Policy on Responsible Palm Oil Production

Reforestadora de Palmas del Petén, S.A., REPSA, has a vital role in producing and processing responsible and sustainable palm oil in Guatemala. As industry leaders we strive to take a holistic approach to sustainability as the basis for our business model. We are guided by the premise that our company must add value to our stakeholders, including employees, communities, local and central government, customers, suppliers and others, while striving to minimize our environmental impact.

COMMITMENTS

We support the standards as established by the Roundtable for Sustainable Palm Oil (RSPO) Principles and Criteria, as well as the Rainforest Alliance-Sustainable Agriculture Network (SAN) standards. We will also respect and uphold the principles of the United Nations Global Compact.

REPSA will build a transparent and sustainable palm oil supply chain by committing to the criteria outlined below. These criteria apply to REPSA’s own operations and our suppliers’ operations, including landholdings, joint ventures and third-party suppliers.

No Deforestation. REPSA commits to no development on High Conservation Value (HCV)\(^1\) or High Carbon Stock (HCS)\(^2\) areas. In addition, we commit to no development of peatland and other types of wetlands. REPSA will also continue to prohibit burning both for clearing land and preparing new areas for cultivation.

No Exploitation of Indigenous Peoples, Workers and Local Communities. Our commitment to no exploitation represents our understanding that our operations impact indigenous peoples, workers and communities. We will comply with national laws and regulations and with the Conventions of the International Labour Organization (ILO), signed by Guatemala. We will continue to respect

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\(^1\) [https://www.hcvnetwork.org/about-hcvf](https://www.hcvnetwork.org/about-hcvf)

\(^2\) [http://highcarbonstock.org/what-is-the-hcs-approach-steering-group/](http://highcarbonstock.org/what-is-the-hcs-approach-steering-group/)
and uphold the United Nations Universal Declaration of Human Rights for all people and communities affected by our operations.

REPSA will commit to and require its suppliers to adhere to:

- Compliance with all relevant laws and regulations;
- No child or forced/bonded labor;
- No unethical recruitment practices including discrimination or harassment in hiring; recruitment fees that are transparent, justified, and legal;
- Working conditions, health and safety, hours and wages that are in accordance with International Labour Organization (ILO) standards;
- Provide written or verbal contracts (according to Guatemala Labor law) to all workers in a language that they understand, which detail the nature of the work, rate of pay and pay arrangements, working hours, vacation and other leave, and other benefits of employment;
- Respect for freedom of association and collective bargaining.

REPSA recognizes the particular rights of local communities and indigenous populations. In particular, we are inclusive with indigenous people and we are proud to have a significant number of employees from various ethnic groups that come from nearby communities.

In the case of considering expansion of operations, REPSA undertakes to promote participatory processes and transparent consultation based on the principle of Free, Prior and Informed Consent (FPIC).

**Water and Wastewater Management.** In REPSA we recognize that water resources are finite and must be managed efficiently. Our plantation is not irrigated and the effluent (wastewater) that comes from our extraction process is adequately treated. This is used to supplement the nutrition of some areas of our plantation in compliance with national standards. We are committed to minimizing the use of water resources, to promoting a watershed approach and to implementing our practice of zero effluent discharge to the environment.

**Transparency.** REPSA is conscious that transparency is a key component for building trust with stakeholders and customers. In this regard, we will develop and maintain processes for managing complaints and concerns at local, national and international levels. Proof of that commitment in the short term will be the development of a Grievance Procedure to be published on our website, in addition to our existing hotline.

**REPSA is also committed with:**

- Building relationships in a proactive and constructive manner with its stakeholders. This includes a commitment to share information related to the impacts of our operations with the general public. This includes, among others, reports on progress related to our sustainability action plan and third party certificates.
- Communicating information in formats and languages relevant to our stakeholders.
- Resolve any claim or conflict through an open, transparent, and consultative process.
REPSA’s commitments regarding this Policy on Responsible Palm Oil Production are effective immediately. We will continue with our roadmap to sustainability and continuous improvement, seeking the Rainforest Alliance and RSPO certification in the near future. As well, we will continue to analyze the implementation of this and other policies, approaching various stakeholders to receive feedback that will help us to implement and strengthen it. As we receive new information and inputs, we will adjust and improve this and other policies in ways that are consistent with our goals and indicators of social and environmental sustainability.

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