

6 January 2025

Ocho Sur's Response to a Paid Story Prepared by "freelance" journalist Brendan Borrell (USA) and journalist Aramis Castro (Ojo Público- Perú), and published in Business Insider on 31 December 2024

In April of 2024 we were contacted by Brendan Borrell, a writer from California who said that he was writing a story about "the development of sustainable palm oil in the Amazon" and about our history as a company.

He asked for a tour of our operations during his upcoming visit to our region. We operate the largest and most productive palm oil farms in this part of Peru, so his request was not unusual. As we do with all who are interested, we welcomed him to spend time with us. During our 7 years of existence, we have hosted countless others from governmental, NGO, diplomatic, academic and journalistic fields. He came and spent a day and a half with us in June. Since he said that he was writing a story about sustainable palm oil in the Amazon we also encouraged him to visit the communities near us, some of the other thousands of palm farmers in Peru as well as their neighbors, both indigenous and non-natives. We believe that the lives of those who actually live here in the Peruvian Amazon, their activities, their futures, and a well-grounded understanding of the socio-economic and environmental complexity facing them in this region, where narco-trafficking and other illegal and informal activities have dominated for many decades are central to any legitimate story about the Peruvian Amazon.

Based on the story he published in December it appears that he either did not seek or was not interested in the opinions or experiences of the marginalized people of our region. Prior to publishing his narrative, he sought, via email, our response to certain parts of the story he had written. Unfortunately, the full answers that we provided were not considered in the final story making it biased and misleading.

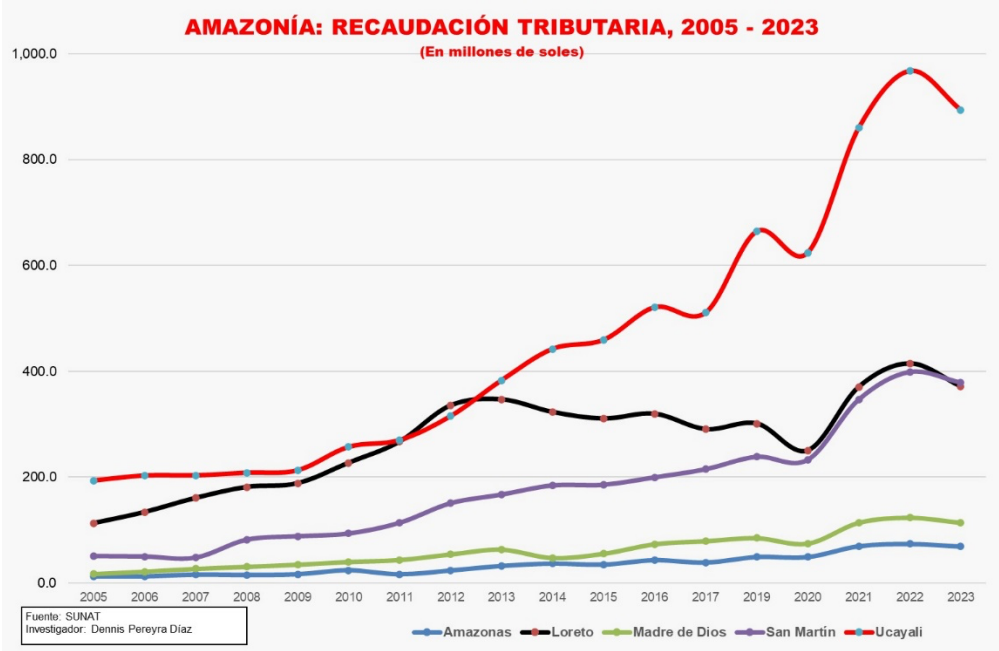
Also, after he published the story, we received another email from him in which he wrote "I know you may disagree with some of our choices, but I hope that you feel I have fairly captured your views and your goals and those of the communities that you work with." It is not clear to us who the "we" in his message is, and we are perplexed by his comment about the "choices we made".

In our opinion, a transparent report about the "sustainable development of palm oil in the Amazon" would report all the facts, and not just a selected set of them based on "choices" made by the author and an unknown group of collaborators. We trust readers to form their own opinions about whether Mr. Borrell and his collaborators "fairly captured" our views and those of the communities around us.

Economic Contributions and Community Development

The article acknowledged some of our economic contributions, such as job creation and investments in community infrastructure but his narrative includes so many out-of-context quotes, leading statements, and inuendo it is difficult not to assume that he intended to bias the reader to believe those impacts are for ulterior purposes. And it failed to convey the depth and scope of these efforts as well as their impacts.

As acknowledged by the author, Ocho Sur is the largest private lawful employer in Ucayali, accounting for a significant percentage of formal employment in the region as well as the biggest buyer of formal goods and services in the region, and we are also the source of more than 50% of the economic value of exported products from Ucayali. Evidence of the positive impacts of exchanging informal for formal economic activities (omitted in the story) continues to mount. Just one such example is the following chart (from the Peruvian Central Bank of Reserve) that shows how Ucayali has quadrupled its tax collections in recent years and has dramatically outperformed the neighboring jungle departments (states) in this metric in recent years. In what other parts of the world is formality so quickly transforming a region?



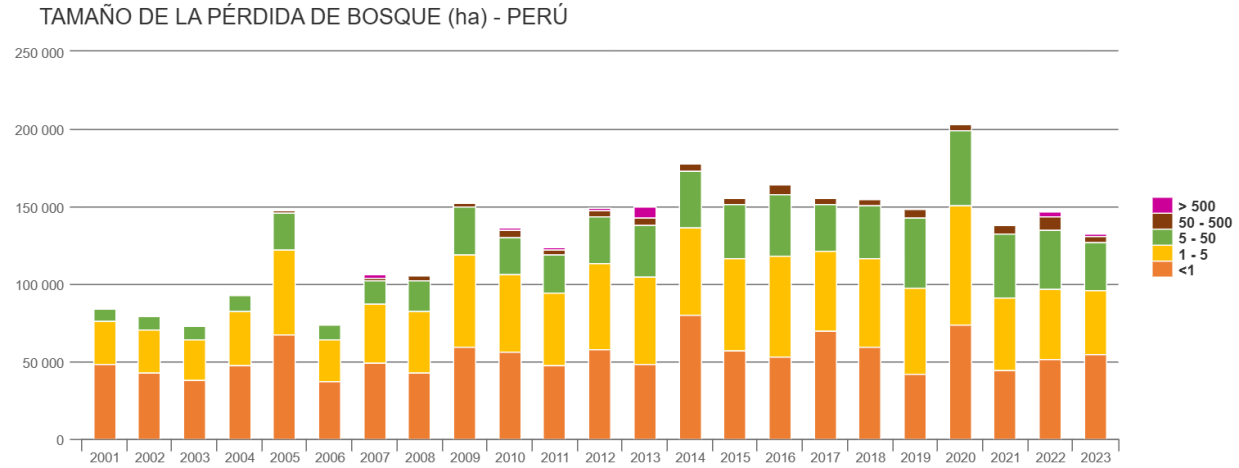
Furthermore, we have invested significantly in community services for our neighbors, including healthcare, education, access to clean water, electricity, access to the internet, and basic infrastructure improvements. These investments and our overall socioeconomic impacts are substantially diminishing the incentives to engage in illegal activities, including deforestation and coca

cultivation for drug-traffic. We believe that the article neglected to recognize the importance of this work to end these destructive activities and bizarrely, without any support implies that we are in some way contributing to their expansion.

Again, we offer the readers actual data so that they can form their own conclusions. Here is Ministry of Environment's own graph showing the number of hectares of forest loss in Peru during last two decades, categorized by the size of each deforestation event. Other than 2020, the COVID year in which tens of thousands of desperate Peruvians fled the cities and cleared land to grow their own food, the graph shows a marked inflection point in Peru's forest losses that coincides exactly with the initiation of our operations.

The facts are clear. The main cause of deforestation in the Peruvian Amazon is the small-scale and migratory farming (driven by poverty) accounting for approximately 80% of the loss of forest in Perú in the last 20 years and not the activities of formal companies including Ocho Sur, or palm oil agriculture that only uses approximately 0.1% of the total area of the Peruvian Jungle. We will leave it up to the reader to decide whether the data support the narrative presented in the Business Insider story

SIZE OF FOREST LOSS



Our investments in our neighbors and their communities are never conditional or transactional but rather reflect our commitment to the well-being of the communities and people alongside whom we live and work. While these impacts may not be important to those who criticize our work, they are incredibly

meaningful for the tens of thousands of our neighbors to whom they offer transformational change toward a better future. We ask readers to value more highly the lives and wellbeing of these vulnerable people.

Environmental Responsibility and Sustainability

While the article touches on our sustainability efforts, it fails to accurately capture the strides we have made. For instance, even as we have doubled our production through modern regenerative agricultural practices and transformed the regional economy, we have maintained a strict policy of not expanding our operations into standing forests and have implemented practices aimed at reducing environmental impact, such as replacing fossil-fuel-intensive machinery with water buffalo and mules and creating the largest solar powered communities in the Peruvian jungle. We continually subject our operations to rigorous internal and external evaluations to ensure compliance with both Peruvian and international environmental standards. In addition, we are the first private company in Peru that has executed forest conservation agreements with native communities, surrounding our operations, that now protect more than 2,200 hectares of forest.

Ocho Sur is not the problem; we are part of the solution. While we accept that the legacy that decades of informal and illegal activities in Ucayali has left a dark stain on its past, we are actively transforming this impoverished region into a model of sustainable and responsible development.

Historical Context and Legal Compliance

The article's treatment of land use and historical deforestation issues is particularly concerning. It conflates Ocho Sur's operations with activities that predate our ownership of the land, failing to clarify that our company purchased the land at a public auction in 2016, long after the deforestation occurred. Our land has been extensively studied and formally classified as agricultural, and we have adhered to all relevant laws and regulations. The article's reliance on and reproduction of outdated and unverified claims, rather than current facts, undermines its credibility. For example, to publish a quote that all of the products that we export are illegal, is objectively false, stands in complete contrast with every regulatory agency in Peru which supervises our activities, and is not supported by any evidence whatsoever. Furthermore, if it were true for the reasons alleged, it would also imply that virtually all products grown anywhere in the eastern 60% of Peru are illegal. That seems irresponsible, possibly defamatory and as if it was specifically intended to harm us and Peru's farmers.

Collaboration and Criticism

We have proactively engaged with Brendan Borrell, the article's author, providing him with substantive logistical support and unlimited information to carry his research, just as we do with all stakeholders, including critics like some of those with whom he collaborated as he created this narrative. Notwithstanding his agenda, we welcomed him openly into our operations and encouraged him to visit the many communities around us. We were saddened that, even after travelling all the way to Peruvian Amazon, he chose not to spend time with the people who are most directly impacted by our investments and activities. Unfortunately, he chose rather to amplify unsubstantiated claims from individuals and organizations that have never engaged directly with us or the vulnerable and marginalized peoples and forests of the region.

Nonetheless, we will continue to welcome all interested parties to visit our operations and communities to see firsthand the progress we've made. Our commitment to sustainability reflects a genuine and verifiable effort to drive meaningful, long-term positive impacts for the environment and our communities. Greenwashing is exactly the opposite.

Anyone with doubts, concerns or those who hold onto contrary opinions about what we are doing should visit us, and especially should spend time in the communities and farms around us to give and the region the opportunity to explain and showcase its progress. Feedback, based on firsthand experience always carries the greatest value.

The Bigger Picture

Ocho Sur operates in one of the poorest and most informal regions of Peru, where illegal deforestation and extractive activities have historically driven poverty and environmental degradation. Our investments in regenerative agriculture and sustainable development offer a viable alternative, creating formal employment, capturing carbon, and restoring biodiversity. By focusing so heavily on criticisms and minimizing our documented achievements, the article fails to provide a balanced perspective.

Ocho Sur is a company committed to transforming the Peruvian Amazon. Beyond mitigating historical impacts, we are creating formal jobs, reducing poverty, and offering sustainable alternatives to coca cultivation. Our practices are rooted in sustainability, respect, transparency, and collaboration with local communities. We firmly believe that economic development and environmental conservation can and must coexist for a more prosperous future. We can improve lives and protect the environment for a lasting and sustainable region.

Moving Forward

We welcome constructive criticism and remain open to dialogue with all stakeholders. However, we urge readers to consider the broader context and the verified facts of our operations.

We remain steadfast in our mission to prove that economic growth and environmental conservation can coexist. We thoroughly disagree with those who cling to the argument that it must be one, or the other. We invite open, fact-based discussions and will continue to work tirelessly toward our vision of a more sustainable and prosperous future for the Peruvian Amazon.

Sustainable development is not a solo effort. We invite all interested stakeholders to collaborate in building a more prosperous future for the Amazon.

To learn more about the people and the communities of our region, there are dozens of videos at our youtube channel: (<https://www.youtube.com/@OchoSur/featured>)

To learn more about independent media coverage about our operations and our neighbors please visit our press room: (<https://ochosur.com/sala-prensa/>)

To learn more about our commitment to the 17 Sustainable Development Goals of the United Nations, please visit this site: (<https://ochosur.com/objetivos-onu/>)