Grupo HAME Policy NDPE

non-deforestation, no plantations on peat soils, no exploitation

Grupo HAME and our companies Reforestadora de Palmas de El Petén S.A., Atlantida S.A. Santa Rosa, S.A. El Triunfo S.A and Olmeca S.A., we focus on continuous improvement processes, among which we prioritize sustainability as a cross-cutting theme in each of our actions, which includes an organizational culture oriented towards the respect for human rights.

For this purpose, Grupo HAME implements a policy on non-deforestation, no plantations on peat soils, and no exploitation (NDPE), that complements commitments covered by its Policy of Sustainability: Governance, Human Right, Environment.

Therefore, it has formulated a policy that expresses its global view of what it means to operate in a responsible manner tackling the challenges of a world where natural resources become increasingly limited and sensitive to human action, for which a permanent commitment to its preservation is required.

Commitments enunciated apply to both employees and suppliers, service providers or any person or company who is part of the supply chain, within and outside of its area of operations.

Aligned with these statements, Grupo HAME adhered to the Voluntary Commitment of Zero Deforestation of the Guatemalan palm producing sector, launched on October 3, 2019.

In that declaration Grupo HAME committed to:

• Not deforest natural forest for oil palm cultivation
• Contribute to environmental conservation and restoration in favor of sustainable development
• Guarantee that its palm oil production is free from deforestation
• Act under principles of extended liability, influencing practices of stakeholders in its value chain
• Collaborate at the national level on creating and boosting an agreement for zero deforestation in the country’s palm oil chain expected to come into effect in 2020.
• Participate in spaces for dialogue for the promotion of commitments acquired through that public declaration, as well as to incentivize other stakeholders to adhere.
• In this way Grupo HAME commitments on issues about provision contemplate an ethical, environmentally sustainable, and socially responsible action, whose aim is to commercialize
palm oil that is produced in accordance with the most recognized practices of "Non-deforestation, No plantations on peat soils and No exploitation", and motivating its suppliers to act in the same way.

• **Scope**

  • This policy has been applied since October 3, 2019 for all operations at Grupo HAME, including plantations and extracting mills, as well as all the base of provision and suppliers.

• **Principles:**

<table>
<thead>
<tr>
<th>Grupo HAME and its provision base</th>
<th>Not to carry out new plantation developments in areas that are defined as High Carbon Reserves or HCS and/or areas with High Conservation Values (HCV), as determined by the manual HCV-HCSA published by HCV Resource Network on May 31, 2018;</th>
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<tbody>
<tr>
<td>Plantations on peat soils</td>
<td>Plantations in peat soils will not be developed, irrespective of their depth; In the case of plantations on peat soils, the best agricultural practices will be applied, as set out in the manual presented by RSPO in 2013 and its update in 2018.</td>
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<tr>
<td>No exploitation</td>
<td>Respect to human rights of employees and all people who form the communities located in their zone of influence that may be affected by agricultural operations without discrimination of ethical origin, language, color, creed, gender, nationality, social class, or political affiliation, as referred to in the Universal Declaration of Human Rights, as well as the commitments covered in diverse conventions issued by the International Labour Organization (ILO), particularly with regard to child labour. Use all appropriate procedures to safeguard due observance of the principles of prior, free, and informed consent from the communities located in its zone of influence, provided that new plantations are involved.</td>
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Non-deforestation

Committed to the compliance of its Policy of Sustainability establishes that:

- For any new plantation, guidelines established on the “New Plantations Procedure” (NPP, document GAGS-PRO-010 New plantations, developed in November 2014 and its last update from July 2019, which are based on the highest environmental standards, Guatemalan law, as well as on the standards from the Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability Carbon Certification (ISCC)) will be followed.
- Under such parameters there will be no changes in land use for agriculture in areas corresponding to primary forests, secondary forests, native forests, and regenerating forests, and for their identification, guidelines established in current legislation, as well as in the standard HCV + HCS from HCV Network, will be followed, meaning that deforestation in areas with high carbon reserves and with high conservation value is prohibited. There will be local or regional specialists who are certified by the HCV Network for the implementation of these studies.
- Preserve rare, threatened, endangered, or endemic species of Flora and Fauna; as well as not to carry out hunting and fishing activities, the capture, extraction, and trafficking of wild animals, the collection of plants in areas belonging to the company, as well as in the areas of forest reserve.
- Similarly, and with the aim to prevent greenhouse gases emissions, new plantations in riparian areas, weak soils, such as histosols (peatland) and drainage areas, will not be developed.

Grupo HAME is committed to carry out a restoration process of riparian areas and to establish offset procedures for deforestation in accordance with the requirements of the standard RSPO, among others.

No plantations on peat soils

Grupo HAME, in accordance with our Policy of Sustainability, reaffirms its commitment to:

- Carry out soil conservation practices that reduce water and wind erosion, making a responsible use of fertilizers, and will not use fire nor burning.
- Identify suitability of soils and define those sites with weak soils like steep slopes, riverbanks, and peat soils by defining actions to prevent soil physical or chemical degradation.
- Not develop new plantations on peat soils, irrespective of their depth.
- In the case of plantations on peat soils, the best agricultural practices will be applied, as set out in the manual presented by RSPO in 2013 and its update in 2018.
No exploitation

For Grupo HAME and our Companies respect for human rights is of paramount value, therefore it reiterates its commitment to:

- Respect human rights of employees, women and of all people who conform the communities located in its areas of influence that may be affected by agricultural operations of the group, without discrimination of ethical origin, language, color\(^1\), creed, gender, nationality, social class, and political affiliation.
- Always maintain a humane and respectful treatment towards its employees, acting in a transparent, fair, and balanced manner, and without any discrimination in processes of recruitment, hiring, promotion, and retirement.
- Do not allow discrimination\(^2\) because of age, ethnic origin, religion or beliefs, gender, inability, sexual orientation, pregnancy, nationality, or any other reason.
- Payment of salary based on the law\(^3\), respect to the working hours and no hiring of personnel who is not of legal age\(^4\), in order to ensure that there is no risk to its physical integrity, in accordance with the American Convention on Human Rights of Children, the ILO\(^5\), the Political Constitution of the Republic of Guatemala, and the Labour Code.
- Comply with local regulation and implement best practices on occupational health and safety according to international standards.
- Not tolerate nor promote forced or compulsory labour\(^6\) and when working hours are required to be extended, the provisions of the international labour treaties, signed by Guatemala, the Political Constitution of the Republic of Guatemala, and the Labour Code, will be applied.
- Provide required tools and equipment to all employees so they can perform their functions with entire safety and hygiene, as well as training on its appropriate use in compliance with national legislation and best international practices.
- Not tolerate attitudes that may be perceived as sexual or work harassment, power abuse, threats, or intimidation; and neither the use of violence against employees nor inhabitants of the communities located in its zone of influence is allowed.

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\(^1\) ILO Convention 169 on Indigenous and Tribal Peoples Rights.
\(^2\) ILO Convention 111 on discrimination.
\(^3\) ILO Convention 100 on equal remuneration.
\(^4\) ILO Convention 138 on minimum age.
\(^5\) ILO Convention 182 on child labour.
\(^6\) ILO Conventions 29 and 105 on forced labour.
• Recognize the right of petition and negotiation of its employees in a respectful manner among both parties.

• Respect customary rights (free passage, access to water sources, among others), like the constitutional right of private property; in addition, promote cooperation agreements with different entities both from government, non-profit national and international associations with economic investment projects focused on biodiversity restoration and protection in sites where appropriate, located in zones of influence that may be affected by agricultural operations from the company.

These commitments will be enforced in all operations and will be promoted with independent producers in the pursuit of a sustainable production, with the intervention of collaborators, suppliers, clients, private, public, national, and international entities. Grupo HAME and its companies are committed to the national law compliance, as well as international agreements and conventions signed by the Congress of the Republic.

**Grievance Procedure**

Grupo HAME is committed to resolve all grievances and claims submitted for its consideration, following an open and transparent process through its Grievance Mechanism, which includes the non-compliance of the standard NDPE.

All registered grievances will be addressed in a transparent manner as referred to by procedures.

**Suspension of a Supplier**

Suspension of a supplier will be imposed due to non-compliance of this standard and will only be restored after minimum requirements for its re-establishment as supplier are met.

Eduardo Castaño

Sustenability Director

Grupo HAME

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