

Response to Allegations from Christian Initiative Romero (CIR)

Industria Chiquibul is committed to sustainable development and responsible practices, recognizing human and labor rights and environmental protection as fundamental values. We promote social development based on three main pillars: People, Planet, and Prosperity and in guidance of our company's purpose.

With regards of the recent information paper "In the shadow of the palm Oil," published by the Christian Initiative Romero (CIR), were accusations suggested our involvement in illegal land rights, labor rights and unproper waste management, Industria Chiquibul S.A. would like to clarify the following information, as part of its commitment with transparency with our stakeholders and partners.

In December 2023, we received a communication indicating our mention in the article by CIR who was previously published and internally addressed. Industria Chiquibul approached CIR multiple times to gain a comprehensive understanding of their allegations and sources, yet we have not received any communication back from their side. With regards to thos statement and after investigations there are no legal processes involving Industria Chiquibul in cases related to labor rights, waste management and land rights.

To address these concerns, we substantiate our position with all the necessary documentation that supports our internal analysis.

1. Land rights and new Plantations
 - a. Industria Chiquibul land purchase policy is in strict accordance with legal land rights.
 - b. Industria Chiquibul purchased lands where it cultivates palm oil from individuals who have legitimate property titles and rights.
 - c. The company has a strict purchasing process which involves a thorough due diligence and analysis of property rights, as part of the legal compliance.
 - d. The company does not appropriate indigenous lands and it does not engage in fraudulent appropriate of lands.
 - e. Operations are carried out exclusively within Industria Chiquibul S.A legal property.

2. Waste Management and Effluents

- a. Industria Chiquibul does not divert wastewater from the processing plants and treats its effluents in a sophisticated water treatment system involving seven oxidation ponds, two biodigesters which reduce carbon emissions and accelerate decomposition of DQO, and an irrigation system from the last oxidation pond. The effluent is irrigated at permissible DQO levels and in areas that have no drainage systems and are more than 1 km always from any river streams. At the following link you can look up at our biodigesters and how they work: <https://youtu.be/rkBZGrI8fjQ?si=5PJLLJ8y6UVQbNEG>
- b. The company organizes biannual participatory monitoring of water quality passing through our plantations and adjacent water sources with the presence of specialized biologists and interest parties.

3. Human and Labor Rights

- a. Industria Chiquibul works strictly in compliance with local laws and is consistently visited by the Guatemalan Ministry of Labor. We have a Human Rights Policy that is followed and respected in all our operations. You can download our policies in our website <https://industriachiquibul.com/desarrollo-sostenible/>
 - b. Industria Chiquibul abides by local employment legislation. Attached you can find payrolls and other information regarding labor rights and work targets <https://cloud.uhi.com.gt/index.php/s/IFrxbEew1t9lpmT>
 - c. Industria Chiquibul does not intimidate its employees nor puts pressure for the RSPO certification. It is working towards the RSPO certification, but it has not had any visit from RSPO auditors or RSPO delegates demonstrating that this claim is evidently false. As the RSPO process establishes, the audit will be scheduled once all the requirements have been met by the company.
 - d. Industria Chiquibul did not attempt to evict 200 families in Sayaxche in April 2020. Chiquibul's agriculture team attempted to access its plantations which had been illegally occupied by a group of people who were illegally blocking the entrance since March 2020. There were no communities living in these areas. Industria Chiquibul filed the claim for its illegal land occupation and the authorities acted according to legal property rights. In December 2020, the illegal land occupants blocking the entrance of the plantation left before authorities arrived to displace an illegal occupation. As mentioned before, the company operates in accordance with the law, and has the legal ownership of the farming states.
 - e. The 300 people mentioned who were dismissed in 2019 were liquidated and received their severance payments in December 2019 in the Ministry of Labor. Industria Chiquibul has the appropriate documentation to demonstrate that this group of people received their severance payment alongside the Ministry of Labor. Attached you can find samples of the severance payment. <https://cloud.uhi.com.gt/index.php/s/IFrxbEew1t9lpmT>
4. Industria Chiquibul did not suspend its CSR progress report and is consistently sending. To become part of the company's mailing list, please send us your email address to receive our monthly report. Also, you can find them in our webpage <https://industriachiquibul.com/boletines/>

Industria Chiquibul, S.A has contributed significantly and continues contributing to the economic development of the Alta Verapaz and Petén region and its surrounding municipalities. The company believes heavily in its environmental obligations and has demonstrated its commitment with its continuous and costly investments in improving its effluent treatment system. We are committed to transparency and in strict adherence to our Sustainability, Human Rights and NDPE policies in alignment with human rights, environment, and labor rights.

Industria Chiquibul's commitment towards sustainability remain strong, as well as achieving the RSPO certification, and invites anyone interested in seeing the work that has been done in Alta Verapaz and Peten, thriving as constructive stakeholder in the region and works for the long-term sustainability in the region.



Sincerely,

Monttse López

Sustainability Manager

Industria Chiquibul S.A.