



## POLICY

### NO DEFORESTATION, NO PEAT AND NO EXPLOITATION (NDPE)

#### UNISOURCE GROUP

As part of Unisource Group's purpose, we recognize that the conservation and protection of the environment is essential for the sustainability of our planet and the survival of communities that depend on it.

At the same time, we focus on continuous improvement processes prioritizing sustainability as a transversal axis in each of our actions, including an organizational culture oriented to human rights and planet protection.

Unisource Group is committed to its NDPE policy, promoting good sustainable practices across all our operations, and encouraging the conservation of the environment and ecological biodiversity. ***Establishing December 31, 2020 as the cut-off date.***

Complementing the commitments stated in our Sustainability Policy, this NDPE policy reinforces the adoption of sustainable agricultural and operational practices and biodiversity conservation across our areas of influence. We promote education and awareness for our collaborators, clients, suppliers, and surrounding communities, about the importance of protecting the planet. This no deforestation policy is a commitment that we acquired, representing an opportunity to reinforce our goal towards sustainability and environmental responsibility, aligned with the Guatemalan Forest Law that establishes regulations for sustainable forest management and conservation of the country's forest resources.

Likewise, this policy includes reforestation commitments and regulations of land tenure, as well as the protection of the rights of indigenous people and local communities in relation to the use and management of natural resources, in addition to the National Climate Change Policy of Guatemala. This policy establishes our objective of reducing greenhouse gas emissions and promoting incentives to combat climate change. In compliance with the Nationally Determined Contributions (NDC) presented as part of the Paris Agreement signed by Guatemala, we commit to reduce greenhouse gas emissions and promote forests conservation.

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1. As a company, we work aligned with the UN Sustainable Development Goal -**SDG 6** (Water and Sanitation) which focuses on riparian areas protection and ensuring water availability, sustainable management and sanitation for all; **SDG 15** (Life on terrestrial ecosystems) which includes a specific goal focused on the protection, restoration and sustainable use of terrestrial ecosystems, the sustainable management of forests, the fight against desertification, land degradation and biodiversity loss; and **SDG 13** (Climate Action) which addresses deforestation and sustainable land use practices to combat climate change.

This policy seeks to set emissions reduction's objectives, including land usage, with the purpose of delinking deforestation from our supply chain. Our goal is to set clear objectives towards no-deforestation, ecosystems and biodiversity preservation and conservation, and human rights protection, for which we commit to:

#### **No Deforestation**

- For all new and future plantations, we commit to follow the guidelines established in our sustainability policy and environmental standards and schemes based on the Guatemalan legislation, ISCC and RSPO, protecting forest and conservation areas.
  - No development of our operations in areas with High Conservation Value (HCV) and High Carbon Stock (HCS), committing to the conservation of the local flora and fauna in the region. We commit to conduct continuous ecosystem and biodiversity studies and land use assessments to check for change in carbon content and sustainable management.
  - No land use changes for agriculture will be made in areas that are considered primary forests, secondary forests, native forests, and regenerating forests. According to the FAO, these regenerating forests are those of indigenous species or introduced species for natural regeneration, in which ecological processes have been altered by human activities and/or assisted regeneration.
  - Within the framework of the protection and conservation of biodiversity, we commit to the preservation of rare, threatened, endangered, or endemic species of flora and fauna.
  - Committed to follow national and international forest laws, complying with reforestation commitments, such as planting trees in other areas to replace or compensate for those cuts. Except for cases authorized by the National Forest Institute.
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## UNISOURCE G R O U P

- Committed to ensure that our entire supply chain meets the non-deforestation criteria of the ISCC and RSPO regulations, which includes the conservation of primary and high conservation value forests, the prohibition of the conversion of natural areas and the promotion of reforestation of degraded areas.
- Committed to the delimitation of multiple areas of high conservation value (HCV) within the company's plantations for the protection of local and native flora and fauna.

### **No Plantations on Peat Soil**

- In the case there are peat soils in Guatemala, palm plantations will not be established on them, recognizing the ecological value and the importance of preserving these ecosystems.
- Extensive soil and land studies and mapping will be carried out to identify and delineate areas of peat soils in existing plantations. In the case of plantations on peat soil, the best agricultural practices will be applied as established by the 2018 RSPO principles and criteria.
- Measures will be implemented to reduce water and wind erosion of soils in our operations. Including the responsible use of fertilizers and agrochemicals, following the best agricultural practices, and avoiding overexposure of soils to chemicals that can cause degradation.
- The use of fire for land preparation or agricultural waste disposal will not be permitted inside our operations.

### **No Exploitation**

- Committed to international frameworks for the protection of human rights, such as the United Nations Guiding Principles, the International Labor Organization (ILO), the OECD Guidelines, the Universal Declaration of Rights Human Rights (UDHR) and the principles of Free and Fair Labor in Palm Production, we work with local communities and relevant stakeholders to guarantee that our operations do not have a negative impact on their lives, culture or human rights.
  - Environmental and social impact studies will be carried out before establishing new plantations or expanding existing ones.
  - Committed to the respect of human rights of all our workers, women, and members of the communities in our areas of influence, regardless of their ethnic origin, language, color, gender, nationality, social class, or political affiliation. We will not tolerate any type of discrimination in our recruitment, hiring, promotion and retirement processes in accordance with article #14 of the Labor Code and the ratified and current ILO agreement #111 on discrimination.
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- We guarantee salaries payments in accordance with the law, we will respect the established working hours and we will not hire underage workers, in accordance with the American Convention on Human Rights of Children, ILO, the Political Constitution of the Republic of Guatemala and the Labor Code.
- A complaints and queries mechanism are established to encourage an open communication with our workers and stakeholders, constantly seeking to improve working conditions.
- No toleration of any type of forced labor, intimidation, threat, or ultimatum under any reason in accordance with the ratified and current ILO convention #105.
- Reject any type of harassment between stakeholders in accordance with the ratified and current ILO agreement #29
- Implementation of protocols and prevention plans to promote the health and occupational safety of our collaborators.

At Unisource Group, our purpose is to be globally recognized as a sustainable leader company, committed to the protection of forests and the conservation of natural resources. Multiple reforestation journeys will be held throughout the year, in which the participation of local communities and children is encouraged to promote environmental education. Through this NDPE policy, we reaffirm our commitment to operate in a responsible and sustainable manner. We commit to preserve and protect the planet and biodiversity, reduce our greenhouse gas emissions, and promote sustainable forest management. Protecting our planet, and ensuring a sustainable future for our generations.

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