PROCEDURE
Development of Suppliers
1. **Background**

With the launching of its corporate policy on Responsible and Sustainable Production in 2018, Grupo HAME reaffirms its commitment to the application of sustainable practices throughout the productive process, thus taking into consideration, all suppliers that are part of its supply chain.

Based on the new Policy on Sustainability, launched in 2021, the Grupo establishes in its governance core idea the commitment to request suppliers to fulfill the internal regulations and the current applicable legislation through processes of orientation and verification of compliance in accordance with the Program of Development of Suppliers and the Non-bribery Management System.

2. **Goal**

To establish applicable guidelines to monitor assessment and development of suppliers in issues of sustainability with the aim to continuously improve their processes.

3. **Scope**

Suppliers that provide services or raw materials to the operations of Grupo HAME.
4. Flow chart

Development of Suppliers

Definition of Suppliers

Types of assessment for suppliers

- Compliance with the policy of the company
- Self-assessment
- Virtual
- On site

Criteria of development of supplier

- Sustainability
- Human rights and labor standards
- Contracts and wages
- Occupational Health and Safety

Assessments to suppliers

- Delivery of results of action plans
- Monitoring of results and improvement
5. Synthesis of the process

5.1 Definition of suppliers

Suppliers who will be assessed and persons in charge of the development management are established as described below:

<table>
<thead>
<tr>
<th>Type</th>
<th>Product / Service Supplied</th>
<th>Person in charge of the process</th>
<th>Person in charge of the Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier</td>
<td>Raw materials</td>
<td>Procurement</td>
<td>Procurement Manager</td>
</tr>
<tr>
<td></td>
<td>Civil Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rent of Heavy Machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Services Inter company</td>
<td>Finances</td>
<td>Manager of Financial Services</td>
</tr>
<tr>
<td></td>
<td>Maquila</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Workforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier</td>
<td>Fresh Fruit Bunches of palm (FFB)</td>
<td>Finances</td>
<td>Manager of Financial Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>FFB Process</td>
<td>Industrial</td>
<td>Manager of Extracting Plant</td>
</tr>
<tr>
<td>Service</td>
<td>FFB Transport</td>
<td>Agricultural</td>
<td>Agricultural Manager</td>
</tr>
<tr>
<td>Services</td>
<td>Oil Transport (CPO)</td>
<td>Logistics</td>
<td>Manager of Logistics</td>
</tr>
<tr>
<td></td>
<td>Personnel Transport</td>
<td></td>
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<tr>
<td></td>
<td>Byproducts Transport</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are four types of assessments of suppliers, described as follows:

5.1.1. **Compliance with the Policy on Sustainable Production**
Consists of establishing commitment of compliance of all established requirements in the policy on sustainability of the Grupo.

5.1.2. **Self-assessment of the Supplier (AE for its acronym in Spanish)**
Consists of sending verification lists to the supplier for the latter to carry out a self-assessment and to feedback the Grupo with the results, identifying opportunity areas.

Proofs deemed necessary will be requested to the supplier, if the supplier is found not to fulfill the mandatory requirements, an action plan to bridge the gaps and to fulfill 100% of the requirements will be requested.
5.1.3. **Virtual (V)**
Consists of a virtual meeting with qualified auditors who will examine the verification lists and the supplier will answer and show the requested documents and records.

5.1.4. **Audit on Site (S for its acronym in Spanish)**
Consists of assessments carried out in facilities of the supplier, conducted by a qualified auditor using the verification lists.

The implementation of the assessment process is composed of three phases that will gradually perform the verification of compliance of requirements of the policy on Sustainability of Grupo HAME, and which are described as follows:

**Phase I**: acceptance and validation of compliance of commitments of the policy on Sustainable Production of Grupo HAME.

**Phase II**: in this phase the model of self-assessment and delivery of verifiers of compliance will be established by the suppliers.

**Phase III**: virtual and on site assessments will be conducted according to the level of commitment ratified by the verifiers from Phase II.

5.2 Development of Suppliers

The model of development of suppliers aims to promote the adoption of sustainable practices by the suppliers of products and services to Grupo HAME through a close collaboration. The expected result is a competitive advantage for all participants.

Criteria to take into consideration during the assessments are the following:

a. **Sustainability**
   - a.1 Legal compliance
   - a.2 Water + air + soil
   - a.3 Environment
   - a.4 Social

b. **Human rights and labor standards**
   - b.1 Child labor
   - b.2 Forced or compulsory labor
   - b.3 Discrimination
   - b.4 Free association
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c. Contracts and wages
   c.1 Wages
   c.2 Contracts of workers

d. Occupational Health and Safety (OHS)
   d.1 Danger identification and risk assessment
   d.2 Personal protection equipment
   d.3 First aid

5.3 Assessments to Suppliers

Assessments will be carried out every year indicating the scheduled date and assessment modality.

5.3.1. Delivery of results and action plans

To judge that the supplier fulfills its assessment, a total of 100 pts must be obtained in criteria A, B and C of the section 5.2, otherwise an action plan to fulfill the presented gaps in said criteria along with the action plan of criterion D must be presented.

5.3.2 Monitoring of results and improvement

Progress of the action plan will be checked during the scheduled visits. If deemed necessary, the Auditor may request to schedule an additional or extraordinary visit to monitor the action plan.