

SUSTAINABILITY

REPORT

2021|2022



DINANT

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ABOUT THE REPORT

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At Dinant, we promote social welfare, we generate profit, and we seek to improve the environment and people's lives. That is why we proudly present our stakeholders with our Sustainability Report in accordance with the Global Reporting Initiative (GRI) standards. Here, we share information about our operations and performance in the environmental, social, and economic dimensions from January 1, 2021, to December 31, 2022.

This reports only includes Dinant's operations in Honduras, and comprises the food plant, home and personal care soap plant, snacks plant, chlorine plant, fats and oils plants, palm oil extraction plants, agribusiness, distribution centers, and administrative offices.

For any inquiries or for more information about the report, please contact:

Gabriela Carvajal

Social Responsibility Manager

Telephone: (+504) 9471-1515

Email: Gabriela.Carvajal@dinant.com



MESSAGE FROM LEADERSHIP

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2.1 Message from the President



Miguel Mauricio Facusse

Dinant Executive President

With great pride, we present our second Sustainability Report in accordance with the GRI (Global Reporting Initiative) methodology for our operations in Honduras, thus fulfilling one of the most important commitments on the road to sustainability: accountability.

This report shows our company's commitment to continuous improvement as a new way of doing business. Also, it displays our environmental, social, and economic achievements and goals.

I would like to thank everyone who is a part of this great family for their commitment and effort. The actions reported here would not be possible without their daily contribution.

In the last two years, the environment and society have presented us with new challenges, demanding innovation, increasingly strengthening the quality of our products, opening new markets worldwide, caring for the well-being of our employees and communities, respecting human rights, and the protection and conservation of the environment.

At Dinant, we are firmly committed to generating a positive impact in each of the communities where we operate. During the reporting period, we strengthened our Sustainability Management System throughout the organization, attaining significant achievements for the development of our country.

We received multiple national and international recognitions, such as our incorporation as a full member of the Voluntary Principles on Security and Human Rights Initiative. In addition, through the Occupational Health Program, we inaugurated our first Honduran Social Security Institute (IHSS)-certified lactation room at the Snack Plant in San Pedro Sula, thus creating safe and healthy environments for the benefit of our employees and their families.

In our Agribusiness Division, we are developing good practices and principles from production to marketing. We displaced 99% of fossil fuels in the oil palm extraction plants by increasing the use of renewable energy from 79% to 84%.

As a company, we assume a conscious, responsible, and fair role with our environment, promoting and supporting education, decent work, equal opportunities, inclusion, and spaces for integral growth for our employees, communities, suppliers, independent oil palm fruit producers and other stakeholders.

Ethics, integrity, and corporate responsibility continue to be the basis of our actions to build a more sustainable future.

I encourage everyone who is a part of the Dinant Family: communities, strategic allies, consumers, suppliers, contractors, and others, to continue working as a team, to be agents of change, and to commit to transforming our environment for the benefit of society.



OVERVIEW OF OUR ACTIONS

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3.1 Overview of our 2021-2022 actions

2021-2022 ACHIEVEMENTS



PRODUCT IMPROVEMENTS

- In 2002, Zixx liquid detergent’s formula was modified to improve its effectiveness.
- In 2021, we implemented a new formula for Zixx cleaner, to prevent the spread of bacteria and viruses.
- In 2021, we developed a new line of laundry soaps focused on hand care.
- In 2021, we created a new line of healthier fats and oils – Mazola with olive.
- We implemented the Safe Purchases Manual to promote social responsibility.
- We opened a brick-and-mortar store in San Pedro Sula, to offer customers easy access to Dinant’s products.
- We obtained Fundahrse’s ESR seal (Socially Responsible Company) for the fourteenth year.
- We renewed ISCC EU & Plus, HACCP and Global GAP, KOSHER, SQF, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BASC and OAS certifications.




GOVERNANCE

- In 2022, 37 people were trained to strengthen our governance.
- 6,789 people were trained on the Code of Ethics through information campaigns, integration days, and induction sessions.
- We obtained 12 recognitions through internal and external communication mechanisms.
- Zero cases of regulatory non-compliance in 2021 and 2022.




SUSTAINABILITY MANAGEMENT

- We strengthened the Sustainability Management System throughout the organization.
- We implemented programs to promote sustainability throughout the company:
 - » Programs to benefit employees.
 - » Community Development Program.
 - » Corporate Volunteering.
 - » Alternative sources of electricity, fuel, and wastewater treatment.
- Fertilization plan to improve oil palm productivity in company-owned farms.
- Efficiency plan for Integrated Pest Management (IPM).
- 331 people were trained on flora and fauna protection in oil palm farms.



QUALITY IN WHAT WE DO

- We communicated the Quality and Safety Policy to 100% of employees.
- We obtained the SQF Safety and Quality V.9 Certification in the Fats and Oils Physical-Chemical Modification Plant, which positioned us in the “Excellence” category according to the Safe Quality Food Institute (SQFI) grading system.
- ISO 9001:2015 certification in food and personal and home care product manufacturing plants.
- In 2022 we simplified the document structure of the ISO 9001:2015 Quality Management System and SQF Food Safety and Quality.





ECONOMIC DEVELOPMENT

- Revenue increased in 2022 (\$701 million) vs 2021 (\$590 million).
- In 2022 the business grew 19% in comparison to 2021.
- Net income increased from \$19 million in 2021 to \$40 million in 2022.



WE THINK ABOUT OUR PEOPLE

- In 2021 we updated the Human Rights Policy, and it was disseminated in 2022.
- Zero discrimination complaints were filed in 2021-2022.
- There were zero cases of human rights violations in 2021-2022.
- In 2022 we became full members of the Voluntary Principles on Security and Human Rights (VPSHR).
- In 2022, the MdR and PQSR2 complaint mechanisms were adapted for illiterate people.
- In 2021 and 2022 we implemented 27 campaigns about health and safety.
- In 2021 we opened a lactation room in the Snacks plant in San Pedro Sula.
- ISO 45001 Integrated Sustainability Management System certification in 2021 and 2022.



HAND IN HAND WITH THE COMMUNITIES

- The School for Parents trained 450 parents in 2021 and 700 parents in 2022, in topics like education and strengthening of family ties.
- We donated school kits to more than 3,500 low-income students in 2021 and 2022.
- We donated biosecurity products to 29 schools in 2021 and 25 schools in 2022.
- We supported a safe back-to-school by donating didactic material to 25 schools, directly benefiting 4,500 students.
- In 2021 and 2022 we helped 24 schools with infrastructure improvements.
- In 2021 and 2022 we made several donations to communities, local authorities, NGOs, and other aid organizations, which benefited over 77,000 people.
- More than 11,000 people were trained in 2021 and 2022 on women's rights and violence prevention, child protection, and our Corporate Sustainability Policy.
- We trained more than 1,000 people in 35 communities on waste management.



ENVIRONMENT

- We developed 15 trainings on environmental topics, in which 20,989 people participated.
- Renewable energy use increased from 79% to 84%.
- Displacement of 99% of fossil fuels in extractive plants in the agribusiness area.
- In 2022, average water consumption was reduced from 3,235 m³ to 1,932 m³ in the soap plant.
- In 2022, water consumption in oil recovery was reduced from 1.22 m³/TM with the conventional system to 0.55 m³/TM with the dynamic system in the Lean extractor.
- 10% palm oil recovery in the Lean Extractor in 2022, thanks to the Tridecanter.
- More than 1,200 young people participated in environmental education talks.
- The Government of Honduras declared our Farallones Conservation Center as Site of Importance for Honduran Wildlife.
- 18% increase in waste energy recovery.
- GHG emissions were reduced by 28% thanks to using biogas and biomass, thus displacing fossil fuel use.





WHO ARE WE?

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- 4.2 Location of Operations
- 4.3 Our Brands, Products, and Services
- 4.4 Changes in our Organization and 2021-2022 Value Chain
- 4.5 2021-2022 Recognitions and Certifications
- 4.6 Memberships and Alliances

WHO ARE WE?

Corporación Dinant S.A. de C.V. is a Honduran company founded in 1960. Since the beginning, we have offered high quality products at competitive prices, which has allowed us to enter the market in Central America, the Caribbean, the United States and Spain.

Currently we have six business units with a strategic focus on social responsibility:



1. SNACKS.



4. HOUSEHOLD CARE PRODUCTS.



2. EDIBLE OILS AND MARGARINE.



5. PERSONAL CARE PRODUCTS.



3. FOOD.



6. AGRIBUSINESS

As a commercial company, we are concerned about generating environmental, social, and economic wellbeing. We promote creativity and entrepreneurship to improve the quality of life of our employees, suppliers, and customers. These actions have allowed us to become industry leaders.

As part of our commitment to promote sustainability, BIOTERRA conducts and validates an environmental and social impact study every two years.

In 2021-2022 there were no significant changes in our organization's structure.

Currently, At Dinant, it is our policy that our Sustainability Reports are not verified externally.

Every two years, an external company conducts and validates an Environmental and Social Impact Study for us. Subsequently, we work on mitigation and monitoring plans to help us minimize potential negative impacts and enhance positive ones.

These are some of our 2021 brand highlights:

- In the snacks area, we launched Yummi Pops Nacho, an innovation endorsed by the Health and Nutrition Center of Honduras.
- We changed the image of our food brands Íssima and Schilos.
- We created a new personal care products line under the Brand name Venza, featuring an anti-bacterial bath soap that cares, protects, and moisturizes the skin. It comes in four fragrances: oatmeal, extreme fresh, aloe, and Vitamin E.
- In the Fats & Oils division, we launched Mazola with Olive, as a healthier option for our customers.
- Mazola Rosa is a breast cancer awareness campaign in Honduras. It was also implemented in Guatemala to benefit Amando-T Association, a support group for women with cancer.

CORPORATE PHILOSOPHY

For 63 years we have been guided by our corporate philosophy, which embraces the determination and experience of our institutional seal and translates into the values and standards that govern our behavior and allow us to leave a positive mark in society.

Through communication campaigns, training, and motivational activities, we share the significance of our mission, vision, and values with our employees:

MISSION

To produce more, with quality and efficiency and to generate social well-being and profitability, while aiming to improve the quality of life of our employees, suppliers, customers, and the environment.

VISION

To be a worldwide company.

VALORES

- ★ Innovation.
- ★ Our people.
- ★ Honesty and trust.

LOCATION OF OPERATIONS



We have operations in Honduras in Tegucigalpa, Danlí, Comayagua, Choloma, Choluteca, Tocoa y Olancho. Our headquarters are in Barrio Morazán, boulevard Suyapa, across Plantas Tropicales, Tegucigalpa, Honduras.

We also have operations in the region, in Guatemala, El Salvador, Nicaragua, Costa Rica, and the Dominican Republic.



NUMBER OF DINANT OFFICES, BY COUNTRY IN 2021-2022

Number of offices or productive units



WE HAVE **25** DISTRIBUTING COMPANIES AND **6** PRODUCTION PLANTS.

OUR BRANDS, PRODUCTS AND SERVICES

At Dinant we strive to offer a variety of products that meet the requirements and needs of our clients and consumers, through innovative, quality, and internationally recognized brands.

We directly distribute in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and the Dominican Republic through wholesale, retail, pre-sale, and self-service channels. We also have distributors in the United States, Belize, and Europe.

We offer a wide variety of snacks in Central America under the leading brand Yummies, a line of innovative flavors and textures for all palates. Yummies offers tortilla chips, potato chips, plantain chips, yucca chips, popcorn, chicharrones (pork rinds), nuts and soft candy.



Fried and baked corn tortilla chips with flavors such as nacho cheese, barbecue, pizza, guacamole, plain, and others.



Rolled, baked and fried corn chips with flavors such as chile toreado, fusion cheese, wild cheese and black pepper.



Flavored nuts: lemon and chili pepper, soy, mixed nuts, almonds, raisins, and cashews.



Banana flakes and fried yucca in different presentations: Picositas, Salsa Verde, Ceviche, Originales, Originales con Chicharrón, Chile Tornado, Maduritos and Tostones, among others.



Extruded corn snacks with cheese and butter, chile toreado and jalapeño flavors.



Crispy pork cracklings with a variety of flavors such as chili, salt and authentic Creole flavor.



Fried corn tortillas with flavors such as cheese, bullfighting chili and barbecue.



Popcorn with cheese and marine salt (source of fiber, gluten-free, 100% natural corn) and puffed corn nachos with white cheese and jalapeño cream flavor (never fried, gluten-free, 0% trans-fat / 100% natural corn).



Classic milk-flavored soft candy.



100% natural potatoes with 0 trans fats, with flavors with a touch of salt, cheese, honey mustard, cream and spices and ketchup.

Currently we have a food and edible fats division, represented by our brands Schilo's, Íssima y Mazola.



Schilo's Hot Sauces are part of our Food Division. Our classic, raging and jalapeño flavors are meant to enhance food flavor.



Daily food-flavoring products such as tomato sauces, stir-fry bases, tomato paste, ketchup, and instant soups.



This brand offers essential kitchen products like oils, margarines, shortening, mayonnaise, and bouillon powder, aiming at promoting health.

At Dinant, we also have home care y personal care products with brands such as:



Enhanced soap which comes in three colors: aqua, salmon, and yellow.



Leader brand of cleaning and disinfecting products, featuring premium laundry detergent, bleach, floor cleaners, and liquid laundry detergent.



Fabric softeners with innovative three-scent technology that maximizes scent on clothes.









Scented candles with vanilla, flower bouquet, berries, apple-cinnamon, luminous forest, Christmas tree, amber and sandalwood fragrances.



Sensations that impact your senses and emotions. It focuses on creating truly perceptible environments in the shower to make you feel good during and after bathing.

Our agribusiness division focuses on supplying raw materials such as palm oil and palm kernel oil, bananas, fresh vegetable exports under the brand Altima, and specialty coffee under the brands Tres Milagros and Fatima.

In 2021-2022 we implemented the following improvements:

PRODUCT OR SERVICE	IMPROVEMENTS IMPLEMENTED
 Zixx Liquid Detergent	In 2022 we modified the formula to improve efficiency in each load, using raw materials that help remove stains easily.
 Zixx Cleaner	In 2021 we developed a new formula with effective disinfecting power that prevents the spread of viruses, Gram+ and Gram- bacteria, fungi and mold, human Coronavirus, and influenza virus.
 Zixx Soap	In 2021 we developed a new line of laundry soap that is safe for hands and include sensorial fragrances.
 Mazola oil with olive	In 2021 we created a new healthier product in the Edible Fats and Oils Division.
 Dinant Store	In 2021 we opened a brick-and-mortar store to make our products more accessible to consumers.
 Digital Platforms	In 2021-2022 our online sales increased.

CHANGES IN OUR ORGANIZATION AND 2021-2022 VALUE CHAIN

It is our priority to make strategic alliances with several suppliers in different categories, raw materials, packaging, spare parts, machinery, and others.

By transforming these materials, we develop high quality mass consumption products at affordable prices, which we then send to distribution centers inside and outside the country, on to wholesale channels before reaching the consumers' homes.

Our business includes the following divisions:

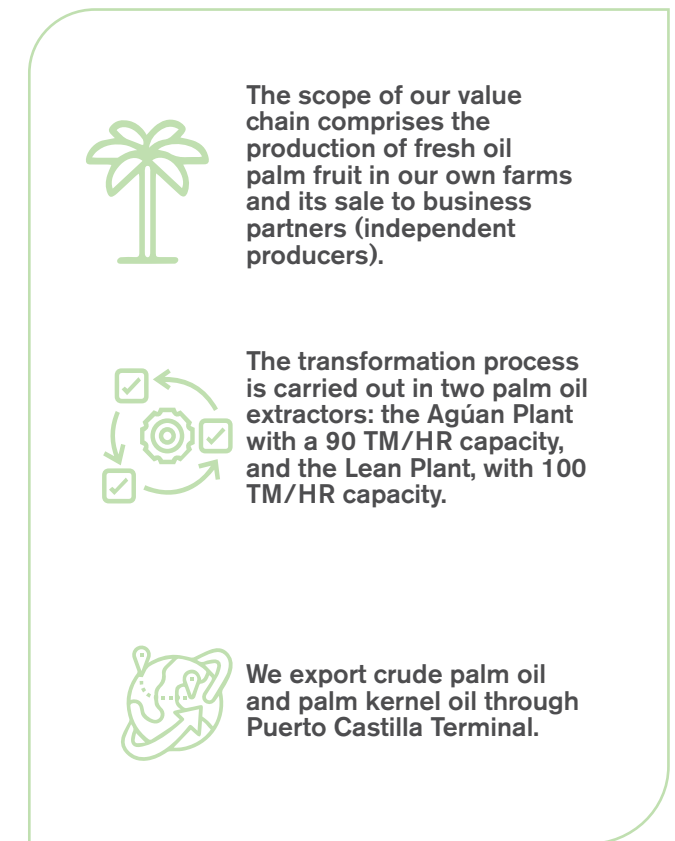
- Manufacturing Division**
- Snacks
 - Oils and edible fats (shortening, oil, margarine).
 - Household and personal care products (soap, bleach, fabric softeners, others).
 - Tomato products (sauce, ketchup, vegetable stir-fries, and others).

- AgriBusiness Division**
- African Palm cultivation and oil extraction.
 - Vegetable protected cultivation and export.
 - Peeled green plantain cultivation and processing.
 - Coffee cultivation and processing

- Commercial Division**
- Primary transport, storage, distribution, and sale of manufactured products.

Our value chain starts in our fields and ends with the distribution and marketing of our finished products.

The Oil Palm supply chain starts with the production of fresh oil palm fruit (FFB), onto its transformation into crude and kernel oil to final product and export.



Some of the improvements we implemented in 2021-2022 in the Agribusiness Division are:

- **Implementation and follow-up of the No-Deforestation, No-peat, and No-exploitation Framework (NDPE IRF)**
- **Follow-up on action plans implemented with business partners.**

Supplier selection

At Dinant we have a list of requirements for suppliers before entering a business relationship.

The first requirement is to be a legally constituted company or person with ethical principles. Also, they shall comply with the quality and safety standards established for the industry.

We have direct relationships with two types of fruit suppliers: direct producers and intermediaries, considered independent suppliers.

Currently our selection criteria for direct producers are:



GEOREFERENCED FARM LOCATION.



LAND OWNERSHIP PROVEN WITH DOCUMENTS.



PRODUCER IDENTIFICATION DOCUMENT.



CORPORATE SUSTAINABILITY POLICY AND HUMAN RIGHTS POLICY SHALL BE ACCEPTED AND SIGNED.

Intermediaries are requested:



FRUIT TRACEABILITY FROM THEIR PRODUCERS.



GEOREFERENCED SUPPLIER LOCATION.



LIST OF FRUIT SUPPLIERS.



CORPORATE SUSTAINABILITY POLICY AND HUMAN RIGHTS POLICY SHALL BE ACCEPTED AND SIGNED.

These criteria are defined in a draft procedure for purchasing fresh palm oil fruit, which will be approved in the upcoming months.

85% of the processed fruit comes from independent producers.

In the purchasing area, we have implemented a Safe Purchases Manual to promote social responsibility. This manual includes characterizations of the collateral impact of purchases of materials, machinery, and equipment on the safety of our employees and the environment.

Once we have our suppliers' information (where applicable), we request their environmental and operating permits. For third parties to enter our workplace, we carry out an induction and request their resumes, training documents relevant to the work area, and compliance with the dress and behavior code of conduct.

For raw materials and critical packaging suppliers, we request a letter of guarantee, quality certificates per delivery, technical data sheets, heavy metal analysis certificate (for inks on packaging), environmental license, in situ standard audits (SQF, ISO, or others) and action plans on non-conformities.

Since 2018 we have a training plan for independent producers, where we teach about:



ECOSYSTEM, WATER, AND SPECIES CONSERVATION.



GOOD AGRICULTURAL PRACTICES.



FARM AS A BUSINESS.

In 2021-2022, 15 independent producers benefited (4 women and 11 men) in the Atlántida, Colón, Cortés, and Yoro Departments.

Dinant has a **verification program** to ensure that our suppliers' farms are not located in protected areas and that they respect Dinant's Corporate Sustainability Policy.

To properly monitor our suppliers and perform due diligence, we have a **Supplier Portal** where we file the company's legal information. Also, legal representatives are asked to provide criminal and judicial records, and to sign agreements on safety, ethics, sustainability, human rights, and others.

Currently we are in a continuous improvement process with fruit supplier due diligence. As of 2023 we will have a proper procedure and format in place.



In 2021-2022 we had the following suppliers:



Services

- Labor
- Rent
- Maintenance
- Waste management
- General services



Transportation

- Personal
- Load
- Finished product
- Waste



Inputs

- General
- Chemical
- Agricultural



Raw Material

- Commodities
- Agricultural
- Special



Packaging

- Flexible
- Rigid

In Honduras we have 1,120 active suppliers (not including fresh palm fruit independent producers). The number of independent palm fruit producers is estimated in 2,500, of which 31 are direct suppliers and the rest are handled by 18 intermediaries.

2021-2022 RECOGNITIONS AND CERTIFICATIONS

Thanks to our commitment, dedication, and daily effort, we are one of the best companies to work for. This recognition fills us with pride, as our goal is to continue making Dinant a place where people feel happy, which was one of the company's founder goals, and is still the goal of our executive president and the entire management team.

Thanks to our commitment, dedication, and daily effort, we obtained several recognitions, awards, and certifications in the reporting period, which confirm the quality of our work.



2021 AND 2022 AWARDS, RECOGNITIONS, AND CERTIFICATIONS

ISCC EU & Plus Certification

In the Agribusiness Division, we have the international sustainability and carbon certification since 2016, which provides an international practical and transparent way to certify biomass and bioenergy.

HACCP and Global GAP Certification

Since 2005, we have obtained the Certiclean certification based on the HACCP principles, a system that allows to identify hazards in the production and packaging processes and establishes control systems that focus on food safety and security risk prevention.

Global Gap is the international standard for agricultural production, and one of the best practices in food safety, traceability, environment, integrated crop management, pest management, quality and hazard analysis and critical points. This global standard is in effect at Dinant since 2022.

Both certifications have been implemented in the Agribusiness division in Comayagua.

KOSHER Certification

This certification guarantees that the inputs, raw materials, and processes involved in the transformation of products are pure and fit for consumption, respecting the precepts of the Jewish community.

By request, we began the certification in 2015 with the Aguan and Lean extraction plants, the refiner and fractionator of the Fats & Oils Plant and the Lean refiner.

SQF Certification

The Safe Quality Food (SQF) program is a food safety certification recognized by the Global Food Safety Initiative (GFSI), a leading food safety and quality management and certification system.

ISO 9001:2015 Certification

This certification promotes a quality and continuous improvement culture in our processes and products, with a primary focus on customer satisfaction, through supplier control, compliance with manufacturing processes, and strict selection of raw materials and packaging.

ISO 45001:2018 Certification

As of 2020, DINANT incorporated ISO 45001 into the integrated sustainability management system, migrating from the previously implemented OHSAS 18001 standard, which provided a framework for managing risks and opportunities for occupational health and safety.

BASC (Business Alliance for Secure Commerce) Certification

BASC is an international business alliance that promotes safe trade in cooperation with governments and international organizations.

AEO Certification

The Honduran Customs Administration (AAH) awarded this recognition, demonstrating the company's commitment to safety throughout its logistics chain by adopting practices based on improvement and compliance with safety requirements, generating benefits in its foreign trade operations.

ESR Seal

The FUNDAHRSE Socially Responsible Company Seal is an annual recognition designed to acknowledge organizations that demonstrate responsible practices internally and externally.

In 2021-2022, we renewed our certifications for ISCC EU & Plus, HACCP and Global GAP, KOSHER, SQF, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BASC (Business Alliance for Secure Commerce) and the AEO certification.

MEMBERSHIPS AND ALLIANCES

As part of our corporate commitment to innovate and generate social, economic, and environmental value in each of our operations, we have consolidated various alliances that allow us to reach vulnerable populations, especially children.

In 2021 & 2022 we did not form new formal alliances, however, we partnered with organizations and local governmental entities to carry out projects to benefit our communities, such as:



Operation Smile

Alliance Goal
To support the institution in providing comprehensive care and reconstructive surgeries to children, and adults with cleft lip, cleft palate, and craniofacial malformations.



Food Bank

Alliance Goal
To reduce malnutrition rates in Honduras by providing free food with high nutritional value to people in vulnerable communities.

Emma Romero de Callejas Cancer Center



Alliance Goal
The Mazola Rosa campaign consists of offering the product in a distinctive packaging and donating a significant amount of its sales to the cause against breast cancer.

The company is a member of the following organizations:



Fundación Hondureña de Responsabilidad Social Empresarial (FUNDAHRSE)

Non-profit, non-political, non-religious organization, that promotes Sustainability and Corporate Social Responsibility (CSR).

Thanks to our efforts, we have received the Socially Responsible Company Seal for 14 years.



Asociación Nacional de Industriales de Honduras (ANDI)

Non-profit business organization, created to represent and assist the national industrial sector, to watch over its rights and promote the solution of any problems that may affect its development.

In addition, Dinant is a member of ANDI's Industrial Human Rights Committee.



AMCHAM

AmCham Honduras is an independent, apolitical, and non-profit institution, representative of private enterprises and made up of companies from the U.S., Honduras, and other countries. Its main goal is to promote trade and investment between Honduras and the United States of America.



Consejo Hondureño de la Empresa Privada (COHEP)

Non-profit institution founded to provide the best macroeconomic, legal, and institutional conditions to promote wealth and the socioeconomic development of Honduras, based on the free enterprise system and social responsibility.

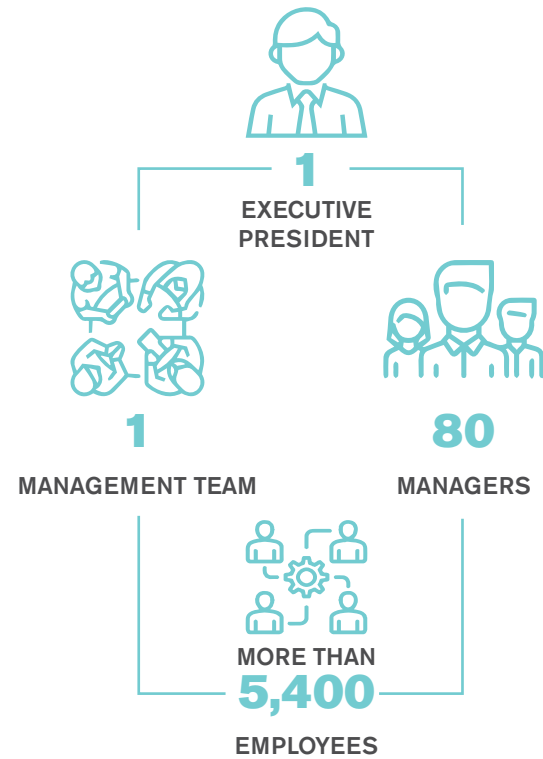


OUR GOVERNANCE STRUCTURE

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- 5.1 Training
- 5.2 Ethics and Integrity
- 5.3 Conflicts of interest
- 5.4 Communicating Critical Concerns
- 5.5 Compensation Policies
- 5.6 Legal Compliance

At Dinant, our governance structure is composed of



The Executive President leads the management team and the company's international operations. Some of his functions are:

- Designing a business plan with motivating and challenging goals to grow in the market.
- Making decisions that imply changes and add value to the company.
- Promoting sustainability and responsible resource consumption.

In addition, the Board of Directors and the Ethics Committee are responsible for making decisions and overseeing that impacts are managed in the company.

We also have an Innovation Committee since 2019, made up of a management team that approves and guides the projects submitted.

To delegate responsibilities, the Executive President meets at the beginning of the year with his management team to set strategic objectives, which are then shared with regional and national managers until reaching all levels of the organization.

Team leaders are responsible for informing their teams of the senior management's directions. In addition, we conduct briefings, launches and trainings to be in constant communication.

To create sustainability reports, the senior management along with their teams, provide the information that the Sustainability Department needs. In addition, they are part of our organization's sustainability strategy decisions.

TRAINING

In 2022 there were two training sessions aimed at strengthening our highest governance bodies:

	Participants	Results
New Trends in Marketing	14	Promotion of e-commerce trends
Knowledge and evaluation of practices to increase productivity	23	Driving innovation and service to our customers to achieve strategic objectives.

We are constantly searching for updated training to strengthen the decision-making capabilities of our leaders.

In 2021-2022, the performance of our high bodies of governance was evaluated according to financial indicators, which allowed us to track their achievements.

Starting in 2023, performance will be evaluated in accordance with our strategic pillars.

ETHICS AND INTEGRITY

Ethics management in the organization is oriented to our scheme of conduct, which defines the culture with which we intend to be recognized nationally and internationally.

To promote ethics within the organization, we conduct virtual and in-person training, information campaigns on cultural practices and organizational values, and motivational activities. Externally, we promote the topic on our website www.dinant.com.

To strengthen our ethical compliance, we have a code based on our mission and vision, which ensures that our organizational climate generates comfort and well-being for our employees, consumers, customers, and suppliers.

Our Code of Ethics is mandatory and applies to all companies in Dinant group, so it is generally disclosed to our employees and all our stakeholders.

We have an Ethics Committee that is responsible for ensuring the Code is applied in the company and for receiving, investigating, and resolving complaints with absolute confidentiality.

The next table shows the ethics-related complaints the company had in 2021:

2021		
NUMBER	TOPIC	STATUS
2	Relationships between employees	Closed
2	Infrastructure problems	Closed
1	Irregular handling of sales	Closed

As shown in the table above, in 2021, we had 5 breaches to the Code of Ethics. In 2022 there were none. To handle the complaints, we conducted audits in specific areas, implemented investigations, verified documents, and conducted interviews.


In addition, we implemented training and communication campaigns and reinforced the channels to report any non-compliance.

Some of the training sessions we provided are shown below:

TOPIC	NUMBER OF EMPLOYEES THAT PARTICIPATED
Code of Ethics – virtual training	763
Informative campaigns - via e-mail	1,000
Informative campaigns – via WhatsApp	4,000
SINERGIA Dinant Integration Day	251
Virtual induction	775


During the reporting periods, we carried out training sessions about anti-corruption procedures and covered various topics, including our Corporate Sustainability Policy, Prevention of Corruption and Bribery, Prevention of Money Laundering and Terrorist Financing, Legal ABC and Prevention of Internal Conspiracies and Suspicious Activities.


In case corruption risks or situations are identified internally or externally, there are several channels:

 **2275-3371** (for external calls)
Ext.: 38422 For internal calls, use extension

 **etica@dinant.com**

 **Suggestion boxes**

 Website: **www.dinant.com** and social **media**.

 **Letter sent to the Ethics Committee by e-mail.**

 **(+504) 3190-7002.**

Through our Corporate Sustainability Policy and our Code of Ethics, we ensure respect, regulatory compliance, and relations with our competitors. We respect the environmental, legal, and human rights precepts that regulate competition and protect the integrity of the market in which we operate.

Additionally, through our Corporate Sustainability Policy, our Human Rights Policy, and our Code of Ethics, we promote responsible business conduct from the moment our employees join the company and in our daily activities, both internally and externally.

CONFLICTS OF INTEREST

In our organization, it is essential to manage conflicts of interest to prevent personal activities from interfering with objective decision-making that benefits our company. The guidelines to follow in case of conflicts of interest are found in our Corporate Sustainability Policy and our Code of Ethics.

Employees must inform the Human Resources Department of any situation that might be considered a conflict of interest through a “Conflict of Interest Statement”. The Ethics Committee analyzes and follows up.

During the reporting periods we had the following conflicts of interest:

IDENTIFIED CONFLICT	YEAR	NUMBER	APPROACH
An employee is a partner of a supplier company.	2021	1	We followed up on compliance with the purchasing process to ensure that it was followed properly and that no one involved was favored.
Marriage between employees.	2021	2	They are from different areas, and are not directly related, so there is no possibility that their performance might be compromised.
Employee relatives working for a company competitor.	2022	1	We followed up on how the information is handled.

To prevent and mitigate conflicts of interest, we developed actions such as:

- **In 2021 and 2022, 5,000 employees participated in an informative campaign about conflicts of interest.**
- **Code of Ethics training in 2021 with 662 participants and in 2022 with 1,102 participants.**
- **DINANTEC training, a corporate communications campaign to raise awareness about the meaning of “conflict of interest” and the impact it has on decision making and the company’s performance. In these trainings we covered all operation areas in Honduras and had 5,000 people participate in 2021-2022.**

COMMUNICATING CRITICAL CONCERNS

Open dialogue between the company and our stakeholders opens bonds of trust that help us identify concerns to perform due diligence on potential risks or unidentified impacts.

To submit complaints, concerns, or allegations, we have different internal and external channels.

MECHANISM TO PROCESS PETITIONS, COMPLAINTS, SUGGESTIONS, CLAIMS AND/OR ACKNOWLEDGEMENTS (PQSR2):



It is an internal mechanism to manage and handle petitions, complaints, suggestions, claims, and/or acknowledgements from employees.

Steps to make the internal communications:

1. Choose the official communication channel to make the PQSR2 (mailboxes, email, website, immediate supervisor). It can be anonymous, or personal.
2. Once the PQSR2 is received, the corresponding area will carry out the due process and respond, positively or negatively in 22 working days.
3. A Complaints and Grievances Committee will handle the PQSR2, considering the request urgency level.
4. The petitioner or complainant will receive a personal written response (if not anonymous), with the investigation process.
5. If the communication takes longer than the stipulated time, the person will receive a detailed action plan with the actions for resolution and closure.

GRIEVANCE MECHANISMS FOR COMMUNITIES, INDEPENDENT PRODUCERS AND/OR STAKEHOLDERS (MDR)



It is a participatory and transparent external mechanism, available to external stakeholders, to handle requests, complaints, suggestions, claims and/or requests submitted to the company, aiming at generating joint solutions between the parties.

Steps to make an external communication:

1. Choose the official communication channel to make the PQSR2 (mailboxes, email, website, verbally to the RSE officer according to the site). It can be anonymous, or personal.
2. Once the PQSR2 is received, the corresponding area will carry out the due process and respond, positively or negatively in 40 working days.
3. The petitioner or complainant will receive a personal written response (if not anonymous), with the investigation process.
4. If the communication takes longer than the stipulated time, the person will receive a detailed action plan with the actions for resolution and closure.

In 2021 and 2022 we recorded the following external and internal complaints and concerns:

CONCERN OR COMPLAINT	TYPE (INTERNAL OR EXTERNAL)	APPROACH	2021 TOTAL	2022 TOTAL
Poor customer service in some of the plants' cafeterias.	Internal	The cafeteria staff received customer service training and we made internal inspections to verify food quality and safety.	3	7
Working hours	Internal	Human Capital offered a lecture to address concerns about working hours.	1	-
Poor driver customer service	Internal	Complaints were recurrent so we investigated this service provider. The company decided to cancel the contract.	1	-
Delay in response times in the Human Capital area	Internal	Changes were made in the department to improve response time.	1	-
Services in the medical clinic	Internal	A meeting was held to explain the medical leave process.	-	1
Internal transportation of employees to farms	Internal	Employees were explained that internal transportation was offered during the pandemic.	-	1
Security Access controls in some plants	Internal	The security team explained the protocols and controls that employees must follow when entering plants.	-	1
Water drainage systems maintenance in farms	External	For one of the complaints, drainage maintenance was executed according to schedule. At the Aguán plant, community leaders were called to explain that since the farm remains invaded, and despite multiple efforts to legally request its eviction, we do not have access to it and therefore there is no way to maintain the drainage system.	2	-
Contractor payment	External	It was explained along with the accounting area, that payment was made to the contractor.	1	-

CONCERN OR COMPLAINT	TYPE (INTERNAL OR EXTERNAL)	APPROACH	2021 TOTAL	2022 TOTAL
Noise coming from plants at certain hours	External	It was detected that the noise in the snack plant came from a roof extractor. Also, the Sulambiente truck when entering to collect waste. The entry was established from 8:30 a.m. and the extractor was repaired.	1	-
High vehicle traffic in the snack plant	External	Our distribution center was expanded to facilitate access for haulers and mitigate traffic.	-	1
Smoke and noise in manufacturing processes	External	Environmental noise and stationary source emissions studies were conducted to explain to the community that these are within legal parameters.	-	1
Independent growers: fruit weighing and pricing	External	We informed growers that the scales used to purchase fruit have a calibration certificate issued by an expert company certified by the Honduran Department of Metrology and Quality. Regarding price, a statement was issued communicating that DINANT S.A./Exportadora del Atlántico offered the best possible price available at the time.	-	2
Waste on farms	External	Maintenance staff were trained in farm cleaning and waste management. The farm was cleaned.	-	1

Thanks to the way each of the complaints and concerns were handled, we achieved important milestones:

2021

We received seven acknowledgements through our internal and external media, (MdR and PQSR2).

2022

We received 12 recognitions through internal and external communication mechanisms.

COMPENSATION POLICIES

Currently we have a Compensation Policy that establishes the guidelines to create salary policies that provide high labor competitiveness and motivate our employees in all our lines of business and job positions.

To determine remuneration, the Salary Compensation Area, along with the Human Resources managers, developed a position classification that measures the impact that each position has on the company. This process is applicable to administrative positions. The commissioning positions have scales designed according to sales plans.

In manufacturing, we have a salary structure that encourages the operators to specialize in the different job positions.

Our compensation ratio and the percentage increase in annual total compensation ratio are detailed below:

2021	Annual Compensation Ratio	12%
	Percentage increase in annual total compensation ratio	7%
2022	Annual Compensation Ratio	13%
	Percentage increase in annual total compensation ratio	6.2%

LEGAL COMPLIANCE

Since our business activities are carried out in different locations throughout the country, we generate requests for regulatory compliance with local and national authorities. For local authorities, documentation and information requirements are forwarded to the respective offices and compliance is channeled through the administration or operations staff.

For national requirements, the Corporate Legal Department analyzes, prepares, and submits the relevant documents. In both scenarios, the Corporate Legal Department must review the content of the information provided and ensure timely compliance with the authorities' requirements.

In the event of any regulatory non-compliance, the regulatory bodies inform the company to provide the pending data.

Nationally, we have the following regulatory bodies:



Revenue Administration Service.



Natural Resources and Environment Bureau.



Finance.



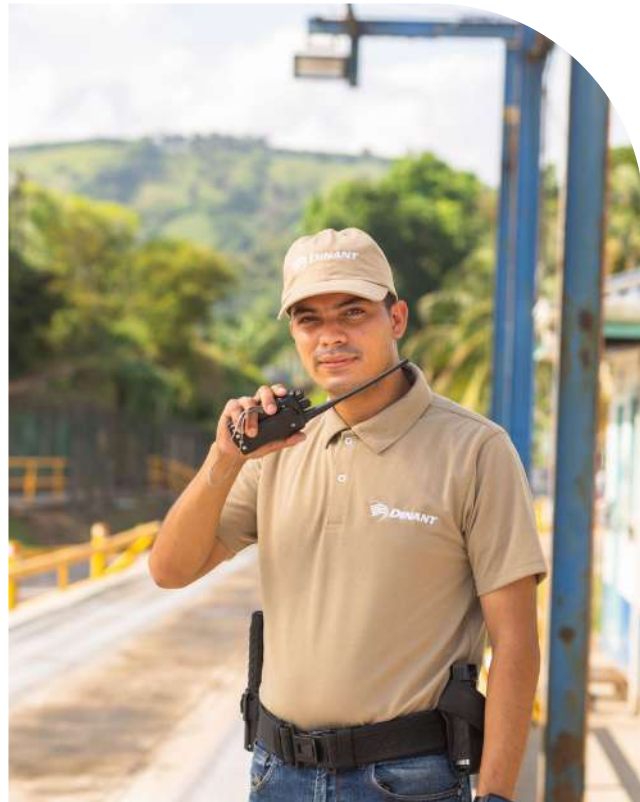
Economic Development Bureau



Health Regulation Agency



Energy Bureau



Currently we don't have international regulatory bodies.

We are a member of the Voluntary Principles on Security and Human Rights initiative, which establishes a strong human rights stance for all stakeholders. We are recognized as a Socially Responsible Company by FUNDAHRSE's ESR seal.

At Dinant we respect intellectual property. We do not handle trademark registrations or other procedures related to third party trademark rights.

On this subject, in 2021 and 2021, we achieved:

 <p>Energy Bureau processes compliance.</p>	 <p>Operating permits for offices and plants process.</p>
 <p>Environment Bureau processes compliance.</p>	 <p>Fiscal and tax compliance.</p>

In 2021 and 2022 there were no cases of regulatory non-compliance.





SUSTAINABILITY MANAGEMENT

6

- 6.1 Material Topics
- 6.2 Stakeholders
- 6.3 2021-2022 Impacts and Risks
- 6.4 Contribution to the SDGs

As a company, it is essential that each of our processes are sustainable, so we have a Sustainability Policy and Strategy that aims to ensure environmental, social, and economic well-being.

We have a Human Capital and Sustainability Department in charge of designing, implementing, and following up on the strategy through our Corporate Sustainability Policy and its pillars:



At Dinant, we integrate social responsibility into our operations to ensure the occupational health and safety of our employees and communities, as well as to protect the environment.










We are committed to the policy throughout all areas, from the Executive President to our strategic allies, and we manage it as follows:

- Human Capital and Sustainability: They are responsible for implementing several commitments in pillars 1, 2, 4, 5 and 6. This area leads on issues related to employees and human rights, implementation and management of the Code of Ethics, Occupational Health Programs, as well as labor administration.
- Industrial Safety and Environmental Conservation: led by the SHE (Safety, Health, and Environment) area, responsible for industrial safety management, as well as environmental conservation and protection, follow-up, and monitoring of Environmental and Social Impact Studies, among others.
- Control and Safety: Ensure safety in the supply chain, applying controls to avoid and/or minimize risks that may affect the integrity of products and services.
- Quality and safety: Led by the Manufacturing Manager; they oversee compliance with all applicable legal requirements related to the safety and quality of our processes, products, and other applicable requirements.
- Supply Chain and Traceability: Led by the Agribusiness Division. They are responsible for ensuring the traceability of 100% of the fruit we produce, as well as the product received through third parties.

Each of our pillars is reflected in our business philosophy and impacts our commercial operations, as detailed below:

PILLAR	IMPACT ON OPERATIONS	RELATED MATERIAL TOPIC
 Respect for Human Rights and Engagement with Employees and Communities.	By promoting and respecting human rights, we create a safe space for all our stakeholders, especially our employees. They can enjoy an excellent work environment, which looks after their interests and provides transparent mechanisms if they must submit petitions, complaints, suggestions, or claims.	Dinant Governance We are Dinant Dinant in the community
 Industrial Safety and Occupational Health	Having a concrete program has allowed us to establish regulations and procedures to mitigate risks in our operations. We provide appropriate equipment for all our employees and encourage them with wellness programs.	Dinant Governance

PILLAR	IMPACT ON OPERATIONS	RELATED MATERIAL TOPIC
 Environmental Conservation and Protection	Raising awareness about environmental conservation and protection allows us to generate activities through our corporate volunteer program. This allows them to stay in contact with nature, and to take a break from the routine and the office.	Dinant Environmental Management Production and Sustainable Consumption
 Code of Ethics	Our Code of Ethics tells our employees what is expected of them and what actions will not be tolerated. Likewise, we provide spaces to communicate any violations and handle it properly.	Dinant Governance
 Corporate Social Responsibility	We carry out actions aligned with our Sustainability Policy that benefit our stakeholders, generating impact and welfare to communities. This gives our employees a good image of the business and makes them proud to work for a socially responsible company.	Dinant in the community
 Labor Management	By having an organized labor administration and providing additional benefits, employees feel satisfied and know where to turn to for any personal matters.	We are Dinant
 Control and Safety	We provide security so that employees feel safe, with responsible people who ensure their welfare.	Dinant Governance
 Food Quality and Safety	We have certifications that support our Quality and Safety, with established rules to comply with the standards. This generates trust for employees, customers, and consumers.	Production and Sustainable Consumption
 Supply Chain and Traceability	We guarantee the traceability of our fruit and work tirelessly to trace 100% of the fruit received by third parties. In addition, we promote sustainability in the production and purchase of fruit acquired from independent producers.	Production and Sustainable Consumption Dinant Governance

Some of the actions we implement to be more sustainable are:

-  **Programs to Benefit employees (Occupational Health and Safety, Life-Balance Program).**
-  **Community Development Program.**
-  **Corporate Volunteering.**
-  **Alternative energy sources to replace fossil fuel consumption.**
-  **Use of biogas and biomass to reduce electricity, bunker, and diesel consumption in the Aguán and Lean plants.**
-  **Wastewater from palm oil mills is treated and reused in fertigation systems in palm crops.**
-  **Fertilization plan to improve oil palm productivity in company-owned farms.**
-  **Implementation of an efficient plan for Integrated Pest Management (IPM).**

In addition, during 2021-2022 we developed the following programs:

PROGRAM	DESCRIPTION
 Community Development Program	Community Development is one of our CSR's priorities. We identified the communities within the area of influence and classified them as: high, medium, and low influence. We work with them on a Community Engagement and Development Plan, to jointly carry out sustainable projects that benefit the members of the communities.
 Corporate Volunteering	This program allows Dinant's employees to carry out impactful actions that benefit the environment, schools, communities, people living in vulnerable situations, and other stakeholders.
 Occupational Health and Safety Program	Dinant has an Occupational Health Area with clinics run by qualified doctors and nurses, who direct various health programs at each work site.

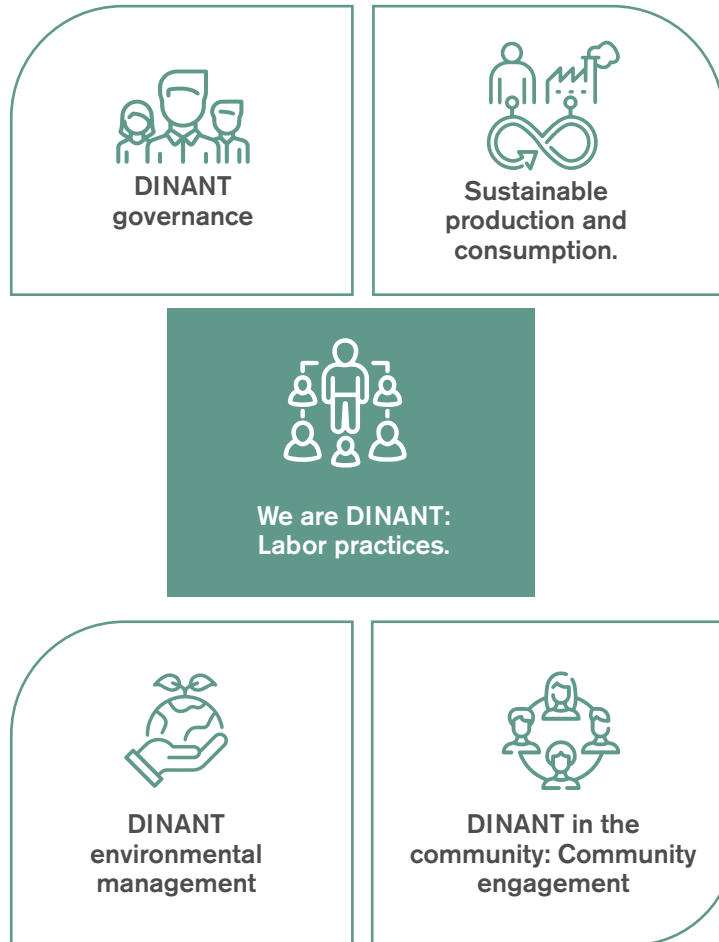
The development and implementation of this strategy is of utmost importance to us, as it allows us to operate in a more efficient and responsible manner, working hand in hand with the communities and with respect for Human Rights as a priority.

MATERIAL TOPICS

To determine and prioritize our material topics, we reviewed documents, made interviews, and had a workshop with the management team, where we used two prioritization criteria:

- Strategic relevance to the business.
- Stakeholder concerns.

From this analysis, we identified our material topics:



In addition, at Dinant we have several policies and procedures that are aligned with our commitment to sustainability, including the Code of Ethics, the Corporate Sustainability Policy, and the Human Rights Policy.

We have also implemented an Integrated Sustainability Management System (ISMS), which is supported by a robust structure that supports sustainability management as defined by our materiality.



STAKEHOLDERS

Our stakeholders are indispensable for the continued development of our operations. At Dinant, we identified our stakeholders through the Stakeholder Analysis Procedure (PC-16).

This procedure provides the methodology to identify, review, control and follow-up stakeholder information, their expectations, needs and requirements, all of which are relevant to the Integrated Sustainability Management System. However, we do not have an established procedure to list all the parties, as they were mostly analyzed based on the team's opinions.

These are our identified stakeholders:



In 2023, we plan to update our materiality and know and meet our stakeholders' needs and expectations and define the communication channels for each one.

As part of our due diligence processes, we identify the potential environmental and social impacts that our operations may cause, and then we put together mitigation and monitoring plans and implement actions to help us minimize the identified risks.

For accountability, we have the 2019-2020 Sustainability Report, a document with the summary of our operations in Honduras in 2019 and 2020.

Some of the actions we implemented to benefit our stakeholders are:



2021-2022 IMPACTS AND RISKS

Our company strives to be socially conscious and conduct business in a responsible manner, which is why we identify and manage our operations' impacts and risks, allowing us to be proactive and develop mitigation plans that help us counteract the potential negative impacts and strengthen the positive ones.



The impacts and risks we identified are:

- Loss of local wildlife due to cattle ranching, community expansion and palm cultivation.
- Water scarcity in the communities.
- Dust from vehicles traveling to the Lean plant.
- Proliferation of pests: flies and mosquitoes.
- Deterioration of access roads due to heavy equipment

- Job generation
- Support for education
- Support for the Farallones Wildlife Conservation Center, on the Atlantic coast of Honduras.
- Payment for education and health services.
- Improvements in the company's communication.

We implemented our Risk Mitigation Plan in 2021-2022.

In 2021-2022 we achieved the following milestones regarding impacts and risks:



We trained more than 330 people on wildlife protection in palm plantations to raise awareness in the communities.



We reforested 7 micro-watersheds that supply the communities. Government entities, communities and companies participated in this activity.



Complaints from the community regarding dust caused by the heavy transport that goes into the plants decreased.



More than 1,000 people in 35 communities were trained in waste management.



Public access roads in the communities were improved.



CONTRIBUTION TO THE SDGS

As part of the business strategy, our sustainability strategy is aligned with the Sustainable Development Goals, as this is one of the top five goals set by our Executive President.

We developed various actions to contribute to the achievement of the SDGs, as described below.



GOOD HEALTH AND WELL-BEING

To promote wellness, we have occupational health programs and medical care clinics certified by the Honduran Institute of Social Security for our employees. We also offered talks to our employees about childhood cancer symptoms, encouraging them to sign up for the Honduran Foundation for Children with Cancer Supporter Plan.

We conducted oral hygiene training, fluoridation sessions, and dental kits for school children in the communities of influence.

We contributed to target #4: "By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being."



AFFORDABLE AND CLEAN ENERGY

At Dinant we focus on generating our own energy from renewable sources, mainly from waste generated in the agribusiness area. The renewable energy is produced from biomass steam and biogas technologies produced by anaerobic treatment systems of agro-industrial effluents.

This initiative contributes to target #2: "By 2030, increase substantially the share of renewable energy in the global energy mix".



DECENT WORK

We have a Back and Shoulder School for our employees, where we address an occupational health impact detected in one of the manufacturing processes in the Dixie plant. This way, we ensure that employees who work in this area receive proper attention and occupational therapy to avoid muscular discomfort.

We implemented a comprehensive program for pregnant and breastfeeding women, providing support from the beginning of the pregnancy until the end of the breastfeeding period at the Dixie plant. We offer guidance for a healthy pregnancy, preparation for childbirth, and breastfeeding.

This initiative contributes to target #8: "Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment".



CLIMATE ACTION

As part of our environmental commitment, we have Wildlife Conservation Centers (CCVS) for the protection of natural resources and biodiversity, and we conduct environmental awareness and sensitization campaigns aimed at our different stakeholders. We also carry out reforestation and beach and community cleanups at our different operating sites.

We encourage our employees to carry out their activities in an environmentally responsible manner. Thus, during the induction process new employees are taught about our sustainability policy and its pillars. In addition, throughout the year we offered micro-lectures to reinforce our culture of sustainability and environmental awareness, mainly in waste separation.

This initiative contributes to target #3: "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning".



JUSTICE, AND STRONG INSTITUTIONS

For our company it is important to promote mechanisms for complaints, claims, petitions, suggestions or acknowledgements for communities, independent producers, and other stakeholders. With this mechanism we have developed a social structure to attend to high-influence communities, with whom we actively maintain a community engagement program.

With this mechanism, we seek to listen and attend responsibly and effectively to each case presented to our company. We also contribute to target #7, which states: "Ensure responsive, inclusive, participatory and representative decision-making at all levels."



ALIANZAS PARA LOGRAR LOS OBJETIVOS

At Dinant we are strategic members of the Honduras Food Bank. We have alliances with Operación Sonrisa and support other hospitals such as Emma Romero de Callejas and Maria Hospital to ensure the health and well-being of our employees and communities.

In addition, we have alliances with local government authorities and schools so that children have access to quality education.





QUALITY IN WHAT WE DO

7

- 7.1 Food Quality and Safety
- 7.2 Control and Safety in our Products

At Dinant we focus on customer satisfaction, and we fulfill by committing to producing under the highest quality standards.

To achieve it, we have the following objectives:

Comply with applicable legal requirements and international standards associated with the quality and safety of processes and products.

Ensure that our raw materials and packaging comply with national and international regulations and standards.

To guarantee that our products are manufactured with the highest quality and safety standards.

To train our employees periodically in good manufacturing and storage practices, and continuous improvement processes.



To project the affordability of the products to our clients and consumers, we developed different strategies, such as:



Regional presence in modern channel.



Cross-promotions in our Food and Fats and Oils divisions, such as "Íssima & Mazola".



Launching innovations such as never-fried snacks like "Yummi Pops Nacho", endorsed by the Center for Health and Nutrition in Honduras.



Promoting the Seeds category: "Yummi Nuts".



Direct distribution with regional coverage with our own delivery trucks.



Developing recipes to encourage using our products in creative ways.

Pillar number eight of our Corporate Sustainability Policy reflects our Quality and Safety Policy; our commitment to offer our customers a safe product. This policy is communicated to all employees and its compliance is verified throughout the organization's production process. In addition, we have the SQF (Safe Quality Food) certification, which guarantees safe and quality products.

In addition, we have a Product Recall and Traceability Procedure Manual that covers everything from raw materials to points of sale and distribution centers of all our nationwide clients and in the countries where we export. The return and recall process of this manual can be illustrated in six steps:



Dates and product rotation at the point of sale are monitored and reviewed.



The Sales Department reports and asks the Brand Department for authorization to change the product or apply the return.



The Brand Department authorizes it.



The salesperson prepares a rotation slip detailing the type of material and quantity, which is signed by the customer, the Credit Department, and the salesperson.



The salesperson sends the ticket to the warehouse and/or quality team.



Pick up is coordinated by the warehouse team and the credit note is applied.

During the reporting period we strived to offer products that meet the needs and expectations of our clients and consumers, such as:



2021 ACTIONS

- **Follow-up on the Quality Management System certification by complying with ISO 9001:2015, which is the basis for continuous improvement in the food and personal and home care product manufacturing plants.**



2022 ACTIONS

- **Food Plant: migrated from ISO 9001:2015 certification to SQF certification referring to Food Quality and Safety V.9, which opened the field of applicability and extended the stringency of operational and training controls.**
- **Personal Care and Home Care Plant: the ISO 9001:2015 standard was strengthened through information automation, moving from physical operational controls to a digital platform.**
- **Fats and Oils Plant: the Quality and Safety System was strengthened through improvements in the Quality and Safety Systems or Programs (SQF), which have consumer satisfaction and health as a priority. Some of these improvements are:**
 - Robust access control at process inputs and outputs.
 - We carried out motivation campaigns aiming at creating a culture of quality and safety in employees.
 - We implemented digital platforms to automate product delivery.
 - We implemented applications to improve communication.
- **Snack Plant: we implemented the SQF V.9 Food Safety and Quality certification, and information automation for greater efficiency and speed when analyzing results and executing actions.**

CONTROL AND SAFETY IN OUR PRODUCTS

Our company complies with international safety standards, which allow us to maintain the integrity of our processes, prevent illegal activities or any other action that may affect our operations, while ensuring transparency, compliance with legal requirements and continuous improvement.

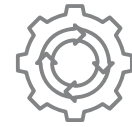
Thus, at Dinant:

We identify risks in the company's processes and supply chain.

We implement controls to avoid and/or minimize risks and any consequences that may affect the integrity of our products and services.

We establish rigorous staff selection and hiring processes to ensure their proficiency and adherence to ethical conduct aligned with corporate values.

We operate our information and communication systems in a secure manner.



Maintenance process: verifies that the equipment is in good condition, avoiding operational stoppages and therefore, product defects.



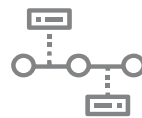
Human capital process: ensures compliance with the guidelines and employee rights.

We provide written information about the proper use of our products on the packaging material (instructions for use) and through all our distribution channels.

Regarding food safety we have different processes that play a fundamental role in product control, for example:



Quality assurance process: ensures compliance with controls and monitors each production stage.



Production process: performs cleaning, autonomous maintenance and its priority is to comply with established procedures to guarantee product quality and safety.



Warehouse process: complies with good storage practices to preserve product integrity and verifies that the transportation units comply with the required guidelines so that customers receive products in optimal conditions.



To measure customer satisfaction and correct faults, we have consumer surveys, quality tests in production plants, and our website and official social media accounts for comments and suggestions.

In 2021-2022 we developed different actions to ensure the control and safety of our products, namely:



2021 ACTIONS

- Implementation of a food defense program to identify vulnerable points in the production of our products.
- Development of a crisis management plan in the event of an emergency.
- Implementation of food quality plan to identify threats in our processes.
- Analysis of food fraud that could cause losses and damage the brand.



2022 ACTIONS

- Optimization of the organization's resources by implementing internal auditors.
- Use of digital platforms such as Qualyteams Module Tools to deal with deviations in an orderly and controlled manner.

Thanks to the actions implemented, we can list several achievements in the quality and safety area:

2021



SQF Safety and Quality Certification V.9 in the Fats and Oils Physical-Chemical Modification Plant. According to the Safe Quality Food Institute (SQFI) scores, we achieved the "Excellence" category.

ISO 9001:2015 Certification in Food Manufacturing Plants and Personal and Home Care Products.

SQF V.9 Safety Certification in the Snacks Plant-Excellence category.

2022



SQF Safety and Quality V.9 Certification in the Physical-Chemical Modification of Fats and Oils plant, once again in the Excellence category.

SQF Safety and Quality V.9 Certification in the Snacks Plant; we maintained the Excellence Category.

ISO 9001:2015 Certification in the Food Plant with zero non-conformities.

SQF Safety and Quality V.9 certification in the Food Plant.

Rate of customer complaints was reduced.

We simplified the document structure of the ISO 9001:2015 Quality Management System, SQF Food Safety and Quality.

More training on quality and safety topics.

Additionally, we executed actions to promote nutritional education and a healthy lifestyle among our stakeholders through:

- **Our brands sponsored marathons and other sports activities.**
- **We developed soccer tournaments (Zambos Kids) for children in vulnerable condition.**
- **Health-care related advertising in social media, radio, and television.**
- **Mazola Rosa Campaign to raise awareness about breast cancer prevention.**



ECONOMIC DEVELOPMENT

8

- 8.1** Our Suppliers
- 8.2** Impact on the Economy
- 8.3** 2021-2022 Economic Results

OUR SUPPLIERS

We recognize the importance of integrating ethical, social, and environmental criteria into our purchasing, distribution and contracting policies and practices. Therefore, we have a self-manageable platform, where suppliers are required to sign several agreements related to safety, behavior, sustainability, ethics, and environment, as well as legal documents such as company RTN, DNI, RTN and power of attorney of the legal representative, articles of incorporation, operation permit, criminal and police record, operation, and exploitation permit (for transportation suppliers).

Subsequently, we created a supplier code that states the entry requirements for anybody entering and remaining in our facilities. For example, we request resumés, proof of training or education, criminal records, among others. For carriers, we request operating permits, driver's license and for chemical substances, the environmental license. We also give them an induction talk.

In addition, we believe domestic suppliers have an impact on the local economy and provide us with many benefits, such as prompt delivery, reduced costs and timely development of new materials, easy problem solving and possibility of technical visits.

At Dinant we prioritize the local supplier portfolio, so they treat us better. The annual turnover in local suppliers is \$110,145,989/year.

The following table shows our national and international suppliers.

NATIONAL RAW MATERIAL SUPPLIERS

LOCATION	SUPPLIER	NATIONAL RAW MATERIAL SUPPLIERS
Home Care Products Plant- Comayagua	Brenntag Honduras S.A.	\$4,861,566
Snacks Plant – San Pedro Sula	Grupo Alza	\$3,899,715
Snacks Plant – San Pedro Sula	ADM Honduras S DE RL	\$3,117,440
Snacks Plant – San Pedro Sula and Home Care Products Plant – Comayagua	Vesta Trading, S.A	\$2,863,602
Snacks Plant – San Pedro Sula	Cayo Blanco	\$2,649,842

NATIONAL PACKAGING SUPPLIERS

LOCATION	SUPPLIER	NATIONAL PACKAGING SUPPLIERS
Snacks Plant – San Pedro Sula	Inplasa	\$14,841,444
Planta Snacks – San Pedro Sula	Corrugados de Sula	\$7,801,702
Planta de Grasas y Aceites – Aguán	Energua S.A.	\$5,608,698
Planta Snacks – San Pedro Sula	Cartonera Nacional S.A.	\$2,215,294
Planta de Snacks – San Pedro Sula y Planta de Grasas y Aceites – Aguán	Alfapack, S.A. DE C.V.	\$1,946,895

NATIONAL MAINTENANCE, REPAIRS, AND OPERATIONS SUPPLIERS

LOCATION	SUPPLIER	NATIONAL MAINTENANCE, REPAIRS, AND OPERATIONS SUPPLIERS
Snacks Plant – San Pedro Sula	Gas del Caribe	\$5,701,010
All Honduras sites (Corporate - Tegucigalpa, Home Care Products Plant - Comayagua, Snacks Plant - San Pedro Sula, Fats and Oils Plant - Aguán, Palm farms - Aguán and Lean)	UNO-Honduras S.A. de C.V.	\$4,607,240
Snacks Plant – San Pedro Sula	Petralubs	\$1,505,361
Corporate Office – Tegucigalpa	ECO, S.A. de C.V.	\$1,131,067
Snacks Plant – San Pedro Sula	Tropigas de Hond. S.A.	\$1,074,258

INTERNATIONAL RAW MATERIAL SUPPLIERS

LOCATION	SUPPLIER	INTERNATIONAL RAW MATERIAL SUPPLIERS
Snacks Plant – San Pedro Sula	Cargill Americas	\$19,938,462
Fats and Oils Plant – Aguán	Pasternak Baum & CO. INC	\$17,500,593
Snacks Plant – San Pedro Sula	Allied Potato, INC	\$13,906,031
Snacks Plant – San Pedro Sula	Evans Food Products, CO.	\$10,076,753
Snacks Plant – San Pedro Sula	Rudolph Foods Company	\$9,505,811

INTERNATIONAL PACKAGING SUPPLIERS

LOCATION	SUPPLIER	INTERNATIONAL PACKAGING SUPPLIERS
Snacks Plant – San Pedro Sula	EMUSA S.A.	\$6,342,058
Snacks Plant – San Pedro Sula	Sigmaplast	\$3,578,399
Snacks Plant – San Pedro Sula	Dart de México S de RL de CV	\$3,197,676
Snacks Plant – San Pedro Sula	Smurfit Kappa El Salvador, S.A.	\$2,424,769
Fats and Oils Plant, Aguán	FOL - MEX, S.A. DE C.V.	\$2,278,765

INTERNATIONAL MAINTENANCE, REPAIRS, AND OPERATIONS SUPPLIERS

LOCATION	SUPPLIER	INTERNATIONAL MAINTENANCE, REPAIRS, AND OPERATIONS SUPPLIERS
Snacks Plant – San Pedro Sula	Heat and Control México	\$22,439,053
All Honduras sites (Corporate - Tegucigalpa, Home Care Products Plant - Comayagua, Snacks Plant - San Pedro Sula, Fats and Oils Plant - Aguán, Palm farms - Aguán and Lean)	J.C.Ford COMPANY	\$6,428,776
Snacks Plant – San Pedro Sula	BOSSAR (MÁQUINAS ENVASADORAS H.)	\$4,280,842
Corporate Office - Tegucigalpa	Eficiencia y Tecnología S.A.	\$844,591
Snacks Plant – San Pedro Sula	TMCI Padovan S.p.A	\$765,885

IMPACT ON THE ECONOMY

At Dinant we have a five-year strategy that includes a Profitable Growth Pillar, which defines sales and profitability growth goals.

The goals are reviewed monthly to analyze compliance and evaluate new actions to be implemented.

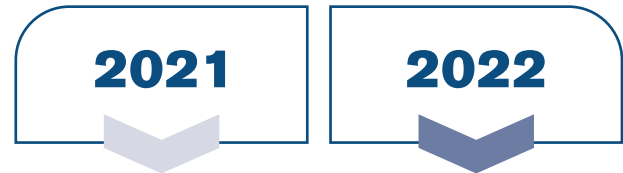
Our growth and profitability goals are considered in all the directors and key managers' individual objectives.

In addition, our financial information is validated annually by the independent auditing firm Baker Tilly, which confirms the origin and use of funds.

We share our audited financial statements with major creditors such as banks and key suppliers.

The audit process concerning financial numbers is executed under international accounting and auditing standards and lasts approximately four months.

The economic value generated, distributed, and retained in 2021-2022 is shown below.



DIRECT ECONOMIC VALUE GENERATED (COMPANY INCOME)

590 million dollars	701 million dollars
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DISTRIBUTED EXPENSES (OPERATIONAL COSTS, EMPLOYEE SALARIES AND BENEFITS, PAYMENTS TO CAPITAL PROVIDERS, PAYMENTS TO GOVERNMENT (BY COUNTRY) AND COMMUNITY INVESTMENTS)

571 million dollars	661 million dollars
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PROFIT (INCOME MINUS EXPENSES)

19 million dollars	40 million dollars
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Our operations generated the following yearly impact on the local economy:

- Wages: \$80 million.
- Local palm producers: \$120 million.
- Local plantain producers: \$24 million.
- Income tax: \$8 million.
- Exports: \$340 million.

We would like to point out that our company is in a constantly changing environment and that climate variations are increasing because of the irrational use of resources, Greenhouse Gas (GHG) emissions, etc.

We know these changes can affect our operations, income and expenses, and that opportunities and risks such can also arise from them, as mentioned below:

- **Opportunities:** continue working on greenhouse gas reduction through methane capture and reducing bunker consumption in our plants. Also, implement energy efficiency measures.
- **Risks:** increased environmental temperature leading to water scarcity due to lack of rain, new legal requirements regarding the GHG emissions reduction, and climate risk management.

Los riesgos descritos pueden tener un impacto en nuestra economía, ya que pueden alterar el ciclo de crecimiento de los cultivos, los cuales son parte de nuestra materia prima.

Currently, we have allocated a budget for social or environmental risks, like the COVID-19 crisis or the ETA/IOTA Storms, which affected our operations at the end of 2020. To take care of our employees during the pandemic, we budgeted some unforeseen aspects for example, Personal Protective Equipment (PPE), triage, employee transportation, food, lab tests, and special cleaning products and sanitizers.

2021-2022 ECONOMIC RESULTS

Our company's main economic results for this period are shown below.



2021

- 18% total business growth
- 17% consumer business growth
- \$19 million net profit



2022

- 19% total business growth
- 22% consumer business growth
- \$40 million net profit

Thus, growth is evident, reflecting our commitment to implement continuous improvement.





WE THINK ABOUT OUR TEAM

9

- 9.1 Employee Profile
- 9.2 Workers Who Are Not Employees
- 9.3 Talent Attraction and Retention
- 9.4 Inclusion and Gender Equality
- 9.5 Human Rights
- 9.6 Employee Benefits
- 9.7 Occupational Health and Safety
- 9.8 Team Training and Development
- 9.9 Performance Appraisal

EMPLOYEE PROFILE

At Dinant we constantly strive to provide a fair work environment for all our employees.



Our people are our most important value, so we constantly create spaces and processes that motivate them and improve their quality of life, ensuring that the work experience brings new challenges and happiness.

We train our staff according to emerging needs, so we designed an essential training plan so that each employee acquires relevant information and identifies with the company's success.

At Dinant, the Legal Department ensures that our employees get a formal employment contract with all the legal requirements according to the country's Labor Code. The contracts are reviewed and signed by the employees and put on file.

The following table shows Dinant's number of employees by gender, type of contract and work schedule.

EMPLOYEES BY GENDER, TYPE OF CONTRACT AND WORK SCHEDULE

GENDER	CONTRACT		WORK SCHEDULE
	DEFINITE	INDEFINITE	FULL-TIME
WOMEN 	207	1,304	1,511
MEN 	859	3,197	4,056
TOTAL	1,066	4,501	5,567

All new hires must fill out a form to register in the Instituto Hondureño de Seguridad Social (IHSS). Our Human Capital Department enters these records, and we begin paying the employer's contributions as the law requires.

The Human Capital Department is the sole custodian of the employees' files, and they are kept on their office to ensure privacy.

In addition, we review the government's minimum wages annually to guarantee compliance. Salaries are paid weekly and biweekly.

Working hours are described in our internal regulations and are also established in accordance with the law. In case of overtime, the additional amount established by law is paid.

Vacations are programmed by the employees, the Human Resources Department, and the manager, in accordance with the law. All the information is reflected on the file.

Regarding maternity leaves, the Social Security Institute sends the pre-natal and post-natal dates to Human Resources, and the occupational health area, through its clinics, keeps track of the maternity leave and breastfeeding times.

Paternity leave is not contemplated in Honduras' current legislation; however, at Dinant we grant three paid days to new fathers as a special benefit.



We have **5,567** employees, of which

4,056 are men and **1,511** are women

We are constantly developing processes to stay current in the labor market, offering training programs for professional development and growth. Also, we provide integrating spaces that allow our employees to stay motivated.

The total number of employees in the organizational structure, according to gender and age, is shown below.

EMPLOYEES BY AGE AND GENDER

ORGANIZATIONAL STRUCTURE			
	MANAGERS	STEERING COMMITTEE	EMPLOYEES
GENDER	WOMEN 		
	12	1	1,498
GENDER	MEN 		
	68	12	3,976
AGE GROUP	LESS THAN 30		
	0	0	2,123
	BETWEEN 30 AND 50		
57	3	2,939	
AGE GROUP	MORE THAN 50		
	23	10	412

In 2021-2022, we continued being a company that generates high employability in Honduras. We operate in several cities and areas of the country, thus achieving a considerably high reach. Due to our success, we are one of the first employment options for Hondurans.

Every new employee participates in the Institutional Induction Program, in which we inform about different aspects of our culture like the history, institutional seal, products, processes, rules, regulations and benefits, to facilitate the understanding of good practices.

We also assess the organizational climate and culture to identify strengths and opportunities for improvement, which we must implement in the action plans to maintain a good working environment.

An external supplier performs the evaluation by applying surveys. The results allow us to identify the employees' opinion, the leaders' work, commitment, and pride.





2021-2022 NEW HIRES AND RECRUITMENT RATE



	NEW HIRES	RECRUITMENT RATE
2021	1,794	31.0%
2022	1,392	25.0%

2021-2022 NEW HIRES BY GENDER, TYPE OF CONTRACT AND TYPE OF WORK SCHEDULE.

GENDER

	 WOMEN	 MEN
2021	365	1,429
2022	275	1,117


CONTRACT

	 DEFINITE	 INDEFINITE
2021	985	809
2022	913	479


WORK SCHEDULE

	 FULL TIME	 PART TIME
2021	1,794	-
2022	1,392	-

2021-2022 NEW HIRES BY AGE

	2021	2022
LESS THAN 30	1,015	790
BETWEEN 30 AND 50	741	568
MORE THAN 50	38	34

Our Turnover Rate in the reporting period was:

	2021	2022
TURNOVER RATE	1.5%	1.5%

In 2021 there were no significant staff changes at Dinant. In 2022, we grew by more than 200 positions, thus having an economic impact in the northern part of the country.

As part of our continuous improvement efforts, we developed several actions to improve working conditions. During the pandemic we reinforced our occupational health activities and ensured that we had the necessary conditions to care for our employees.

We also have a lactation room and a School for Back and Shoulder Pain along with the Rehabilitation Center of the Honduran Institute of Social Security, to ensure the welfare of employees and safeguard their physical integrity.

This school seeks to improve our staff's posture during their daily work activities, increase mobility and muscle strength and prevent back and shoulder pain and tension.

In addition, we conduct training to address opportunities for improvement through our Annual Training Plan.

We have people with disabilities working at the Snacks Plant. We adapted the workspace as required by Law, and trained colleagues and managers to make the process comprehensive.

We have an in-house company doctor and nurses with permanent offices; thus, health services are always provided.

WORKERS WHO ARE NOT EMPLOYEES

Our business model and operations require outsourcing specialized labor, for example, security officers, cleaning crew, and for loading and unloading transportation units.

We also require seasonal workers during Christmas, Easter, and other high-demand times, as shown in the table below:



NUMBER OF WORKERS WHO ARE NOT EMPLOYEES, BUT THEIR WORK IS CONTROLLED BY THE COMPANY

OUTSIDE WORKERS	DUTIES	TYPE OF CONTRACTUAL RELATIONSHIP
170	Security (plants, farms, road trucks, corporate offices, distribution centers and branches).	Contract, monthly pay
200	Finished product loading, raw material unloading and packaging, cleaning and offers.	By purchase order, pay per day or piece rate.

TALENT ATTRACTION AND RETENTION

Human Capital is the company's greatest wealth.

Human talent attraction and retention is very important to us; therefore, we have a Recruitment and Selection Policy (PO-05) that details the process to follow in all the business lines.

We also have an employer brand that is promoted through our social media, professional networks and at employee fairs.

At Dinant we try to encourage internal promotions. When a position opens, the official procedure is to communicate it to Human Resources to look for the appropriate person for the position.



Dinant seeks to attract the best talent possible to achieve the organizational goals.



We carry out a process to identify the best professional profiles according to our needs.



We have programs to maintain a good working environment, provide special benefits and opportunities for training and development.

The human talent attraction and retention actions developed in 2021-2022 were:

Talent Attraction

- Job fairs to promote our employer brand.
- Visits to technical and specialized schools or institutions.
- Partnerships with universities.

Talent Retention

- Annual Training Plan.
- Benefits Program.
- Cultural Activities Program.
- Occupational Health and Safety Program.

Thanks to these actions, we managed to:

Oversee staff turnover	Achieve organizational goals.	We were recognized as one of the best companies to work for, according to the EMAT survey (Empresas Más Atractivas para Trabajar)
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The Human Capital Department oversees terminations in accordance with our internal labor regulations and the Honduran Labor Code.

INCLUSION AND GENDER EQUALITY

At Dinant, we are aware that human talent is a key part of the organization, so we promote equal opportunity, fair treatment, and inclusion in each of our operations. Our goal is for all staff to feel equally involved and supported by all areas.

Inclusion and gender equality allow us to retain and benefit from a diversity of talent, as well as making our employees feel proud of working at Dinant and wanting to stay in the company.

This topic is considered in our policies and codes, for example:

- In pillar number one of the Corporate Sustainability Policy, regarding Human Rights and Employee Relations.
- In commitment number two of the Human Rights Policy, referring to Non-Discrimination.
- In the Code of Ethics in the Respect for Human Rights section.

We manage inclusion and equality by disseminating our inclusion policies. Also, job positions are offered without any restriction of age, gender, social condition, or other. In addition, we promote equal opportunities in all human resources processes.

To reinforce and promote inclusion and gender equality, in 2021 we updated the Human Rights Policy and in 2022 we communicated it.

At Dinant we have a School for the Blind, which allows us to promote opportunities for the blind and visually impaired.



We promote female empowerment through training and communication campaigns. However, despite our actions, we do not have any recognition or certification in gender inclusion and inclusion of the blind.

At Dinant we have the following process for reporting discrimination cases:

With the Ethics Committee

1. Identify the violation of the Code of Ethics.
2. Submit the complaint through any of these channels:

- Web Mailbox
- E-mail
- WhatsApp
- Mailboxes located in facilities.

3. Once Dinant's Ethics Committee receives the complaints, it investigates the situation and acts according to the verified results.

Through the Petitions, Complaints, Suggestions, Claims and/or Acknowledgements Mechanism (PQSR²):

1. Choose the official communication channel to make the PQSR2 (mailboxes, email, website, immediate supervisor). It can be anonymous or personal.
2. Once the PQSR2 is received, the corresponding area will investigate the situation and provide a positive or negative response, within 22 working days.
3. A Complaints and Grievances Committee will handle the PQSR2 considering the urgency of the request.
4. The petitioner or complainant will receive a personal written response (if not anonymous), with the details of the investigation.
5. In case the communication takes longer than the stipulated time, the person will receive a detailed action plan with the actions for to resolve and close the case.

Through the Grievance Mechanisms for Communities, Independent Producers and/or Stakeholders (MdR):

1. Choose the official communication channel to make the PQSR2 (mailboxes, email, website, verbally to the RSE officer according to the site). It can be anonymous, or personal.
2. Once the PQSR2 is received, the corresponding area will carry out the due process and respond, positively or negatively within 40 working days.
3. The petitioner or complainant will receive a personal written response (if not anonymous), with the investigation process.
4. If the communication takes longer than the stipulated time, the person will receive a detailed action plan with the actions for resolution and closure.

All communications from petitioners and complainants who have chosen to remain anonymous, will receive a response through the Social Responsibility Officers at each site or through the information boards.

In 2021-2022 we did not receive any discrimination complaints.

Our Code of Ethics stipulates that harassment of any kind will not be tolerated and that non-compliance will be handled by the Ethics Committee. To make sure employees know and apply the Code of Ethics, we developed communication and training campaigns.

The Internal Work Regulations indicate the disciplinary measures to be taken in the event of violation to the Code of Ethics.

HUMAN RIGHTS

It is our commitment to implement a policy of respect for Human Rights within our organizational culture, to ensure that the rights of our employees are not violated in any way..

We are part of the Voluntary Principles on Security and Human Rights (VPSHR) Initiative. We submit an annual progress report detailing the actions taken to validate compliance with human rights.

We are also part of the Human Rights Committee of the National Association of Industrialists (ANDI), which represents the country's industrial sector.

We constantly strive to ensure that all the company's stakeholders know their rights, so we offer training explaining what human rights are and the company's firm stance to promote and guarantee them.

2021-2022 TRAINING ON HUMAN RIGHTS

LECTURE TOPIC	FREQUENCY	NUMBER OF PARTICIPANTS	2021	2022
Corporate Sustainability Policy Virtual Training (Respect for Human Rights is one of the pillars)	Annual	198	x	x
Virtual Induction I, including contents such as the Corporate Sustainability Policy and the Code of Ethics, which includes Respect for Human Rights.	Monthly	775	x	x
Code of Ethics (which promotes Respect for Human Rights).	Annual	749	422	327
Internal communication of the Corporate Sustainability Policy via e-mail and WhatsApp	Annual	10,000	5,000	5,000
Communication of the Code of Ethics	Trimestralmente	10,000	5,000	5,000
Virtual Training on Voluntary Principles on Safety and Human Rights	Annual	1,460		x

Also, we offer training so that our employees and other stakeholders are aware of the rights of indigenous peoples.

In addition, training lets us explain the topic to our security staff, to make sure they know the importance of preventing any human rights violations.

These trainings ensure that all staff are properly informed, and we provide a space for them to clear their doubts.

We are the first and only company in Honduras to be a committed member of the Voluntary Principles on Security and Human Rights Initiative, which is based on three main components:

- Risk Identification.
- Relationship with Public Security Forces.
- Relationship with Private Security Forces

In 2022, we went from being a committed company to having full membership.

Our Human Rights Policy and Code of Ethics clearly state that our company will not tolerate or be part of any human rights violations.

If any stakeholder identifies a human rights non-compliance risk, they can let us know through any of our two mechanisms, the MdR (external) and PQSR (internal).

In addition, we have a documented system to ensure legal compliance, and we have a mechanism to track changes in the law, including a list and evidence of legal due diligence of all contracted third parties.

In 2021-2022 there were no reported cases of human rights violations.

At Dinant we consider topics such as child labor, forced labor, non-discrimination, freedom of association and collective bargaining, indigenous peoples' rights, and safety practices to be crucial human rights issues, so it is our policy to:



CHILD LABOR

At Dinant, we do not employ minors, not even under the conditions the country's law allows it. All employees must be older than 18 years old. Since we do not have child labor, we do not have a remediation document.

In addition, we provide training in the communities so that they do not use child labor.



FORCED LABOR

We do not allow forced or compulsory labor in any position. People who apply and work for our company do it by free will.



NON-DISCRIMINATION

Discrimination of any kind is not acceptable in the company, neither when posting new positions, hiring or in the workplace. All persons are respected, and we do not tolerate any act of discrimination.

Non-Discrimination is one of the pillars in Dinant's Corporate Sustainability Policy, which translates into policies and procedures that are applied from Human Resources:

- Recruitment and Selection
- Training
- Remuneration
- Benefits Plan



FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

At Dinant there are different groups of worker and employer representation, which allows association at the employees' discretion, and thus to actively participate in improvements and activities in the company.



RIGHTS OF INDIGENOUS PEOPLE

Through our Human Rights Policy, we adhere to the UN Declaration on the Rights of Indigenous Peoples and ILO Convention 169 on Indigenous and Tribal Peoples; recognizing them as ancestral and permanent cultures and respecting the importance of ethnic and cultural diversity.



SAFETY PRACTICES

The company has established improvements and has an Integrated Sustainability System that develops all policies and monitors industrial safety practices, which the company must comply with so that employees can perform their tasks safely and in safe spaces..

We seek to contribute to the well-being of the communities near our areas of influence; therefore, we promote participatory and transparent communication and use the Free, Prior and Informed Consent (FPIC) procedure when there are new plantations or new industrial projects that may have an impact on nearby communities, in alignment with our Human Rights Policy.

As per our Human Rights Policy, we do not displace people from their own land. Thus, we have a procedure for new palm plantations, and our previously mentioned FPIC procedure in case the organization decides to start new agricultural projects.

Our 2021-2022 progress and achievements in human rights are detailed below:

PROGRESS AND ACHIEVEMENTS	2021	2022
We acquired full membership in the Voluntary Principles on Security and Human Rights Initiative		X
We updated the Human Rights Policy		X
Zero cases of human rights violations were reported	X	X
Inclusion of illiterate people for grievance mechanisms, MdR and PQSR2		X

EMPLOYEE BENEFITS

At Dinant we offer our employees several benefits with the goal of making their tenure in our organization a pleasant one, while aiming for family and work life balance.

These are the benefits we offer our employees:

- Permanent company doctor and nurse. Medical attention in our clinics where we provide annual periodic check-ups, basic medications, and medical exams.
- Access to basic medications available at the plant.
- Lactation room.
- Back and Shoulder school.
- Health fairs where we provide medical attention to our employees' families and give educational health talks. We also provide transportation to employees who live in remote areas, adapting to different work shifts.

Most of our work sites have cafeterias, which are audited by external entities and occupational health staff to ensure proper hygiene in food preparation.

In addition, we offer the following benefits:

BENEFITS FOR DINANT EMPLOYEES:



Marriage leave: the company offers five natural days.

This benefit allows some time off to enjoy the wedding process.



Birthday leave: employees are granted one day off, so that he/she has time to celebrate his/her birthday.

We aim to promote well-being and job satisfaction by providing employees with time to balance their personal and professional lives.



Paternity leave: employees who have become fathers are granted three working days of paid leave.

With this benefit, we contribute to the joy of men who have become fathers, giving them time to enjoy their new baby and care for their partners.



Work anniversary leave: they are given one work day off.

By giving our staff one day off, we promote wellbeing and job satisfaction, providing time to balance their personal and professional lives.

At Dinant we have a Cooperative that allows employees access to better financial conditions than those offered in the national financial sector. In addition to the country's health care system, we provide medical and life insurance. Also, scholarships for employees, alliances with universities and a work-life balance program.

In our Corporate Sustainability Policy, we mention the respect for the right of our employees to associate freely.

Therefore, they are all part of the Dinant Cooperative, an institution that is regulated by the national banking system and the employees have representatives on the Board of Directors.

Likewise, we have health and safety commissions, as well as emergency brigades.

100% of our employees are covered by collective bargaining agreements.

We impact the professional and personal lives of our employees by providing learning opportunities, professional growth, and new challenges. We also expanded job accessibility by implementing work-from-home.

OCCUPATIONAL HEALTH AND SAFETY

For the company, it is essential to ensure the Occupational Health and Safety (OHS) of our employees. All our efforts are aimed at contributing to our main objective: to reduce the incidence of accidents, risks, and occupational diseases.

We have health specialists such as doctors and nurses who are responsible for developing health programs to promote wellness at Dinant. In addition, our emergency brigades, which are made up of employees, are under constant training, thus promoting safe behavior and improving conditions in our facilities.

Promoting occupational health and safety is one of our managers' main commitments.

We have established goals and targets regarding industrial safety and occupational health to provide safe and healthy working conditions and prevent injuries.

We have a Health, Hygiene and Environment Department, in charge of ensuring the well-being of our employees during their work shifts.

At Dinant we know that improving our OHS performance not only improves productivity and reduces material damages, but also motivates our employees to feel in a safe work environment.

For this reason, we conduct several health and safety campaigns every year.

In 2021, we developed seven campaigns addressing the following topics:

NUMBER OF EMPLOYEES BENEFITED	TOPICS
1,500	Personal hygiene campaign (hand washing)
1,500	Campaign against Sexually Transmitted Disease (STDs)
1,500	Accident prevention (types of injuries)
400	2021 Campaign against breast cancer
1,500	2021 Campaign against HIV AIDS
700	2021 Prostate cancer campaign
4,500	Covid 19 vaccination campaign (first and second doses)

In 2022, we executed 20 campaigns to promote occupational health and safety:

TOPICS	CNUMBER OF EMPLOYEES BENEFITED	TOPICS
Prevention of illicit drug use (risks and effects of drugs).	1,500	Campaign about hearing risks and correct use of Personal Protective Equipment (PPE). Communication of audiometry results
Spherotherapy day with administrative staff	50	350
Mothers' workshop 2022 - 2 workshops per year	40	1,500
Activate program (improving lifestyles/winning prizes)	100	60
May 31 - World No Tobacco Day, a day to raise awareness about the dangers of tobacco	1,500	600
2022 Health Day; vitamins, treatment for parasites, influenza vaccination	1,500	1,500
Annual cytology day, in collaboration with IHSS Calpules	60	500
June 26 - International day against drug abuse and illicit trafficking.	1,500	700
Get active outdoors marathon (Merendon)	100	1,500
Ergonomics Campaign	1,500	1,500
01- 07, World Breastfeeding Week	300	1,500
		Sept 29 - World Heart Day
		Oct. 10 World Mental Health Day, emotional wellness day, laughter therapy, spherotherapy, relaxation therapies
		Oct 19- World Day against breast cancer, "Knock Out Cancer" campaign
		Prevention of Work Accidents Day
		Celebration of Wellness and Quality of Life Week, November 14 World Diabetes Day, Nutrition and healthy lifestyles day
		Campaign against prostate cancer
		Dec. 1- International Day against HIV, sex education campaign, condoms and brochures were delivered
		2022 - Second Day of vitamins and parasite treatments

To reinforce our occupational health and safety efforts, we have certifications:

ISO 45001: Occupational Health and Safety Management Systems Standard, which aims to reduce occupational injuries and illnesses, including physical and mental promotion and protection.

ISCC PLUS: Worldwide sustainability certification system that covers compliance in different disciplines, including human rights and occupational health and safety.

- All areas that use chemicals have the appropriate labels and safety data sheets.
- Each of our employees knows and responds to the chemical hazards and risks in their area.
- We make sure that portable ladders and fixed ladders, their rungs and handrails are functional and in good condition.
- Our staff uses the appropriate PPE to perform their activities.

The area manager is responsible for providing staff with work clothes and personal protective equipment before starting each task or when the equipment needs to be replaced. The items provided shall be recorded in FI-08.02.01.

The most common types of injuries reported by our employees are:



TYPES OF INJURIES REPORTED IN 2021

TYPE OF INJURY	PERCENTAGE
Same-level fall	15%
Elevated fall	15%
Intoxication	7%
Blows	50%
Wounds	13%

We carry out monthly inspections through FIC-08.05.03 with the purpose of preventing accidents. We perform the following actions at each site:

- We have a clear and labeled evacuation route defined according to the plan.
- Our emergency doors open outward and none of them remain locked.
- Emergency lights are in good condition and are located above the evacuation route.
- We have emergency showers and eyewash stations.
- We have firefighting equipment and systems in each area.
- We make sure that combustible and flammable materials are labeled and stored away from sources that generate sparks, fire, or heat.
- We place fire extinguishers in easily accessible locations. They are labeled, unblocked and in good condition.



TYPES OF INJURIES REPORTED IN 2022

TYPE OF INJURY	PERCENTAGE
Contact with energies or substances	10%
Same-level fall	20%
Elevated fall	22%
Entrapment	15%
Blows	31%
Wounds	2%

In 2021, 194 injuries were reported. In 2022, there were 143. Thanks to Dinant's efforts, occupational accidents decreased.

We have an Occupational Safety Department that is responsible for directing, coordinating, and monitoring the assigned business units for compliance with national legislation, OHS certifications, and other applicable sustainability standards.

Some of the actions taken to reduce occupational accidents include improving monthly preventive and participatory inspections, machinery inspections, adapting risk identification and assessment procedures, and strengthening the control hierarchy from the first levels of risk prevention, elimination, and substitution.

We perform the Safety Element Inspections established within our P10 procedure regarding emergency preparedness and response, with the support of various areas, for example, nursing, brigade members and maintenance.

At Dinant we are aware that circumstances can change at any time, therefore, we assess hazards and risks whenever any of the following situations arise:

- Revisión anual de la identificación y evaluación de Annual review of occupational hazards identification and evaluation.
- Alterations in activities.
- New activities and acquisition of equipment.
- Changes in occupational health and safety legislation.
- When any kind of incident, accident, or emergency occurs.

This is the methodology we use to identify risks and investigate occupational accidents:

- Classification of activities and tasks by job position.
- IPER matrix: hazard identification and risk evaluation.
- Severity index and probability index.
- Occupational risk index: equal to the product of the severity index by the probability index.
- Occupational risk control plans according to the control hierarchy.

We established a structured process to ensure timely and reliable solutions in response to any occupational risks, hazards, or claims reported by any of our employees.

Requests, complaints, suggestions, claims and acknowledgements may be made personally or anonymously in a mailbox, or directly with the immediate supervisor.

The HSE coordinator is responsible for attending the Occupational Health and Safety issues in an agile and timely manner. Also, if employees report any situation, the HSE coordinator assigns the area responsible for the investigation and analysis, as well as its follow-up and closure.

We also offer our employees several programs such as:

1. Hazard recognition and risk assessment: The identification of the inherent hazards of each workstation.
2. Epidemiological surveillance: The study of the distribution and causes of illness and injuries resulting from occupational hazards.
3. Occupational medical evaluation: The examination of workers to diagnose their psychophysical and social aptitude to face the demands and dangers of their job and work environment.

4. Hearing conservation: Identification of hazards and risk assessment to prevent the pathology caused by noise exposure.
5. Respiratory conservation: Its purpose is to minimize occupational exposure to toxic substances, air pollutants, physical and biological hazards.
6. Ergonomic conservation: Its purpose is to identify ergonomic risk factors that may affect workers physically or socially.
7. Dermatological conservation: The purpose is to prevent damage to the workers' skin.
8. Psychosociological conservation: Seeks to protect workers as much as possible from psychosociological stress levels and maintain a favorable work environment.
9. First aid and participation in emergencies: participate in real and simulated emergency situations (drills).
10. Occupational medical inspection - technical audits: Scheduled and periodic technical audits aimed at occupational medical inspection.
11. Occupational medical education for workers: Aims to shape occupational health and safety concepts that will allow favorable attitudes in workers.
12. Occupational medical rehabilitation: The purpose is for the worker who was injured or suffered an illness, to fully recover.

Also, for the benefit of our employees, we have several health clinics in the country:

We have a clinic in Tegucigalpa, three in Comayagua, two in San Pedro Sula, one in Tela and one in Tocoa.



We keep reports of all clinical controls and health conservation programs.

These are some of the trainings we offer to promote health and safety education:

OSHMS - Occupational Health and Safety Management Systems	Personal Protective Equipment	The importance of health
	Ergonomics	The importance of reporting accidents
Occupational Health and Safety Prevention	Drug and Alcohol Use Prevention	Chemical use and handling
	Efficient use of water and waste sorting	
First Aid		

From our efforts in this topic, we achieved the following milestones:

IN 2021:

- Opening of a lactation room at the Dixie Plant in San Pedro Sula.
- SGIS Certification with ISO 45001 standards.
- 41% decrease in accident frequency rate.
- 33% decrease in accident severity.
- 13% decrease in fire outbreaks.

IN 2022:

- Creation of the Chief Occupational Health Officer structure to lead the entire program regionally.
- SGIS Certification with ISO 45001 standards.
- 32% decrease in accident frequency rate.
- 16% decrease in accident severity.
- 11% decrease in fire outbreaks.

TEAM TRAINING AND DEVELOPMENT

At Dinant we know it is necessary to constantly train our employees, so we developed an Annual Training Plan with the topics to be included and how these contribute to personal development and performance in the company.

The Human Capital Department enables the development of many skills in employees through its training plan.

Topics such as organizational culture, regulations of the Integrated Sustainability Management System (SGIS), Corporate Sustainability Policy and Code of Ethics are addressed. In addition, we developed several information campaigns about organizational culture practices and communicated them through internal channels.

These are the training sessions we offered in 2021-2022.



TRAINING OFFERED IN 2021

TOPIC AND DESCRIPTION	Men	Women	Total people trained	Average hours invested in training
BASC – Virtual Training Part 1	361	138	499	1.5
BASC - Virtual Training Part 2	451	196	647	1.5
Welcome to the DINANT family	157	83	240	12
2021 DINANT Code of Ethics	304	118	422	2
DINANT Skills	398	171	569	2
Mental Health Care	480	186	666	2
The importance of health for the body	373	154	527	1.5
IT and Communications Policy	478	187	665	2
Drugs and Alcohol Abuse Prevention	243	83	326	1.5
EMS - Environmental Management System	413	172	585	1
OSHMS - Occupational Health and Safety Management Systems	626	257	883	1
Tramaco	35	13	48	2



TRAINING OFFERED IN 2022

TOPIC AND DESCRIPTION	Men	Women	Total people trained	Average hours invested in training
Prevention of money laundering and terrorism financing	317	163	480	0.5
Update on the Corporate Sustainability Policy	139	59	198	1
Energy saving	283	138	0	0.5
BASC – Virtual Training	9	6	15	1.5
BASC – Virtual Training part 2	11	2	13	1.5
Welcome to the DINANT family	19	6	25	12
2021 DINANT Code of Ethics	51	25	76	2
DINANT Skills	8	5	13	2
Mental Health Care	4	5	9	2
Women’s rights and prevention of gender violence	330	166	496	2
Personal Protective Equipment	132	52	184	1
Ergonomics	284	142	426	0.5
DINANT Family Permanent	446	249	695	12
The importance of health for the body	11	6	17	1.5
The importance of reporting accidents	284	140	424	0.5
DINANT Induction Temps	24	31	55	10
The Five “S” (5 S)	130	57	187	0.5
IT and Communications Policy	5	2	7	2
Prevention of internal conspiracies	283	137	420	0.5
Drug and Alcohol Abuse Prevention	50	24	74	1.5
Occupational Health and Safety Prevention	313	155	468	0.5
Environmental Safety Prevention	282	134	416	0.5
First Aid	273	132	405	0.5
Road Safety	275	137	412	0.5
EMS - Environmental Management System	8	3	11	1
OSHMS - Occupational Health and Safety Management Systems	21	10	31	1
Tramaco	1		1	2
Efficient use of water and waste sorting	290	136	426	0.5
Chemical use and handling	267	124	391	1

For our company it is very important to inform our employees about personal and professional growth topics, therefore, we envisioned the Competency Model.

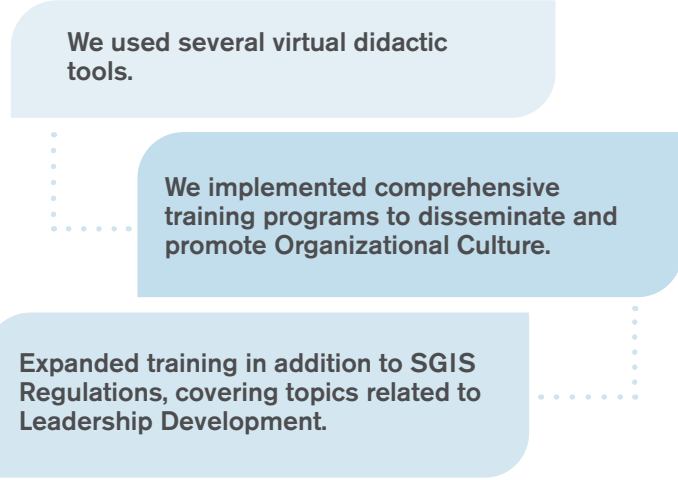
We developed TRAMACO, which addresses the importance of teamwork, assertive communication, conflict management and the Champions Challenge, aimed at the company's leaders. This program addresses topics such as leadership, people development, decision making, environment knowledge, planning, and organization.

The Champions Challenge program is assigned to all employees who have direct reports, to support their roles in the team and in their personal lives

Likewise, our Annual Training Plan includes topics related to anti-corruption and operating guidelines and sanctions to employees through:

- Corporate Sustainability Policy
- Code of Ethics
- Money laundering and terrorist financing
- Internal conspiracies and suspicious activities
- Corruption and bribery
- Risk management
- Legal ABC
- Prevention of internal conspiracies

In 2021-2022, we achieved the following milestones thanks to our efforts in training and development:



PERFORMANCE APPRAISAL

At Dinant we recognize that performance appraisal is an important process to manage our human talent, since it allows us to identify general and individual opportunities for improvement.

In addition, the evaluation allows to identify employees who can take on challenges the organization may face and to implement development plans that favor talent management.



In 2022 we started a project to systematize performance appraisals, aiming to consolidate this process for middle managers, managers, and executives first. Previously, the evaluations were not carried out in a systematic and transversal way. The process was initiated with the Success Factors System, which was already being implemented in other Human Resources processes, facilitating the approach that performance appraisal requires.

However, in 2021-2022, we did not carry out individual performance appraisals, since performance was handled in a general way, according to the organizational goals.

In 2023 we will implement Performance Management, which establishes personal objectives aligned with the company's strategic objectives and the evaluation and follow-up of the achievement of objectives.

Even though we do not have a systematic Performance Management process, we obtained important achievements, which shows our leaders' commitment and their focus to meet the organizational goals.





HAND IN HAND WITH THE COMMUNITIES

10

- 10.1 Community Engagement
- 10.2 Social Alliances
- 10.3 Education, Health, and Nutrition
- 10.4 Community Development
- 10.5 Training Communities

COMMUNITY ENGAGEMENT

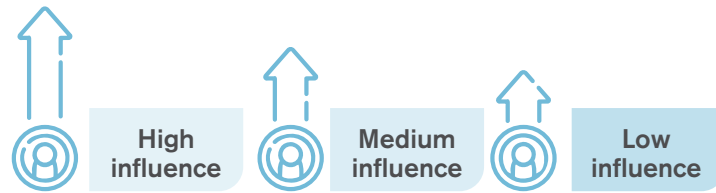
Community development is one of the company's priorities within the Corporate Social Responsibility (CSR) Policy. Thus, we developed a Community Relations and Development Plan to execute sustainable projects that benefit the surrounding communities.

Our social structure is led by a CSR Manager and his/her staff in the CSR Department in the sites where we operate, to ensure good relations and easy communication between the communities and the company.

We have a set of instructions with the criteria to be used to identify and prioritize the communities that will be included in our Community Engagement Program:



We have three categories to identify the degree of relationship:



We are in constant communication with the communities through participatory workshops and training on topics such as leadership, teamwork, and interpersonal relations. We also have a complaints mechanism where they can leave their requests, complaints, suggestions, claims and acknowledgements personally or anonymously, without fear of retaliation.

To know the expectations and impacts caused by our operations we have mechanisms such as:

A training and needs assessment schedule for community development projects, which are conducted annually.

An instruction manual to map and prioritize communities, which allows us to implement our Community Engagement Program aligned with the CSR Policy and the Sustainable Development Goals.

Social and Environmental Impact Studies, which help us identify potential risks and/or needs and develop mitigation and monitoring plans.

2021-2022 COMMUNITY IMPACTS

During the reporting periods we identified negative impacts on local communities, and implemented mitigation measures, as detailed below:





FINDINGS	MITIGATION MEASURES IMPLEMENTED	RESULTS	SOCIAL RESPONSIBILITY PILLAR
Loss of wildlife in the communities due to cattle ranching, community expansion and palm cultivation.	Record of the wildlife living in palm plantations in a book that was shared with the communities.	331 people were trained in wildlife protection to improve the communities' perception of the protection and conservation of flora and fauna in the palm oil palm plantations.	Environmental sustainability
Water scarcity in the communities.	Reforestation and training in rational water use with employees and communities.	Government agencies, communities, and companies joined efforts in a reforestation initiative involving seven micro-watersheds.	Environmental sustainability
Dust from large vehicles that travel to the palm extraction plant.	Monitoring of summer sprinkler irrigation in communities.	Complaints by the community were reduced.	Community Development
Pest Proliferation: flies and mosquitoes.	Fumigation campaigns along with the Secretary of Health and awareness campaigns about waste management in the community.	More than 1,000 people in 35 communities trained in waste management.	Education, Health, and Nutrition
Public access road deterioration by heavy equipment.	Contribution and support for road maintenance.	Maintenance in public roads	Community Development

SOCIAL ALLIANCES

Through our strategic alliances, we support and benefit people with a common goal: working together for social good.

In 2021 and 2022, we worked with Operación Sonrisa (Operation Smile) to subsidize treatment and surgeries for patients with cleft lip and palate, and with the Honduran Food Bank to reduce malnutrition in people in vulnerable condition. The results are shown in the table below:

ALLIANCES DEVELOPED IN 2021-2022

ALLIANCE	YEAR	ALLIANCE GOAL	ACHIEVEMENTS
	2021-2022	To support the institution in providing comprehensive care and reconstructive surgeries to children and adults with cleft lip, cleft palate and/or craniofacial malformations.	2021: 10 patients had surgery. 2022: nine patients had surgery.
	2022	Opening a dental clinic in San Pedro Sula.	339 patients benefited annually.
	2021- 2022	Reduce malnutrition rates in Honduras, and to provide free food with high nutritional value to people in vulnerable communities.	2021: 10,700 kg of food were donated, which translates into 7,111 meals for 3,400 people. 2022: 27,311 kg of groceries (oils and supplies) were donated, translating into 21,284.15 rations delivered to more than 25,000 people.

EDUCATION, HEALTH, AND NUTRITION

At Dinant, we contribute positively to the quality of life of people in our communities in the Education, Health, and Nutrition Pillar.

In 2021 and 2022 we were involved in several programs to improve education in the communities where we operate, for example:

When executing community development projects, we try to involve local authorities, so that the projects are tripartite, that is, company, community, and government. The aim is to make these common interest projects sustainable over time and to have a positive impact on our communities.

PROGRAMS IMPLEMENTED IN 2021-2022 TO IMPROVE EDUCATION IN THE COMMUNITIES

PROGRAM OR INITIATIVE	YEAR	RESULTS
Funding for 12 teachers in communities that do not have a State-assigned teacher.	2021-2022	In 2021, 500 children received education for one school year; in 2022, 600 children were benefited.
Support to the School for Parents Program in the surrounding communities.	2021-2022	2021: 450 parents received training and workshops on topics such as: “Accompanying our children in school”, “Helping our children make decisions”, “Comprehensive education on Human Sexuality” and “Family Communication”. 2022: We provided 700 parents with information for their personal and family development; on top of the topics taught in 2021 we added new ones such as: “School Bullying”, “Desertion and Absenteeism”, “Accompanying students in their homework and obligations”, and others.
School Kits Donation	2021-2022	We donated disinfectant and personal protection biosecurity products for students and teachers of 29 schools, benefiting more than 10,000 children.

PROGRAM OR INITIATIVE	YEAR	RESULTS
Biosafety Products Donation	2021-2022	<p>2021: We donated disinfectant and personal protection biosecurity products for students and teachers of 29 schools, benefiting more than 10,000 children.</p> <p>2022: We donated cleaning products to 25 schools, benefiting more than 12,000 children.</p>
Educational Materials Donation	2021-2022	<p>2021: We donated necessary didactic material to 12 schools, including blackboards, markers, pencils, paper, printers, tables, and shelves. As a result, 1,500 students were benefited.</p> <p>2022: We donated essential didactic material to 13 schools benefiting 3,000 students.</p>
Support for School Infrastructure	2021-2022	<p>2021: 11 schools and 2,000 children benefited with infrastructure improvements and the implementation of a technology classroom.</p> <p>2022: 13 schools were improved with repairs and construction of roofs, classrooms, bathrooms, floors, perimeter fences, painting. As in 2021, a technology classroom was set up, benefiting more than 12,000 children.</p>

Additionally, we promote our customers' nutrition through these actions:

2021

- We launched Mazola Oil with Olive to increase its nutritional value.
- We sponsored cooking programs with healthy recipes.
- We partnered with influential chefs to promote good health.
- We launched "nunca frito" ("never fried") snacks (Yummi Pops).
- We incorporated personal portions of Yummi Nuts for proper nutrition.

2022

- Yummi Pops and Yummi Nuts were positioned as brands that participate and promote good nutrition in sports activities.

Thanks to the actions implemented we achieved positive results in the health and nutrition areas:

2021



Our Mazola Oil portfolio grew to provide healthier options.



We generated a version of Yummi Nuts with less than 100 calories.



We created a new line of healthy snacks, through the nunca frito Yummi Pops.

2022



Yummi Pops and Yummi Nuts were positioned as brands that participate and promote good nutrition in sports activities.

COMMUNITY DEVELOPMENT

Through the Community Development Pillar, we implemented projects and programs aimed at improving the quality of life of the members of our communities. The team that oversees the social area makes sure we maintain continuous open communication.

In 2021 and 2022 we carried out different initiatives to promote community development:

PROGRAM OR ACTION

YEAR

2021-2022



SUPPORT FOR ROAD INFRASTRUCTURE

DESCRIPTION:

Street and road repairs, bridge maintenance, signs, speed bumps.

RESULTS:

Roads were improved to facilitate access to the community.



SUPPORT FOR EDUCATIONAL INFRASTRUCTURE

DESCRIPTION

Classroom, bathroom and perimeter fence construction and repair.

RESULTS

Mitigation of risks, making the place more hygienic and safer for children.



TRAINING

DESCRIPTION:

Training in relevant topics to support development in community members.

RESULTS:

More than 11,000 people trained in 2021-2022, with topics such as women empowering, child protection, and our organization's Sustainability Policy.



HEALTH INFRASTRUCTURE

DESCRIPTION:

Donation of materials to improve infrastructure and medical utensils for clinics.

RESULTS:

Spaces were adapted to provide better attention to patients.

TRAINING COMMUNITIES

Every year, Dinant develops training programs to educate communities on topics related to the Social Management System, Complaint Mechanisms, Sustainability Policy, and the Community Engagement Program.

Our social team organizes training sessions to community leaders to raise awareness about general interest topics.

The trainings we conducted in 2021 and 2022 are shown below.

TOPIC	YEAR	NUMBER OF PARTICIPANTS	RESULTS
Environment	2021	1,189	2,849 people used tools for efficient use of resources.
	2022	1,660	
Community Engagement Mechanism	2021	2,387	2,387 people were trained to use the community engagement mechanism.
Sustainability Policy	2021	2,034	4,146 people are aware of Dinant's Sustainability Policy.
	2022	2,112	
Women's rights	2022	832	832 women were empowered with knowledge of women's rights.
Risk Mitigation Plan	2022	220	220 people were trained and involved in the mitigation of risks identified in the community.
Child Protection	2022	589	589 people were trained on the importance of child protection.
Road Safety	2022	50	50 people were trained to be safe on the road and respect road signs.

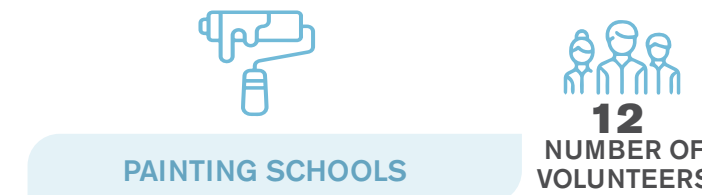
We have a training schedule with the topics to be shared with the communities. If the community suggests a specific topic, they can approach one of our team members. Then, we would evaluate the topic and either teach it ourselves or hire an external specialist to approach the topic.

VOLUNTEERING

Our company plans several volunteering projects during the year. The table below shows the volunteering projects executed in the reporting period:



ACTIVITY:
3650 trees were planted in different sites of the company, with many species such as: mahogany, cedar, carreto, macuelizo, tamarind, pine, Gravilea, acacia Marañón, Negrito and Paterna.



ACTIVITY:
The goal was to improve the infrastructure of public schools. We donated paint and the employees volunteered to paint classrooms and the school's exterior.



ACTIVITY:
Several species of trees were planted in green areas in all our sites.



ACTIVITY:
19 schools were transformed with repairs, construction, and painting.



ACTIVITY:
More than 230 children benefited by the transformation of recreational areas offering games and entertainment figures, using recovered and painted recycled materials.

Employees are invited to participate in the volunteering activities by email or WhatsApp. People who want to participate, confirm by email, chat, or directly with the Social Responsibility Department.

We like to involve the communities to take part in these activities, so community leaders are contacted by the Social Responsibility Team to encourage members to participate.

In 2021 we contributed 1,128 volunteer hours. In 2022 we amassed 3,110 hours.

These were some of the most important results we achieved through volunteering:

2021

- With the reforestation projects we contributed to the conservation and protection of the environment and raised awareness among employees and members of the communities.

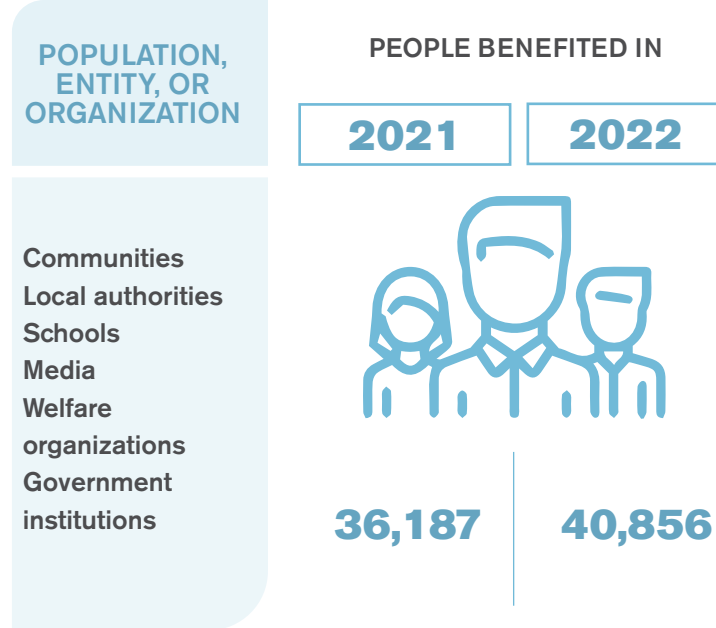
2022

- We created recreational parks using recycled materials to benefit children in the communities.
- We helped create dignified and safe spaces in schools, to ensure quality education.

2021-2022 DONATIONS

Donations are made in kind and in accordance with the CSR Policy guidelines to ensure transparency and avoid inappropriate use of funds. Cash donations are only provided for sponsorships, which are assessed from a strategic standpoint for the company and the stakeholders involved.

In 2021 and 2022, donations were distributed as follows:



We donated mostly fats and oils, food, snacks, home care and personal care products.

There are two ways to qualify for a donation from our company:

FOR COMMUNITIES



Community members can send a written request, which must be stamped and signed by any community leader, whether they are trustees, water boards or parent groups.

The letter can be sent through the authorized communication channels, or it can be delivered directly to the CSR officers at each site.

FOR ORGANIZATIONS



They must send a written request, stamped, and signed, via email or any other authorized channel, detailing the date, activities that require assistance, and number of people that will be benefited.

The request is evaluated by the social team, and the corresponding department reviews and approves or denies the request.





ENVIRONMENTAL IMPACT

11

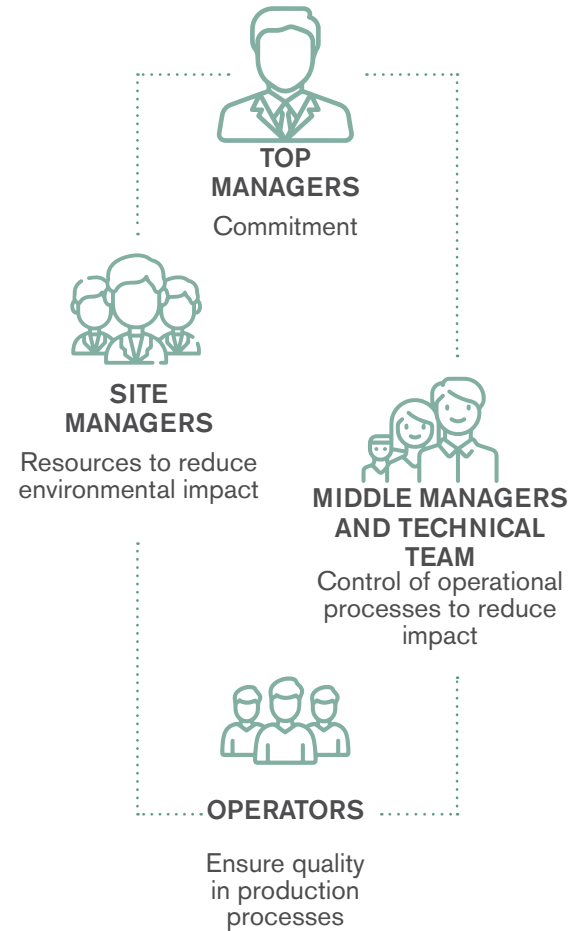
- 11.1 Environmental Management
- 11.2 2021-2022 Consumption
- 11.3 Electricity and Fossil Fuels
- 11.4 Water
- 11.6 Waste
- 11.7 Packaging
- 11.8 We Help Wildlife
- 11.9 Environmental Results

ENVIRONMENTAL MANAGEMENT

At Dinant we constantly monitor our operations and processes to contribute with the company's environmental management. Ecosystem conservation and environmental protection are in our top priorities.

We have a structure for environmental management, which aims to care for the environment and to efficiently use natural resources.

ENVIRONMENTAL MANAGEMENT STRUCTURE



We have an ISO 14001:2015 Environmental Management System, which guides us to operate sustainably, comply with environmental regulations, and continuously improve operating processes.

To promote environmental management in 2021 and 2022 within the company, we implemented initiatives such as:

2021

- Follow-up on compliance with environmental legislation.

2022

- Improvements in the chemical-risk identification process and waste sorting controls to manage final disposal.

2021 & 2022

We invested in wastewater treatment improvements and expansion.

Fossil fuels were substituted for clean energy sources.

Environmental awareness regarding solid waste sorting.



Electricity and Fossil Fuels

The Business Intelligence tool controls our energy consumption, as it collects and monitors key energy and consumption indicators for decision-making. To mitigate electricity consumption, we increased biogas production for energy, which allowed us to increase the use of renewable energy from 79% to 84%.

We generate electricity from two sources, our own biomass steam and biogas produced by anaerobic treatment systems of agro-industrial effluents.

Regarding fossil fuels, we were able to purchase third-party palm oil mill effluent (POME), we installed dehumidifiers in the biogas line to displace bunker, and we installed UPS (Uninterruptible Power Supply) in the Fats and Oils unit, which resulted in:



More availability of biogas .



99% displacement of fossil fuels in agribusiness extraction plants.



Increased boiler efficiency to reduce production stoppages.

In addition, to mitigate the environmental impact of fuel consumption, we implemented reverse logistics in the distribution of finished products.

In addition, we implemented 15 workshops to train our employees on topics such as Corporate Sustainability Policy, environmental objectives of the Integrated Sustainability Management System, internal audits, consumption savings, waste management, recycling, and others. In these workshops, 20,989 people participated.

We have three international environmental certifications:

ISO 14001: 2015 shows that our company is responsible and committed to environmental protection

ISCC EU: a certification based on the European Renewable Energy Directive (RED) which covers environmental and social aspects on biomass production.

ISCC Plus: certifies the sustainability of our raw materials, the traceability of our supply chain, and our control of greenhouse gas emissions.

2021-2022 CONSUMPTION

It is vital to manage our resources to ensure sustainable development in the organization and to reduce the impact we generate daily with our production.

The consumption of electricity and fuels during the reporting period is shown below:



ELECTRICITY CONSUMPTION, 2021-2022 VS 2019-2020

ELECTRICITY CONSUMPTION (MJ)							ENVIRONMENTAL INDICATOR (MJ/TON)					
Source	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Electricity	108,520,423	113,980,444	5%	113,380,986	109,778,053	-3%	121	117	-3%	134	130	-3%
Electricity (with our own renewable energy)	97,128,854	103,604,749	7%	94,802,339	96,508,530	2%	98	96	-2%	100	102	2%
Total	205,649,276	217,585,193	6%	208,183,325	206,286,583	-1%	220	213	-3%	233	232	0%

As shown in the table above, in 2019 and 2020 we increased electricity consumption by 6%, while in 2021 and 2022 we reduced electricity consumption by 1% thanks to the initiatives implemented.



FOSSIL FUEL CONSUMPTION, 2021-2022 VS 2019-2020

Source	FUEL CONSUMPTION (MJ)						ENVIRONMENTAL INDICATOR (MJ/TON)					
	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Bunker	141,950,793	155,973,240	10%	144,104,616	119,955,143	-17%	159	160	1%	170	142	-16%
Diesel	17,536,009	27,038,438	54 %	24,318,203	17,546,110	-28%	20	28	40%	29	21	-28%
Gasoline	516	647	25%	412	406	-1%	0.0005	0.0006	14%	0.0004	0.0004	-1%
LPG	195,651,314	232,747,688	19%	282,052,880	316,634,178	12%	219	239	9%	332	374	13%
Biomass	1,889,510	1,925,627	0%	1,706,536	2,016,683	18%	2.5	2.4	-6%	2.5	3.0	20%
Total	357,028,142	417,685,640	17%	452,182,647	456,152,520	1%	401	429	7%	533	540	1%

As shown above, from 2021 to 2022 we increased fossil fuel consumption by 1%. A considerably lower growth, since from 2019 to 2020 the increase was 17%.



To efficiently use water, we constantly monitor water consumption through calibrated equipment to measure process efficiency and act in case of deviations.

Based on this input, we established goals for reducing and maintaining water consumption per tons produced

to maintain sustainable consumption, avoid waste, operate efficiently, and sensitize our personnel to take joint measures.

The following table shows our water consumption by type of source and usage factor.

WATER CONSUMPTION, 2021-2022 VS 2019-2020

Source	WATER CONSUMPTION (M³)						ENVIRONMENTAL INDICATOR (M³/TON)					
	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Surface water, including water from wetlands, rivers, lakes, and oceans	676,272	723,424	7%	428,744	517,590	21 %	0.68	0.66	-3%	0.45	0.55	22%
Groundwater	894,329	943,324	5%	1,712,090	1,454,888	-15%	0.90	0.87	-4%	1.79	1.53	-14%
Rainwater collected and stored by the company	170,000	182,321	7%	200,000	-	-100%	36.89	39.26	6%	30.88	-	-100%
Total	1,740,601	1,849,069	6 %	2,340,834	1,972,478	-1%	38.48	40.79	6 %	33.12	2.08	-94%

Between 2021 and 2022 water consumption decreased by 16% thanks to the care of greenhouse crops. However, consumption in both years was higher than in 2019 & 2020. The corrective actions will include analyzing the flow needs and irrigation heads. Also, we will propose changes in planting periods to take advantage of better weather conditions.

Collected rainwater was not used in 2022 in greenhouse operations, however, disinfection options will be pursued in the future to achieve the required quality and make it available for greenhouse crops.

To protect water, in 2021 we collected rainwater and modified dirty and clean water towers at the Fats and Oils Plant, reducing the nominal water consumption capacity from 8000 m³ to 6500 m³ per month. The average annual result was 5,256 m³.

In 2022, we developed several initiatives:



2022 WATER PROTECTION INITIATIVES

SOAP PLANT



Project or Action

Reuse of soft water for pump seals in the process area.

Pipe installation for Blender wash water and to avoid weekly washing the process area drain.

Reuse of product wash water (detergent) to clean internal floors and coats at the Food Plant.

Inspection of water traps

MAIN RESULTS

Monthly consumption decreased from 3,235m³ to 1,932m³.

LEAN EXTRACTION PLANT



Project or Action

Installation of a Tridecanter, a dynamic separation system that allows 10% palm oil recovery.

Purchase of flow meters (to monitor the gases coming from the central supply system) throughout the complex.

MAIN RESULTS

Oil recovery with lower water consumption, from 1.22 m³/MT with conventional system to 0.55 m³/MT with dynamic system.

We obtained more accurate measurements to verify the consumption indicator.

FATS AND OILS PLANT



Project or Action

Condensate collection for boiler use.

Collection of osmosis reject water for toilets and cleaning.

Filter to reduce CIP/COP wash water consumption.

MAIN RESULTS

Lower nominal water consumption capacity from 6500 m³ to 5,500 m³ per month.

Average Annual Result: 5,417 m³



Wastewater

The legal compliance area constantly monitors the generation of wastewater and its effluents. We also analyze projects and initiatives to reduce it and handle it more effectively.

We promote nutrient recycling from wastewater from extraction plants by using organic waste in the industrial process for plantation fertigation, which avoids greenhouse gas (GHG) emissions and generates zero discharges for the sector's integrated management of wastewater.

WASTEWATER 2021-2022 VS 2019-2020

Source	EFFLUENTS AND RESIDUE (M3)						ENVIRONMENTAL INDICADOR (M ³ /TON)			DESTINATION		
	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Wastewater discharge	1,034,851	1,134,543	10 %	1,280,694	945,213	-26%	1.04	1.04	0 %	1.34	1.0	-26%

From 2019 to 2020 our wastewater discharge increased by 10%, however, in 2021-2022 we managed to reduce discharge by 26%, thanks to the following actions:

2021

- **Action:** Improvement in cleaning practices in consumption tanks at the Chlorine Plant.
- **Result:** The volume of treated wastewater was reduced.

2022

- **Action:** separation of minerals in boiler feed water at Lean Extractor.
- **Result:** decrease in continuous blowdowns. Reject water, which represents 30%, is used in the process.

2021-2022

- **Action:** Control of solid and liquid waste to the water collection pipes at the Snack Plant.
- **Result:** Improvement in treatment efficiency by reducing organic load and reducing the volume of wastewater treated.





Greenhouse Gas Emissions (GHG)

For almost 10 years our company has had sustainability certifications that have allowed us to implement initiatives and projects to reduce our greenhouse gas (GHG) emissions.

Dinant designed a fertilization plan for Integrated Pest Management (IPM), with the goal of controlling carbon and nitrogen emissions from the use of fertilizers.

The emission sources in 2021-2022 vs 2019-2020 are shown below.

GHG EMISSIONS, 2021-2022 VS 2019-2020

EMISSIONS (KG CO2EQ)							ENVIRONMENTAL INDICATOR (KG CO2EQ/TON)					
Source	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Direct Emissions (Scope 1)												
Fossil fuel consumption	24,021,463	28,035,138	17%	29,065,568	28,803,845	-1%	24.23	25.75	6%	30.41	30.39	0%
Industrial and ordinary wastewater	1,212	1,329	10%	726	867	19%	0.0012	0.0012	0%	0.0008	0.0009	20%
Indirect Emissions (Scope 2)												
Electricity consumption	18,463,544	19,392,506	5%	19,290,515	18,677,516	-3%	18.63	17.81	-4%	20.18	19.70	-2%
Total	42,486,219	47,428,973	12%	48,356,808	47,482,228	-2%	42.86	43.57	2%	50.59	50.09	-1%

In 2019 and 2020, we increased GHG emissions from fossil fuel consumption by 17% and emissions from ordinary and industrial wastewater by 10% (Scope 1). In addition, we increased emissions from electricity by 5% (Scope 2).

In 2021 and 2022, we managed to decrease emissions from fossil fuel consumption by 1% and electricity by 3%, but we increased emissions from ordinary and industrial wastewater generation by 19%.

One of our challenges is to reduce GHG emissions from fossil fuels, as we went from emitting 24,021,463 kg CO2eq in 2019, to 28,803,845 kg CO2eq in 2022.

To reduce our emissions, we carried out actions such as:



Monitoring and measuring consumption indicators for decision making.



Wastewater treatment in palm oil extraction plants and reuse in crop fertilization systems.



Displacement of fossil fuels.



Equipment maintenance for better pollution control and legal compliance.

In addition, in 2021 and 2022 Dinant focused on using cleaner energy sources by using biogas and biomass instead of electricity, bunker and diesel in the Aguán and Lean plants.

The details are shown below:

EMISSION DISPLACEMENT BY SOURCE (KG CO2EQ) 2021-2022 VS 2019-2020

EMISSION DISPLACEMENT BY SOURCE (KG CO2EQ)							ENVIRONMENTAL INDICATOR (KG CO2EQ/TON)					
Source	2019	2020	VARIATION %	2021	2022	VARIATION %	2019	2020	VARIATION %	2021	2022	VARIATION %
Fossil fuel displacement (Biogas, Biomass)	11.4	11.2	-2%	10.5	12.9	23%	11.58	10.37	-10%	11.03	13.65	24%
Renewable self-generated kWh	16.5	17.6	7%	16.1	16.4	2%	16.67	16.19	-3%	16.87	17.32	3%
Total	28.0	28.9	3%	26.6	29.3	10%	28.25	26.56	-6%	27.90	30.97	11%

*Numbers in millions.

In 2021 and 2022 fruit became less available, so the use of biogas and biomass as an alternative fuel source decreased, which is why our fossil fuel emissions increased.

Thanks to our efforts to reduce GHG emissions, in 2021 and 2022 we managed to displace the use of fossil fuels by 23% by using biogas and biomass, which allowed us to reduce the generation of GHG emissions.

Our own renewable energy increased by 7% from 2019 to 2020 and by 2% from 2021 to 2022, thanks to the optimization of the biogas recovery system.



Waste

Our production processes always consider proper and efficient waste disposal as a vital aspect of environmental management.

The main types of waste we generate are ordinary, recyclable, organic, hazardous, and industrial waste, which are handled as follows:



Ordinary: They are sent to a landfill with authorized agents.



Recyclable: sent to authorized recycling and co-processing companies.



Organic: used for composting.



Hazardous: sent to authorized waste handlers.



Industrial: used to make by-products with authorized companies and generate energy recovery.

In addition, we sort waste and analyze its generation rates, keep inventory control to avoid wasting raw materials, and train our employees to raise awareness.

Our waste generated in tons is shown below:

WASTE GENERATION, 2021-2022 VS 2019-2020

DISPOSAL METHOD (TN)	Ordinary Waste					
	2019	2020	VARIATION %	2021	2022	VARIATION %
Recycling	7,183	8,600	20%	9,112	11,105	22%
Compost	14,841	15,794	6%	10,546	14,277	35%
Recovery, including energy recovery	100,356	102,275	2%	90,638	107,111	18%
Landfill	2,772	1,864	-33%	1,709	3,964	132%

DISPOSAL METHOD (TN)	Hazardous Waste					
	2019	2020	VARIATION %	2021	2022	VARIATION %
Incineration	17.3	20.1	16%	22.9	16.9	-26%

In recent years our production grew due to the creation of new lines and start-up tests, which increased the generation of waste. To counteract this situation, we implemented alternatives to reduce waste disposed in landfills, thus promoting other actions with local allies to promote circular economy.

Improvement Actions to Reduce Waste Generation



We updated the classification of industrial waste types.



We proposed options for reducing solid waste at the source and in the process.



We analyzed substituting raw materials for materials that generate less waste.



We proposed designing products and processes that reduce waste generation or include lower-impact materials.

On the other hand, the industrial plastic waste we generate is sent to authorized recycling companies and packaging plastics are co-processed in certified cement companies.



To dispose of toxic waste, we have different processes to control and reduce the risks they may cause:



Substitution of hazardous products and substances for less harmful options.



Adequate use and maintenance of the equipment to avoid waste.



Adequate storage of chemical products and restricted access so that only authorized staff can handle chemical and toxic materials.



Proper identification and labeling of chemical products by matrices by area.



Training on proper use of substances, use of protective equipment, and attention to spills and emergencies.

Currently we have an agreement with Cementos Argos de Honduras that allows us to dispose of industrial waste to be used as alternative fuel in the cement industry. This type of waste does not have any other treatment option nationally.

Through this alliance we also constantly monitor air emissions, avoiding all environmental impacts.



Packaging

At Dinant, we are aware that our operations generate a lot of packaging, so we innovated with smarter designs to reduce packaging and include more sustainable materials.

We dispose of packaging depending on the type of product:



Household Care Products

Reducing soap corrugation by using more plastic for carton savings.



Snacks

Use of recycled green bags.

Use of plastic corrugated, to reduce the use of cardboard boxes.

Less use of ink by reducing printing on the back of packaging.



Food

Switching hot sauce packaging from plastic to glass.

We have precise targets to reduce packaging materials and work on new reduction projects if any opportunities to reduce, reuse, or recycle arise.



During the reporting periods we developed initiatives to reduce product packaging:

- We reduced the bag size of Yummi Pops Nacho.
- Continued purchase of reusable corrugated for snacks.
- Reduction of soap corrugated packaging.
- Search for suppliers of light weight packaging.
- Meetings with suppliers of cellophane as an alternative to replace BOPP (biaxially oriented polypropylene).
- Trials with oil suppliers with lower weights per meter.
- Use of returnable plastic crates to replace corrugated cardboard.
- Weight reduction in cleaners packaging.
- Use of recycled resins to manufacture plastic bags used in finished snack products.
- Use of recycled paper in the manufacture of corrugated paper.



We help wildlife

At Dinant we are committed to biodiversity and recognize the importance of primary and secondary forests in the natural system. As part of this commitment, the use of fire is prohibited for new plantings, reseeding, for waste disposal, or for any type of development.

To protect wildlife, at Dinant:



Poaching is forbidden in the farms.



We make annual samples of rare, threatened, or endangered populations, endemic, and migratory species in the farms.



We record wildlife sightings.



We ensure that close by bodies of water are not contaminated with agricultural products.



We actively participate in local and regional programs for biodiversity conservation.



We raise awareness in the community about the conservation of natural resources such as water, soil, flora, and fauna.

Additionally, we implemented programs that have an impact on wildlife, for example:

2021-2022 WILDLIFE SUPPORT PROJECTS



Support, monitoring and conservation of the jaguar, the largest feline in the Americas.

RESULT

Presentation of a 14-year study of the Honduran jaguar.



Management and ex situ conservation of the tapir, the largest land mammal in Mesoamerica.

RESULT

Successful reproduction of tapirs under ex situ conservation.



Management and conservation of the white-tailed deer, Honduras' national mammal.

RESULT

Constant and successful reproduction was achieved, with more than 200 new deer cubs born during the reporting period (3,200 since the beginning of the project).



Implementation of the conservation program for the Scarlet Macaw and Green Iguana in the Gulf of Fonseca.

RESULT

Successful and constant reproduction with more than 10 new Scarlet Macaw hatchlings and 1,200 Green Iguana hatchlings born and released in the reporting period (22,000 Green Iguanas and 120 Red Macaws since the beginning of the project).



Management of wildlife conservation centers to protect the forest and induce its natural regeneration.

RESULT

Ongoing study of biodiversity in the Conservation Centers.

Reduction of illegal poaching activities within the Conservation Centers.

More than 1,200 young people received environmental education talks.

Thanks to the projects we achieved:



Protection and constant monitoring of biodiversity within oil palm plantations.

RESULT

Ongoing study of biodiversity within the oil palm plantations.



ENVIRONMENTAL RESULTS

In the reporting periods we established goals to achieve better results in our environmental management through strategic plans and actions.

The success and opportunities for goal improvement can be verified in the following table:

GOAL	2021 Targets	2022 Targets	Result
Environmental legal compliance	Achieve 95% environmental legal compliance	Achieve 95% environmental legal compliance	We complied 97% in 2021 and 2022. We aim to complete 100% of the procedures initiated before the corresponding authorities.
Energy consumption reduction	Reduce energy consumption by 4%.	Reduce energy consumption by 3%.	1% reduction in 2021-2022, driven especially by the agribusiness sector and its projects to displace energy consumption from the national grid.
Water consumption reduction	Reduce water consumption by 6%	Reduce water consumption by 5%	16% reduction in 2021 and 2022 in all plans and projects in general.
Fossil fuel consumption reduction	Reduce fossil fuel consumption by 2%	Reduce fossil fuel consumption by 10%	There was a 1% increase.



Additionally, we were able to increase the displacement of CO2eq fossil fuel emissions by 24%, generate an average of 101 MJ/Ton of our own renewable energy, and increase by 18% the energy recovery of our waste.

We continue working on increasing reduction alternatives, managing waste rationally, and analyzing options for clean energy sources. These topics will be managed through action plans with the areas, external waste managers, and feasibility studies at the plants.

We are currently defining the 2023-2024 goals.



GRI CONTENT INDEX

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Statement of Use

Dinant has reported in accordance with GRI (Global Reporting Initiative) Standards for the period from January 1, 2021, to December 31, 2022.

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More information: www.dinant.com/