



SEED FOR THE FUTURE



GREPALMA member of



14 years
Representing the oil palm
sector of Guatemala

Guatemalan oil palm, a key link to building sustainable development

The Guatemalan palm oil agribusiness is an economic development engine for the country; it represents 1.9% of the Gross Domestic Product and contributes to local economies through job creation. Parallel to the contribution of oil palm to build the country's economy, **64% of Guatemala's certified palm oil is registered as sustainable** as it complies with international standards (RSPO and ISCC), placing Guatemala as a leader in sustainable production in Latin America.

At the end of 2021, the Guatemalan palm oil agribusiness exported a record figure of more than

US\$715 million

exceeding 2020 exports and foreign exchange earnings by 56% despite the global adverse effects on the economy, according to data from the Central American Business Intelligence (CABI).

Among the positive factors for the palm sector are international palm oil prices, which, during 2021, despite a slight drop in December, exceeded those of the last 5 years with a peak of up to US\$1,370 per ton, CIF Rotterdam between October and November last year.

Palm oil production in Guatemala reached 942,000 metric tons during 2021, which is a global market share of 1.25%. Currently, **the country is the 3rd largest world exporter of this raw material and the 2nd largest producer in Latin America.**

The Guatemalan palm oil agribusiness continues to make important contributions to the country's economy through job creation, foreign exchange revenues, tax contributions, among others. In addition to this, our sector continues to implement efficient and environmentally friendly agro-industrial practices with the vision of remaining a benchmark in productivity and sustainability worldwide.

30,000
direct jobs

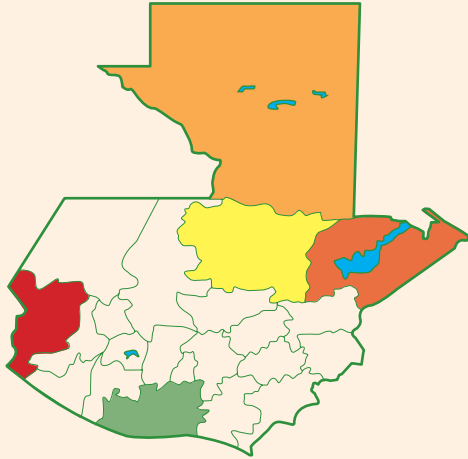
150,000
indirect jobs

were created during 2021

Almost 80% of the oil produced in Guatemala is destined for export. During 2021, the main export destinations were the Netherlands (24.8%), Italy (22.4%), Spain (21.5%), Mexico (13%) and other countries in the Latin American region.

This promotes formal and secure employment, which represents growth opportunities for workers and their families. Based on the minimum wages established in the legislation in force in Guatemala, the palm oil agribusiness pays in excess of US\$130,000,000 in wages in the country, especially in the Northern, Northeastern and Southern regions of Guatemala where palm sector operations have been established.

**At department level,
the oil palm crop contributes:**



- **29.6% of the GDP** of the Department of Petén.
- **10.3% of the GDP** of the Department of Izabal.
- **8% of the GDP** of the Department of Alta Verapaz.
- **2.7% of the GDP** of the Department of San Marcos.
- **3.1% of the GDP** of the Department of Escuintla.

As of March 2021, according to information from Satelligence –an organization with international support specialized worldwide in the scalable processing of radar images and optical satellites – Guatemala has around 180,614 hectares of oil palm planted, representing 2.46 % of arable area in Guatemala.



Partner in the integral development of the Guatemalan people

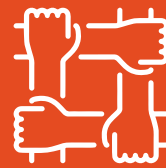


The Guatemalan oil palm sector has in place a number of actions to contribute to Sustainable Development Goals (SDG), specifically, the SDGs that frame efforts in good health and well-being, quality education, gender equality, decent work and economic growth, clean water and sanitation, responsible production and consumption, climate action, life of terrestrial ecosystems, and promotes strategic partnerships to achieve the objectives, contributing to the country's efforts to advance in the integral development of Guatemalans.

In terms of health and food security, close to 46,000 persons benefitted during the year with over US\$840,000 in investment. To face the health issues of 2020, palm sector companies contributed US\$1.2 million toward health care in five Covid-19 hospitals. Contributions continued in 2021, specifically for Covid-19-related care. An investment of over US\$ 220,000 benefitted more than 26,000 persons.

During 2021, 89 initiatives to support the education of Guatemalan children were implemented, which benefitted around 12,000 children per year. **GREPALMA** member companies invest over US\$110,000 to this effort.

About 15 thousand people benefit from programs and projects for access to local utilities with more than US\$1.1 million in annual investment.



The contributions by the Guatemalan oil palm sector

to the local development of neighboring communities goes beyond the creation of employment and the revamping of local economies, to promote the well-being of people.

Environmental conservation, pillar of the palm-growing sector

The motivations of the Guatemalan palm oil agribusiness to contribute to the preservation of natural resources and minimize environmental impacts are various, but at their core is social benefit, especially of the populations that live in areas adjacent to palm cultivation and milling.

In addition to social benefits, numerous actions that help mitigate negative impacts also improve efficiency, which builds a more competitive sector. Therefore, environmental goals take into account reality and economic feasibility to ensure that balance can be attained and maintained among the three pillars of sustainability (economic, social and environmental) in palm oil production in Guatemala.

Some of the major actions in the area of environmental conservation that the palm-growing sector is implementing in Guatemala are:



80% of the oil palm plantations in Guatemala are reliant on rainfall. Only 20% use efficient irrigation systems, and make responsible use of water resources.



All the mills of **GREPALMA** members reuse the water that comes out of the industrial palm oil extraction process for fertilization-irrigation, thus providing nutrients to palm plantations and avoiding its disposal in water bodies.



Management of the residues that come from the palm oil extraction process is done with the use of technologies for their final treatment or disposal, namely: septic tank, bio deposition, treatment plant and other technologies that allow their use as compost, ferti-irrigation systems and biodigesters.



More than 122,300 metric tons of compost are used in **GREPALMA** member oil palm plantations. This organic fertilizer obtained from the empty bunches resulting from the extraction of palm oil reduces the use of around 11,000 metric tons of chemical fertilizers per year.



Contributions are made to the physical, chemical and biological enhancement of the soil through nutrients that provide organic fertilizer applied to oil palm plantations.



More than 11,000 hectares of conserved forests in oil palm farms associated to **GREPALMA** contribute to the preservation of biodiversity.



Riparian areas located in palm farms offer multiple benefits for the ecosystems of plantation areas, among them: they regulate the hydrology of the area, preserve the soil and river banks, and they are the habitat for land and water animals.



50% of the **GREPALMA** partners have biodiversity studies or monitoring. This has made it possible for them to learn of the richness of biotic resources in the areas studied. Its results have been key to implementing actions aimed at balancing the ecosystem where oil palm is one of the elements that make it up.



A sample of the commitment to preserve biodiversity are the results of High Conservation Value studies that identify more than 56 species of birds, 16 species of amphibians and reptiles, 17 species of mammals and 28 species of flora within a protected natural reserve.



Projects for the protection and conservation of mangroves and species in the mangrove ecosystem in the palm-growing region in the South of the country have been implemented.



In order to promote environmental protection, conservation projects have been carried out in the Maya Biosphere, Laguna del Tigre Park and El Rosario National Reserve. It is estimated that 28,400 hectares of forest are currently preserved in the Maya Biosphere Reserve and Laguna del Tigre Park, through the efforts and direct investments by oil palm companies.



50% of **GREPALMA** members have developed projects for the generation of renewable energy, namely: hydro, solar, biomass, and methane gas, thus contributing to mitigate greenhouse effect gas emissions.



More than 50% of **GREPALMA** members have assigned human resources to address environmental issues to ensure abidance by national laws applicable to oil palm operations, as well as international certification processes and environmental conservation commitments assumed.



Measuring the carbon footprint of the sector shows that palm oil production emissions in Guatemala represent 0.45% of total national emissions. Even so, we prioritize actions to reduce GHGs.

SUSTAINABLE DEVELOPMENT GOALS

13 CLIMATE ACTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



● A D V A N C I N G I N T H E ●

ZERO DEFORESTATION

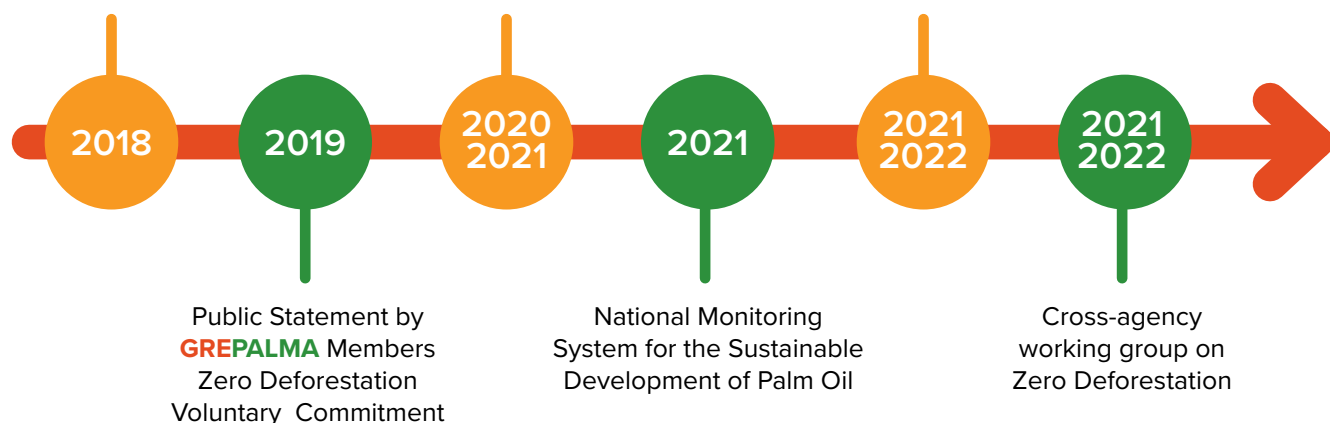
VOLUNTARY COMMITMENT

Actions undertaken by **GREPALMA** and its members in the period 2018-2022

Environmental and Climate Change Policy by **GREPALMA** and its members

Satellite Monitoring Study for the sustainable development of palm oil production in Guatemala

Permanent satellite monitoring of palm plantations and surrounding areas



The Palm Growers' Association of Guatemala (**GREPALMA**) published in 2018 the **Environmental and Climate Change Policy by GREPALMA and its Members**, whose objective is to provide strategic guidelines for the improvement of environmental management, adaptation and mitigation of climate change throughout the palm oil production chain, including actions for monitoring and evaluating progress.

The Policy was developed within the framework of the cooperation agreement between the Low-emissions Development Project of the United States Agency for International Development (USAID) and the Chamber of Agriculture (CAMAGRO). This policy is based on eight strategic pillars and their respective lines of action: Pillar 1: Water Management in Plantations and Processing Plants, Pillar 2: Actions for Mitigation and Adaptation to Climate Change, Pillar 3: Solid Organic and Inorganic Waste Management, Pillar 4: Soil Management and Conservation, Pillar 5: Conservation and Restoration of Biological Diversity, Pillar 6: Social Relations, Pillar 7: Systematization and Dissemination of Information on the Environment and Climate Change, and Pillar 8 : Capacity building.

In response to Strategic Pillar 5: **Conservation and Restoration of Biological Diversity** and its three action lines: 1) Avoid the loss of natural forests in new areas of cultivation; 2) Forest restoration within the lands managed by palm producers and in strategic zones within their areas of influence and; 3) Establishment of biological corridors or connectivity zones for isolated ecosystems, **GREPALMA** and its members signed, in 2019, the **Zero Deforestation Public Voluntary Commitment Statement**.

Through accession to the Zero Deforestation Voluntary Commitment, **GREPALMA** and its signatory members state the following commitments:

- 01 to not deforest natural forests for oil palm cultivation,
- 02 to contribute to environmental conservation and restoration in favor of sustainable development,
- 03 to ensure that their palm oil production is free of deforestation,
- 04 to act under principles of extended responsibility, influencing the practices of the stakeholders in their value chains;

-  Water Management in Plantations and Processing Plants
-  Actions for Mitigation and Adaptation to Climate Change.
-  Solid Organic and Inorganic Waste Management.
-  Soil Management and Conservation.
-  Conservation and Restoration of Biological Diversity.
-  Social Relations.
-  Systematization and Dissemination of Information on the Environment and Climate Change.
-  Capacity building.

- 05 to collaborate nationwide with the creation and promotion of the Zero Deforestation Voluntary Agreement in the palm oil chain in Guatemala, which will come into force in 2020 and;
- 06 to participate in dialogue to promote the commitments acquired through this public statement and encourage other stakeholders in the chain to join.



GREPALMA MEMBERS

WHO HAVE EXPLICITLY JOINED

THE COMMITMENT

2019 - 2021

- AGRIPALMA, S.A.
- AGROINDUSTRIA PALMERA SAN ROMAN, S.A.
- AGROPECUARIA NUEVO SAN CARLOS, S.A.
- AGROPECUARIA RAUDALES LA CACHIMBA, S.A.
- ASESORÍA TÉCNICA PROFESIONAL DEL PETÉN, S.A.
- BALEU, S.A.
- CORPORACION UNIACEITES, S.A.
- CAUCHOS Y PALMAS, S.A.
- COROZAL, S.A.
- CORPORACION PALMAS SAN AGUSTIN, S.A.
- DESARROLLO DE PROYECTOS E INVERSIONES DE GUATEMALA, SOCIEDAD ANÓNIMA (DEPROINGUA, S.A.)
- ENTRE PALMAS S.A.
- GRUPO HAME
- INDUSTRIA DE JABONES Y DETERGENTES LAS PALMAS, S.A.
- LAGUNA BLANCA, S.A.
- NATURACEITES, S.A.
- PALMERAS CAPITAL, S.A.

GREPALMA has promoted specific initiatives to advance in the fulfillment of this commitment, namely: 1) Implementation of the Satellite Study for the sustainable development of palm oil production in Guatemala carried out between 2020 and 2021 by Satelligence; 2) National Monitoring System for the Sustainable Development of Palm Oil, implemented in 2021.

SATELLITE BASED STUDY

for the sustainable
development of palm oil
production in Guatemala

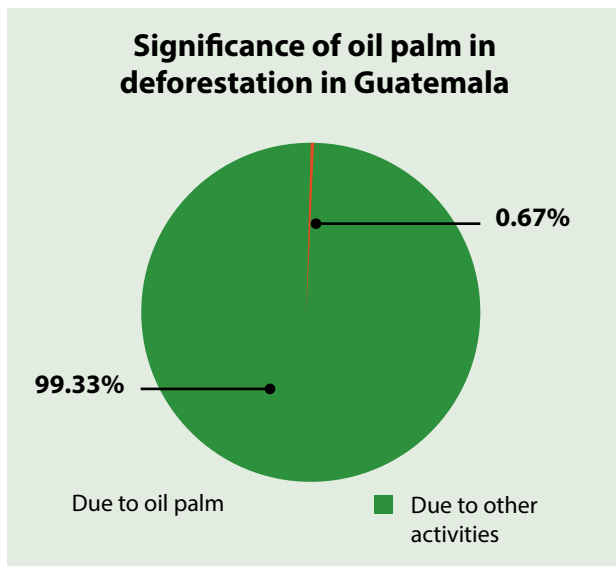
The results of the study, presented in May 2021, are of the satellite monitoring of 37,770 km² of Guatemalan territory, which includes part of the departments of Petén, Izabal, Alta Verapaz, Escuintla, San Marcos, Suchitepéquez, Retalhuleu, Quetzaltenango, Quiché and Chimaltenango where palm cultivation areas and their surroundings were monitored.

The satellite image analysis done of the period 1989-2020 by Satelligence, with a **98.6%** accuracy rate determined that a total of **180,614** hectares are planted with oil palm in Guatemala, which is 1.67% of the arable land in the country, based on data updated to 2020; the analysis done of the last 32 years shows that that 16,470 hectares out of this extension are associated with deforestation.



*"Unlike most oil palm producing countries, over **90%** of the plantations in Guatemala have been established on low carbon- level land and are not associated to deforestation" reported Niels Wielaard, founder and director of Satelligence during the presentation of the study.*

According to data from the Guatemalan Forest Information System, between 1989 and 2020 around 2,455,617 hectares of forest were lost in the country. Considering this information and the findings of Satelligence, it is estimated that oil palm cultivation represents 0.67% of total deforestation nationwide.



Source: Made by GREPALMA with information from the Forest Information System of Guatemala and Satelligence.

NATIONAL MONITORING SYSTEM

for the Sustainable Development of Palm Oil in Guatemala

The results of the satellite study for the sustainable development of palm oil production in Guatemala became the starting point for the National Monitoring System for the Sustainable Development of Palm Oil in Guatemala, which defines three lines of action:

01

Permanent satellite monitoring of GREPALMA member oil palm plantations to ensure a deforestation-free supply chain;

02

Creation of the Zero Deforestation cross-agency working group with public and private stakeholders, academia and international organizations to follow up on and further pursue commitments made and;

03

Promotion of environmental conservation programs, projects and initiatives.

Based on the results of this study, satellite monitoring was established to verify compliance with the Zero Deforestation commitment assumed by GREPALMA and its members, with the technical support of Satelligence. Monitoring is currently in force for the period 2021-2024.



SATELLIGENCE REPORTS

FOR 2020 - 2021

Monitoring period reported on by Satelligence	Hectares deforested to grow oil palm (GREPALMA member farms)
October – December de 2020	0 (zero hectares)
January – March de 2021	0 (zero hectares)
April – June de 2021	0 (zero hectares)
July – September de 2021.	0 (zero hectares)
October – December de 2021.	0 (zero hectares)

Currently, about 11,000 hectares of preserved forest are under management schemes within the farms of **GREPALMA** members. Likewise, companies in the sector support efforts to preserve biodiversity. An example of this is the conservation of more than 19,000 hectares in the Maya Biosphere Reserve with the direct support of palm growers and international organizations. Added to this, there are conservation projects in the Laguna del Tigre Park and El Rosario National Reserve.

This shows the commitment of the palm-growing sector of Guatemala toward environmental conservation and the sustainable production of palm oil.

In 2021, the Zero Deforestation Cross-agency Working Group was formed with the participation of: Ministry of Environment and Natural Resources (MARN); National Protected Areas Council (CONAP); National Forest Institute (INAB); the Forestry Association; the Solidarity Network; Del Valle University of Guatemala (UVG); Ministry of Agriculture, Livestock and Food (MAGA); and **GREPALMA**

The objective of this working group is to design initiatives to promote environmental management, conservation and restoration, as well as to promote the sustainable development of oil palm cultivation in Guatemala.



Currently, the group is in the process of designing and establishing environmental projects to be carried out jointly starting in 2022.

The actions promoted by **GREPALMA** based on the concept of the Environmental and Climate Change Policy and the resulting initiatives on environmental matters are aligned with the Sustainable Development Goals and are part of the advances in the sustainable production of palm oil in Guatemala.

ABOUT SATELLIGENCE



Internationally supported Dutch organization specializing worldwide in scalable processing of radar imaging and optical satellites; currently working with public and private organizations with an environmental and social emphasis, as well as with major clients and buyers of palm oil interested in demonstrating a deforestation-free supply chain. More information in <https://satelligence.com/about-us>



Advances in terms of respect for Human Rights: actions by GREPALMA and its members during the period 2020-2022

In 2014, **GREPALMA** joined the efforts of the organized business sector in Guatemala in the area of human rights and business, by adopting the Institutional Business Policy on Human Rights of the Coordinating Committee of Agricultural, Commercial, Industrial and Financial Associations (CACIF) and the Policy of Respect for Human Rights of the Chamber of Agriculture, published in 2018.

In 2020, three **GREPALMA** member companies participated in the Program for the Integration of Respect for Human

Rights in Business Practices in the Palm Oil Sector, developed with the International Labor Organization (ILO) and with the support of the Chamber of Agriculture and **GREPALMA**. In this project, capacity was built to implement due diligence processes and thus manage real and potential risks in terms of human rights to prevent or mitigate impacts on workers and communities in areas of influence.

At the same time, within the framework of the REFRAME Project of the International Labor Organization (ILO) financed by the European Union, GREPALMA worked with the organization CEGESTI and the support of the Chamber of Agriculture, in two phases in the area of human rights and business.

The result of the first phase was the [Policy of Respect for Human Rights of GREPALMA and its members](#), published in August 2020. The palm oil sector was the first agricultural sector in Guatemala to adopt and launch a human rights policy in the country. With this, it reaffirmed its commitment to respect human rights. Grepalma has been working for a long time in this cross-cutting matter, as the sector progresses in the sustainable production of palm oil in Guatemala, which in turn, is aligned with the Sustainable Development Goals (SDG).

In the second phase of the REFRAME project, two implementation tools for the GREPALMA Policy were developed:

1 The [Guide on Risk Management in the Palm Oil Agroindustry](#) was created to identify potential human rights risks and to manage social and environmental risks in the palm oil agribusiness to ensure respect for human rights.

The objective of this guide is to help oil palm growers in Guatemala to identify, prevent, mitigate and respond to current or potential human rights risks, including the ILO's fair hiring principles. It is, therefore, an instrument that will contribute to systematize the due diligence process that consists of an annual evaluation of company-level operations to identify the strengths and areas of opportunity to prevent and mitigate human rights risks.

2 The GREPALMA Virtual Resource [Center for Business Due Diligence and Fair Hiring](#) was created.

This is a virtual tool that helps achieve the objective of GREPALMA members' Policy of Respect for Human Rights, which consists of ensuring the promotion of respect for human rights in all palm grower operations, by managing human rights risks through capacity creation and building at all levels, the inclusion of due diligence processes and the promotion of dialogue among stakeholders.

The Policy's implementation process includes a fundamental pillar of ongoing education in human rights and due diligence, which began in 2021 with the development of two training programs that give continuity to priority area number 1 of the Policy on Respect for Human Rights of GREPALMA and its Members. It requires building the skills of GREPALMA members and their staff as an essential element to address respect for human rights and compliance with applicable legislation.

The first course, called Human Rights Training Program was taught by the CEGESTI organization, which has extensive experience in topics related to human rights in Guatemala and in other countries in the region.

Then, the Training Program of the Project Promoting Social Excellence in the Guatemalan Palm Sector was offered to GREPALMA member companies and civil society organizations, coordinated by the Earth Worm Foundation and GREPALMA to build technical capacity and address priority human rights issues.

The education program will continue in 2022 to specifically address Human Rights Due Diligence, to build knowledge on Human Rights and Business, and at the same time give participants tools, instruments and experiences to put action into practice to respond to the "respect" human rights pillar within the framework of the United Nations' Guiding Principles on Business and Human Rights (UNGP).



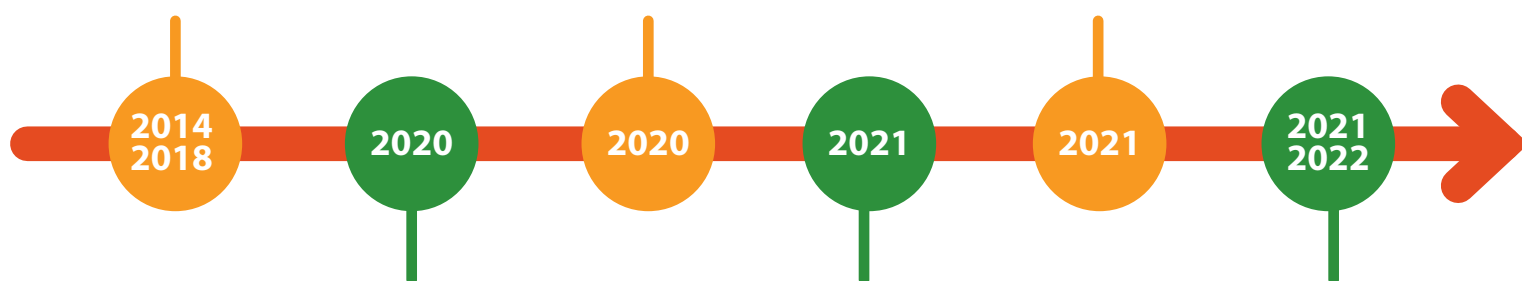
Advances in terms of respect for Human Rights 2014-2022

GREPALMA and its members sign a commitment to respect human rights, thus joining the effort started by business organizations. (CACIF and Agricultural Chamber Policy)

GREPALMA y and members' policy on Respect for Human Rights.

Built within the framework of ILO's Program

Virtual Resource Center
Business Due Diligence and
Fair Hiring



Program for the inclusion of respect for human rights in business practices in the palm sector

Guide on risk management in Human Rights in the Palm Oil Agroindustry

Ongoing education in human rights and due diligence

Policy Implementation



Organización
Internacional
del Trabajo

ACT/EMP



Palm Oil

Nutrition and health

Fats and oils are an essential part of human food and nutrition

25%
DAILY
FAT DIETARY
RECOMMENDATION

FROM PALM OIL COME:

- **Palm Olein**
- **Palm Stearin**

which are used in the food industry.

THEIR CONTRIBUTION TO THE BODY

- Food Energy
- Vitamins A and E
- Minerals
- Antioxidants
- Essential Fats

TO FOOD

- Improves food texture
- Makes food more pleasant to the palate
- Preserves food's flavor
- Contributes greater stability to edible duration

NATURALLY FREE FROM TRANS FATS

Its natural state tends to be solid; it does not go through chemical processes that create trans fats as is the case with other vegetable oils used in the production of vegetable margarine.

SAFE FOOD

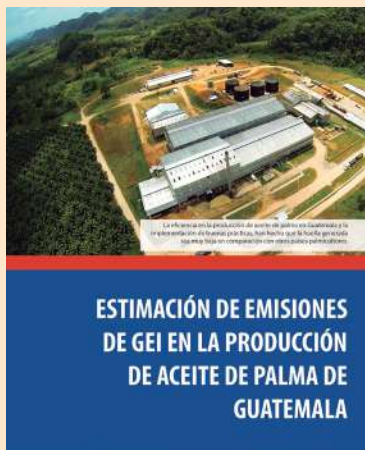
Scientific evidence shows that palm oil consumption contributes good cholesterol to the body, reducing the risk of coronary heart disease.



DAILY FAT DIETARY RECOMMENDATION

For the Guatemalan adult population, the recommendation is between 20% and 30% of total dietary energy. However, it is recommended that intake not exceed 25% of total dietary energy.

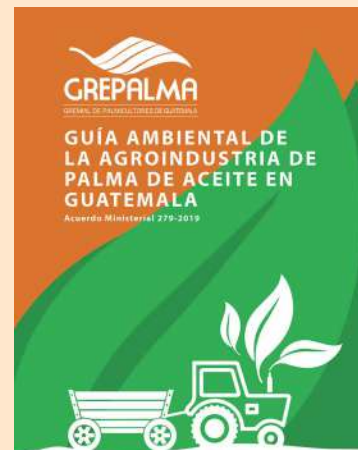
STANDARDS ADOPTED AND POLICIES PROMOTED IN GUATEMALA'S PALM CULTURE



GHG study in oil palm production in Guatemala



Environmental and Climate Change Policy by **GREPALMA** and its members.



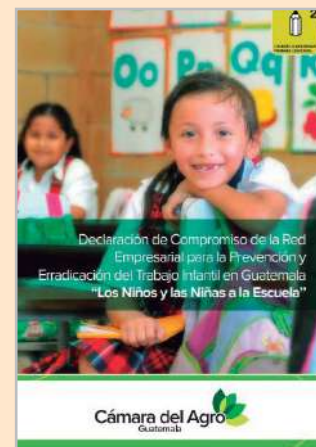
Environmental Guide of the Oil Palm Agroindustry in Guatemala



Public statement of the Volunteer Zero-Deforestation Commitment



Camara del Agro's Members Laboral Policy



GREPALMA, member of the Business Sector Network for the Prevention and Eradication of Child Labor in Guatemala "Boys and Girls to School"



Human Rights Respect Policy by **GREPALMA** and its members



Zero-Deforestation Satellite Monitoring Project for oil palm in Guatemala



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