Sustainability Policy

Founded in 1952 in Guatemala, Grupo HAME has the vision of being a business group that operates with world class management standards, that is geographically diversified and is considered an industry reference in operational efficiency and sustainability.

Aligned to the global efforts to achieve the United Nation’s Sustainable Development Goals and in accordance with the principles of the Global Compact, Grupo HAME respects human rights, decent working conditions, the environment and prohibits any form of corruption in its operations. This policy reflects the group’s commitment to sustainability and describes the principles that guide an ethical and transparent performance, both within its operations and in its social, political, and economic environment. It also contributes to the wellbeing and development of its employees, their families, and the communities in its areas of influence.

The adoption and compliance of this policy applies to the companies owned by the group, as well as to every person who works and/or is involved with it, without exception. This includes shareholders, business partners, employees, third-party contractors, physical and legal persons who act in any authorized way by the group or on its behalf, suppliers and members of the supply chain. In case of non-compliance, disciplinary sanctions or other established dispositions from internal procedures will be applied. Grupo HAME does not tolerate retaliations or any act of intimidation against any person who reports a policy breach.

-Felipe Molina, Sustainability Representative to the Board of Directors
Grupo HAME launched its Policy on Responsible and Sustainable Production in October 2018, making it part of its operation through the development and implementation of action plans and shared strategic initiatives, reporting on progress in a periodic and transparent manner.

With the vision towards continuous improvement and aligned to the Group’s purpose, in 2020 Grupo HAME updated its sustainability policy, adopting new commitments aimed at strengthening its comprehensive management of sustainability to create shared value.

Compliance with the commitments of this policy is mandatory for every employee at Grupo HAME as to ensure an ethical, responsible, and consistent behavior in our path towards sustainability and continuous improvement as a transverse axis in all of its operations.

-Eduardo Castañeda, Head of Sustainability
Grupo HAME complies with the commitments of this policy through action plans and standard operating procedures that are overseen by the sustainability governance structure. Actions within these plans reflect what is established in the group's Code of Conduct, Gender Commitment, and the Policy on Transparency, Ethics, and Anticorruption as key pillars of its implementation.

Action plans and progress reports are published periodically with transparency on the group's website. In addition, sustainability reports are also shared through direct and continuous communication with stakeholders.

The implementation and progress of the action plans and sustainability standard operating procedures is verified through internal audits and third-party evaluations. The identification of areas of opportunity is crucial to continuously enhance the group's performance.

Compliance with this policy is a gradual process that establishes action plans in the short, medium, and long term, for which Grupo HAME is open to hear and learn from its stakeholders’ perspectives, as well as to seek accompaniment when needed to improve its sustainability performance.

- Irene Aycinena,
  Sustainability Assurance Manager
1. Governance
Our governance structure for sustainability provides a solid base to develop and anchor the group's sustainability strategy and goals. It guarantees the integration of sustainability into the business through the implementation of actions with accountability in a transparent, responsible and equitable manner across the operation. This includes compliance with the group's policies and with national and international regulations applicable to all the companies within the group, as well as support to its suppliers.

As a result, Grupo HAME commits to:

1.1 Governance Structure
Operate under a solid corporate governance structure with committed leadership that has clear direction and strategic influence; ensure objectives are achieved, accountability is enforced and relationships with stakeholders are strengthened, for the integration and effective management of this policy.

1.2 Transparency
Conduct its business with integrity, honesty, and transparency while adhering to the principles described in its internal regulations and procedures. Constantly engage in dialogue and collaboration with stakeholders, implementing accountability initiatives, as well as carry out responsible and ethical communication.

1.3 Legal Compliance
Strictly comply with all the national and international standards, laws, and current regulations that apply to its operations.

1.4 Supply Chain

1.4.1 Traceability
Guarantee 100% traceability to plantation (TTP) in order to mitigate any potential social and environmental risks of its supply chain.

1.4.2 External Suppliers
Require all suppliers to comply with the group’s internal regulations and current applicable laws through guidance and verification in accordance with our Program for Suppliers’ Development and our Anti-Bribery Management System.

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1. Code of Conduct, Compliance - Grupo HAME
2. Policy on Transparency, Ethics and Anticorruption, Compliance - Grupo HAME
2. Human Rights
2.1 Community and Human Rights

2.1.1 Impact
Conduct due diligence to identify, manage, evaluate, and remedy the risks to human rights. This includes avoiding and preventing any potential impact derived directly from its own activities, products and services of its business relationships, that violates employees, surrounding communities and stakeholders’ human rights, as well as remedy when appropriate.

2.1.2 Free, Prior and Informed Consent (FPIC)
Respect cultural identities, traditions, practices, and beliefs from local and indigenous communities using procedures like the FPIC as it deems applicable.

2.1.3 Procedure for Complaints and Grievances
Apply the group’s internal procedure to address complaints, grievances, and queries from employees, surrounding communities, and stakeholders. Follow through with remediation if necessary and carries out periodic evaluations to this procedure in an effort for continuous improvement.

2.1.4 Dialogue and Engagement
Foster relationships with community members and other stakeholders to create shared value.

Grupo HAME respects the internationally recognized human rights across all of its operations and supply chains and complies with all national laws and international obligations derived from human rights treaties and conventions ratified by the country.

The group commits to:

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2. Aligned to the Universal Declaration of Human Rights of 1948, spn.pdf (ohchr.org)
4. Grievance Mechanism - Grupo HAME
2.1.5 Retaliation
Any kind of retaliation towards any person is prohibited and Human Rights Defenders are respected.

2.2 Employees’ Human Rights

2.2.1 Discrimination
Guarantee a respectful treatment to its employees and prohibit discrimination due to race, age, religion or beliefs, gender, disability, sexual orientation, pregnancy, nationality, or any other reason during the recruitment and hiring process or in promotion and termination, with an equal opportunities approach.

2.2.2 Child Labor
Neither child labor nor child exploitation of any kind is permitted.

2.2.3 Forced Labor
Exploitation, labor trafficking and forced or bonded labor is not tolerated nor promoted. Comply strictly with ordinary working hours and overtime established in the national legislation\(^5\), international treaties ratified by the country and voluntary certification standards. Personal identification documents are not withheld from employees.

2.2.4 Working Conditions
Provide information on working conditions to its employees along with a copy of their work contract.

Provide salaries, benefits, and other decent, fair and equitable working conditions for temporary and permanent employees in compliance with current legislation\(^6\), voluntary certification standards and internal policies.

\(^5\) Labor Code of Guatemala
\(^6\) Labor Code of Guatemala
2.2.5 Occupational Health and Safety (OHS)
Adopt best practices to promote a safe and healthy working environment that prevents incidents, accidents and/or occupational illnesses.

Provide the necessary tools and equipment for every employee to perform their tasks safely and with occupational hygiene. Train and supervise the correct application of safety protocols for work according to local regulations and international standards.

2.2.6 Gender Equality
Promote gender equality and women’s rights in accordance with the applicable legislation.

2.2.7 Harassment Prevention
Any indication of sexual or work harassment, abuse of power, threats, intimidation, use of physical, verbal, or psychological violence against employees or any member of the communities in the area of influence is not tolerated.

2.2.8 Freedom of Association
Recognize the rights to freedom of association and collective bargaining for mutual benefits; promote respectful and permanent dialogue with its employees.
3. Environment
Grupo HAME recognizes its responsibility to preserve and improve the environment in the areas where it operates, for which it is fully committed to identify, prevent, and reduce the negative impacts that it may cause, while maintaining a balance with the natural resources; as well as to enhance the positive impacts it generates.

As a result, Grupo HAME is committed to:

### 3.1 Deforestation

#### 3.1.1 High Value Conservation (HCV) and High Carbon Stock (HCS)

Not carry out any new developments in areas identified as HCV and/or HCS in accordance with the principles of the applicable certification standards, using combined HCV-HCS-FPIC methodologies as required.

#### 3.1.2 Biodiversity

Protect and monitor the biodiversity of species that inhabit the zones where it operates, while working to preserve HCV areas.

### 3.1.3 Fragile Soil

Identify the land use type and delimit areas with fragile soil, such as high slopes, riverbanks, and peatland, defining actions to avoid physical degradation.

No development of plantations in peatland, regardless of its depth; and in case of having plantations in peatland, the Group will apply the best agricultural practices.

### 3.1.4 New Plantations and Use of Fire

Apply the group’s Internal Procedure for New Plantations for every new plantation. No use of fire or controlled burning to prepare new areas nor to renovate existing plantations.

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7 In accordance with legal requirements and applicable Certification standards
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3.2 Environmental Impacts
Identify, prevent, and minimize the environmental impacts from its operations by incorporating technologies and responsible processes that rationally use the resources to maximize efficiency and to ensure general availability.

3.2.1 Soil Erosion and Degradation
Maintain a soil preservation program that reduces hydric and wind erosion, make rational use of fertilizers and control organic matter in the soil.\(^{10}\)

3.2.2 Residues and Waste
Implement a plan for the integrated waste management of residues and solid waste (reduce, recycle, reuse, and responsible final disposition).

3.2.3 Greenhouse Gases (GHG)
Calculate greenhouse gases (GHG) emissions periodically and implement actions for its progressive reduction by adopting mitigation practices and technology according to operative and financial possibilities.

3.2.4 Energy Use
Improve efficiency in the use of fossil fuels and promote the use of renewable energy.

3.2.5 Water
Make efficient, rational and responsible use of water resources. Guarantee that wastewater derived from processes is duly treated and complies with local and applicable regulations.

3.2.6 Pesticide Use
Any use of pesticide will be carried out under an integrated pest management plan, promoting reduction in the use pesticides according to the possibilities and conditions of the plantation.

Not use pesticides classified as type 1A or 1B by the World Health Organization (WHO), as well as those on the lists of the Stockholm and Rotterdam conventions, and paraquat; except for occasions verified through due diligence, or in accordance with government regulations for pest outbreaks.

\(^{10}\) In accordance with legal requirements and applicable Certification standards
Grupo HAME's Sustainability Policy comes into effect immediately and indefinitely. Its content and action plans will be reviewed in a timely manner to ensure they address regulations, standards, and applicable requirements related to sustainability and its consistency with the Group’s goals in relation to respecting the human rights of its employees and surrounding communities whilst ensuring the protection of the environment.
Glossary
- **Child Exploitation**: forced labor, sexual exploitation, and slavery of minors, girls and boys¹.

- **Child labor**: work carried out by children under the minimum age established nationally for the workforce².

- **Communities in the area of Influence**: Grupo HAME uses three criteria to define its areas of influence: proximity to the operations, prevalent socioeconomic conditions, and communities impacted by the company’s agricultural, industrial, or logistical activities.

- **Decent Salary**: remuneration received by a worker for the work done in regular working hours at a determined place, sufficient to support a worthy life for the worker and his / her family³.

- **Decent Treatment**: treatment that guarantees respect for human rights.

- **Due Diligence**: process by which a company identifies, prevents, mitigates, remedies and reports on the negative impacts on human rights that result as a direct or indirect cause of its activities or of any of its business relations.⁴

- **Forced labor**: work that is performed involuntarily and under the menace of any penalty⁵.

- **Fragile Soil**: soil or ground that is susceptible to degradation (reduction in fertility) when disturbed. A soil is particularly fragile if its degradation leads rapidly to an unacceptably low fertility level or if the degradation is irreversible using economically viable supplies (see Marginal Soil definition)⁶.

- **Gender**: refers to the socially constructed characteristics -behaviors, activities, and attributes- that each society considers appropriate for women and men⁷.

- **Gender Equality**: equality of rights, responsibilities, and opportunities for women and men, girls and boys⁸.

- **Greenhouse Gases (GHG)**: gas constituents from the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of thermic infrared radiation emitted by the earth’s surface, the atmosphere, and the clouds⁹.

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¹ Save the Children: https://www.savethechildren.es/trabajo-ong/pobreza-infantil/pobreza-y-explotacion-infantil
² International Labor Organization (ILO)
³ Roundtable for Sustainable Palm Oil (RSPO)
⁴ United Nations Guiding Principles on Business and Human Rights
⁵ International Labor Organization (ILO)
⁶ Roundtable for Sustainable Palm Oil (RSPO)
⁷ World Health Organization (WHO)
⁸ United Nations Organization for Education Science and Culture (Unesco)
⁹ Roundtable for Sustainable Palm Oil (RSPO)
- **High Carbon Reserves (HCR):** methodology that distinguishes forestry areas that need to be protected from lands that are degraded, have low carbon values and biodiversity, and that may be developed\(^\text{10}\).

- **High Conservation Values (HCV):** areas in natural ecosystems and landscapes that are of outstanding importance due to their environmental and social values\(^\text{11}\).

- **Human Rights:** universal rights that are inherent to all human beings, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status\(^\text{12}\).

- **Human Rights Defenders:** individuals or groups who act to promote, protect, or strive for the protection and realization of human rights and fundamental freedoms through peaceful means. This definition includes Environmental Human Rights Defenders, whistleblowers, complainants, and community spokespeople; it does not include those individuals who commit or propagate violence (RSPO). The Declaration on Human Rights Defenders of the United Nations establishes that human rights defenders have an obligation under the Declaration to conduct peaceful activities\(^\text{13}\).

- **Integated Pest Management:** it refers to the careful consideration of all the pest control techniques and the subsequent appropriate actions that repress pest development, maintain pesticides and other interventions under levels that are economically justified, and reduce or minimize the risks for human health and the environment\(^\text{14}\).

- **Previous, Informed, and Free Consent:** the right of indigenous people and local communities to give or deny their consent to any project that may affect their lands, their livelihoods, and their environment\(^\text{15}\).

- **Remediation:** process or actions of remedy taken by a company to rectify whenever people had suffered the negative impacts caused by its operations\(^\text{16}\).

- **Responsible Communication:** internal and external communication that is based on truth and is carried out ethically and shared in an appropriate, timely, and transparent manner, whilst respecting human rights.

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\(^{10}\) High Conservation Value Resource Network (HCV RN)

\(^{11}\) High Conservation Value Resource Network (HCV RN)


\(^{13}\) United Nations Declaration on Human Rights Defenders: [https://www.ohchr.org/en/issues/srhrdefenders/pages/declaration.aspx#:~:text=The%20Declaration's%20full%20name%20is,Declaration%20on%20human%20rights%20defenders%22](https://www.ohchr.org/en/issues/srhrdefenders/pages/declaration.aspx#:~:text=The%20Declaration's%20full%20name%20is,Declaration%20on%20human%20rights%20defenders%22)

\(^{14}\) Roundtable for Sustainable Palm Oil (RSPO)

\(^{15}\) RSPO Free Prior and Informed Consent guide for members, 2015 Human Rights Working Group, approved by the Board on November 20, 2015 in Kuala Lumpur

\(^{16}\) United Nations Guiding Principles on Business and Human Rights
- **Stakeholders:** entity or individuals that could be significantly affected by the activities, products, and/or services of the organization, or whose actions could positively or negatively impact the organization’s capacity to successfully apply its strategies to reach its objectives.

- **Suppliers/Vendors:** individuals, companies, and organizations of different kinds that supply third parties with services or goods with a determined objective.

- **Supply Base:** raw materials and basic provisions for the productive activity of a company.

- **Supply Chain:** refers to the combination of activities, products, and services that an organization carries out to design, produce, and commercialize its goods and/or services.

- **Traceability:** identification of the origin and registration of the source and trajectory of a good within the supply chain that has been acquired for production.

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17 Global Reporting Initiative (GRI)
WE ARE HAME

Leaving our Footprint
WHilst generating value

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