2021 Annual Report

GRUPO HAME

SOMOS HAME
Dejamos Huella
GENERANDO VALOR
As Board of Directors, it is a pleasure to present our 2021 Annual Report, which includes the most significant achievements of our Business Units.

As a Group we continue to adapt to this new pattern of normalcy that COVID-19 has posed; committed as a company to ensure the health and well-being of our collaborators and their families, we continue to operate without interruption, which has allowed us in almost two years of pandemic to generate more than 1,900 new jobs, a growth of 8% of our total human resource, offering today more than 26,000 decent jobs.

The trust and recognition of our business leadership is reflected in the results achieved this year through the responsible and sustainable production of palm oil, banana, plantain, and avocado; of our products Olmeca and Regia, and the progress in our real estate project Cendana.

Our gratitude to each one of us who form the great HAME family and their families for the extraordinary effort and commitment they demonstrate in daily work, introducing every day the mark of quality and excellence that distinguishes us, with Perseverance, Compliance, Responsibility and Leadership.

In the same way, to all our customers, suppliers, communities of influence, stakeholders, for the trust placed in our work, which allows us to continue generating economic, social, and environmental value in every field where we operate.
Who are we?

We are a conglomerate of companies dedicated to the cultivation and export of palm oil, banana, plantain, and avocado, marketers of oils, fats, and food products; besides having real estate development projects. With almost 70 years on the market, we promote innovation, and good practices.
**Strategic approach**

- **Our purpose**: To generate economic, social, and environmental value in every field where we operate, and to be a place where our collaborators can grow and develop.

- **Our vision**: To be a corporate group with world class management standards, geographically diversified, being a model of operational efficiency and sustainability.

- **our behaviors**: In the great HAME Family we stand out for being responsible, fulfilled, persevering, and leaders giving every day the best.

Here is our key to success:

- **I AM RESPONSIBLE**, I have clarity of how my work impacts the outcomes, and with a sense of urgency, I keep track of my responsibilities until I achieve the objective.

- **I AM CONSCIENTIOUS**, I work with discipline to meet my responsibilities in a timely manner and with the expected quality.

- **I AM PERSEVERANT**, I challenge myself every day so that my team and I are the best in what we do.

- **I AM A LEADER**, I give the example with my work, and I teach, develop, and command my subordinates. When I am there, and I genuinely care for my colleagues. When I do my job with determination and practicality.

- **I am HAME**, I am proud to be part of HAME, that is why I give my best to fulfill my job.
Prioritizing the health and well-being of our collaborators, during 2021 constant COVID-19 vaccination days were carried out, reaching more than 89% of vaccinated collaborators, furthermore we maintained strict health and biosecurity protocols, according to the central government’s instructions for the containment of the pandemic.

For Grupo HAME sustainability is the norm, it is the right way to do business.

As a Group we focus on continuous improvement, applying best practices and technologies in each of our production processes, maintaining the balance between economic sustainability, respect for the environment and its contribution to social welfare. That is why, in 2021, we updated our Policy on Sustainability with the support of international experts, strengthening it through
the inclusion of new commitments in three focal points: **Governance, Human Rights and Environment**, which allows us to operate with a strategic framework of action, guiding us on our path towards being a model in sustainability.

Our Policy is aligned with global efforts to achieve the Sustainable Development Goals (SDGs) of the United Nations and in accordance with the principles of the Global Compact, strengthening the integral management of sustainability for the creation of shared value.

**Governance**: We operate under a corporate governance structure that has different oversight bodies for the analysis and implementation of sustainability actions in a strategic manner; applying accountability and decision making in a timely manner.

**Human Rights**: In this subject, we respect internationally recognized human rights and undertake the commitment to comply with national laws and obligations arising from treaties and conventions ratified by Guatemala.

**Environment**: We identify, prevent, and reduce the impacts of our operations by maintaining a balance with natural resources, as well as enhancing the positive impacts that we generate.
We started with palm cultivation in 1987, being the pioneers in the country in large-scale cultivation, today, we are the largest producer in Latin America, exporting to countries in the region and in Europe. Currently we have more than 54,600 hectares in our supply chain, also our sustainable management allows us to be certified in:
Innovation
In constant innovation, we venture into organic production, so we are in the transition process of 3,000 hectares, endorsed by the certifying body Kiwa BCS. Which will make us the first company in the country to produce organic oil.

Visibility
With transparency and an open-door policy, we show all our progress towards sustainability, so we are part of the international platform SPOTT that evaluates palm oil producers and marketers. In 2021, we ranked fourth in Latin America for our sustainable and transparent processes.

Committed to transparency and promoting dignified work, in coordination with the international organization Proforest, the company Cargill, the social company Ulula and the Round Table of Sustainable Palm Oil (RSPO) as strategic partners at global level, the consortium to implement in REPSA the pilot project Cuéntalo/Ye Chaq through the ULULA platform was formed, this project is an appropriate technology so that collaborators can communicate labor issues of their interest safely and which the company can process and attend to. As part of the pilot project, a survey of working conditions was carried out and an automated line was set up to receive grievances and concerns from collaborators on labor issues. As a result, action plans aimed at closing identified gaps are proposed, reported, and implemented during the project which allow progress in the processes of continuous improvement.

Learn more about our sustainability indicators:
Since we started in 1992 in banana cultivation, we have strengthened our leadership, which has transformed us into the largest independent banana producer in the world with more than 10,950 hectares planted; and we continue to grow to maintain leadership. Each of our responsible and sustainable processes has led us to be certified in:
**Innovación**

Opening new markets, we have grown by strengthening direct sale of banana to Europe and the United States.

We comply with standards set by the FDA-Food and Drug Administration-of the United States, which ensures that food is safe for human consumption.

In addition, in our operations, we have implemented best practices to prevent the attack of the Fusarium fungus.

Our plantain balers as well as banana balers also feature high-performance design technologies and meet international standards of health and safety of optimal quality for export. Our sustainable and top-quality production is supported by international certifications:

![Certifications](image)

Learn about our sustainability actions in banana:

![QR Code](image)
Diversifying businesses, we continue with the cultivation of Hass avocado in Guatemala and Colombia, generating dignified employment for hundreds of people in our areas of influence as an alternative that allows them to improve the quality of life for themselves and their families.
The high-quality standards of our products have allowed us to have important participation in the categories of vegetable oils, butter, margarines, edible fats and foods in Guatemala, Belize, Central America, and Panama. We outsource brands for the industry and for the main supermarket chains in the region, maintaining certifications that support our responsible, efficient, and sustainable management.

Certified in:
In 2021, we maintained leadership in selling industrial butter and margarines in traditional and detailed channels in the Guatemalan market; in addition, we improve our positioning and show growth in the independent supermarket channel in fats and food.
Our first real estate project “CENDANA” located in Guatemala has turned out to be an iconic project in the sector, which takes a fast pace of sales compared to the original plan due to its great acceptance by buyers, since it offers a differentiated concept for the area. Construction began in March 2022.

To start forming a portfolio of real estate developments, we acquired a new land in the metropolitan area, which will continue to bring innovation and dignified work to other areas of the country.
One of our main business objectives is to contribute to the construction of a more prosperous Guatemala, with opportunities for all, so we are honored that in 2021 we were recognized with three important awards:

**Corporate Sustainability in the Social Category**
Recognition by the Guatemalan American Chamber of Commerce -AmCham for its acronym in Spanish- for our program **Guate es tu Tierra ¡Quédate!**
Guate es tu Tierra, ¡Quédate! is the social platform of Grupo HAME aimed at promoting local development in our areas of influence. It focuses on working with women and young people to generate and/or strengthen technical and practical abilities, which allows them to improve living conditions for themselves and their families through their insertion in the labor market or with their own ventures, earning better incomes, which contributes to reducing illegal migration by offering an alternative for permanence.

Evidence of Good Labor Practices (GLP)
We were recognized by the Ministry of Labor and Social Security as a company that voluntarily demonstrates a business management that promotes a culture of respect for the law and complies with the labor rights of its workers.

Special Insignia
Awarded by the Ministry of Labor and Social Security for being socially responsible employers who create dignified and formal workspaces for persons with disabilities and persons over 60 years of age.
Strategic Relationship

We know the importance of having a strong network of relationships with key actors and our stakeholders, which is vital to promote proper development of our business. In this sense, proactive risk and opportunity management help us contribute to the sustainable development of the environment and consolidate our corporate reputation, so as a Group we focus on:

- Establishing and strengthening strategic relationships with (media, NGOs, trade unions and associations at national and international level, communities, customers, suppliers, certification companies, central government, and local governments) by acting responsibly to achieve the trust and credibility of all our stakeholders.

- For responsible and sustainable use of the water resource, we actively participate in the governance bodies of river watersheds of the South Coast, and the implementation of the Governmental Agreement 19-2021 which supports river watershed committees for rational use of natural resources.

- Committed to the Sustainable Development Goals, we are active members of Global Compact Network Guatemala, strengthening our management within the framework of corporate sustainability.
Generating Shared Value

We focus on generating shared value in the areas where we operate, so we focus our programs on strengthening abilities and competences of young people and women, contributing to improve their quality of life.

Our representative achievements in 2021

- **1,500** male and female leaders, young people, and groups of female promoters of local development, who are part of the savings groups that allow them at the end of each year to have benefits for their own investment by generating new opportunities for themselves and their families.

- **161** empowered leaders, who, through trainings in responsible citizenship issues, can be positive influencers in their environment.

- **131** grant recipients with various ventures.

- **442** grant recipients in the project ¡Guate es tu Tierra, Quédate!

- **45** producers trained in cocoa cultivation projects, with more than 25,000 plants produced.

- **50** beekeepers trained, grouped in 5 apiaries, who produce honey of the highest quality.

- **34** projects of infrastructure and school equipment in the departments of Escuintla, San Marcos, Quetzaltenango, and Petén.
Institutional Strengthening and Transparency

Committed to transparency, we promote an ethical culture in all our operations by acting in a responsible manner.

We have a Grievance Mechanism in all operations of the Group that is free and handled confidentially. The Mechanism is the channel that allows us to listen and respond in a timely manner and accordingly to non-conformities, claims, concerns and consultations of collaborators, communities, and stakeholders, allowing progress in processes of continuous improvement.

Communication has been key to promoting the use of the Grievance Mechanism with different audiences, as well as to strengthening its credibility and demonstrate with transparency each of the steps that this entails. This is why constant information campaigns are carried out motivating active participation through the reporting channels. Examples of such campaigns include the Group’s position on zero tolerance of sexual harassment, extortion, intimidation, and reprisals.