

SUSTAINABILITY POLICY




INDUSTRIA
CHIQUIBUL



Industria Chiquibul S.A. is committed to sustainable development in all its operations based on its purpose and business strategy.

In line with the United Nations Sustainable Development Goals, (SDGs), and based on three foundations: people, planet, and prosperity, Industria Chiquibul transparently and ethically respects the human rights of its employee and people in surrounding communities, promotes human development and decent work, protects the environment and biodiversity, and relentlessly combats any form of corruption in its operations and areas in which Industria Chiquibul S.A. exerts influence.

Fadi Turjman
Sustainability Representative, Board of Directors.
Industria Chiquibul S.A



Expanding on the previous statement, this sustainability policy reflects Industria Chiquibul's commitment to promote the country's progress, drop by drop, by providing opportunities for social development, education, and personal growth, while recognizing the importance of acting responsibly and sustainably throughout the company's value chain. By implementing our policy, we strive to be leaders in responsible practices, nurturing the development and well-being of our employees, the social growth of our communities, and the protection of the environment.

Industria Chiquibul first introduced its sustainability policy on September 9, 2020, setting forth a vision for the future that focused on sustainable development and aligned with the company's purpose. In November 2023, we reviewed and updated this policy and, assumed new commitments tailored towards a new sustainability strategy that could be implemented within the framework of the company's operations.

The scope of this sustainability policy and its implementation encompasses all agricultural, industrial, and commercial operations in which Industria Chiquibul is involved, as well as all its relevant stakeholders, particularly the company's employees, making everyone participants in the company's commitments and steps towards ensuring legal compliance, due diligence and sustainability.

Compliance with this policy is based on short -medium-, and long-term sustainability plans and programs, which are aligned with the company's commitments and objectives. The cornerstones of this policy center on respect for people and good social practices, commitment to sustainable development and promoting human talent, safe workspaces, decent work conditions, quality of life and environmentally conscious management.

This policy goes hand in hand with the company's Labor Conditions Policy, which complements the provisions of our Code of Ethics and Conduct, Gender Commitment, and the Transparency, Ethics, and Anti-Corruption policy.

OUR PURPOSE

“WE ARE THE DROP THAT DRIVES DEVELOPMENT”

Being the drop that drives development is the driving force that guides Industria Chiquibul in the search for positive impacts in Guatemala and the world by connecting with people from the beginning and acting responsibly, drop by drop, and in harmony with the planet. Industria Chiquibul is committed to the country's development by providing job opportunities, food security, social development, education, and growth, and always working for the common good. This purpose guides the way Industria Chiquibul works and manages its operations and environment, being guided to contribute to the global supply of crude palm oil, while being the drop that drives development and sustainable growth.

Montse López
Corporate Sustainability Manager





PROSPERITY



Industria Chiquibul commits to sustainability in its operations by being accountable in a transparent and responsible manner, ensuring compliance with laws and corresponding regulations, as well as national and international regulations that apply throughout the company's supply chain and industrial operations. Committed to the principle of prosperity, Industria Chiquibul provides opportunities for social and educational development thus generating a positive impact on the quality of life of its employees, and surrounding communities.

>>> GOVERNANCE

Industria Chiquibul is committed to carrying out its operations under a corporate and administrative governance structure whose objective is tailored to the fulfillment of the company's sustainability policy and objectives, as well as the transparent management of the operations in which the company is involved. The established corporate governance structure also seeks to exercise strategic influence, mitigate the impact of possible externalities that are generated, and to strengthen the relationship and engagement with all stakeholders, employees, and communities for the effective management of the Sustainability Policy.

>>> ETHICS AND TRANSPARENCY

Transparency and Accountability:

Industria Chiquibul is committed to maintaining a clear and transparent communication about its sustainability policies, performance, and goals. Periodic reports will be provided to reflect progress in corporate governance, as well as environmental, social, and economic impacts, and progress made in the implementation of this sustainability policy.

Business Ethics:

Integrity, honesty, and fairness are valued in all business interactions and decisions. A corporate culture based on ethics, compliance with the law, and respect for human rights is promoted at every level of the company.

Risk Management:

A systematic and proactive approach is implemented in the identification, evaluation, and management of economic, environmental, social and governance risks, and contingency plans associated with the activities carried out by Industria Chiquibul. Mechanisms are established to ensure informed decision-making and mitigate any negative impact at all levels of the organization, complying with applicable national and international laws and regulations.

Supply Chain and Traceability:

A traceability system is implemented to identify the origin and quality of all fresh fruit bunches and inputs used in supplier operations, ensuring transparency and control in the supply chain. External suppliers are required to adhere to current legislation and applicable regulations.

»» OPTIMIZE PRODUCTION, EFFICIENCY, AND POSITIVE IMPACT

Responsible and Efficient Operations:

Studies, monitoring, and the implementation of standardized operating processes support field and extraction plant operations, guaranteeing the sustainability, quality and safety of products. Likewise, studies are conducted to analyze the impacts of the production of African palm fruit bunches, the extraction of oil and the corresponding by-products, involving all stakeholders and communities' members to preserve the well-being of communities and the environment.

Employee Welfare and Progress:

In accordance with the labor policy, transparency and process efficiency are guaranteed for the benefit of both the company and the communities of influence. Additionally, commitments are made to guarantee the Occupational Health and Safety of every employee.

*Code of Conduct

*Transparency, Ethics, and Anti-Corruption Policy

*Labor Policy



PEOPLE



Industria Chiquibul has a Human Rights Policy focused on promoting equal conditions for all its workers, ensuring a safe and respectful working environment. We are committed to promoting a safe, inclusive, and respectful workplace for everyone, without prejudice or discrimination against men and women. This social approach is based on principles of equity, equal opportunities, and respect for human rights. In this policy we highlight the main aspects of our people-oriented approach.



>>> HUMAN RIGHTS

Relations with Employees and Surrounding Communities:

The human rights of employees and individuals within the areas of influence are respected as part of our corporate purpose. We carry out social and environmental impact studies to identify, evaluate, and remedy any risks or negative impacts that our operations may have on stakeholders.

Remediation:

Committed to address any detriment to human rights and take all appropriate remediation measures.



Complaints and Queries Mechanism:

We have developed a transparent and open mechanism for complaints and queries among all employees and communities of influence to resolve any claim that might arise. The proper resolution of complaints and queries between stakeholders is carried out through an established and transparent procedure*.

Dialogue Tables:

We are committed to establishing transparent dialogue tables with stakeholders in the areas of influence, fostering relationships to create value and understanding.

Labor Representation:

The company does not oppose the organizational activities of employees.

Contribution to Local Development:

We prioritize the local employment, of people in the areas of influence that have the required job skills. Committed to contributing to regional development, we have developed programs for social progress, food security, improvements in public infrastructure, generation of opportunities, support in public education service, health, and women's empowerment.

Retaliation:

We are committed to prohibiting retaliation or harassment by the company against any person, community member, or human rights defenders, in accordance with the RSPO policy on the Protection of Human Rights Defenders, Informants, Whistleblowers, and Community Spokespersons.

*Complaints and Queries Mechanism

>>> LABOR PRACTICES

Labor Legislation and Conditions:

Complying with the Labor Code in force in the Republic of Guatemala and the company's labor policy, Industria Chiquibul is committed to guarantee the fundamental rights for its employees as established in the Political Constitution of the Republic of Guatemala, Conventions ratified by Guatemala, and specifically the International Bill of Human Rights and Convention 100* of the International Labor Organization (ILO), the Labor Code and the Labor Regulations. Likewise, and acting with transparency, we guarantee dignified, fair, and equitable treatment and employment conditions.



Zero Discrimination:

We do not tolerate any kind of discrimination on the grounds of age, gender, religion, disability, pregnancy, nationality, sexual orientation, and we promote equal opportunities. No form of discrimination is not allowed in the company, and the company is committed to taking the necessary measures to prevent and address any reported discriminatory acts in accordance with the ratified and current Convention No. 111*.

Gender Equality:

We actively promote equal opportunities the elimination of barriers, and wage equity. The company takes concrete actions to encourage diversity, empowerment, and the development of women in all areas of our organization, while respecting and promoting their reproductive rights.

Child Labor:

The company is committed to the comprehensive protection of the rights of children and adolescents and contributes to the eradication of child labor in all its forms. We acknowledge that child labor is a violation of the fundamental rights of children and is against the ethical and legal principles that guide our operations, compliance with the Constitution of the Republic of Guatemala, the Labor Code, and the ratified and valid Conventions No. 138 and 182* and in accordance with the RSPO guide on child rights for palm oil producers.

Forced Labor:

Forced labor and exploitation of any stakeholder is not tolerated, in accordance with the provisions of the current national legislation of the Republic of Guatemala and Conventions No. 29 and 105*. We prohibit pressure mechanisms, such as document retention, payment of recruitment fees, contract substitution, non-voluntary work overtime, lack of freedom for workers to resign, penalties for termination of employment, debt bondage, and salary withholding, in accordance with criterion 6.6 of the RSPO production standard.

Zero Harassment:

We are committed to providing a safe and respectful working environment, free from any form of harassment. Harassment in any of its manifestations, including sexual harassment, gender-based harassment, verbal harassment, psychological harassment, or any other behavior that causes discomfort or endanger the emotional or physical integrity of employees, is neither tolerated nor allowed. Industria Chiquibul has a specific Harassment and Violence Prevention Policy, which is publicly available and was developed in collaboration with employees and workers.

Occupational Health and Safety:

We are committed to protecting the health and safety of our workers from occupational hazards by, providing them with information and training related to their work. Continuous improvement is promoted with the use of personal protective equipment, training, evaluations, and supervision of critical areas, in line with the needs of employees and all applicable legislation and following safe work protocols. Actions are implemented to promote a safe work environment, thus preventing accidents and occupational diseases in all work areas, including workers of external service providers contracted by the company.

Freedom of Association:

We recognize the fundamental right to freedom of association and collective bargaining, and the importance of establishing respectful and lasting dialogue channels, with the aim of promoting constructive and mutually beneficial relationships. Active employees' participation is promoted.

*ILO Convention 169 on Indigenous and Tribal Peoples' Rights.

*ILO Convention 111 on Discrimination.

*ILO Convention 100 on Equal Remuneration.

*ILO Convention 138 on Minimum Age.

*ILO Convention 182 on the Worst Forms of Child Labour.

*ILO Convention 29 and 105 on Forced Labour.

➤➤ RESPECT FOR PRIVATE AND LEGAL OWNERSHIP OF LAND

Free, Prior, and Informed Consent - FPIC

The rights of individual property and communities in all areas of influence are respected, complying with the legal procedures established for land acquisition in accordance with Article No. 39 of the Political Constitution of the Republic of Guatemala.

We are committed to ensuring the principles of Free, Prior, and Informed Consent (FPIC) in our communities of influence.

*ILO Convention 29 and 105 on Forced Labour.

*ILO Convention 111 on Discrimination.

*ILO Convention 169 on Indigenous and Tribal Peoples' Rights.





Industria Chiquibul recognizes the responsibility and commitment to environmental protection and climate change mitigation. We strive to minimize the environmental impact of all operations and promote sustainable practices in all our activities. To ensure a sound and responsible environmental policy, we have established a series of commitments and practices in line with the protection and conservation of natural resources.



»»» NO DEFORESTATION AND PROTECTION OF ECOSYSTEMS AND BIODIVERSITY

Zero Deforestation:

Operations in areas with High Conservation Value (HCV) or in High Carbon Stock (HCS) forests are strictly prohibited. In addition, the company bans land use changes for agriculture in areas corresponding to primary forests, secondary forests, native forests, and regenerating forests.

At the same time, the company has established conservation and reforestation programs to educate employees and communities about the importance of the environment.

New Plantations:

New plantations will be developed only in areas with no High Conservation Value (HCV) or High Carbon Stock (HCS), following soil, environmental, socio-cultural, and legal studies. We respect the RAMSAR* convention, which prohibits the exploitation of wetlands, and we commit to current national legislations regarding protected areas.

Soil Uses and Peat Soils:

- **Fragile Soils:** We do not develop new plantations on fragile soils and peat soils, regardless of their depth. If any peat soil is identified, knowing that its existence has not been reported in Guatemala*, we will apply the best existing agricultural practices.
- **Erosion and Degradation:** We commit to preserve soils and reduce water and wind erosion through appropriate measures.

Ecosystems Protection and Biodiversity Conservation:

We are committed to preserving species of flora and fauna that are rare, threatened, endangered, on the verge of extinction or endemic. Through practices, we will seek to promote and ensure their survival; and prohibit all types of hunting, capture, and extraction of plants and trees in the company's conservation areas.

At Industria Chiquibul, we have established programs for the protection of ecosystems. These programs include periodic evaluations of riparian areas and bodies of water, as well as biodiversity monitoring across all areas of the property.

>>> AGROCHEMICALS AND WATER RESOURCE MANAGEMENT

Use of Agrochemicals and Pesticides:

Integrated Pest and Disease Management (IPDM) practices are implemented to limit the use of pesticides as needed. Paraquat is not used, nor are pesticides listed as Type 1A or 1B* by the World Health Organization (WHO) and under the Stockholm* and Rotterdam* Conventions.

Water Quality and Quantity:

We ration the use water for operational needs and have built a private well for consumption. Industria Chiquibul is committed to preserving natural resources, and therefore, no water is extracted from any river or natural source.



Effluents:

Through the Effluent Treatment System (POME) and anaerobic lagoons that function as biodigesters, the effluent from our operations is treated to be ultimately used for fertigation, in accordance with current national legislation and regulations. These biodigesters also mitigate the impact of our operations on the atmosphere and reduce greenhouse gas emissions by capturing the methane generated in the anaerobic lagoons.

Energy Use:

We promote the use of renewable energy, use state-of-the-art technology to improve process efficiency and reduce the use of fossil fuels in all our operations. We also use the fiber generated from the palm fruit and oil extraction for energy generation in the boiler. Additionally, energy generation from methane combustion is part of our commitment to reducing emissions and protecting the environment.

>>> ENVIRONMENTAL IMPACT**GHG Emissions:**

We are committed to taking measures to mitigate Greenhouse Gas (GHG) emissions. We recognize the importance of contributing to the fight against climate change and implement practices and technologies that promote energy efficiency and emissions reduction, such as the use of biodigesters to capture methane, convert it to carbon dioxide, or its use for energy generation.

Zero Burning:

To prevent environmental degradation, fire is not used as a method for land preparation for new plantings or replanting. Fire will not be used for pest control or to destroy any forest material.

Waste Management:

We are committed to the implementation of an integrated waste management plan that includes the reuse, reduction, and recycling of solid waste.

Legal Compliance:

At Industria Chiquibul we follow national legislation and international agreements related to respect for the environmental, and in particular the responsible use of phytosanitary products, including the Stockholm Convention, the Rotterdam Convention, and the guidelines of the World Health Organization (WHO)*. We are committed to implementing the best practices and necessary measures to ensure safety and minimize negative impacts on human health and the environment.

*Convention promoting national actions and international cooperation for the conservation and rational use of wetlands and their resources.

*Attached letter stating that there are no Peat Soils in Guatemala.

*WHO-recommended classification of pesticides based on the danger they pose.

*Convention regulating the treatment of Persistent Organic Pollutants (POPs) that endure for extended periods, with the aim of protecting human health and the environment.

*Convention seeking to promote shared responsibility among stakeholders in the international trade of certain hazardous chemicals to protect human health and the environment.

This sustainability policy is effective immediately and is the responsibility of the sustainability department and all personnel and management to ensure its compliance and implementation. This policy aligns with our sustainability plan, aiming to enhance the quality of life for people, the planet, and the prosperity of our operations.

Aligned with a single purpose: **“We are the Drop that Drives Development”**

Max Quirin
General Manager
Industria Chiquibul S.A



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