



REFORESTADORA DE PALMAS DE EL PETEN, S.A.

Guatemala City, May 12, 2017

Dear friends,

Reforestadora de Palmas de El Petén, S.A. (REPSA) has a vital role to play in producing and processing responsible palm oil in Guatemala. It is a serious company whose principles and commercial values are compatible and seek to comply with the national regulations and with international human rights law. Our company is also part of the United Nations Global Compact initiative.

In direct response to the Open Letter from US and Guatemalan NGOs sent on April 18, we would like to acknowledge the seriousness of the allegations of intimidation and human right violations and would like to express our concerns about such claims. We would also like to express our intent to collaborate with the authorities in the investigation of such charges.

We solidly stand behind our Policy to Prohibit Violence and Intimidation (<http://repsa.com.gt/wp-content/uploads/2017/01/REPSA-Policy-to-Prohibit-Violence-and-Intimidation-v4-June3-FINAL-DRAFT.pdf>), which expresses a robust commitment for the respect and protection of human rights and our responsibility to promote safe and secure communities in which we operate. Our Policy builds on the Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights and the standards set out in the Voluntary Principles for Security and Human Rights. We condemn the use of violence or intimidation by anyone associated with the company and REPSA will not tolerate any type of violence, harassment, threats or intimidation. In fact, we have recently hired a specialized firm on human rights in order to help us with continuous improvement and implementation of this key Policy. See attached reference.

It is important to indicate that it has not been possible for us to corroborate or evaluate the supplementary information in the NGO letter regarding the alleged intimidation or human rights violations. Some links provided are unfortunately not functional. In addition, and immediately after receiving the open letter, REPSA visited the offices of the Ministerio Público (Attorney General's office) and found that no report or claim had been received, including from the International Mission delegates, regarding the allegations expressed in the letter.



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With this in mind, we wish to highlight our recently created Grievance Mechanism (<http://repsa.com.gt/wp-content/uploads/2017/03/REPSA-Grievance-Mechanism-FEB-9-2017.pdf>), through which we have created the opportunity for stakeholders to report concerns such as the ones expressed in the open letter. The Mechanism, launched in January 2017, is intended to favor inclusive and open dialogue. We strongly believe that this is a tangible tool accessible to the local, national, and international communities to submit concerns related to REPSA to group level management, where they will be investigated first by a central committee and then by a local committee where appropriate. This latter committee can include external observers/third parties, where necessary.

In good faith, REPSA will proactively address the allegations of intimidation in the open letter. It is worth highlighting that the letter comes at a time where REPSA has already invested considerably in social and environmental improvements. These improvements (Progress Reports) can be accessed in the Sustainability tab in our website at www.repsa.com.gt. To be clear, many of these improvements are not recognized by the NGOs in the open letter. Thus, we welcome the opportunity to jointly review and understand these operational changes in the near future with concerned parties, at their convenience.

Most importantly, REPSA wishes to reiterate our commitment to continuous, step-wise, best in practice business improvements, that require enhanced dialogue and inclusive stakeholder engagement. As such, it's important to recognize that REPSA still has significant road to travel in our sustainability pathway. We certainly acknowledge our role in the April 28, 2015 river event. As for the second June 6, 2015 event, which caused massive, tragic, and deeply regrettable social and environmental impact in approximately 100+ kilometers downriver, REPSA reiterates that the incident is unrelated to its operations. The synthesis of an independent evaluation on both river events done by the Colegio de Biólogos de Mexico can be accessed here: <http://repsa.com.gt/2015eventsinlapasionriver/>. While liability for the June event still remains unresolved, we stand ready to engage in broader industry monitoring and collective remediation efforts.

A clear example of our commitment to dialogue, broader stakeholder engagement and transparency in acknowledgment of our role and responsibility, is the scoping process carried out independently by the Consensus Building Institute (CBI) and The Forest Trust (TFT). This scoping effort aims to bring technical and procedural skills to clarifying the willingness and ability of local stakeholder groups to participate in future participatory information gathering and shared problem solving, and to gain a better understanding of overall areas of key concern amongst various stakeholders. See the final results here: <http://www.cbuilding.org/cbitft>.



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In relation to the above, the following months will be crucial to deepen mutually credible understanding of core issues related to the river events, and where possible to take collaborative action in addressing them. REPSA firmly seeks to do its part to systemically address the root causes of environmental and social issues in the Sayaxché region, while recognizing that for resolving these it will take the effort of various actors, including national and local Government, in addition to the palm oil sector, of which REPSA plays an important role.

In closing, REPSA is clear about its mission and values, and we wish to reiterate our core commitment to continue generating shared economic, social and environmental value for the municipality of Sayaxché and beyond.

Best regards,


Luis Estuardo Estrada Umaña
CEO