



11 November, 2015

Urgent Memo:

To [global palm oil traders] –

The undersigned organizations are writing to express our deep concern about recent developments in the Guatemalan palm oil sector. We are appealing to you and your company to take immediate action to help stop an escalating human rights crisis.

On September 18, 2015, human rights defender and schoolteacher Rigoberto Lima Choc was murdered, and three others – Mr. Hermelindo Asij Mo, Mr. Lorenzo Pérez Mendoza and Mr. Manuel Perez Ordoñez – were kidnapped in the Petén region of Guatemala. The murder and kidnapping occurred shortly after a criminal court ordered palm oil company *Empresa Reforestadora de Palma de Petén SA (REPSA)* to suspend operations based on charges that Mr. Lima and his environmental group had filed denouncing the pollution of waterways caused by REPSA when its effluent ponds overflowed into the Pasión River.[1]

The region of Sayaxché, where REPSA operates, has long been profiled as a troubled region due to a history of land and labor conflicts directly related to the palm oil industry since the late 1990's. More recently, REPSA was involved in labor conflicts that led to an investigation by the Ministry of Labor in 2012. [2] The current conflict began in April, 2015 when a massive fish kill along a 100-mile stretch of the Pasión River affected an estimated 12,000 people from 18 communities.

Civil society groups in Guatemala and across the world are committed to holding REPSA to account for its irresponsible practices and are working to confirm companies that source from or may be at risk of sourcing from REPSA. Due to the continued lack of transparency and traceability of palm oil supply chains in the Mesoamerican region, we are appealing to your company to immediately determine if you have a sourcing relationship with *Empresa Reforestadora de Palma de Petén SA (REPSA)*. If so, we urge you to publicly disclose this relationship and intervene directly, or risk becoming connected with the tragic events surrounding this company.

Given that your company has committed to only sourcing palm oil from suppliers that are complying with a high standard of responsible production practices, including upholding human rights, it is imperative that your company takes immediate action to engage suppliers in this region and prevent future abuses of this nature. The tragedy of Rigoberto Lima's death should compel your company to take the following actions as a matter of urgency:

- That you publicly disclose if your company has a sourcing relationship with Empresa Reforestadora de Palma de Petén SA (REPSA);
- That you immediately and publicly suspend sourcing, and any other contractual relationships your company may have with REPSA, if it is identified as a supplier ;
- That you publicly disclose the due diligence and risk assessment processes that your company undertakes in order to ensure its suppliers uphold human rights in Guatemala;
- That you publicly disclose the verification mechanisms that your company is using to trace its palm oil supplies to the plantation level in Guatemala.
- That you publicly notify all palm oil growers with whom your company has a sourcing relationships that your company has a “No Tolerance” policy for violence and human rights abuses, and;
- That you work with suppliers to create public maps that identify palm oil concessions, refineries and mills, starting with Guatemala and the wider Mesoamerican region.

It is absolutely unacceptable that individuals like Rigoberto Lima put their lives at risk when they hold companies like REPSA accountable for the human rights and environmental impacts of their operations. A recent landmark case, which set the international precedent requiring State protection of at-risk environmental defenders, applies to Mr. Lima's assassination in terms of the culpability of Guatemala [5]— and by extension to the implicated corporate palm oil actors via the UN Guiding Principles on Business and Human Rights. It is imperative that companies like yours make all efforts possible to respect and help protect at-risk environmental and land rights activists, and support their human right to freedom of association, as mandated in this legally-binding case.

Human rights abuses related to the palm oil industry in Mesoamerica are becoming well known, increasingly well documented, and widespread across the region. This most recent killing comes after years of similar violent incidents traced to the operations of the palm oil company *Grupo Dinant* in neighboring Honduras – a company noted by the World Bank's Office of the Compliance Advisor Ombudsman (CAO) for having “conducted, facilitated, or supported forced evictions of farmers,” and of having made “inappropriate use of private

and public security forces under Dinant's control or influence" [6] related to widespread violence in the Aguan Valley of Honduras.[7]

There is growing global recognition of the need to address social and environmental concerns in the activities of the palm oil sector in Southeast Asia; however, the reputation of the global trade, and of global traders, can be severely damaged by rogue companies in Latin America and Africa. We believe that your company has an opportunity to help prevent such violence in the future. We hope that you will proactively engage on this issue and seize this opportunity to halt irresponsible developments in the palm oil industry in Guatemala and across Mesoamerica.

Thank you for your prompt attention to this serious matter. We look forward to your response.

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Tom Griffiths, Coordinator of Responsible Finance Program, Forest Peoples Program
Scott Paul, Chair, Forest Heroes
Henk Hobbelink, Coordinator, GRAIN
Chuck Kaufman, National Co-coordinator, Alliance for Global Justice
Beverly Bell, Other Worlds

Notes

- [1] Guatemalan activist murdered after court suspends palm oil company operation. Web. <http://news.mongabay.com/2015/09/guatemalan-activist-murdered-after-court-suspends-palm-oil-company-operations/>
- [2] Palma Africana en Sayaxché: millonario negocio sin garantías sociales, ambientales y laborales. Web. <https://cmiguate.org/palma-africana-en-sayaxche-millonario-negocio-sin-garantias-sociales-ambientales-y-laborales/>
- [3] "Honduras / Dinant-01/CAO Vice President Request." Office of the Compliance Advisor/Ombudsman: The World Bank, 17 Apr. 2012. Web. <http://www.cao-ombudsman.org/cases/document-links/links-188.aspx>
- [4] "Resumen Del Informe Anual Del Banco De México, S. A." El Trimestre Económico 45.179(3) (1978): 767-72. CONADEH, 2012. Web. http://app.conadeh.hn/Anual2013/informes/CONADEH_2012.pdf
- [5] "Kawas vs. Honduras: Protecting Environmental Defenders". Journal of Human Rights Practice. Vol.3 No. 3. pp.309 –326.Oxford University.2011 Web. <http://jhrp.oxfordjournals.org/cgi/content/full/hur020?ijkey=TmPlyBcvZYHLh18&keytype=ref>
- [6] http://www.cao-ombudsman.org/cases/document-links/documents/DinantAuditCAORefC-I-R9-Y12-F161_ENG.pdf
- [7] http://app.conadeh.hn/Anual2013/informes/CONADEH_2012.pdf