



1. I report that Ocho Sur holds itself up as a model of sustainable development, has signed pacts with local communities to conserve the native ecosystem, has replaced its trucks and tractors with mules and water buffalo, and has vowed not to expand its operations into standing forest. I report that you say Ocho Sur has never deforested anything. Is this accurate?

Summary of our response: We believe that true sustainability is sought, but never actually achieved. It is a process of continual testing, assessment, evaluation, and changes based on new and updated data and information. While these improvements hopefully become smaller as organizations approach limits, a company that believes that it has arrived at its destination will soon find itself directionless, without goals. It would be accurate to say that we have poured ourselves into the process of continuous self-evaluation and improvement and we believe that some of what we have done can serve to guide others on the same quest. But, in almost all cases, everything must be contextualized. Replacing trucks and tractors with animals helps us achieve the goal of reducing fossil fuel consumption in a place where the transportation and use of these fuels presents materially higher risks to the environment than in other parts of the world, and where there is a potential risk that some of that fuel ends up traded to cocaine drug-traffickers. So, in our case, an evaluation of the options yielded the decision to switch to animals. But there are pros and cons that must be carefully analyzed in each context. It is true to say that we have not expanded our palm footprint, ever. And that we have no intentions of ever doing so in any way that impacts standing forests negatively. And, it is also accurate to say that we have never deforested anything.

2. I report that Ocho Sur is the largest employer in Ucayali, accounting for half of its exports and providing opportunities to thousands of people who would otherwise be clearing forests for cattle or short-lived crops such as cassava and that the company has, in recent years, spent \$3 million building roads, schools, and medical clinics. Is this accurate?

Summary of our response: Some of that is correct. We are the largest private lawful employer in Ucayali, where formal and decent employment opportunities are quite scarce. And we have spent \$3M in community service activities in recent years working hand in hand with communities on the priorities that they identify as the most crucial to improve their quality of life and their chances for a better future. The incorrect part is that we do not build roads. Our work on roads is always maintenance work on roads that already exist, roads that are already part of the formal road system of the region and we do that work under formal agreements with the relevant authorities. Our goal in this is to help ensure that the parts of the region where development has already occurred function well so that people are motivated to remain there instead of to develop new areas.



3. I report that an indigenous activist, Washington Bolivar, was once an opponent of Ocho Sur's plantations, but now supports them for improving the community's quality of life. Your response?

Summary of our response: You also asked me about this on the phone, I believe that you asked whether it would be fair for you to characterize Mr. Bolivar as a "hired gun". I was offended by your question. The ability to change one's mind is a fundamental aspect of human rights. This capacity is rooted in freedoms of thought, conscience, and expression, which are protected under various international human rights frameworks, including the Universal Declaration of Human Rights. These freedoms imply that people should have the liberty to form, alter, and express opinions and beliefs without coercion, fear of retribution, or undue influence. People grow, learn, and evolve over time, and this evolution often leads to shifts in perspective. Denying this right would limit an individual's ability to adapt and respond to new information, experiences, and insights, which is essential for personal freedom and growth as much as an expression of intellectual integrity. The "hired gun" characterization resembles the perspective of certain NGO groups who are unwilling to accept that opinions that differ from their own ideological blueprints have not been corrupted. The case of Washington Bolivar reflects both the weight of evidence that Ocho Sur is trying to promote equitable and sustainable development in the Peruvian Amazon, and that Mr. Bolivar is an open-minded person.

3. I report that entities controlled by Dennis Melka cleared roughly 30,000 acres for the Tibecocha and Zanja Seca plantations, and that this development built on former employees from a US-funded development program to give farmers a money-making alternative to coca. Is this correct, to your knowledge?

Summary of our response: Our two farms on which palms are planted have 10,000 hectares of palms on them. Our understanding is that these 10,000 hectares of land had been logged for their valuable hardwood species over many decades. Once satellite imagery started becoming available, the images of these lands show the hallmark signs of fairly extensive coca leaf cultivation on parts of them in the 1990s. These lands were titled as agricultural land by the regional government over a period stretching from the 1990s to the 2010s. The advancement of roads and the cultivation of other crops and the formation of agricultural associations on these lands are all evident and had all occurred prior to Mr. Melka's arrival. That is in regard to the 10,000 hectares of land where our palms are located. With respect to the part of your question about whether US funded development programs were involved in helping bring alternatives to coca leaf cultivation in Peru, I have been told that both the UN and USAID were among the original sponsors of palm cultivation as an alternative economic activity to coca leaf cultivation in Peru many years ago. And yes, some of the



people who work for us now were involved in those efforts with those development agencies.

4. I report that if Ocho Sur cannot demonstrate that its plantations were not illegally forested, it could risk losing a share of the European market. Is this accurate?

Summary of our response: Our land has not lost any of its forest coverage since we purchased it in 2016. Based on detailed studies and authorizations approved by Peruvian authorities, our lands are classified as agricultural. We comply with the European Union's Zero Deforestation Regulation (EUDR) requirements and our farms are likely the most studied and formalized in the Peruvian Amazon.

5. I report that you draw a sharp line between Ocho Sur and the Melka entities that first cleared the plantation lands, and note that you say Ocho Sur bought the lands at a public auction in 2016. Is this accurate?

It is an objective fact that Ocho Sur bought the land at a public auction in 2016. Both the auction and the entity which carried it out are subject to the supervisory scrutiny of the Peruvian authorities. And it is an objective fact that we are not a "Melka entity". But please see my response above regarding the history of the human activities on the land prior to our arrival. It is quite misleading for you to state that Melka and his companies were the first to clear forests from these lands.

6. I report that 18 out of 19 of the creditors who gained control of the plantations in 2016 nevertheless had ties to entities that funded Dennis Melka's early operations clearing and planting the land as shareholders in United Oils and its subsidiaries. I report that Amerra is the only current shareholder in Ocho Sur that had no part in funding the initial clearing of land. Is this accurate?

Summary of our response: That is inaccurate, and it is unclear what you are suggesting by using the phrase "had ties". It sounds potentially libelous. I believe that your Points 5, 6, 7, and 8 in this set of questions use a series of selected facts and misrepresentations intended to imply that the managers and investors behind UOL are the same as the managers and investors behind Ocho Sur. That is simply not true.

The shareholders of Ocho Sur acquired the land in a public auction in 2016 under the supervision of Peruvian authorities and Peruvian laws. The auction which was the result of the failure of the former owner of the land to pay its debts ended the ownership and control over the land for the previous owner.

7. I report that at the time of United Oil's sale of the plantations, its assets were valued at \$77 million on company balance sheets, about \$25 million more than was owed creditors; that United Oils' bondholders acquired the company's assets in



exchange for forgiveness of their debt; and that the new company they created became Ocho Sur. Is this accurate?

Summary of our response: I have never seen United Oil's books, so I have no idea whether this is accurate.

8. I report that after the purchase, many key personnel remained the same, including Melka, who stayed on for a time as consultant, as well as Alfredo Rivera, Ulises Saldaña, and Krassimir Doldorouf, and that Ocho Sur kept United Oils' offices. Is this accurate?

Summary of our response: I find it neither unusual nor suspicious for the buyer of an asset to decide that it is in his or her best interest to have a temporary contract that enables him or her to ask questions and learn from a previous owner of an asset. Neither Melka nor Rivera have any ties with Ocho Sur. Ulises Saldana and Krassimir Doldourov are both valued employees in good standing with our company. I believe that about 4% of our workforce also worked for Melka at some point. But this is neither surprising nor suspicious. We are by far the largest employer in the state with over 2,000 full time positions. According to the data from the Ministry of Labor, we employ between 30% and 40% of the formal agricultural workforce in the entire state. I have no idea where United Oils offices were located.

9. I report that Ocho Sur is currently the subject of a criminal investigation in Peru, and prosecutors argue that the company was part of a "criminal organization" that passed on the plantations through a process they call "covert business succession." I report that Ocho Sur has challenged the investigator on its inclusion in the case, saying the prosecutor overstepped his powers and engaged in ideological persecution. Is this accurate?

Summary of our response: Ocho Sur has challenged its inclusion in this case for factual and constitutional reasons.

10. I report that the elected leader of Santa Clara de Uchunya wrote prosecutors asking them to drop the community as a party in the criminal case against Ocho Sur because it was now in good relations with the company. I report that Ocho Sur gave the community a Starlink terminal, a new health post, and a better road and in exchange the community signed a pact with Ocho Sur to preserve its forests for the next 25 years. Is that correct?

Summary of our response: In Santa Clara de Uchunya and in more than 25 neighboring communities, Ocho Sur is engaged in social impact projects that include providing basic infrastructure (schools, potable water, internet, electricity) and health services. These activities are conducted without conditions or exchanges, respecting the decisions of the General Assemblies of local communities. Additionally, we have



signed agreements with Indigenous communities to preserve forest areas through long-term conservation agreements, reinforcing our commitment to sustainability and respect for community rights.

11. I report that you said Ocho Sur opened a new weigh station to purchase palm fruits from farms the company has verified as deforestation-free and that Peru's Ministry of Agriculture decided to finance families seeking to grow oil palm for Ocho Sur and other local mills on previously degraded land. Is that correct?

Summary of our response: What you have said about Ocho Sur is correct. We operate a weighing station where we ensure that palm fruit that ends up in our supply chain can be verified as deforestation-free. We also provide technical support to small farmers who cultivate oil palm on previously degraded lands as part of our work promoting regional sustainability.

12. I report on the disputes over the land that Dennis Melka acquired for the Tibecocha and Zanja Seca plantations. I report that the geographer Juan Luis Dammert Bello has called the Tibecocha property an example of "ghost titling," that farmers living in Zanja Seca claim they were cheated by the state when it sold the land to Melka, and that some farmers who remained say they were threatened or forced to accept small settlements. Do you challenge these claims?

Summary of our response: Ocho Sur was not involved in disputes related to Dennis Melka's land acquisition. The abovementioned controversies predate the creation of our company and are unrelated to our operations.

13. I report on the 2022 findings of the Comptroller General of Peru, which found that Melka cleared primary and secondary forest on the Tibecocha and Zanja Seca properties without a change of use authorization or an approved environmental instrument. He also failed to leave 30% of the forest standing, a violation of environmental laws, and cleared several hundred acres in the neighboring BPP. Do you disagree with any of the Comptroller's findings?

Summary of our response: We consider the conclusions of the report cited by Peru's Comptroller General inaccurate and outside the institution's legal competence. The legally authorized and competent authorities in each area have evaluated our operations and confirmed our compliance with environmental legislation.

14. I report that Melka hoped to bring another 12,000 acres into cultivation through his PAPE program, which led to significant conflicts in local communities. One study from Aoife Bennett found that 6,000 acres of forest were cleared between 2011 and 2016 by four communities that now grow oil palm for Ocho Sur. Is that accurate?



Summary of our response: That is a baffling claim. I am unfamiliar with it. Our current supply base includes our own palm farms and about 1,700 hectares of small farmer palm farms each of whom have passed our no-deforestation evaluation, all of whom are regularly audited, and who are scattered throughout the region.

15. I cite environmentalist Julia Urrunaga who says everything Ocho Sur exports has been illegally produced and the company should be sanctioned. Your response?

Summary of our response: We are a formal private investment that operates under full compliance with Peruvian laws and regulations.

We invite anyone interested to visit our operations and evaluate our management based on objective facts. General accusations such as this without evidence do not reflect reality.

16. I report that since your arrival at Ocho Sur in 2019, you and the company lawyers have worked to resolve conflicts with communities and bring the company's operations into compliance with Peruvian law. In particular, I report that the company's lawyers successfully overturned an 8.6 million sol fine from OEFA in 2021. Ocho Sur paid the Ucayali government roughly \$450,000 for timber harvest rights for forest cleared by Melka, but never paid the 300 UIT fines issued to PdP and PdU at the same time. The remaining benchmarks include achieving the 30% forest coverage offset and the approval of an environmental management instrument. Is that accurate? How much forest does the company currently protect as a percentage of acres under cultivation?

Summary of our response: Since 2016, we have worked in peace and harmony with our neighbors with respect and transparency. We have an approved Environmental Impact Assessment (EIA) for our oil processing company, Servicios Agrarios de Pucallpa. We are regularly inspected by OEFA, (the enforcement branch of the Ministry of Environment) whose reports confirm that our operations comply with Peru's environmental regulations and standards. We hold all required permits, licenses, and authorizations from Peruvian authorities.

17. I report that you were disappointed to see land near the Ocho Sur Maloca cleared for rice farms, because you'd hoped to add those lands to Ocho Sur's offsets. Is that correct?

Summary of our response: I was, indeed, disappointed to see some of the land in this beautiful location next to the oxbow lake at Tibecocha lose its remaining tree coverage. It is my personal opinion that this land would have been a marvelous site for a restoration project where ancient tree species, lost to the region many decades ago could have been replanted, and this patch of forests returned to some of its original splendor. Such a project, next to a picturesque lake could have been a magnificent



place for education and bird watching, regardless of whether it was an Ocho Sur initiative, or one led by others.

18. I report that conflicts surrounding the land have soured you on certain environmental NGOs in Peru, and the company has participated in criticism of these organizations. For instance, one of the company's key lawyers (Enrique Gherzi) participated in a story claiming that Lucila Pautrat of Kené had millions of dollars in an offshore bank account. I report that you say these organizations have cost Ocho Sur millions in legal fees and have led it to be dropped by Nestle, PepsiCo, Bunge, Colgate, and Louis Dreyfus. Is that accurate? I also report that one of your advisors, Alvaro Agurto, says that "NGOs are shit." Would you care to respond?

Summary of our response: In no way should the personal opinions of external advisors of Ocho Sur be attributed to our company. Even my own personal disappointment that certain NGOs have steadfastly refused to engage in dialogue with us or with people in the region who do not adhere to their ideology, does not translate to a change in company policy toward them. We always seek to avoid criticism and instead respect all opinions. We are not only willing to engage, but we actively seek opportunities to find common ground with even the most extreme critics of what we do. The quote that you attribute to Alvaro is clearly not representative of the position of the company. I have not heard him say this, but if he did, I encourage you to consider it the opinion of someone who has, for decades, since long before Ocho Sur was formed, been dedicated to the poorest and most disenfranchised people of Ucayali. Alvaro, like many others, has watched 10s, perhaps 100s, of millions of dollars get raised for the purpose of addressing the social and environmental injustices in the Peruvian jungle. Yet, when he encounters the poor of the region in need of urgent surgeries, or dental work, or clean water, or medical attention, those funds are somehow unavailable to help, and Alvaro and his wife and friends pay for those needs out of their own pockets, putting their principles in action, ahead of self-interests.

19. I report that you are the son of a Protestant minister, that you have a degree in civil engineering, and that you worked for Exxon and NewStream. I also report that NewStream entered into a settlement with the Massachusetts attorney general over the illegal dumping of tainted wastewater into the Ten Mile River. Your response?

Yes, my father is a retired protestant minister. Yes, I worked as a young engineer for Exxon for 7 years before deciding to leave. And yes, I did work for NewStream who did enter into a settlement agreement with Massachusetts over the technical ways in which its treatment processes achieved compliance with regulations. But I do not believe that the \$30M treatment plant, built by Texas Instruments, had a direct discharge to the Ten Mile River.

21. I report that before taking the Ocho Sur job, you visited the plantations with Joe Massoud and that he recommended you for the job. [That is correct.](#)