

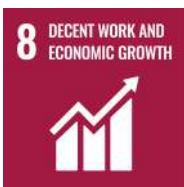
CONTRIBUTIONS OF GUATEMALA'S PALM OIL AGROINDUSTRY TO THE COUNTRY'S SUSTAINABLE DEVELOPMENT

The information below compiles sustainability actions that the Guatemalan palm oil sector has undertaken to date. It is based on data provided directly by members and on information updated as of the month of August 2020 and official statistics. Likewise, evidence that **GREPALMA** has acquired from its direct relationship with its members and which is considered secondary information produced by sector stakeholders is taken into account.

As our organizational vision states, we reiterate that at **GREPALMA** we promote the continuous improvement of the sector and we will in that manner continue to firmly advance on the path towards the sustainable development of the palm oil agroindustry.

Everything that contributes to building and strengthening the sector is welcome as it supports efforts to continue to generate wellbeing and development for Guatemala.

Greetings from GREPALMA

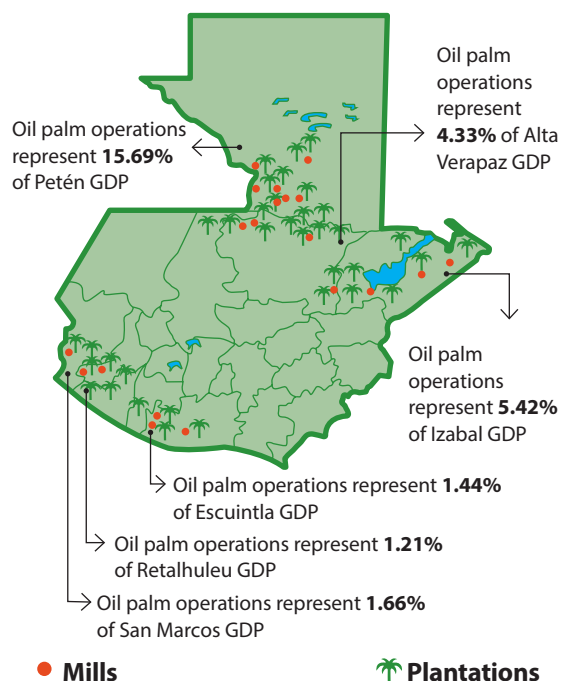


PROMOTING GROWTH OPPORTUNITIES

Guatemala has an estimated 171,451.81 hectares of oil palm crops, which is only **2.3% of the arable land of the country**. At present, the crop is grown in three regions of Guatemala: the region formed by the departments of Escuintla, Quetzaltenango, Retalhuleu, San Marcos, Suchitepéquez and Chimaltenango; the Northeastern region that includes the departments of Alta Verapaz and Izabal, specifically the valley of the Polochic and Motagua Rivers; and the Northern region that covers the department of Petén, and part of the departments of Alta Verapaz and Quiché.

In these regions, Guatemala's palm oil agroindustry generates more than **170,000 direct and indirect jobs**, and growth opportunities for the people and their surrounding communities where, prior to the establishment of palm projects, investment opportunities were scarce or inexistent. This makes the palm industry a sector committed to creating sources of stable and decent employment.

Currently, the contribution to the local economies of the areas where the crop operates is significant; In the case of the department of Petén, oil palm operations represent 15.69% of GDP, followed by the departments of Izabal and Alta Verapaz, whose contribution to GDP is 5.42% and 4.33% respectively (**Source:** Central American Business Intelligence -CABI-).



OIL PALM CONTRIBUTES 1.09% TO THE COUNTRY'S GDP.

"A RESPONSIBLE SECTOR THAT OPERATES UNDER EQUITABLE AND FAIR LABOR CONDITIONS"

The companies that are members of the Association of Palm Growers of Guatemala (**GREPALMA**) have voluntarily adopted policies and commitments to ensure optimal labor conditions, namely:

- The Labor Policy of the Chamber of Agriculture.
- The Commitment Statement by the Business Network for the Prevention and Eradication of Child Labor in Guatemala "Boys and Girls to School".
- The Policy on Respect for Human Rights of **GREPALMA** and its members.

In 2020, Industria de Jabones y Detergentes Las Palmas, S.A., Naturaceites and Reforestadora de Palmas del Petén S.A. (REPSA) participated in the **"Integration of respect for human rights in business practices in the palm oil sector program"**, developed with the support of the International Labor Organization (ILO) within the framework of the EU REFRAME project, with support of Agriculture Chamber and GREPALMA. Palm oil companies of Guatemala have defined their own business policies on labor issues focused on equitable and fair working conditions and zero tolerance for child labor, included in national legislation in force and, at the same time, oriented to the adoption of international sustainability standards.



The integration of these commitments contributes directly to the country's efforts to advance in the search for integral development in rural areas, and towards compliance with the Sustainable Development Goals (SDGs).

A PARTNER IN THE COMPREHENSIVE DEVELOPMENT OF THE GUATEMALAN PEOPLE



The contribution by **GREPALMA** member companies to the local development of neighboring communities goes beyond the creation of jobs and the boosting of local economies, by promoting citizens' wellbeing with the implementation of programs and projects in the areas of health, food security, education, access to drinking water, access to electric power and access to road infrastructure. Among the main contributions stand out:

HEALTH AND FOOD SECURITY

- Close to 46,000 persons benefit every year.
- Around Q2,500,000 in annual investment for health and food security programs.
- Q10,600,000 contributed by palm sector companies for medical care in five hospitals dedicated to COVID-19 patients (2020).
- Medical services in oil palm plantations available for workers and community members.
- Medical programs for children and adults.
- Ambulance services.
- Support for the 1000-day program in partnership with government agencies.
- Implementation of projects related to agricultural production, family vegetable gardens, basic crops and vegetables, fish and pork breeding. With this they provide support to food security, and contribute to economic activity diversification for women and their families in the area.
- Training on health care, nutrition and sexual reproductive health.



EDUCATION

- 97 initiatives to support the education of Guatemalan boys and girls.
- Around 14,000 children benefit annually.
- Over Q2,000,000 in annual investment for access to education.
- Private primary schools operating in **GREPALMA** member farms.
- Payment of public school teacher salaries.
- Maintenance of school infrastructure.
- School equipment and refurbishing.
- Implementation of literacy projects aimed at workers and their spouses.



ACCESS TO UTILITIES

- Close to 15,000 persons benefit.
- Over Q8,000,000 in investment for local service programs and projects.
- Partnerships with public and private organizations in the area where palm companies operate, to enable access to utilities.
- Maintenance of approximately 1,250 kilometers of roads.
- Implementation of projects to provide drinking water services to communities.
- Implementation of projects for the provision of electrification services, for example, a solar panel project to benefit widows or single mothers in the Southern region of the country.
- Community clothes washing facilities.





Aware that human dignity is key to community development, GREPALMA member companies are implementing cross-cutting policies aimed at preventing discrimination for age, race, religion or creed, gender, disability, sexual orientation, among others, as well as to promote human rights' respect by rejecting the use of violence and by promoting practices which do not tolerate any kind of harassment, threat or intimidation.

Likewise, Gender Committees have been formed and continue to operate as a mechanism for the protection, support and opportunity for dialogue with female workers to protect their rights and promote their interests within companies.

These actions, in alignment with SDGs, are a significant contribution to the comprehensive development of Guatemalan children and of the men and women who live in communities in the neighborhood of oil palm plantations.

FIRM COMMITMENT WITH ENVIRONMENTAL CONSERVATION

SUSTAINABLE
DEVELOPMENT
GOALS



Through **GREPALMA**, the palm oil sector has voluntarily acceded to and adopted the implementation of various environmental commitments to advance the responsible and sustainable production of palm oil in Guatemala, preserving and promoting the conservation of natural resources, through compliance with national legislation on environmental matters, the Environmental Guide for the Oil Palm Agribusiness in Guatemala and, at the same time advancing in the enforcement of the Environmental and Climate Change Policy of **GREPALMA** and its members.

The actions of Guatemala's palm sector are thus aimed at developing solutions to prevent and control adverse environmental impacts and which contribute to climate change adaptation, with eight strategic pillars of the Environmental and Climate Change Policy of **GREPALMA** and its members:



Water management in plantations and mills



Biological diversity conservation and restoration



Actions to mitigate and adapt to climate change



Social relationships



Management of organic and inorganic solid waste



Systematization of information and climate change to define the baseline and progress in policy implementation



Soil management and conservation



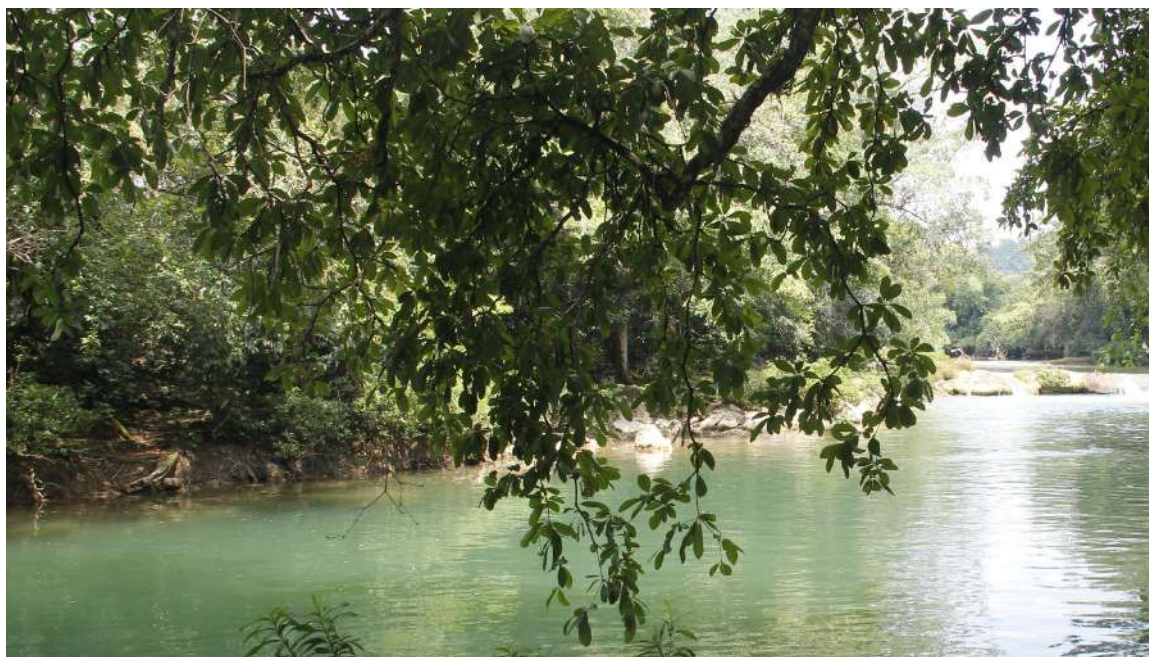
Capacity-building

Within the scope of the actions promoted to protect the environment, GREPALMA and its members publicly signed, in 2019, the **Zero Deforestation Voluntary Commitment**, and one year after the public statement of this commitment, began the Satellite Monitoring of Zero Deforestation of the oil palm crop in Guatemala, with the purpose of producing a current map of the oil palm crop surface in Guatemala, to determine the historic rate of deforestation associated to the crop in Guatemala and to monitor the progress of this commitment.

During this first year, 77% of the oil palm hectares in GREPALMA member farms have acceded to the Zero Deforestation Voluntary Commitment and partnerships have been established with public and private players who will participate actively to ensure and support compliance with this commitment. At present, the companies that have signed this commitment are:

- Agripalma, S.A.
- Agropecuaria Nuevo San Carlos, S.A.
- Agropecuaria Raudales La Cachimba S.A.
- Asesoría Técnica Profesional de Petén, S.A.
- Cauchos y Palmas, S.A.
- Corozal S.A.
- Corporación Palmas San Agustín, S.A.
- Corporación Uniaceites, S.A.
- Deproingua, S.A.
- Entre Palmas S.A.
- Grupo HAME
- Laguna Blanca S.A.
- Las Palmas, S.A.
- Naturaceites, S.A.
- Palmeras Capital, S.A.
- Palmera San Román, S.A.

53% of the oil palm crop hectares in Guatemala are currently certified under international sustainability standards aimed at the oil palm sector (RSPO and ISCC). In 2019, **Guatemala was the country of Latin America with the largest volume of RSPO-certified sustainable palm oil**, with 373,404 tons of sustainable palm oil, equivalent to **44% of its total production** (Source: Bases de datos de GREPALMA, 2019, con información de RSPO e ISCC).



ENVIRONMENTAL CONSERVATION ACTIONS



92% of **GREPALMA** members are certified and/or in the process of certification by international sustainability seals: RSPO, ISCC, HALAL, RAIN FOREST ALLIANCE, FSSC, KOSHER.



80% of oil palm plantations in Guatemala are dependent on rainfall; only 20% use irrigation systems, and they make responsible use of water resources.



Companies have efficient water use processes in place in mills.



All the mills belonging to **GREPALMA** members reuse water from the industrial palm oil extraction process for ferti-irrigation, thus providing nutrients to palm plantations.



The organic fertilizer applied to **GREPALMA** member plantations, obtained from the empty bunches resulting from the palm oil extraction process, reduce the use of around 10,000 metric tons of chemical fertilizers per year.



The organic fertilizer used in oil palm plantations provides nutrients to the crop and contributes to the physical, chemical and biological enhancement of the soil.



Over 5,000 hectares of forests conserved in **GREPALMA** member palm farms contribute to the conservation of biodiversity.



River bank areas located within the boundaries of palm farms provide multiple benefits to the area's ecosystem of plantations, among them: they regulate the area's hydrology, conserve soil and river banks, and are the habitat of land and water animals.



Over 40% of GREPALMA's members have conducted studies on biodiversity. One of them reports the presence of over 56 bird species, 16 species of amphibians and reptiles, 17 species of mammals that live in their conservation areas, and 28 flower species.



Protection and conservation of mangrove and species in the mangrove ecosystem.



Certified companies have commissioned studies which have been conducted by third parties to identify High Biodiversity Value, and to identify protected areas, ecosystems, and species, among others.



Implementation of reforestation projects to promote environmental protection, for example, a project that conserves over 19,000 forest hectares in the Maya Biosphere Reserve.

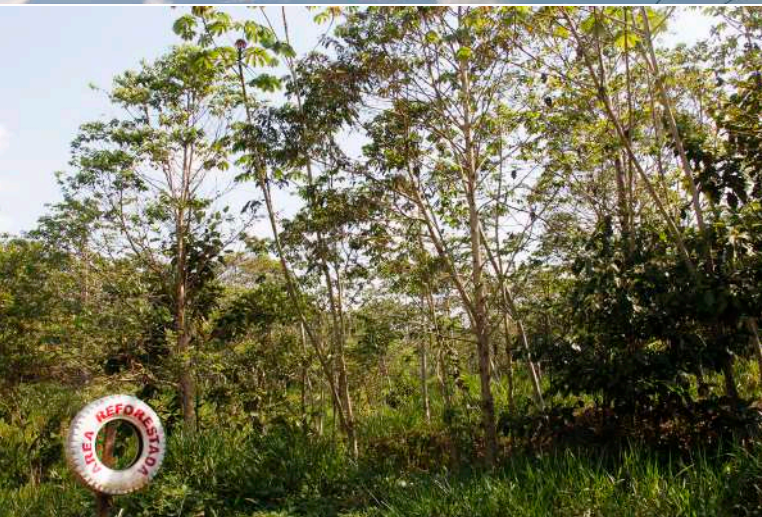
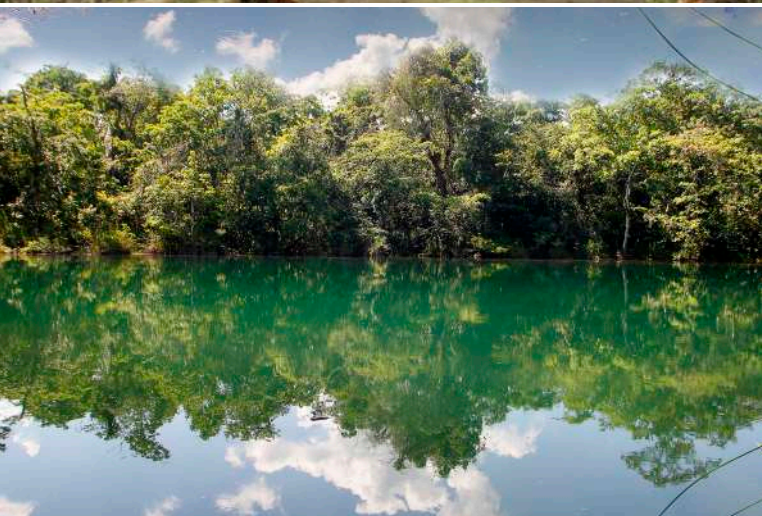


Implementation of energy generation projects with the use of methane gas produced with mill residues.



As of 2018, oil production emissions in Guatemala represented 0.45% of total national emissions (Source: Study Estimation of GHG emissions in the production of palm oil in Guatemala).

Multiple efforts implemented in the regions with palm production in Guatemala show the contributions that are made to the country through environmental preservation and sustainable palm oil production in alignment with the 2030 Agenda to address sustainable development.



GUATEMALA'S OIL PALM PRODUCTION IN ALIGNMENT WITH THE SDGS



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**“GUATEMALA’S OIL PALM PRODUCTION, GLOBAL
PRODUCTIVITY AND SUSTAINABILITY BENCHMARK”**