakeholders, including the Human Rights Ombudsman's Office (PDH), the *Asociación de Amigos para el Desarrollo y la Paz (ADP)*, *Acción Ciudadana / Transparency International*, one local NGO and one international NGO with presence in Guatemala, whose questions, observations and suggestions served to enrich the procedure.

## ➤ Launching

The new Grievance Mechanism began operating in May 2018, and is open to all individuals and organizations that feel affected by the activities of the company or of those involved in its value chain.<sup>2</sup>

To address each case adequately, REPSA designed a time-bound procedure with specific stages and registration formats.

In addition, a new position was created, the "Complaints and Consultation Manager" (Qawa Manu), who is responsible for ensuring that each case (complaint and/or consultation) is managed according to the provisions of the Mechanism, to build trust among users.

Through the new procedure, in 2018, 164 labor and community complaints were received.

## ➤ Continuous Improvement

The mechanism has several levels of supervision for its continuous improvement.

- Internally, the Corporate Committee reviews key performance indicators on a monthly basis.<sup>2</sup>
- Externally, during its first year of implementation the mechanism was reviewed every four months by the Social Management System consultant: July and November 2018.

The consultant reviewed registration forms, and files of labor and community complaints, as well as the performance of the Administrator of Complaints and Queries in order to analyze the efficiency of the procedure.

### Goals 2019

- Generate trust in the System among workers, communities and stakeholders;
- Improve socialization processes, to ensure that users understand the process and the role of the Complaints and Consultation Manager;
- Systematize the lessons learned in case resolutions.

REPSA periodically updates its [Grievance List](http://repsa.com.gt/listado-de-reclamos/), which contains a summary of public allegations and the company's actions to address them: <http://repsa.com.gt/listado-de-reclamos/>

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<sup>2</sup> REPSA publishes a monthly summary on complaints and queries addressed during the month: <http://repsa.com.gt/listado-de-reclamos/>



## Stakeholder Engagement

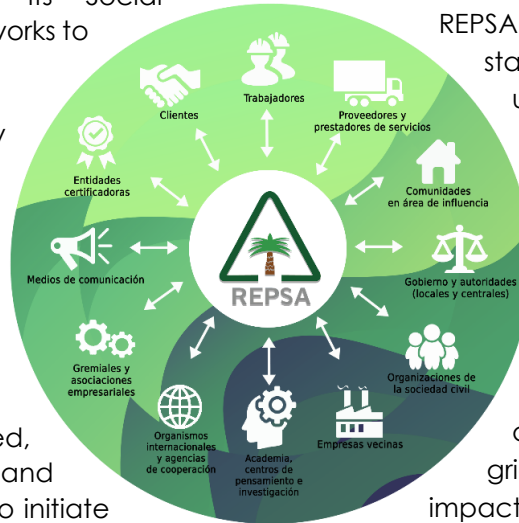
As part of strengthening its Social Management System, REPSA works to build trust with stakeholders.

In recent years, the company has undertaken actions to structure its relationship with stakeholders, including the following:

### Roadmap to SH Engagement

REPSA designed its roadmap for stakeholder engagement drawing upon the Social Scoping Report of the Consensus Building Institute (CBI) and The Forest Trust (TFT) from 2016<sup>5</sup>.

The company outlined milestones that must be achieved to build a transparent dialogue with stakeholders, among them are addressing past grievances and updating its social impact assessment (SIA).



### Stakeholder Mapping

Stakeholders' map was reviewed and updated, identifying organizations and entities the company wishes to initiate or strengthen engagement with; as well as the type of relationship desired with each party.

### Past Grievances

REPSA designed a strategy to address past grievances and reach joint resolutions with the aggrieved parties. The strategy entails internal investigation of the incidents, and is based on dialogue, joint analysis and definition of corrective and preventive measures.

The company conducted an internal investigation to better understand the human rights allegations and share the results with the aggrieved parties in order to reach a joint resolution.

The results allowed the definition of specific actions to prevent this type of incidents; among them, the strengthening of *Policy to Prevent Violence and Intimidation*.

### Social Impact Assessment (SIA)

The new SIA seeks to identify social and environmental impacts of the operation, in order to design and implement a mitigation plan, with a participatory approach that involves communities and stakeholders.

In mid-2018 REPSA developed Terms of Reference (TORs) for new SIA, determining the scope and product of the assessment; and began evaluating entities to implement it. Stakeholders (two NGOs) were consulted by the company to improve the TORs.

Updating of SIA will start in Q1-2019.

# Compliance System

## Partner and advisor

REPSA signed a Cooperation Agreement with *Acción Ciudadana*, Guatemalan chapter of Transparency International<sup>4</sup>, to receive their accompaniment in the execution of actions on transparency, including the implementation of the Anti-Bribery Action Plan.

In addition, the Agreement involves training for REPSA's administrative staff.

## Starting Point

REPSA hired the international firm *Benites, Vargas and Ugaz*<sup>5</sup> to assess its administrative and financial procedures and review the governance structure and internal control systems, among others. As a result, areas for improvement, such as risk management and internal communication processes, were identified.

In October 2018, REPSA published on its website and shared with stakeholders a statement on transparency, expressing its commitment to this matter and the work it is carrying out to enhance its procedures and reduce the risk of bribery.

Read press release: <http://repsa.com.gt/>

<sup>3</sup> Read more: <http://accionciudadana.org.gt/>

<sup>4</sup> Benites, Vargas and Ugaz is an international law firm specialized in compliance and transparency. Read more: <https://www.bvu.pe/>

## Towards Anti-Bribery Certification

REPSA hired *International Dynamic Advisors* (INTEDYA)<sup>6</sup> and jointly designed an Action Plan to close the gaps identified in the transparency assessment and establish an Anti-Bribery System, that will prepare the company for ISO 37001 Certification.

In September 2018, REPSA started implementing the Action Plan under the guidance of INTEDYA, jointly with *Andersen Legal*<sup>7</sup> and its representative in Guatemala, *Ralón, Orellana y Asociados* (ROA) law firm.

### About ISO 37001:

This Certification establishes measures for managing Anti-Bribery Systems, aimed to help companies and organizations to act preventively on bribery, as well as being prepared to identify and deal with this type of cases. Some of these measures include adopting an Anti-Bribery Policy, as well as creating a specific position to monitor compliance, constant training for personnel, risk assessment, due diligence in the selection of business partners, implementing administrative controls and financial institutions, and defining research procedures and results reporting.

Read more: <https://www.iso.org/iso-37001-anti-bribery-management.html>.

<sup>5</sup> INTEDYA is an international company that offers consulting, training and auditing services in risk management. Read more: <http://www.intedya.com/internacional/index.php>.

<sup>6</sup> Andersen Legal is a law firm specialized in legal and tax advice. Read more: <http://www.andersentaxlegal.es/es/>.



# 2

## Human Rights and Working Conditions

REPSA is convinced that adopting a Human Rights approach entails a full corporate commitment of respect for individuals and their dignity. The company's efforts are focused on creating a corporate culture of respect for Human Rights, with emphasis on working conditions, private security management and prevention violence and intimidation.

# Corporate Commitment to Human Rights

REPSA implements social and environmental best practices, with special emphasis on respect and promotion of Human Rights, for the continuous improvement of its working environment

## > Starting Point

In July 2017, the independent firm *Advocacy for Business and Human Rights* (ABHR), conducted an **assessment to identify potential impacts on HR** of the company's operations.

As a result, the company defined next steps to adopt a holistic approach to Human Rights. Efforts are focused on identifying and preventing potential risks, **strengthening the Grievance Mechanism**, and engaging stakeholders.

Considering sustainability as an intrinsic part of its business strategy, this Policy covers all aspects related to the company's operations:



HUMAN RIGHTS



PREVENTION OF VIOLENCE AND INTIMIDATION



LABOR



TRANSPARENCY



ENVIRONMENT



SECURITY

## > Corporate Policy

By the end of 2017, REPSA began working on a **Human Rights Commitment**, based on the UN Guiding Principles on Businesses and Human Rights, aimed to express the company's approach towards respect and promotion of Human Rights and guide its actions.

This commitment is part of REPSA's new **Policy on Responsible and Sustainable Production**<sup>8</sup>, launched on October 2018.

In October 2018, REPSA's managers, supervisors and heads of area received training on how to apply the Policy in a day-to-day working environment, as well as to become aware of the level of commitment required for its implementation.

The **Training Unit** trains workers on said Policy, highlighting respect for Human Rights, labor conditions and labor rights.

<sup>8</sup> Read more: <http://repsa.com.gt/politicas/>





Workshop for Administrative, Human Rights and Community Affairs staff

In April 2018, to improve the content and implementation of *Policy to Prevent Violence and Intimidation*, REPSA, together with *The Consensus Building Institute (CBI)*, conducted training workshops.<sup>9</sup>

The training focused on strengthening the skills of the Human Resources, Community Affairs and Security staff to design a plan to implement this policy, including methodology and supporting materials. These workshops also aimed to help staff develop strategies to standardize trainings to ensure all workers are trained and be able to evaluate their level of comprehension, in order to see if the message is getting across and the spirit of the policy is being understood.

In early 2018, REPSA requested the Human Rights Ombudsman's Office (PDH) review the *Policy to Prevent Violence and Intimidation*. Recommendations and input provided helped the company upgrade the content of the policy.

This new version of the Policy was integrated as a specific commitment in REPSA's Sustainability Policy.

## WHAT IS SUSTAINABILITY?

For REPSA, sustainability consists in the effective implementation of economic, environmental and social best practices in its operations, in order to create value for its partners and shareholders, suppliers and service providers, workers, neighboring communities, government, stakeholders and all those involved in its value chain.

<sup>9</sup> For more information about this workshop, see III Quarterly Report of Progress (March-June 2018): <http://repsa.com.gt/anio2/>

## Guidelines for Private Security

REPSA aligned its actions related to security and risk management with the **Voluntary Principles on Security and Human Rights (VPSHR)**<sup>10</sup>, as explained in the Private Security commitment<sup>11</sup> within its Sustainability Policy.

For this purpose, the company worked with the international firm *McFetridge Consulting*<sup>12</sup> in the following actions:

### ➤ Risks Assessment

- Introduction to the VPSHR: managers training on how to identify and assess risks and prioritize mitigation measures.
- Technical training on methodology to create a risk matrix, including preventive and mitigation actions.

### ➤ Action Plan

- Based on the risk matrix, the company developed a Security Management Plan aligned with the VPSHR.
- The Plan includes ongoing training of all security personnel, in order to create a corporate culture focused on respect for Human Rights and on prevention of violence and intimidation.
- In addition, the company encourages the use of the Grievance Mechanism to receive information on possible incidents or complaints related to security.



<sup>9</sup> Read more on the Voluntary Principles of Security and Human Rights:

[http://voluntaryprinciples.org/files/principios\\_voluntarios\\_espanol.pdf](http://voluntaryprinciples.org/files/principios_voluntarios_espanol.pdf)

<sup>10</sup> Read more: <http://repsa.com.gt/compromiso-seguridad-privada/>

<sup>11</sup> McFetridge Consulting is a company expert in security, Human Rights and corporate social responsibility. Read more:

<https://www.linkedin.com/in/don-mcfetridge-769b7731>.

## Working Conditions

REPSA is committed to providing dignified working conditions for its workers.

### ➤ Minimum Living Space

In 2017, the company remodeled the housing sites for non-local field workers, in order to guarantee a minimum living space of 3.8 m<sup>2</sup> per person in all 9 sites. This measure exceeds the International Labor Organization (ILO) standard which establishes a minimum of 3.6 m<sup>2</sup> per person.<sup>13</sup>

Remodeling included infrastructure improvements, such as new bedrooms, bathrooms and showers, and laundry areas, to ensure workers have access to safe and private hygienic conditions.

\* In February 2018, during 3 weeks, the capacity of one of the housing sites was exceeded due to the temporary closure for maintenance of another camp, which implied the relocation of personnel.

In order to avoid exceeding the company's Minimum Living Space Standard, REPSA designed a strategy focused on hiring local people during the months on which production requires more workers.

On a monthly basis, REPSA reviews the number of people staying in each of the 9 housing sites and assesses accommodation.

Compliance level regarding minimum living space standard was the following:

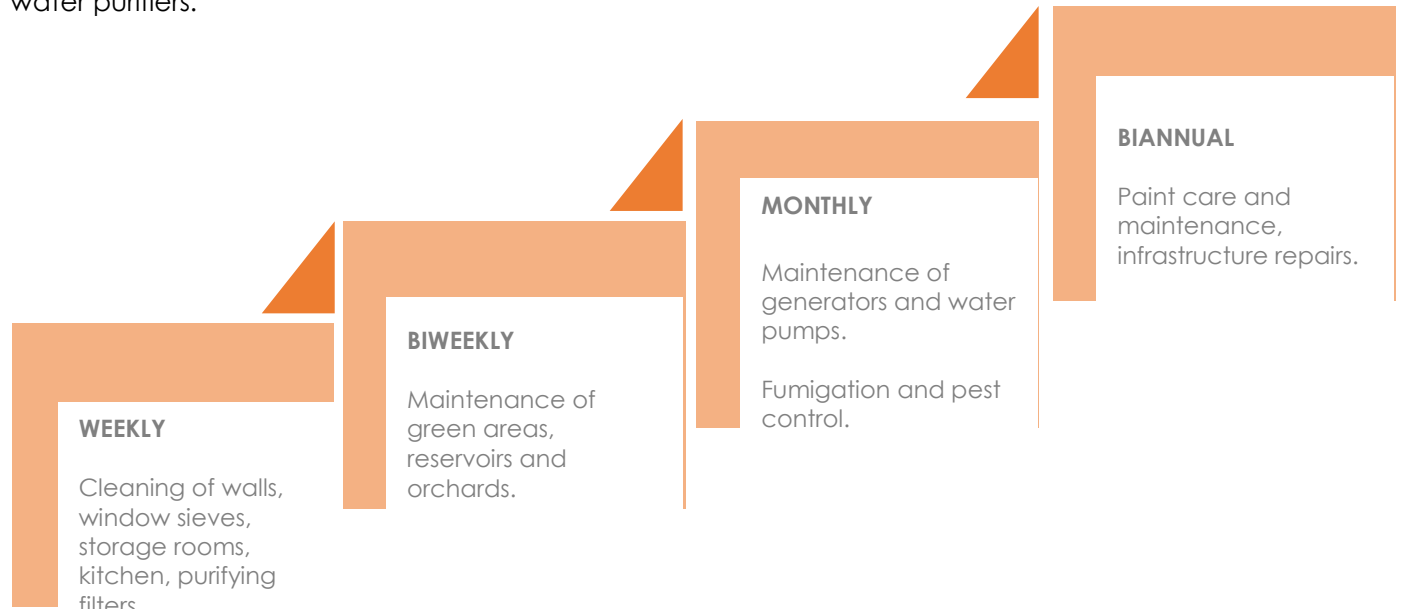
Month & Year	Compliance
December 2017	✓
January 2018	✓
February 2018	*
March 2018	✓
April 2018	✓
May 2018	✓
June 2018	✓
July 2018	✓
August 2018	✓
September 2018	✓
October 2018	✓
November 2018	✓
December 2018	✓

<sup>13</sup> See ILO Standard: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/--emp\\_ent/--multi/documents/publication/wcms\\_116344.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/--emp_ent/--multi/documents/publication/wcms_116344.pdf)

## > Infrastructure and Facilities

Every year, during the first months the housing sites are repaired. Among these repairs are paint care and maintenance, lamp replacements, faucet evaluation and replacement, and maintenance of water purifiers.

The company also carries out **repairs and renovations** to infrastructure continuously based on the needs of each housing site.



## > Hygiene Conditions

REPSA has a cleaning program to guarantee **sanitary and hygienic conditions** in all housing sites. Rooms are cleaned inside and outside on a daily basis and periodic maintenance is given to drinking water tanks and purifiers, wastewater treatment plants, electrical system and pipes.

Cleaning of housing sites is supervised by the Occupational Health and Safety (OHS) Department on a daily, weekly and quarterly basis in rooms, bathrooms, showers, corridors, laundry tubs, dining room, kitchen, water treatment and purified water dispensers.



## > Water Quality

In order to guarantee every worker **access to drinking water**, REPSA periodically tests the water purification system. Independent duly accredited laboratories collect and analyze water samples in each of the housing sites to ensure compliance with the parameters established by the Guatemalan Standards Commission (COGUANOR).<sup>14</sup>

From July 2017 to December 2018 four evaluations were conducted to the water purification system, obtaining the following results:



Compliance with COGUANOR parameters.

## Workers transportation

In order to ensure **coverage and quality**, transport service of all 44 buses REPSA uses to mobilizes its personnel is periodically monitored.



Monitoring:

- Coverage verification: 20 randomly selected units are inspected on a monthly basis to verify that all scheduled trips have been completed.
- Vehicle conditions evaluation: review of license plates, registrations, lights, tires, tools, cushions and chairs, etc.

Follow-up:

- Accompaniment is given to the units to ensure that they adopt corrective measures.
- Companies that do not comply with the aforementioned receive a warning letter setting the deadline to do so; otherwise, they are dismissed as REPSA's service provider.

<sup>13</sup> Specifications Manual for Monitoring and Control of Water Quality for Human Consumption, Ministry of Public Health and Social Assistance (MSPAS):

<http://www.mspas.gob.gt/images/files/saludambiente/regulacionesvigentes/AguaConsumoHumano/ManualCalidadAC69B4-1.PDF>



# 3

# Environmental Management

Aware of the responsibility of preserving the environment in the areas where it operates, REPSA is committed to prevent and reduce negative impacts that its productive activity may generate, as well as to enhance positive impacts.

The company implements an Environmental Management Plan that includes responsible use and administration of natural resources and an integrated waste management program, among others.



## Conservation of Biodiversity

REPSA has a **Forest Management Plan** for riparian zones, which consists of:

- Identifying flora and fauna;
- Mapping and delimiting riparian zones within its operations;
- Establishing a forest nursery for native species for reforestation.

Between 2016 and 2018, REPSA reforested 155 hectares of riparian zones with native species. Currently, the company protects 213 hectares of riparian forest, within its Forest Management Plan.

In addition, the company implements a **Differentiated Management Plan** for 396 hectares of palm trees located 10 meters away from intermittent water bodies that flow within its operations. This measure, designed to protect the banks of winter streams, exceeds the requirements established in the Section II of the Guatemalan Health Code (Decree 90-97)<sup>7</sup>.



Tamarindo Natural Reserve

### ➤ Natural Reserve

REPSA has a Management and Protection Plan for Tamarindo Reserve, a **natural reserve of 54.2 hectares within its operations**. In addition, the reserve is registered in PROBOSQUE<sup>15</sup>, a program of the National Forestry Institute (INAB).

<sup>15</sup> Health Code, Decree no. 90-97 Guatemala:  
[http://asisehace.gt/media/GT\\_Codigo\\_Salud\\_90\\_97.pdf](http://asisehace.gt/media/GT_Codigo_Salud_90_97.pdf)

## Water Resource Management

REPSA manages palm oil mill effluent (POME) through a Wastewater Treatment System (WTS), which consists of biological treatment of organic matter to make POME suitable for fertigation in palm plantations.<sup>18</sup>

To use POME in fertigation, treated water must exceed the parameter of efficiency of organic load removal (75%) established by the *Regulation on Discharge and Reuse of Wastewater and Sludge Disposition* (Government Agreement 236-2006) of the Ministry of Environment and Natural Resources of Guatemala (MARN).

### > Monitoring

REPSA periodically evaluates the efficiency of the WTS to ensure compliance with national regulation on the subject.

- Internal monitoring: weekly sample analysis carried out by an internal laboratory.
- External monitoring: semi-annual sample analysis carried out by an accredited independent laboratory.

## How is special wastewater treated?

REPSA's Wastewater Treatment System consist of three phases:

1. Removal of sedimentary materials;
2. Removal of organic load by anaerobic bio digestion process;
3. Removal of non-biodegradable materials.

The average hydraulic retention time is 49 days.  
Treated water is directed to the fertigation reservoir for agricultural reuse.

Month & Year	Laboratory	Results
November 2017	ECOQUIMSA	95%
April 2018	Soluciones Analíticas	97%
July 2018	Soluciones Analíticas	98%
November 2018	Soluciones Analíticas	93%

(average of results obtained by REPSA I and REPSA II mills)



## ➤ Participatory Monitoring of Water Quality

In 2017 REPSA started a **Participatory Program to Monitor Water Quality**. This program takes place twice a year and seeks to promote stakeholder involvement in REPSA's environmental monitoring, and share information on how the company treats POME.

The **I Participatory Monitoring** was carried out in April 2018, jointly with Sayaxché's Municipal Development Council (COMUDE)<sup>16</sup> members, who accompanied sample taking by ECOQUIMSA laboratory in the WTS of REPSA II mill, Tamarindo River and the Petexbatún Lagoon. Results showed that the WTS in REPSA II complies with parameters established by Government Agreement 236-2006. In addition, samples taken in Tamarindo and Petexbatún, showed that dissolved oxygen, pH and temperature were also within normal levels according to parameters of said Agreement.



Sampling in Tamarindo River

The **II Participatory Monitoring** was conducted in November 2018 and was attended by 29 community leaders and members of Community Development Council (COCODEs), as well as COMUDE members, Sayaxché's Municipality staff and local press delegates. *Soluciones Analíticas* laboratory analyzed samples taken in the WTS of both mills (REPSA I and REPSA II), San Román River, Petexbatún Lagoon, El Mico Stream, Chinaja Stream and La Pasión River. According to the results, 100% of samples were found within parameters established by the Government Agreement 236-2006.



Sampling in Petexbatún Lagoon

<sup>16</sup> The COMUDE is chaired by the Mayor and composed of representatives of Ministries and public entities, as well as by the Community Development Councils (COCODEs).

REPSA hopes that stakeholders' involvement in this program will help build trust based relationships.

## Responsible Waste Management

REPSA has a [Comprehensive Management Plan for Waste](#), to characterize, classify and manage waste.

Non-recyclable waste (organic and common waste) is separated from recyclable waste (plastics, cardboard, paper, ferrous material) and extracted three times a week in eight collection points.

Of all waste generated by REPSA, 22% is recyclable and managed by specialized companies duly accredited by the Ministry of Environment and Natural Resources (MARN), to ensure appropriate final disposal. 64% is organic waste, which is reused in agricultural production as organic fertilizer (compost).

In 2018, REPSA began to evaluate the efficiency of this Plan twice a year, based on the [Reduce, Reuse and Recycle](#) criteria.

- Semester I, 2018:
  - o 45% efficiency in reducing the use of non-recyclable materials;
  - o 75% efficiency in reusing PET, tires and PVC;
  - o 100% efficiency in recycling (PET, paper, cardboard, ferrous and non-ferrous metals, etc.).
  
- Semester II, 2018:
  - o 50% efficiency in reducing the use of non-recyclable materials;
  - o 83% efficiency in reusing PET, tires and PVC;
  - o 100% efficiency in recycling (PET, paper, cardboard, ferrous and non-ferrous metals, etc.).



In 2018, the company BioTrash recognized REPSA's responsible handling and disposal of toxic.



## Responsible Management of Agrochemicals

### > Occupational Health and Safety (OHS)

In order to guarantee responsible handling of chemical products, workers are part of an ongoing awareness and training program.

100% of workers that handle agrochemicals received training on proper use and maintenance of personal protective equipment (PPE), use of phytosanitary -PEST controls- products and agrochemicals; safe handling, storage and transportation of chemicals; labels and pamphlets, risks of incorrect handling of agrochemicals, calibration of instruments, safe hygiene practices and responsible handling of waste and chemical waste.

### > Allowed products

REPSA periodically updates the List of Phytosanitary Products in Use, Code GAGS-DI-296 (list of allowed chemical products) and constantly supervises all warehouses to verify:

- Non-existence of products classified as prohibited.
- All products are authorized by the Standards and Regulations Unit of the Ministry of Agriculture, Livestock and Food (MAGA), and all of them have their security sheet and label.

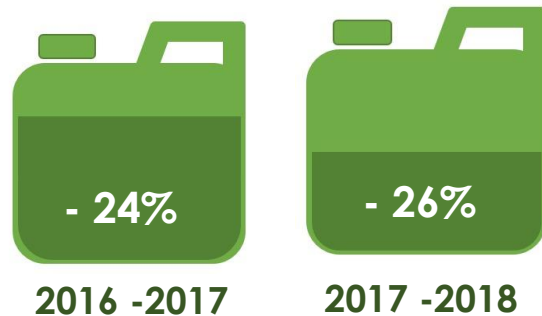
These inspections also reviews agricultural, environmental and Occupational Health and Safety best practices in warehouses, such as storage areas, chemicals and agrochemicals handling and transportation, areas for personnel handling agrochemicals, and first aids, among others.



### > Synthetic products

In order to reduce the use of synthetic phytosanitary products, REPSA has an integrated pest management program which aims to reduce harmful populations by releasing beneficial microorganisms, and a Plant Health Care Plan.

Since 2016, REPSA has reduced the use of synthetic products for pest control by 50%, thanks to its Integrated Management Program which focuses on biological pest control.





## Reduction of Greenhouse Gas (GHG) Emissions

### > Air Quality Monitoring

In order to reduce GHG emissions, odors and other pollutants, REPSA has a Plan to Reduce GHG Emissions, which includes **periodic monitoring of air quality** in both mills (REPSA I and REPSA II), as well as in El Pato and La Torre communities, which are the closest communities to the mills.

An accredited independent laboratory measures during 24 hours particulate matter, sulfur dioxide and nitrogen dioxide concentrations. Results are compared with the parameters established by the World Health Organization (WHO) and the United States Environmental Protection Agency (EPA), considered in this case –in the absence of national legislation on this matter- as standards of reference.

### Actions to reduce GHG emissions:

- Reduce the use of synthetic fertilizers;
- Efficient use of fossil fuels and electric power;
- Management and conservation of high carbon stock;
- Best practices in soil conservation;
- Implementation of a bio-evaporator (compost plant) in the Wastewater Treatment System of REPSA I mill;
- Methane capture in the Wastewater Treatment System of REPSA II mill.

### Results of Air Quality Monitoring

Month & year	Monitoring Point	Compliance WHO	Compliance EPA
July 2017	REPSA I and II	✓	✓
April 2018	REPSA I and II, El Pato and La Torre	✓	✓
October 2018	REPSA I and II, El Pato and La Torre	✓	✓

### > Carbon Footprint

The carbon footprint is calculated through an inventory of emissions (fuels, fertilizers, agrochemicals, electricity, lubricants, hexane) and organic waste (waste water, fruit fiber) generated in agricultural and industrial operations of crude palm oil production.

For the 2017-2018 period, REPSA's carbon footprint was the following:

- **REPSA I:** 670.80 kg CO<sub>2</sub>eq/dry-ton of CO<sub>2</sub>eq/dry-ton intermediary product (CPO);
- **REPSA II:** 667.68 kg CO<sub>2</sub>eq/dry-ton of CO<sub>2</sub>eq/dry-ton intermediary product (CPO);

This study allowed the company to identify main sources of emission in order to carry out specific measures aimed to reduce the carbon footprint.



## Best practices in Third Party Plantations

In 2018, an **Advisory Team** was created in order to establish permanent communication with **third party suppliers** and follow up on the implementation of best practices in their palm oil plantations.

During 2018, the team visited all suppliers and assessed compliance with agricultural, environmental and Occupational Health and Safety best practices.

Evaluations included inspection of warehouses to check chemical products and ensure non-existence of prohibited products.



Suppliers received a report with said findings, including corrective actions and a deadline established by REPSA to implement them. In addition, the advisory team trained to suppliers' staff on responsible use of chemical products.



Visit to Wastewater Treatment System in REPSA II mill.

## Open Doors Initiative

REPSA launched an open doors initiative to share company's environmental management plan, as well as information on agricultural and industrial practices with communities and local stakeholders, through visits to plantations and mills.

Coordinated by the Municipal Commission of Environment of Sayaxché, members of the Municipal Development Council of Sayaxché (COMUDE) visited the company's wastewater treatment systems and got to see firsthand soil conservation practices, integrated pest management and safe work protocols, among others.

In 2017 and 2018, REPSA received more than 300 visitors, among them students, teachers, religious leaders, representatives of public institutions, local leaders and community members.



A smiling woman with dark hair pulled back, wearing a vibrant blue lace top and a matching blue skirt. She is holding a long, light-colored wooden tool, possibly a hoe or a similar agricultural implement. The background shows a field with green plants and a building with a corrugated metal roof under a clear blue sky.

# 4

## Contribution to Local Development

REPSA works under the premise of creating economic, social and environmental value for Guatemala, a principle which leads the company to plan and execute sustainable development projects in the area where it operates.

Through its Community Affairs Department REPSA works closely with communities, local government and other stakeholders, in different initiatives.



## Social Management

### Local leadership training

In partnership with Sayaxché's National Police (PNC), REPSA carried out a "Citizen Security" Program. Members of Community Development Councils (COCODEs), young community leaders and Auxiliary Mayors of 11 communities received training aimed at **preventing crime by enhancing capacities of community leaders**. Trainings addressed issues such as community rights and obligations, national legislation and institutions, leadership, citizen participation, alternative methods for conflict resolution, community and family security and the role of the COCODEs.

Together with *Asociación de Amigos para el Desarrollo y la Paz (ADP)*, 170 leaders from 25 communities in REPSA's area of influence were trained on local development management. This program seeks to promote citizen participation by addressing topics such as social auditing, project management, leadership skills, civic responsibilities and national legislation.

Five communities have created specific "Commissions of Youth" in order to involve young leaders in their communities' decision making processes regarding development.



Closing ceremony, "Citizen Security" Program

By the end of 2018, a program on **"Governance and Democracy"** was offered to members of Community Development Councils (COCODEs), the Municipal Commission for Women (COMUDER), female leaders and young leader. In partnership with *Asociación de Amigos para el Desarrollo y la Paz (ADP)*, the company trained 190 leaders of the 32 communities in its area of influence.



## Health and Nutrition

### > Food Safety

Aiming to contribute to minimize morbidity and mortality rates in communities within the company's area of influence, in December 2017 and throughout 2018, more than 400 community health and nutrition promoters received training on rational use of water for consumption.

Promoters train other women in their communities, in order to multiply and disseminate knowledge.



### > Housing and Lot Management Plans

Housing and Lot Management Plans (HLMP) promote housing planning and hygienic conditions, by encouraging the adoption of best practices.

REPSA implements these plans with 25 community health promoters and 13 families from neighboring communities.

## Supporting Education

### > Nutrition Program

Twice a week REPSA donates bananas to 3 schools in Sayaxché for more than 500 pre-school and elementary students. These donations, jointly with the company's investment in educational infrastructure, seek to contribute to the efforts of Guatemalan Ministry of Education to promote student attendance and improve their performance.



The project involves community members. Parents receive the fruit and safeguard it in ripening chambers installed in the schools, while mothers receive training on different ways to prepare meals using bananas.



## Infrastructure Development

### > Health Centers

REPSA supported the construction of a Health Clinic in La Torre community, as well as the renovations of clinics in El Tucán and La Ceiba communities. These improvements in infrastructure help clinics offer quality services for more than 1,400 families in the area.



Health clinic in El Pato.

### > Schools

REPSA contributes to provide a safe environment for more than 1,000 students by improving school's infrastructure, including construction of classrooms and kitchens, donations of equipment and material, and construction of perimeter walls.



Perimeter wall in El Tamarindo school.



Perimeter wall in El Tucán school.

### > Water and sanitation

In May 2018, the construction of a water reservoir for human consumption began in Nueva Jerusalén La Laguna community, which is expected to provide access to water for 45 families.



Construction of a well in Santa Rosa's school, to provide access to drinking water to 223 students. REPSA also repaired the water system in El Pato community's health clinic, which serves people from six other communities.





# REPSA

Reforestadora de Palmas de el Petén S.A.  
Guatemala, March 2019  
Summary of Action Plan 2017 – 2018

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