SUSTAINABILITY POLICY
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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 business with integrity, honesty, and transparency while adhering to the principles described in the company’s internal regulations and procedures.¹ Constantly engage in dialogue and collaboration with stakeholders, implementing accountability initiatives, as well as carry out responsible and ethical communications.

**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 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
Policy on Transparency, Ethics and Anticorruption, Compliance - Grupo HAME
2. Human Rights
Grupo HAME respects the human rights of its employees and of the members of the communities in its area of influence who may be affected by its operations, without any distinction\(^2\), as stated in the Universal Declaration of Human Rights\(^3\), and in the conventions of the International Labor Organization (ILO)\(^4\), particularly with regard to child labor and forced labor. It also complies with the laws of the national legal system and the obligations derived from international human rights treaties and conventions that have been ratified by the country.

The Group commits to:

2.1 **Employees**

2.1.1 **Discrimination**
Do not allow discrimination\(^5\) due to age, ethnicity, religion or creed, gender, disability, sexual orientation, pregnancy, nationality, or any other reason, focused on equal opportunities.

2.1.2 **Child labor**
Neither child labor nor child exploitation of any kind is permitted.

People who are not of legal age are not hired\(^6\), in order to ensure that there is no risk to their physical integrity, in accordance with the American Convention on Human Rights of Children, the ILO\(^7\), the Political Constitution of the Republic of Guatemala and the Labor Code.

2.1.3 **Forced labor**
Exploitation, labor trafficking and forced or bonded labor\(^8\) is not tolerated nor promoted. Comply strictly with ordinary working hours and overtime established in the national legislation\(^9\), international treaties ratified by the country and voluntary certification standards.

Personal identification documents are not withheld from employees.

2.1.4 **Working conditions**
Ensure employees are treated with dignity and respect, by acting in a transparent, fair, and impartial manner, without any kind of discrimination.

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\(^2\) Of ethnicity, language, color, creed, gender, nationality, social class, political affiliation, or any other reason.

\(^3\) Universal Declaration of Human Rights of 1948.


\(^5\) ILO 111 Convention on Discrimination (Employment and Occupation).

\(^6\) ILO 138 Convention on Minimum Age.

\(^7\) ILO 182 Convention on Child labor.

\(^8\) ILO 29 and 105 Conventions on Forced Labour.

\(^9\) Guatemalan Labor Code.
Provide salaries, benefits, and other decent, fair and equitable working conditions for temporary and permanent employees in compliance with current legislation, voluntary certification standards and internal policies.\textsuperscript{10}

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

2.1.5 Occupational Health and Safety (OHS)
Adopt best practices in OHS in accordance with local regulations and international standards to identify, assess and mitigate risks in the operations. Implement actions to promote a safe and healthy work environment through the prevention of occupational incidents, accidents, and diseases at all levels of the organization.

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 workplace safety protocols.

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

2.1.7 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.

2.1.8 Freedom of association
Recognize and respect the rights to freedom of association and collective bargaining for mutual benefits; promote respectful and permanent dialogue with its employees.

2.2 Communities

2.2.1 Impacts
Carry out Social and Environmental Impact Studies to identify, manage, assess, and remedy human rights risks.

Avoid and prevent the impacts of the company’s activities, as well as those derived from the products and services of its business relationships, that may violate the rights of employees, members of communities in the area of influence and stakeholders.\textsuperscript{11}

\textsuperscript{10} Guatemalan Labor Code; ILO 100 Convention on Equal Remuneration.

\textsuperscript{11} In accordance with the United Nations Guiding Principles on Business and Human Rights.
2.2.2 Free, Prior and Informed Consent (FPIC)
Respect cultural identities, traditions, practices, and beliefs from local and indigenous communities\(^\text{12}\), as well as customary rights\(^\text{13}\) and the constitutional right to private property.

Use appropriate procedures to ensure that the principles of free, prior, and informed consent (FPIC) are properly observed in the communities in the area of influence, whenever new plantations are involved.

2.2.3 Procedure for Complaints and Grievances
Address all complaints, grievances and queries of employees, communities in the area of influence and stakeholders; as well as carry out remediation actions when appropriate, applying its internal procedure in a transparent manner.\(^\text{14}\)

Carry out periodic evaluations to the procedure in an effort for continuous improvement.

2.2.4 Freedom of Association
Foster relationships with community members and other stakeholders to create shared value.

Maintain constant dialogue with the communities in its area of influence through procedures and methodologies that are participatory and transparent, as well as implement response and communication mechanisms.

2.2.5 Contribution to local Development
Generate employment locally and in surrounding areas according to the needs of the company and its productive activities.\(^\text{15}\)

Support joint efforts to contribute to the food security of neighboring communities and to the generation of opportunities for development. Promote infrastructure development projects\(^\text{16}\) in the areas of influence.

2.2.6 Retaliation
Any kind of retaliation towards any person is prohibited and Human Rights Defenders are respected.

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\(^{13}\) Such as the right of way and access to water, among others.
\(^{14}\) Grievance Mechanism.
\(^{15}\) The availability of personnel with the required qualifications in local communities and surrounding areas is also considered.
\(^{16}\) Supporting local governments in the areas of influence to improve facilities of public health and education services, among others.
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 Zero 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.\(^{17}\)

Not deforest\(^{18}\), nor change land use for agriculture in areas corresponding to primary forests, secondary forests, native forests, and regenerating forests, as well as all natural ecosystems.

3.1.2 Biodiversity

Protect and monitor biodiversity of rare, threatened, endangered, becoming extinct or endemic flora and fauna species that inhabit operation areas, as well as to preserve High Conservation Value (HCV) areas.\(^{19}\)

Not carry out hunting and fishing activities, capture, extraction and trafficking of wild animals, collection of plants in areas belonging to the company, as well as in forest reserve areas.\(^{19}\)

Promote cooperation agreements with different government entities, as well as national and international non-profit associations with economic investment projects focused on biodiversity restoration and protection in sites where appropriate, located in areas of influence that could be affected by the agricultural operations of the company.

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\(^{17}\) Local or regional specialists certified by the HCV Network will carry out these studies.


\(^{19}\) In accordance with legal requirements and applicable certification standards.
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 or chemical soil degradation.\(^{20}\)

No development of plantations will be carried out in riparian areas, fragile soils, drainage areas and peat soils, regardless of their depth;\(^{21}\) and in case of having plantations in peatland, the Group will apply the best agricultural practices.\(^{22}\)

3.1.4 New plantations and use of fire
Apply the group’s Internal Procedure for New Plantations for every new plantation.

Not use fire or burns for pest control, prepare new areas, nor to renovate existing plantations.\(^{23}\)

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 program and carry out practices of soil conservation that reduce hydric and wind erosion, make rational use of fertilizers and control organic matter in the soil.\(^ {24}\)

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. Protect natural watercourses through buffer or riparian areas.

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.\(^ {25}\)

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\(^{20}\) In accordance with legal requirements and applicable certification standards.

\(^{21}\) In accordance with legal requirements and applicable certification standards.

\(^{22}\) As established by 2018 RSPO Principles and Criteria, in the case of the Group’s Palm Oil Business Unit.

\(^{23}\) The Procedure for New Plantations of the Group’s Palm Oil Unit is based on the highest environmental standards, Guatemalan legislation, as well as the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO) and the International Sustainability Carbon Certification (ISCC).

\(^{24}\) In accordance with legal requirements and applicable certification standards.

\(^{25}\) 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.
- **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.\(^\text{11}\)

- **HCV1, Species diversity:** concentrations of biological diversity, containing endemic species and rare, threatened or endangered species (RAP for its acronym in Spanish), and that are globally, regionally or nationally of significant importance.

- **HCV2, Ecosystems at the landscape level:** mosaics of intact forest ecosystems and landscapes (IFL); Extensive ecosystems, ecosystem mosaics and IFLs that are globally, regionally, or nationally important, and containing viable populations in the vast majority of species that naturally coexist in natural distribution and abundance patterns.

- **HCV 3, Ecosystems and habitats:** rare, threatened or endangered habitats or refuges.

- **HCV 4, Ecosystem Services:** basic ecosystem services in critical situations, such as the protection of hydrological basins and the erosion control of soils and vulnerable slopes.

- **HCV 5, Community Needs:** key sites and resources to meet basic needs of local communities or indigenous peoples (for their livelihoods, health, nutrition, water, etc.), identified through dialogue with such communities or indigenous peoples.

- **HCV 6, Cultural Values:** sites, resources, habitats, and landscapes that are globally or nationally significant for cultural, archaeological or historical reasons, or of critical cultural, ecological, economic or religious or sacred importance to the traditional culture of local communities or indigenous people and identified through dialogue with such local communities or indigenous people.

- **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 spokespersons; 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\(^\text{13}\).

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10 High Conservation Value Resource Network (HCV RN)
11 High Conservation Value Resource Network (HCV RN)
- **Integrated 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\(^{14}\).

- **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\(^{15}\).

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

- **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.

- **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\(^{17}\).

- **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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\(^{14}\) 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

\(^{17}\) Global Reporting Initiative (GRI)
WE ARE HAME

Leaving our Footprint
WHILST GENERATING VALUE

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