

SUSTAINABILITY REPORT

2020-2023



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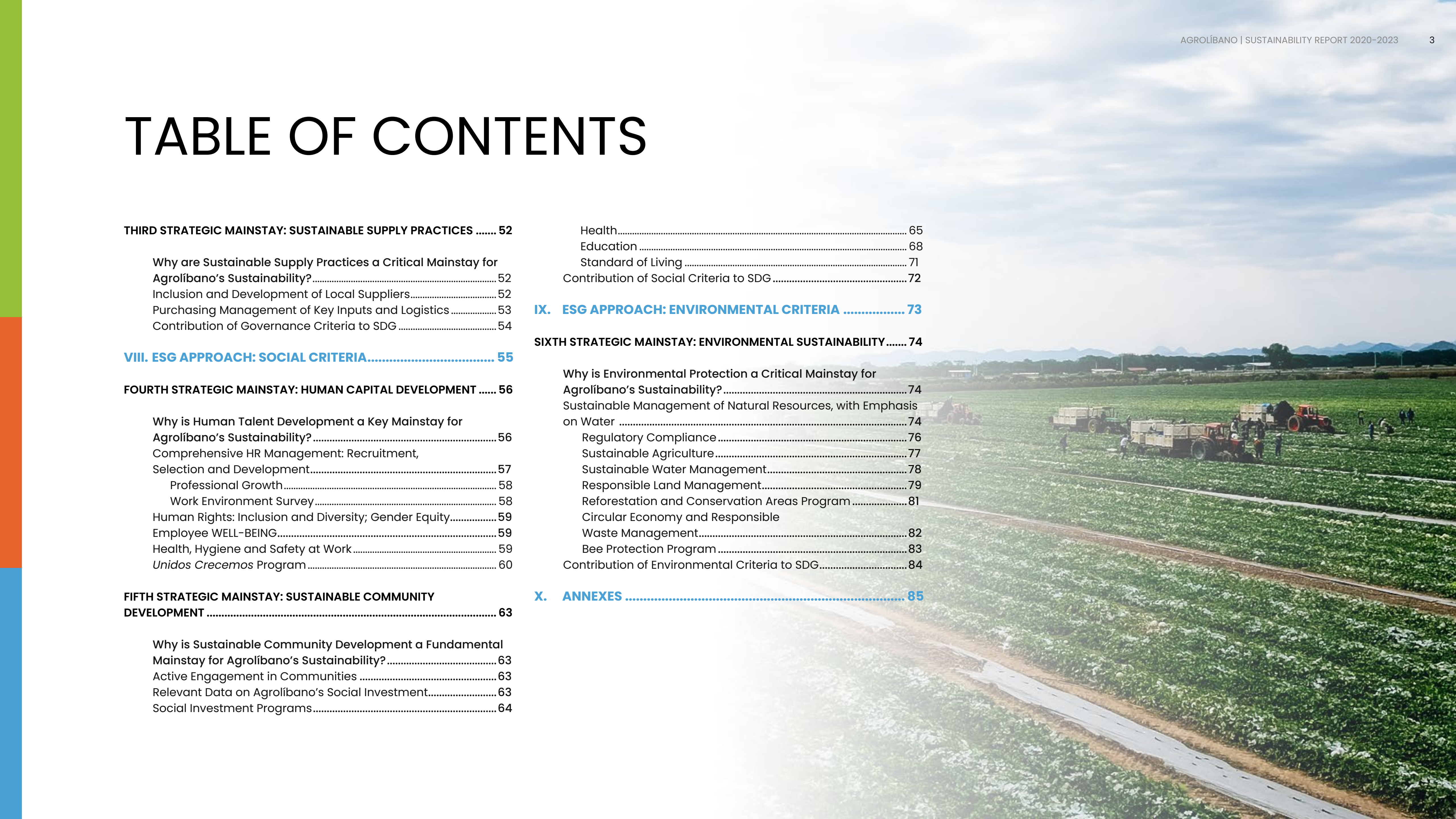
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ABOUT THIS REPORT



ABOUT THIS REPORT

Agrolibano is submitting its *2023 Sustainability Report* with the purpose of making visible our business responsible management and inform stakeholders on our strategy progress and future challenges.

While the company's Board of Directors had committed to present sustainability accountability reports biannually, the negative circumstances and impacts resulting from the COVID-19 pandemic prevented it from fully complying with such commitment. Therefore, this report covers 3 years, ranging from August 1, 2020, to July 31, 2023. The previous report corresponded to the period from August 1, 2018, to July 31, 2020.

This report has been prepared based on the *Global Reporting Initiative Standards Guide* (GRI). Likewise, the text shows how the strategy has been aligned with the ISO 26 000 standard, the UN Global Compact Principles and the Sustainable Development Goals, equally contributing to the objectives proposed by the United Nations 2030 Agenda.

For the first time, advances are also introduced following the ESG approach: Environment, Society and Governance, in alignment with the new, current social responsibility and sustainability trends in large corporations.

The information in this report has been compiled from all areas of the organization, aiming to satisfy the principles of clarity, relevance and transparency. Content has been validated by the CSR and Sustainability Committee and approved by the company's Board of Directors. To ensure compliance with the above, the Honduran Foundation for Corporate Social Responsibility (FUNDAHRSE, per its Spanish acronym) supervised and corroborated the report.

Once again, Agrolibano reiterates its commitment to respond to stakeholder expectations and to report, as a priority, progress on material topics for the company's sustainability. Thus, the data available in the aforementioned sources indicates how the company addresses and monitors the most significant potential

effects for the business, seeking to reduce and eliminate negative impacts, while positive effects multiply and grow.

In this sense, and in addition to this report, stakeholders may access detailed and updated information about our social responsibility and sustainability efforts on website: www.agrolibano.com.

For any comments or observations about the content of this report, please contact: pamelamolina@agrolibano.com.



AGROLÍBANO IN FIGURES



AGROLÍBANO IN FIGURES

Economical

0.1%

is our contribution to Honduras 2023 GDP.

0.7%

is our contribution to agricultural 2023 GDP.

213 532

metric tons of melons exported, representing more than 71,000 MT/year.

103.4 M US\$

in purchases; 55% are domestic.

462

suppliers; 66% are national.

56.7 M US\$

in national purchases, supporting 305 local suppliers.

51.2 M US\$

in salaries, wages and work benefits.

Social

6247

people with decent jobs in the last season.

29%

of hires are women.

25%

of Agrolíbano's collaborators are young people between 18 and 24 years old and individuals over 60 years old.

100%

of permanent collaborators and their families are included in the MPI study.

226

collaborators directly benefited from the *Unidos Crecemos Program*.

3.3 M US\$

of social investment in neighboring communities; 45% contribution from Agrolíbano and 55% from partnership management.

+2350

rural families are the direct target population of 5 social investment programs.

The MPI

in communities is the foundation for programs and the measurement tool of social investment impact.

The Global Malnutrition Index (GMI) among children under 2 years of age in nearby communities has been reduced to

4.3%

Environmental

25%

water accessibility increase, thus 70% of crops are irrigated from water harvesting lagoons, where more than 4,5 million m³ are stored annually.

80%

reduction in the use of chemical pesticides.

2

multi-stakeholder partnerships for correct water basin governance, implementing environmental conservation programs.

3

waste recycling supplier agreements within the framework of circular economy.

15

million plastic dishes recycled every year in our own dish factory, thereby reducing this product waste to 0.

100%

of soils included in a program to protect and improve production efficiency.

100%

of waste (cardboard, plastic, organic) is managed responsibly through agreements with companies authorized for recycling and final waste disposal.



MESSAGES FROM OUR AUTHORITIES



MESSAGES FROM OUR AUTHORITIES

Message from our President

Miguel Molina Pineda

At Agrolíbano, we are committed to building a long-term responsible and sustainable business that generates value for our partners, customers and suppliers, in addition to well-being for our collaborators, their families and the communities where we operate, through the correct use of our natural resources and the promotion of sustainable development of society as a whole.

For 45 years, we have contributed to the sustainable growth of the southern area of Honduras, by creating decent work, aiding in the development of local suppliers and bringing the name of our beloved country to the forefront by opening markets in more than 40 countries on 3 continents. In addition, we have generated wealth that takes on special meaning when it contributes to the well-being of our collaborators, their families and local communities.

The challenges we have faced have not been few; from natural disasters such as Hurricane Mitch, to social and political crises and the COVID-19 pandemic, which has had a strong impact, together with the effects of the global war crises, on our operations, export logistics and the costs of inputs to operate. However, we have managed to survive and reinforce our business sustainability commitment, by responsibly managing impacts and risks, from respect for human rights, respect for nature, ensuring ethical behavior in line with our values and aware that we are part of a system where we interact from belonging, order and balance between giving and receiving.

In this context, we are pleased to present our fourth Sustainability Report, prepared following the Global Reporting Initiative (GRI) criteria in its standard version. Also, this 2020-2023 report has been externally verified by the Honduran Foundation for Corporate Social Responsibility (FUNDAHRSE). We want to thank all those who have been with us these 45 years and also, reaffirm our commitment to continue contributing to the sustainable development of Honduras.



Message from our Social Responsibility and Sustainability Director

Pamela Molina Sierra

Agrolibano's commitment to sustainability, not only the company's, but also of the territory where we operate, the country and the planet we inhabit, has led us to thoroughly analyze the real and potential impacts of our operations and propose, from due diligence, prevention, mitigation and remediation actions required.

In order to reinforce sustainability, in recent years we have dedicated our efforts to building a Sustainability Strategy that includes the strengthening of corporate governance, by promoting the practice of ethical values at all levels of our value chain; financial sustainability based on comprehensive risk management; sustainable sourcing practices; the development of human capital respecting human rights and gender equality, sustainable community development and environmental sustainability, with emphasis on our business key resource: water.

Some of the initiatives worth highlighting include the use of the Multidimensional Poverty Index (MPI) as the foundation for making intelligent decisions aimed at social investment to promote the well-being of underprivileged groups, and more recently, to contribute to the well-being of our collaborators and their families. On the other hand, our permanent commitment to the environment, biodiversity and ecosystem leads us to defining policies that are circulated throughout the organization, with the purpose of implementing production processes with environmentally friendly conditions from a sustainable agriculture system.

We are committed to continuously reinforcing sustainability in all its dimensions, applying strategies aligned with the United Nations Global Compact Principles, which we have observed for 5 years, contributing to the Sustainable Development Goals (SDGs), and focusing on the ESG criteria, as well as strengthening our relationship with stakeholders, communication based on transparency, on everyday life and through a reporting culture that permeates all levels.



IV ABOUT AGROLÍBANO GROUP



ABOUT AGROLÍBANO GROUP

Agrolíbano

Agropecuaria Montelíbano, widely known as Agrolíbano, is a private, family-owned, agricultural company, with 100% Honduran capital, that operates in the southern area of Honduras. Based in the municipality of San Lorenzo, Valle, and with operation centers in the departments of Choluteca and Valle, for 45 years Agrolíbano has contributed to the development of the southern region of Honduras by generating work, supporting local providers in the supply chain and promoting the sustainable development of local communities.

Founded in 1979, Agropecuaria Montelíbano is the oldest of the companies that make up the Grupo Agrolíbano, committed to the reliable and sustainable production of melons. About 4,000 containers (80,000 tons) of Mike's Melons are produced each year and distributed to the most demanding markets in North America, Europe, Asia and the Middle East.

From now on, and for the purposes of this report, the name Agrolíbano will be used to refer to company Agropecuaria Montelíbano.

<https://youtu.be/4jBRpESeLd0>

Grupo Agrolíbano is constituted by other organizations that emerged later, described below:

Industria Camaronera del Sur S.A. de C.V. (ICASUR)

Industria Camaronera del Sur (ICASUR, per its Spanish acronym) was founded in 1991. It breeds and exports 3,2 million pounds of shrimp of the *Litopenaeus vannamei* species in saltwater ponds. ICASUR has Global G.A.P. and ASC certifications and is a pioneer in Honduras in breeding antibiotic-free shrimp. Like this, ICASUR manages to offer a healthy product to consumers and preserve the environment.

Ornamentales Del Valle S.A. de C.V. (ORVASA)

The company Ornamentales del Valle (ORVASA, per its Spanish acronym) was founded in 1998 and is located in the area of San Marcos de Colón, Choluteca. This company is dedicated to the production of foliage, particularly various species of eucalyptus. ORVASA has around 50 hectares planted. Production is exported and also distributed to the national market fresh, but also as mixed bouquets and preserved eucalyptus wreaths. Additionally, progress is being made towards implementing the eucalyptus oil extraction process for the manufacture of a complete aromatherapy line.

Agropecuaria Cuyamapa S.A. de C.V.

In accordance with the philosophy of conserving the environment, reducing the carbon footprint and promoting entrepreneurialism, the Group started this forest plantation in June 2003 with the name Agropecuaria Cuyamapa. The project is in the municipality of Catacamas, department of Olancho, eastern Honduras. With a total of 160 hectares of teak and African mahogany, the ecosystem created by this project contributes to safeguarding the forest and preserving animal species. The wood harvested is used to produce a line of utensils of captivating and unique beauty.

Agrolíbano Foundation

Agrolíbano Foundation, established in 2010, is the Group's body responsible for implementing the Social Investment Policy for Sustainable Development, within the framework of a relationship with the communities nearby the farms, based on respect and participation, in the search for the restoration of rights and significant improvement of the living standards of families in the area.



Vision

To be recognized as the world's most reliable melon supplier, with excellent service.



Mission

To satisfy and delight our global customers and consumers with healthy melons to improve lives.



Values

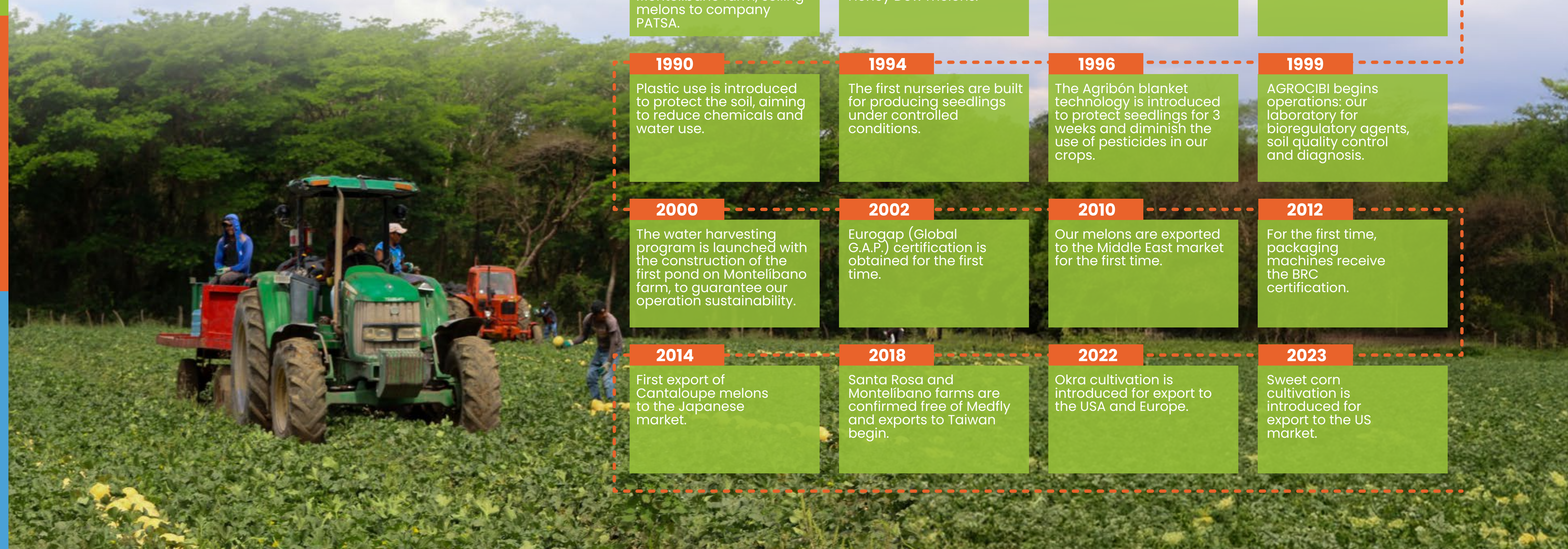
Our values align with what we have called “having a melon heart”, which translates into commitment, discipline and a way of life.

- It means working with the **PURPOSE** of “offering safe, healthy and delicious products to consumers who, in return, generate prosperity and progress.”
- Do it with **EXCELLENCE**, assessing performance to measure progress.
- **WORKING AS A TEAM** with modesty, responsibility, leadership and respect to fulfill our customer requests and requirements. Customers are our reason for being. Therefore, we must listen to them with **EMPATHY** to understand their concerns and problems, moving from understanding to action through **CONTINUOUS IMPROVEMENT**, in which perseverance, innovation and creativity are fundamental.
- Finally, it means doing it with **INTEGRITY** and applying our **ETHICAL** principles in everything we do, mainly in the relationships with our customers, our collaborators and their families, strategic partners, the communities where we operate and the environment.

Leading development in southern Honduras

Agrolibano has been at the forefront in the development of precision agriculture, research and progress aimed at integrated crop management and the sustainable management of natural resources, with emphasis on water and soil.

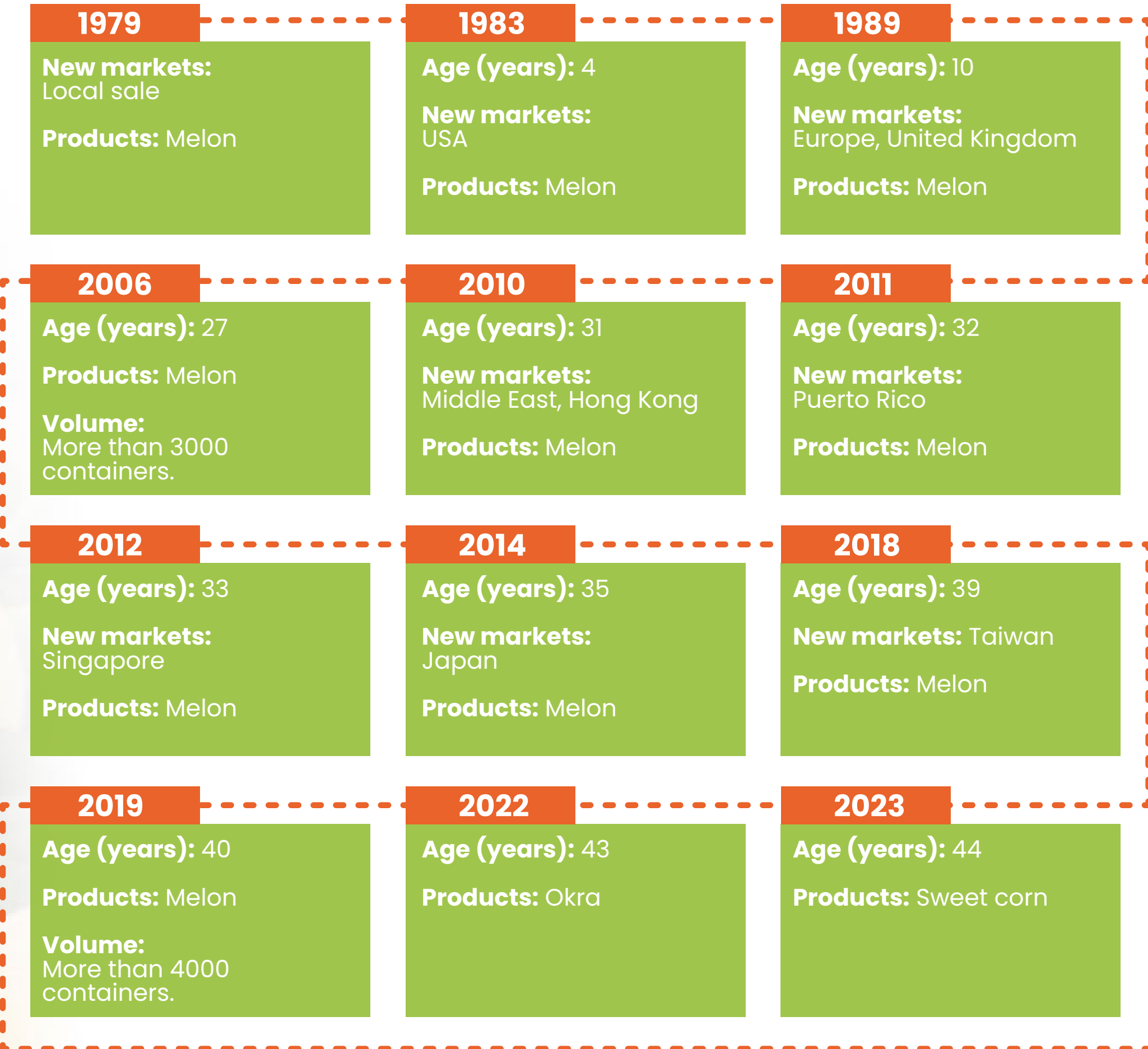
Sustainable agriculture milestones



1979 With the vision of Mr. Miguel Molina Pineda, melon production operations begin on Montelíbano farm, selling melons to company PATSA.	1983 Agropecuaria Montelíbano's first export to the US market of Cantaloupe and White Honey Dew melons.	1987 Drip irrigation is introduced to maximize water use and our crops productivity.	1989 First exports to the European market of Cantaloupe melons.
1990 Plastic use is introduced to protect the soil, aiming to reduce chemicals and water use.	1994 The first nurseries are built for producing seedlings under controlled conditions.	1996 The Agribón blanket technology is introduced to protect seedlings for 3 weeks and diminish the use of pesticides in our crops.	1999 AGROCIBI begins operations: our laboratory for bioregulatory agents, soil quality control and diagnosis.
2000 The water harvesting program is launched with the construction of the first pond on Montelíbano farm, to guarantee our operation sustainability.	2002 Eurogap (Global G.A.P.) certification is obtained for the first time.	2010 Our melons are exported to the Middle East market for the first time.	2012 For the first time, packaging machines receive the BRC certification.
2014 First export of Cantaloupe melons to the Japanese market.	2018 Santa Rosa and Montelíbano farms are confirmed free of Medfly and exports to Taiwan begin.	2022 Okra cultivation is introduced for export to the USA and Europe.	2023 Sweet corn cultivation is introduced for export to the US market.

Agrolibano joined international trade early, reaching the North American market and the demanding European market 41 years and 35 years ago, accordingly. In the last 15 years, it has expanded to very challenging markets in Asia and the Middle East, generating foreign exchange that contributes to the country's sustainable development. In the 2022-2023 season, the production and export of okra began. In addition, the cultivation of sweet corn was introduced for export as of the 2023-2024 season.

History of products and markets



Countries that have received Agrolíbano's melons in its 45 years of history

Middle East

Asia

North America

Europe

Middle East

- United Arab Emirates
- Saudi Arabia
- Qatar
- Bahrain

North America

- USA
- Canada

Continental Europe

- | | | |
|------------------------|-----------------|--------------|
| • Albania | • Greece | • Norway |
| • Andorra | • Hungary | • Poland |
| • Austria | • Iceland | • Portugal |
| • Belarus | • Italy | • Romania |
| • Belgium | • Latvia | • San Marino |
| • Bosnia y Herzegovina | • Liechtenstein | • Serbia |
| • Bulgaria | • Lithuania | • Kosovo |
| • Croatia | • Luxembourg | • Slovakia |
| • Czech Republic | • Malt | • Slovenia |
| • Denmark | • Moldova | • Spain |
| • Estonia | • Monaco | • Sweden |
| • Finland | • Montenegro | • Swiss |
| • France | • Netherlands | • Ukraine |
| • Germany | • Macedonia | |

Asia

- Japón
- Taiwán
- Hong Kong
- Singapur

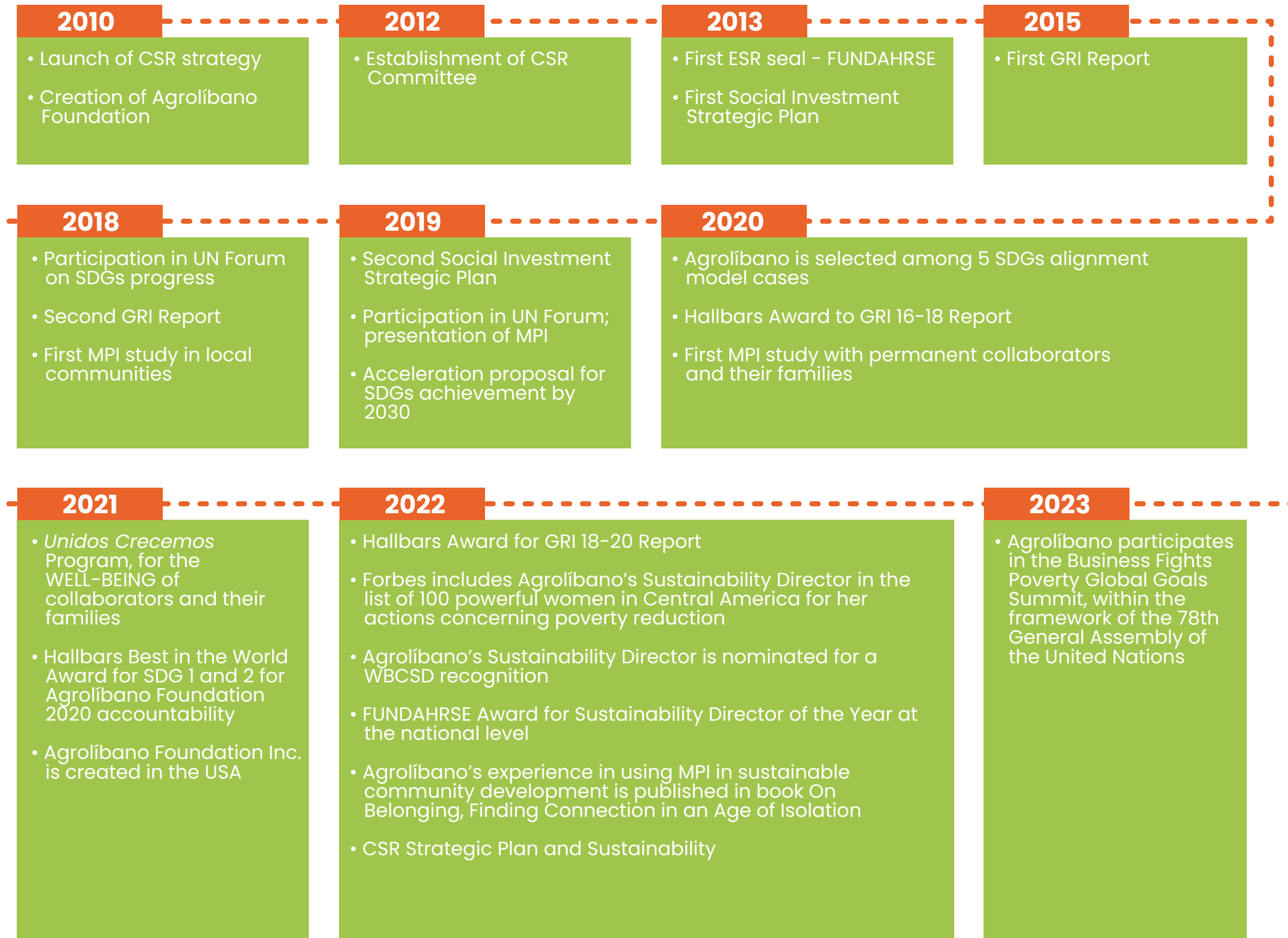
United Kingdom

- England
- Welsh
- Ireland
- North Ireland
- Scotland

We have exported to more than 56 countries in 45 years

Agrolibano has grown in the shadow of conscious leadership, which recognizes the need for private companies contribution to sustainable development, committing to integrate response actions to major identified challenges: poverty and climate change, aligning business strategies with Sustainable Development Goals, through the implementation of approaches to reduce multidimensional poverty in neighboring communities and inside the company; environmental sustainability strategies, particularly sustainable water management; contributing to economic development and, above all, with practices based on human rights, ethics and anti-corruption standards.

Milestones on the sustainability path and recognitions



Our products and services

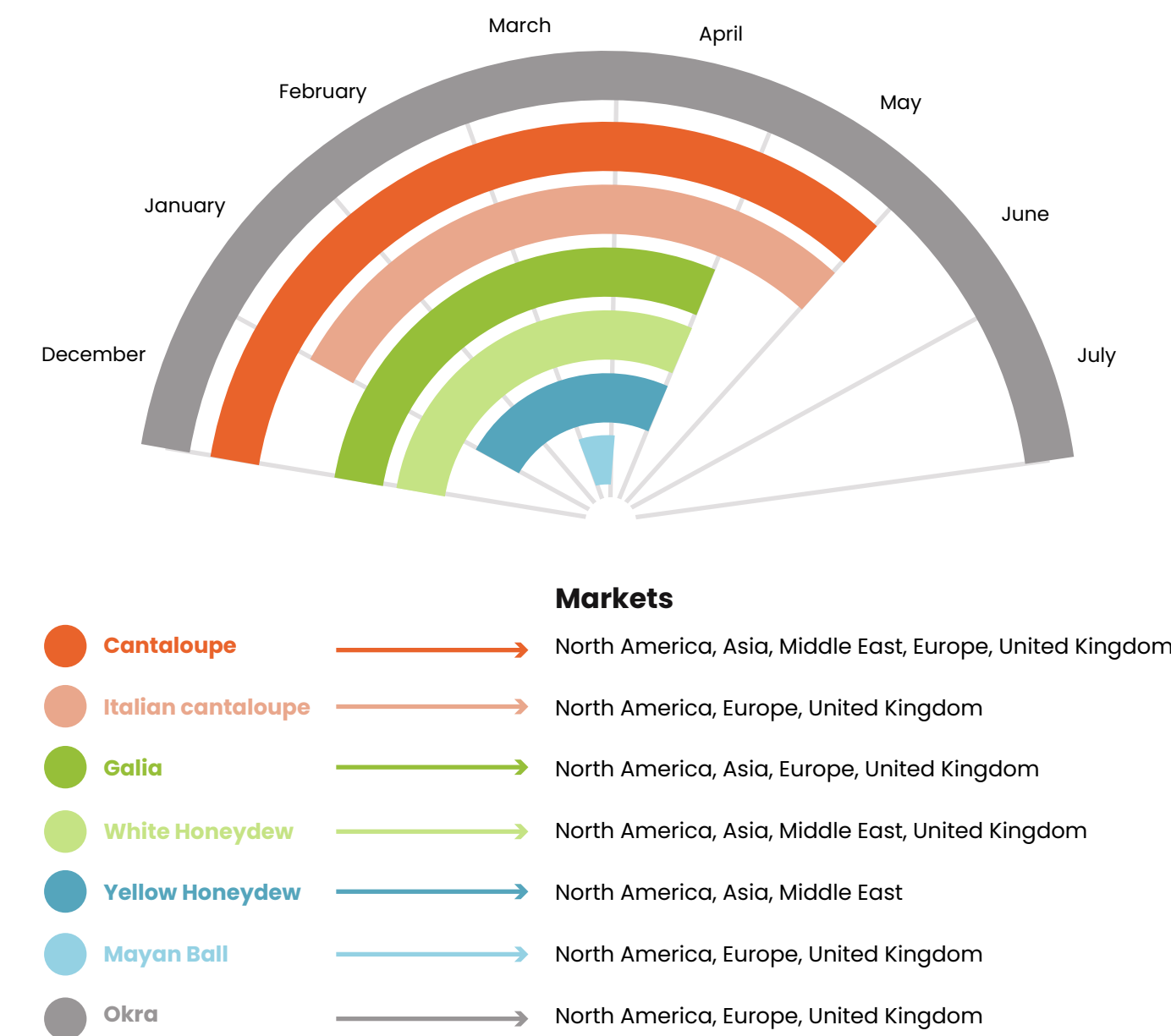
Under the Agrolibano brand, safe, healthy and delicious melons are offered and produced with deep respect for nature and people, who in return generate prosperity and progress, thus enabling us to share success with underprivileged groups. In the 2022-2023 season, the company has ventured into the production and export of okra. In the context of this period, with the impact of the pandemic and other global crises that have affected the markets, we decided to boost our approach, aimed at implementing sustainable and precision agriculture.

Agrolibano distributes its products in America, Europe and Asia, to satisfy demand and serve various sectors in the supply chain across these regions. There is a strong commitment to produce and export products with integrity and transparency, always observing the regulations and related laws of the countries where they are exported and complying with customer specifications.

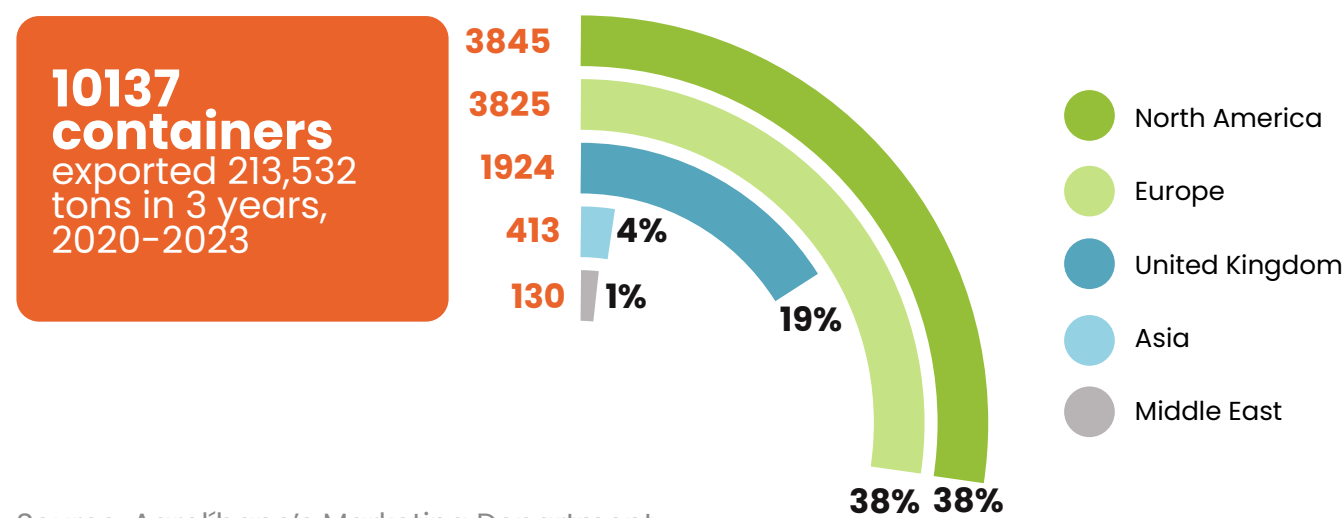
Agrolibano has managed to consolidate Mike's Melons® as a globally recognized brand. It is through this brand that a large portion of the range of melons is sold in different international market segments. For the strictest markets and customers, a premium brand has been developed and marketed under the name Mike's Best®. Okra exports have begun under the Mike's Okra® brand.

The following chart shows the distribution of our varieties by continent.

Product availability and distribution by region



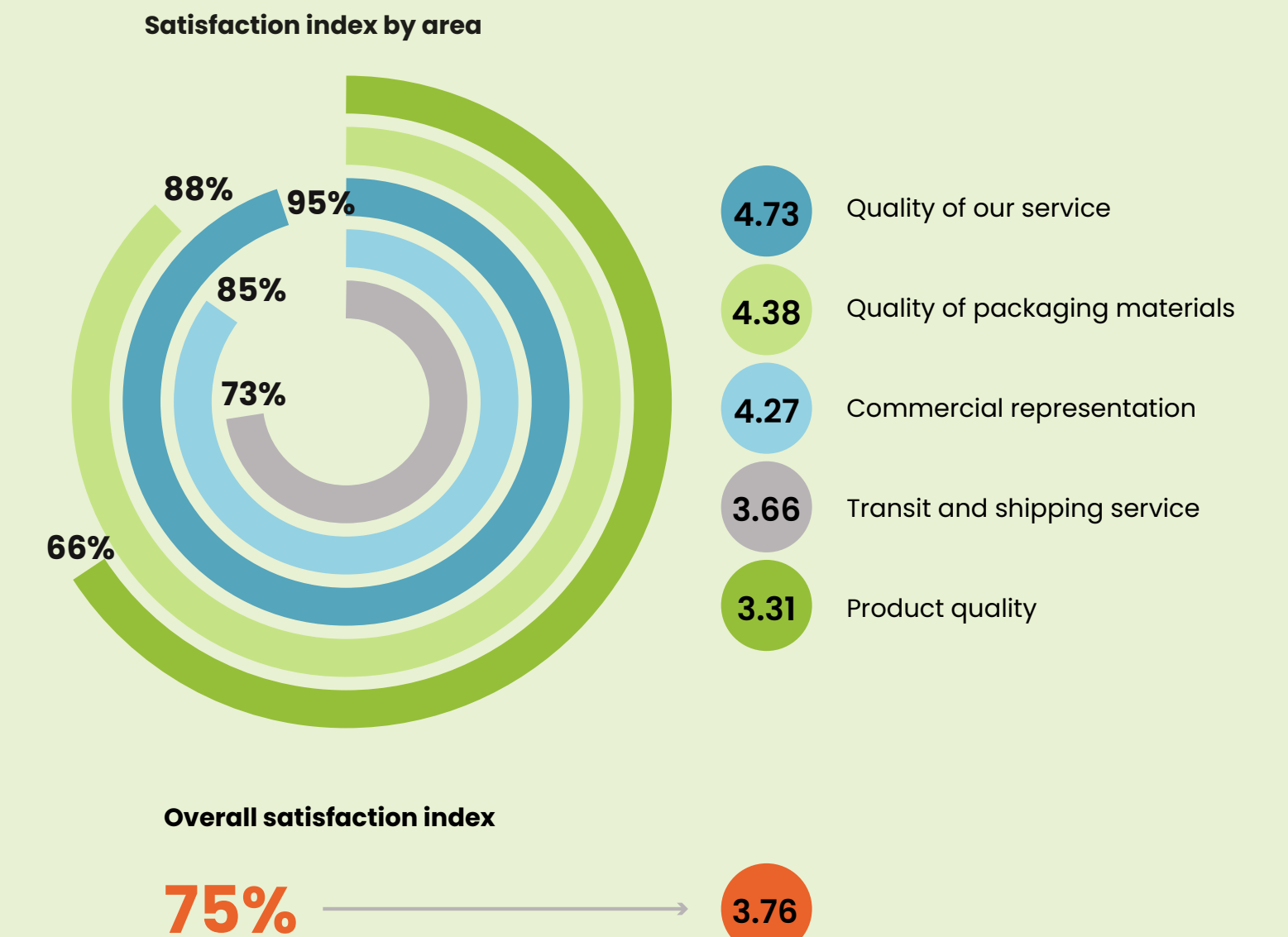
2020-2023 Reporting period exports



Source: Agrolibano's Marketing Department

In the last season (2022-2023), over 51 million melons, equal to more than 73,000 tons, transported via 3,527 containers, have been delivered to 35 countries around the world. At the same time, in the 2022-2023 season, the company has ventured into the production and export of okra to the United States and Europe, selling 1,9 million pods, equivalent to 1,800 tons.

Global satisfaction index , 2022-2023



Source: Agrolibano's Marketing Department



Agrolíbano is affiliated with the barcode standard system (GSI), the main institution that guarantees visibility in the global supply chain. Thus, through the codes assigned to Agrolíbano by GSI, any consumer can find information and trace our products globally (G4-FP5, G4-PR1, G4 PR-3). 100% of the products marketed under our different brands are labeled with unique GTIN company identifiers, using the EAN/UCC coding standard.

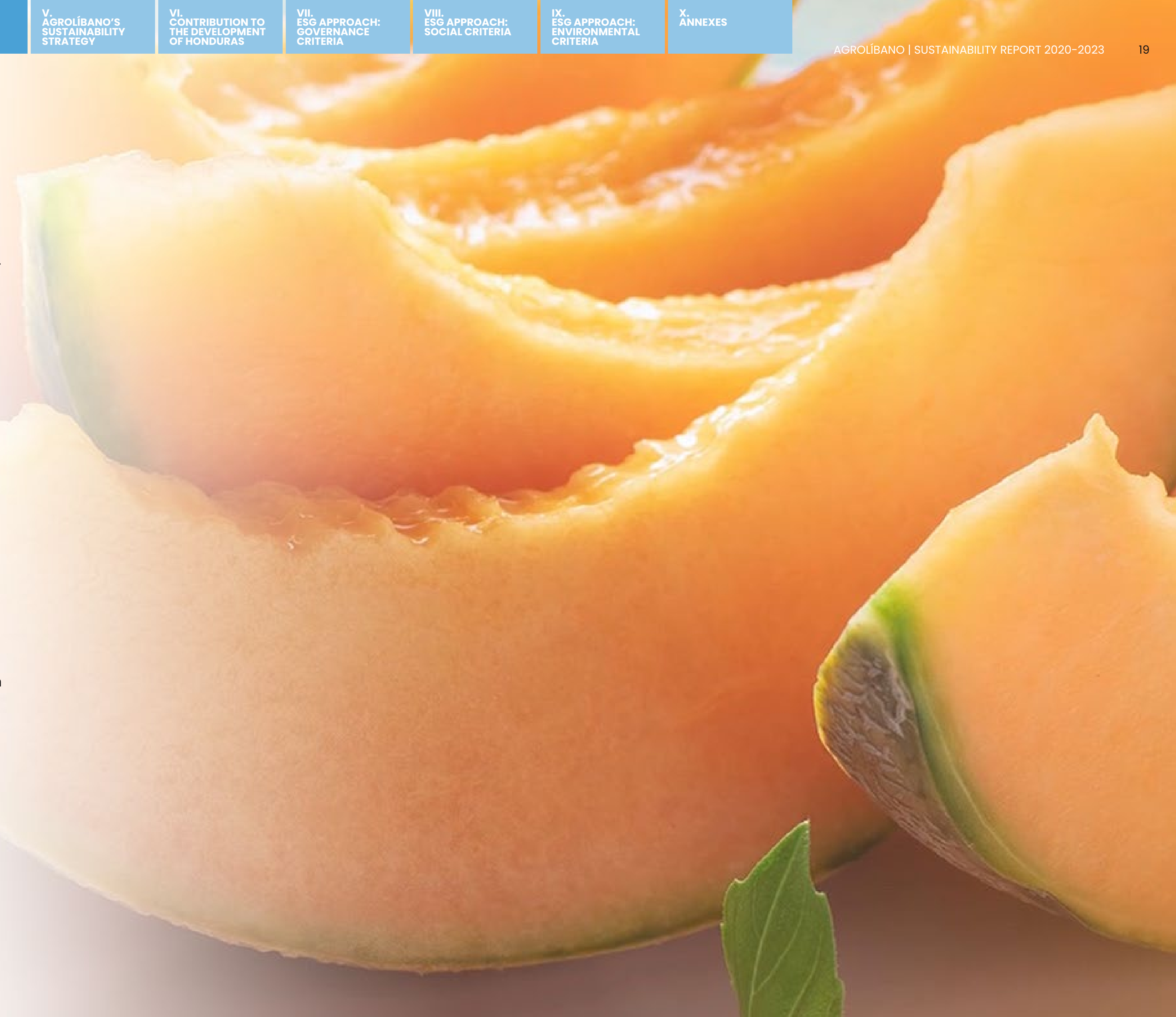
Twice a year, Agrolíbano assesses its performance in its various consumer areas.

This satisfaction index allows us to identify important opportunities for improvement in 1. Product quality and safety –compliance with customer requirements is measured –, 2. Logistics –punctuality of deliveries, shipping company services and related factors are evaluated – and 3. Customer service – customer satisfaction and after-sales service are assessed.

The 2020-2023 period was conditioned by logistical challenges that disrupted melon exports to different markets, with the container crisis and the impact on international trade as an effect of the COVID-19 pandemic, which decreased some customer satisfaction markers.

Reaching such distant and varied markets with a perishable product requires a business model which includes technology as an integral part of innovation factors. This is why Agrolíbano considers in its market strategy:

- Diversifying melon varieties and ensuring that the fruit reaches consumers in good conditions.
- Focusing on the most demanding markets.
- Technology investment aimed at market quality.
- Keeping diversification, but always related to agriculture.



Our compliance with international standards

Agrolibano has voluntarily complied with a series of international standards and initiatives that ensure the quality of its products, consistency with its values and continuous improvement, in pursuit of an increasingly responsible management of its production and commercial activity.

In this way, for several years a commitment has been made to contribute to the achievement of the Sustainable Development Goals – SDGs – approved by the United Nations in 2015, directly contributing to the realization of several of the objectives defined in this framework. Also, the fundamental subjects of the ISO 26 000 standard are applied: "Social Responsibility" in the design and operation of the Social Responsibility and Sustainability Strategy. Similarly, it has complied with the Global Compact Principles. Since 2021, the approach proposed by the new Environment, Society and

Governance (ESG) methodology has also been implemented as a general framework for the programs and projects implemented in such strategy.

Finally, Agrolibano reports and is accountable to society using the Global Reporting Initiative Guides (GRI), including the contents and indicators proposed by said guides.



ISO 26000



SDG



Global Compact



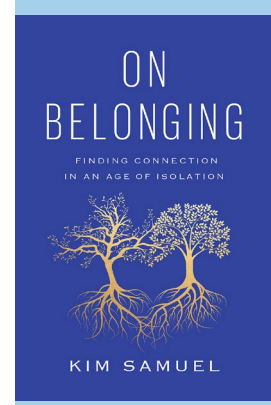
ESG

Reporting culture – international awards and recognitions

Agrolibano has developed a reporting culture compliant with the transparency principle, but also to motivate other bodies to report and, above all, to act on the sustainability path. Following the commitment to comply with the Global Compact Principles, the annual COP report has been presented since joining the Global Compact in 2019.

The effort has been recognized by providing the opportunity to share sustainability strategies in various forums. The most recent was in September 2023, when Agrolibano was represented at the Business Fights Poverty Global Goals Summit, within the framework of the 78th General Assembly of the United Nations.

In October 2022, Agrolibano participated in the global symposium "Imagination and action: Systems to build belonging", held in Toronto by the Samuel Center for Social Connectedness. This symposium was held with protagonists of the stories presented in the book *On Belonging, Finding Connection in an Age of Isolation*. The book includes Agrolibano's experience in community development based on the Multidimensional Poverty Index (MPI).



"There is a model wherein the corporations that have become so ingrained in our daily lives truly give back to the communities in which they operate. I'm talking about nurturing a culture based on social responsibility and shared values, where words are met with tangible action. One company, Agrolibano, is walking the talk in a big way". On Belonging, pag. 175.

Agrolibano has received various national and international awards, highlighting the Hallbars Award 2020 "Best in the World" in the fruits and vegetables category, for the 16-18 Sustainability Report; Hallbars Award 2021 N°1 Best in the World in the category SDG 1: No poverty and SDG 2: Zero hunger, and No. 3 in the Latin America category, for Agrolibano Foundation's 2020 accountability; and in 2022 again the Hallbars Award Best in the World for the 18-20 Sustainability Report. The Hallbars Sustainability Research Institute in Sweden specializes in promoting sustainability reports to help refine them, improve their communication and expand their audience.



Hallbars 2020 Award to the 16-18 Sustainability Report



Hallbars 2021 Award to Agrolibano Foundation's 2020 Accountability



Hallbars 2022 Award to the 18-20 Sustainability Report



Mr. Miguel Molina Pineda, president of Agrolibano, receives the national Abanderado award conferred by Banpaís, for his personal and business career. Due to his resilience, Mr. Molina became an engine for positive changes, being a story of improvement, initiative, discipline, integrity, determination and social awareness.

Governance in Agrolibano

Agrolibano's corporate governance is the Group's maximum authority. It defines the policies and procedures governing business activities, in order to ensure that all actions follow the best international practices for responsible corporate citizens.

The provisions contained in the Corporate Governance Policy are in line with Honduran regulations. They refer, serve as a guide and are applicable to all companies that belong to Grupo Agrolibano.

In accordance with the group of family businesses that make up the Group, Agrolibano's priorities include ensuring the accurate exercise of corporate citizenship, following the strictest values and ethical principles to contribute to business sustainability, transcending its impact from generation to generation. To this end, the Group has established a solid corporate governance structure, in which all levels and bodies that impact decision-making on the policies and strategies governing the company's work, come together.

To learn more about the structure, functions and bodies of our corporate governance, visit website: www.agrolibano.com



Corporate governance structure

Grupo Agrolibano's corporate governance is composed of a series of bodies, each with certain authority and functions, all leading to the correct administration of the Group's member companies.

Next, the corporate governance organizational chart, its main bodies and levels.

It should be noted that, beyond this structure, each body that is part of the Group (4 companies and a non-profit foundation) has its own board of directors which, without losing their independence, must abide by the same ethical and transparency principles defined by the Shareholders' Assembly. Similarly, they must be accountable for their work in the three sustainable development areas: prosperity, people and planet.

Shareholders General Assembly

It is the uppermost governing body through which all shareholders exercise their sovereignty to decide on actually relevant matters to Agrolibano companies. The Assembly's main responsibility is to define the general focus of Agrolibano's policies and adopt the

most important decisions that affect the capital and work of its legal bodies, according to law and its statutes.

The main topics that this assembly knows and approves include awareness and approval of financial statements, distribution or not of dividends, increase or reduction of capital stock, corporate statutes modification, or merger with another company if applicable, as well as the election, disapproval or replacement of the managerial team.

Family Council

The Family Council's central mission is to safeguard and ensure family union and positive coexistence, the generational transmission of family culture and the application of the principles, values and standards set by its members in the Magna Carta, created for these purposes.

Board of Directors

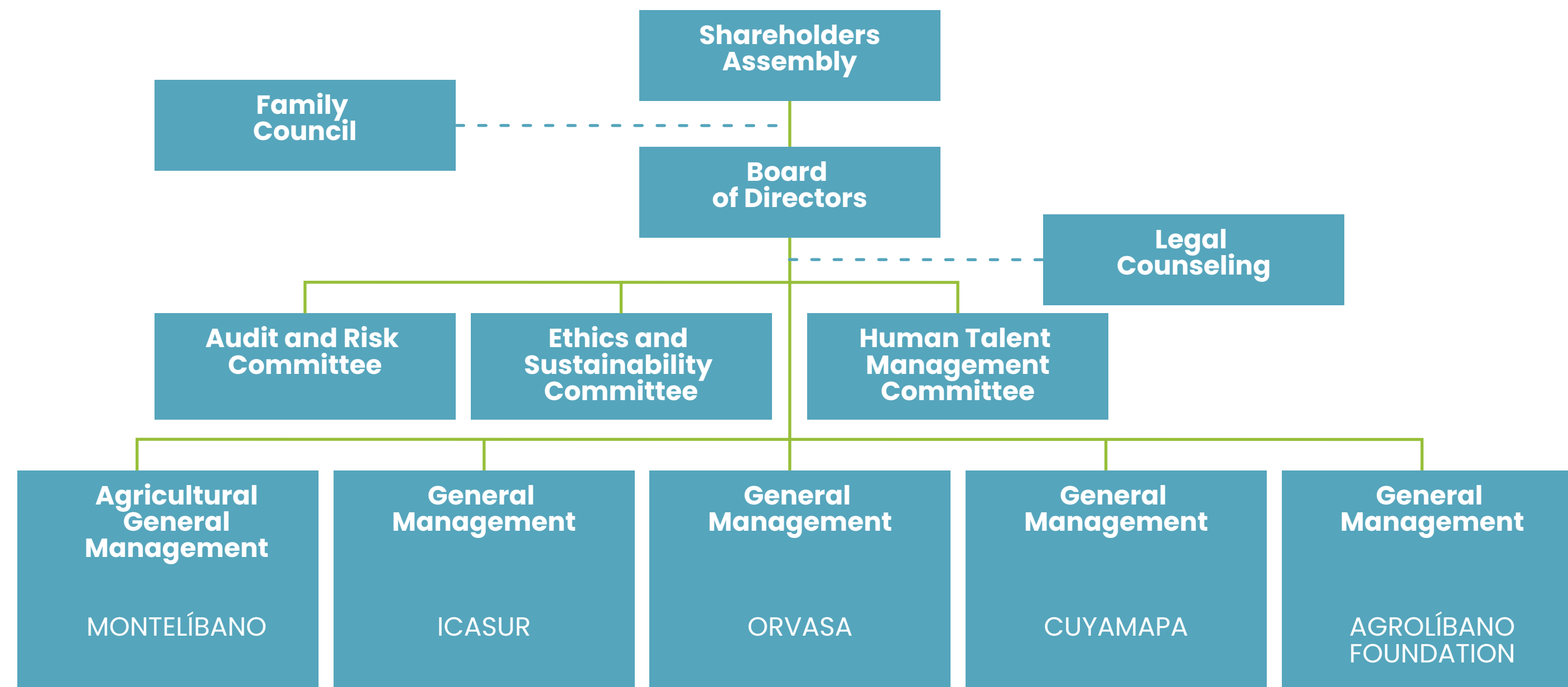
The Board of Directors is responsible for managing Agrolibano. It represents the main governing body, a space in which shareholders delegate their decision-making authority, according to what is agreed upon in the Shareholders Assembly.

It consists of a group of qualified professionals who, together, include all the disciplines, knowledge and capacities necessary to lead companies towards the constant and ever-growing process of creating financial, social and environmental value for all company stakeholders.

The Board of Directors is Agrolibano's rudder, and as such, is responsible not only for leading the company towards the best ports, but it is also accountable for its work to all stakeholders, starting with the Shareholders Assembly and continuing with other company-related committees and people.

During the 2020-2023 period, the 7 positions that comprise the Board of Directors were occupied by the people and roles detailed below:

Corporate government functional structure





Miguel Ángel Molina Pineda
President
Start year: 1979

- Commercial expert and public accountant. Certified aviation pilot.
- Founder of Grupo Agrolíbano, a corporation composed of companies: Agropecuaria Montelíbano (1979), dedicated to the production and export of melons and okra. Industria Camaronera del Sur (1991), shrimp producer for export, pioneer in antibiotic-free breeding.

Ornamentales del Valle (1998), production and export of fresh and preserved foliage. Agropecuaria Cuyamapa (2003), wood producer for utensil manufacture, but above all, this plantation aims to forest protection, species conservation and carbon capture.

- Founded Agrolíbano Foundation in 2010.



Sebastián Valdés Lutz
Vice president
Start year: 2021

- Commercial engineer, Pontificia Universidad Católica de Chile. Postgraduate in Corporate Governance and Tax Planning.
- 26 years of experience in agribusiness, mainly in general and financial management. External director at Agrolíbano. He was general and administration manager and finance manager at Sociedad Agrícola La Rosa Sofruco; general manager at Exportadora Huertos del Valle; planning and development manager at Empresas Lourdes y Viña Morandé; administration and finance manager at Viña Haras from Pirque. Also, he has experience in wines, fresh juices and concentrates, fresh fruit,

dried and dehydrated fruits. In the area of trade associations, he was director of the Chilean Walnut Commission and Chilenut, member of ChilePrunes, Wines of Chile and the Avocado Committee. He is the current president of ChileAlmonds.

- He was an independent director at Viña La Rosa. Today, he is the president of Agrícola Yoye, and independent director of Frutas de Exportación, Frutexsa Raisins, Comercializadora Piwén and Agrícola Valle Aconcagua.



Jenny Molina Sierra
Secretary
Start year: 1993

- Bachelor's in business administration, UNAH, MBA Kellogg School Management at Northwestern University and Owner President Management (OPM) Program at Harvard Business School.
- General Director of Family Office, coordinates a team of professionals that provides services ranging from investment advice to fiduciary and property planning. Member of the Board of Directors of Grupo Agrolíbano and the board of Agrolíbano Foundation, which makes social investment in the communities where the company operates. She is also president of

Agrolíbano Foundation Inc., based in Florida, USA, which purpose is to contribute to the financial sustainability of Agrolíbano Foundation's actions to reduce multidimensional poverty in the southern area of Honduras.

- Customer-oriented, quality-focused international marketing and finance executive with over 25 years of experience serving customers in the United States, Europe and Latin America.



Cynthia Molina Sierra
Treasurer
Start year: 1995

- Bachelor's in industrial administration, UNITEC; Master's in business administration from IMD, Lausanne, Switzerland. Postgraduate in Negotiation Model from Harvard and coach certificate from the International Coaching Community.
- She serves as Administration Vice-president at Agrolíbano, implementing financial and investment strategies that have ensured the

highest level of return and reduced company risks. She has served as Vice-president of Human Resources.

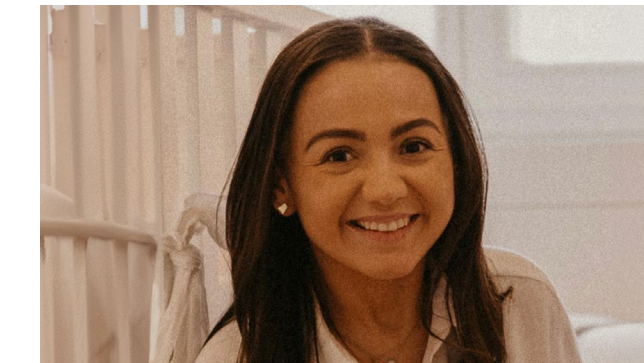
- Active member of the Human Resources Association of Puerto Rico.



Oscar Molina Sierra
Voting member 1
Start year: 1990

- Business Administrator, UNITEC. Postgraduate in Owner President Management (OPM) Program, Harvard University. Advanced Executive Program, Kellogg School of Management.
- He has served as general manager of Agropecuaria Montelíbano and general manager of ICASUR. Founding partner of the

Futura hyper intensive project in ICASUR (shrimp production system). Founder of the Ivory Farms project (watermelon seed production).



Alejandra Molina Sierra
Voting member 3
Start year: 2014

- Hospitality and Tourism Management at Florida International University in Miami. Master's in international business, EADA university in Barcelona, Spain.
- She served as executive events coordinator for Grupo 900 Miami, FL, after concluding her Hospitality studies. Then, she decided to join the family businesses group, and for that, she completed a master's degree in International

Business in Barcelona. Upon finishing her studies, she began working at Grupo Agrolíbano as executive assistant to the president of Grupo Agrolíbano for 2 years. Then, she became commercial representative for Agrolíbano in Holland for 4 years. She is currently key accounts and new businesses manager for Agrolíbano in Europe and England.

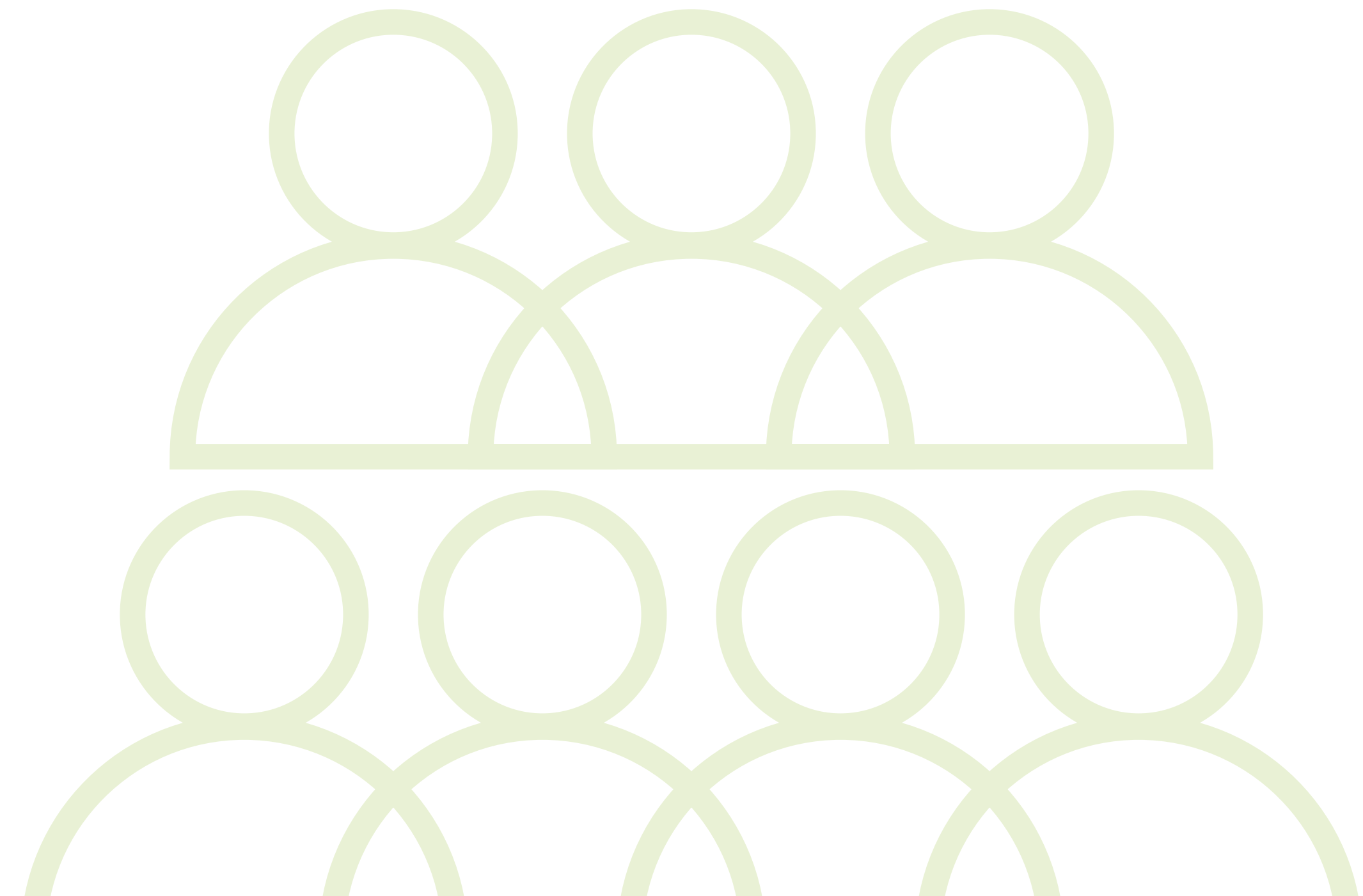


Pamela Molina Sierra
Voting member 2
Start year: 1993

- Bachelor's in Industrial and Business Administration, UNITEC. Postgraduate courses in strategic leadership from Yale, Harvard, INCAE, ESADE and Universidad de Los Andes.
- 30 years of professional career at Agrolíbano. She is the Sustainability Director and member of the Board of Directors of Grupo Agrolíbano, and president of Agrolíbano Foundation. Under her management, Agrolíbano has achieved the socially responsible company seal awarded by FUNDAHRSE for 11 consecutive years. Three sustainability reports have been prepared according to GRI standards, and the Global Compact and alignment with the SDGs have been observed. Currently promoting alignment

with ESG criteria. Under her management, multidimensional poverty studies were conducted with the MPI methodology, in communities near the company and in the company itself with collaborators and their families.

- She started at Agrolíbano in the marketing area, until reaching the Finance and Treasury vice-presidency.
- Member of the Central American Leadership Initiative (CALI, per its Spanish acronym) and the Aspen Institute.



Legal Counseling

All Agrolíbano companies have permanent access to legal counseling provided by two legal professionals. One of them is an expert in labor and the other in business. They both report to the Board of Directors in everything necessary for the accurate management of the company.

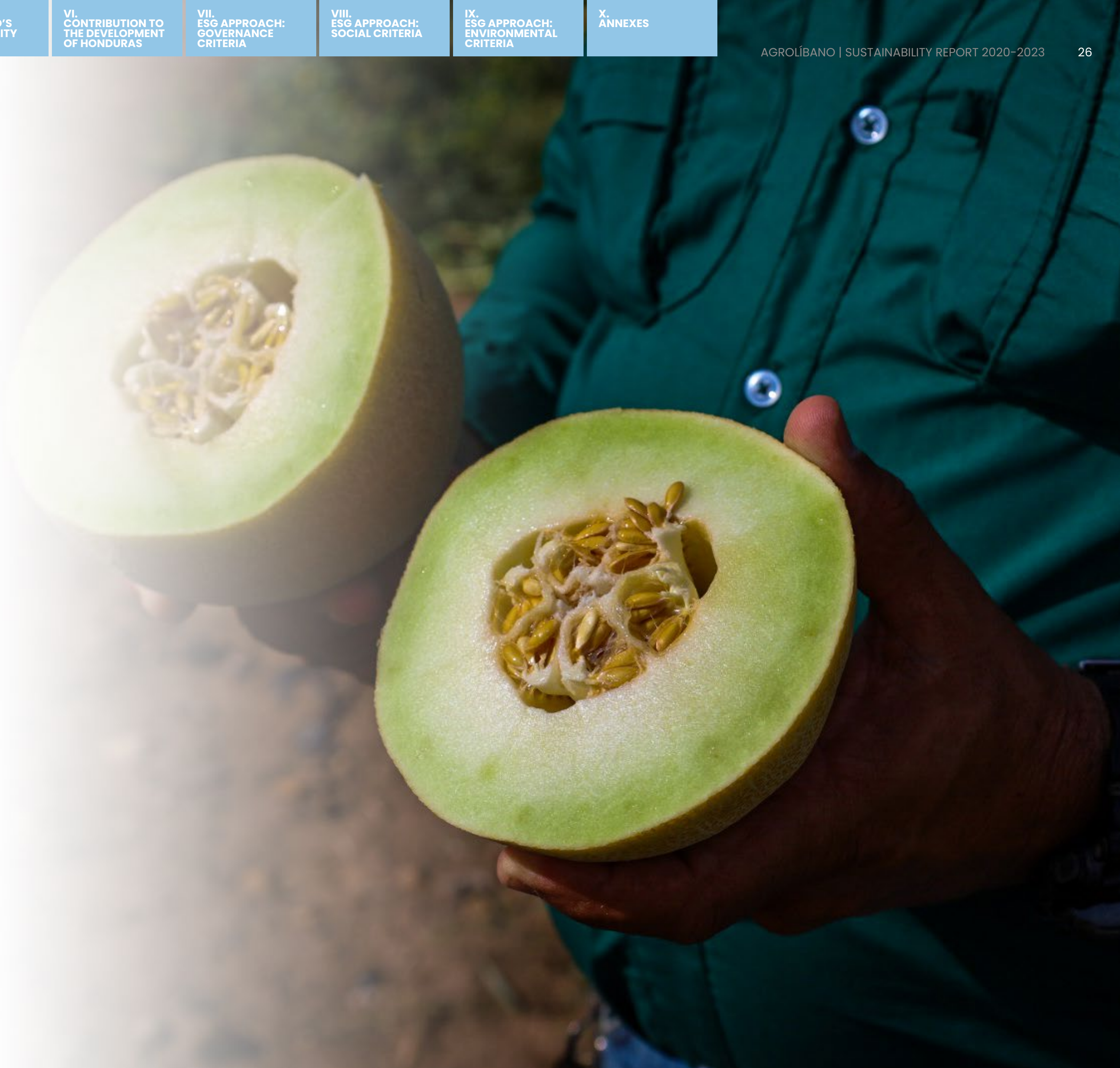
Board of Directors Committees

The Board of Directors Committees are the advisory administrative bodies to the Board on their pertaining technical and specific issues. The main reason for their creation is to have additional time for the revision and thorough analysis of key topics for Agrolíbano's sustainability and that, due to their complexity, cannot be addressed during the Board of Directors' ordinary sessions.

Their objective is to bring their proposals to the Board of Directors in such a way that time use during sessions is maximized and allow each committee director to know the details of the most technical and operational aspects of each issue.

Agrolíbano's Board of Directors has decided to create 3 permanent committees, which are included in the organizational chart presented above. They are:

- a) Audit and Risk Management Committee
- b) Sustainability and Ethics Committee
- c) Human Talent Management Committee



Permanent committees structure

Standing Committees	Description	Members	Position
Audit and Risk Management Committee	<p>Responsible for properly overseeing risk management in Grupo Agrolibano and its companies. For this, it must know and approve the companies' risk strategy, considering expert diagnosis and the experience of each responsible business unit.</p> <p>It aims to assess the verification and accounting information system of Grupo Agrolibano companies, ensure the external auditor's objectivity, review the internal control system, as well as evaluate and control corporate governance processes, information transparency and conflicts of interest that arise with the Group's stakeholders.</p>	Sebastián Valdés	President
		Miguel Molina Jr.	Member
		Marlon Canales	Member
		Alexis Espinal	Member
		Cynthia Molina	Member
		Pamela Molina	Member
Sustainability and Ethics Committee	<p>Grupo Agrolibano is committed to acting responsibly with its stakeholders, by ensuring full compliance with the laws, as well as the company's long-term continuity, its collaborators WELL-BEING, customer service quality, supplier fair treatment, sustainable development of the communities where it operates and transparent relationships with local and national governments. This committee enables the harmonious integration of respect for ethical values, human rights, community interests and the promotion of natural resources responsible use, into the commercial strategy.</p> <p>It leads the Sustainability Strategy, oversees execution, and serves as liaison with the Board of Directors and across different company levels. Ensures that the necessary technical instruments to fulfill Strategy objectives are guaranteed, in order to generate benefits for society as a whole and contribute to strengthening its brand, while creating value for all its stakeholders and the environment.</p>	Pamela Molina	President
		Sebastián Valdés	Member
		Marlon Canales	Member
		Jenny Molina	Member
Human Talent Management Committee	<p>Responsible for delivering solutions, designing strategies and facilitating the training processes necessary to reinforce people management, without any distinction or exclusion of those who work for Grupo Agrolibano or collaborate in different ways, to guarantee due compliance with the pertaining guidelines established by the Group's Board of Directors.</p> <p>Its main objective is to support the Board of Directors in the exercise of its decision-making or advisory functions regarding appointments and remuneration of Board members and Senior Management. It is in turn responsible for ensuring that suitable and timely mechanisms are set and developed to guarantee the adequate management of human talent within the Group and the organizations that comprise it.</p>	Sebastián Valdés	President
		Marlon Canales	Member
		Natalia Espinoza	Member
		Pamela Molina	Member
		Jenny Molina	Member

The presidency and other members actively contribute with these committees by being in regular contact with the Board and enable opinion exchange and establish a formal channel for information to flow between both parties.

General management of group bodies

The last component in Agrolibano's corporate governance is the general management and managerial teams of legally independent organizations part of the Group.

For this relationship to work properly, a system has been established to ensure high transparency in the management of Group companies and its member organizations. Each general manager has specific roles, which contribute to the fulfillment of their main function: to execute and be accountable for all the policies, strategies and initiatives implemented in the Group.

Corporate governance advisors

In addition to formal corporate governance bodies, Agrolibano has a group of expert advisors who complement the company's work in terms of governance. Some are full-time collaborators, while others serve as advisors on different topics.



Corporate governance advisors



Alexis Espinal Ferrera
Statutory auditor JD
Start year: 2000

- Public accountant.
- He has worked in different managerial positions in the Administration and Finance area of important companies such as Trefiladora Centroamericana SA de CV (Trefica) for 12 years, and Agropecuaria Montelíbano SA de CV (Agrolíbano) for 23 years.
- Due to strategic matters, he has been invited to participate in Trefica's and Agrolíbano's Board of Directors meetings.



Miguel Molina Sierra
General Manager of ORVASA
Start year: 2017

- Master of Science (MSc.) in Leadership and Strategy from the London Business School, complemented by executive education in INCAE and agronomy background from EAP Zamorano.
- Work experience: Member of Agrolíbano's Audit and Risk Management Committee. Expert entrepreneur with diverse experience spanning e-commerce, agricultural technology and real estate. His multidimensional leadership, strategy, marketing and industrial design skills reflect a holistic approach to building successful businesses, while positively impacting communities and the environment. He has demonstrated leadership and innovation in various roles:
 1. CEO at The Botanist Living: founded the omnichannel wellness brand focused on natural body care, woodworking, natural decor and aromatherapy.
 2. Co-founder and non-executive director at FRESH4CAST LTD: contributed to creating intelligence solutions and predictive models specialized in agriculture, helping producers and distributors optimize their production, procurement and sales processes through the integration of data and advanced algorithms.
 3. Co-founder and non-executive director at Ecovivienda: he was key in the creation of this real estate development company focused on affordable and environmentally friendly urban projects.
 4. Former general manager at Agrolíbano, an agricultural operation specialized in the production of high-quality melons for global export.



Marlon Canales
Deputy Management
Start year: 2016

- Engineer in Agribusiness Management from Pan American Agricultural School (Zamorano), with a master's degree in Agricultural Economics from the State University of Louisiana, USA and Negotiation and Business Management programs from Harvard and the Central American Institute of Business Administration (INCAE).
- He works as deputy management. He was commercial manager at Agropecuaria Montelíbano S.A. for Europe, the United Kingdom and the Middle East, and commercial manager for North America and Asia. He served as commercial manager at CAMAR SA, and previously as Development Project Director in a project financed by the Inter-American Development Bank and Swiss Cooperation in Honduras. Earlier, he was commercial representative at Agropecuaria Montelíbano for England, after occupying the position of Evaluation and Monitoring of Investment Projects expert for the Swiss Foundation for Technical Cooperation in Honduras.



Roxana Víquez
Sustainability Advisor
Start year: 2021

- MBA with emphasis in Management, Universidad Interamericana, Costa Rica. Postgraduate in Financial Engineering, Monterey Technological Institute, Mexico.
- Work experience: International consultant in social responsibility and sustainability, employee poverty, gender focus, over-indebtedness management and others, for private companies and corporations in Latin America. For twelve years, she was the Regional Sustainability Director of BAC Credomatic Financial Group. On two instances, executive president of the Mixed Institute of Social Assistance (IMAS, per its Spanish acronym), the government body responsible for social development and serve the population in poverty in Costa Rica. She has developed consultancies for UN agencies and multilateral banks in 17 LAC countries.
 - Costa Rica: DEMASA, Grupo Purdy, Pequeño Mundo, Philips, Mercado de Valores, Enjoy Group, Grupo Mutual, Davivienda, Universidad Castro Carazo, Universidad Lead, Grupo 823, Dos Pinos, Grupo Empresarial del Este.
 - USA: Sophia Oxford, Wise Responder Inc.
 - Guatemala: CBC (Pepsi), Confio, Banco Industrial, Banco G&T, FICOHSA, Grupo Mariposa.
 - Honduras: Agrolíbano, FARSIMAN.
 Participation in the boards of directors of Voces Vitales CR, Fundación Ayúdenos para Ayudar (Children's Museum) and Grupo Purdy Impact Committee.

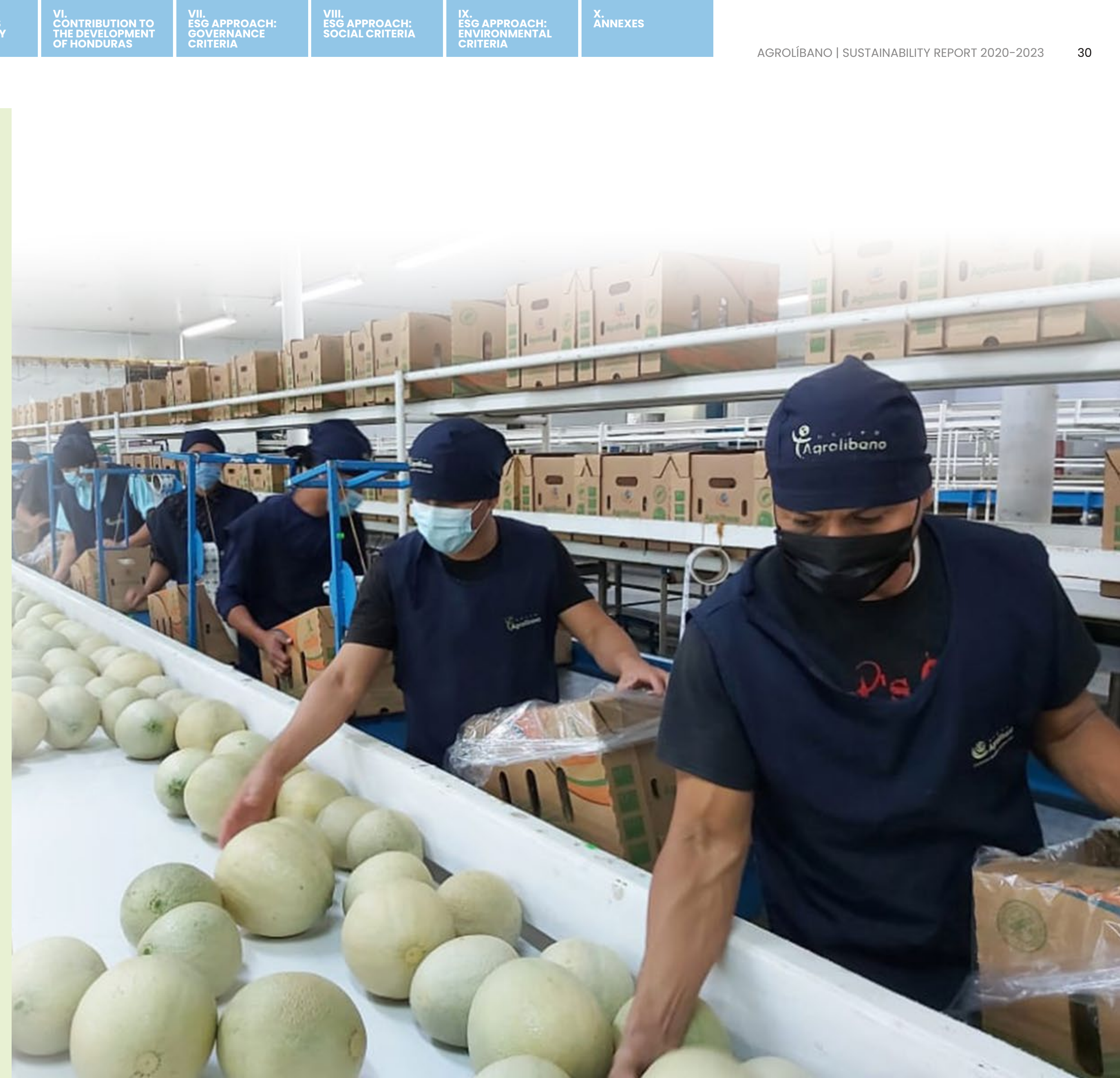
Implementing ethics in business management

To guarantee accurate and effective compliance with Agrolibano's values and ethical principles, at the end of 2023 the Board of Directors approved a Transparency and Anti-Corruption Policy, which includes the most relevant and strategic topics governing what an ethical, transparent, honest behavior must be for all these bodies and people related to Agrolibano.

The fundamental purpose for the creation of this policy is to design and implement the set of rules, principles and procedures that regulate ethical work and promote the integrity of all people related to the company, starting with the members of governing bodies: Family Council, Shareholders Assembly, Board of Directors and managerial teams, and continuing with collaborators, suppliers and all stakeholders of the companies that belong to this business group.

This policy clearly defines the areas of action in specific matters to prevent corruption and regulate relations with government bodies, competitors and other stakeholders. Likewise, it promotes best practices and ensures total transparency, as well as the integrity and ethical behavior of those who run the company, including groups directly related to Agrolibano's external and internal work.

The Code of Ethics, the Corporate Governance Policy, and the Transparency and Anti-Corruption Policy are the regulatory framework governing Agrolibano's behavior, including Family Council members, shareholders, Board of Directors participants, general managers, line managers, decision makers and collaborators of each of the organizations part of the Group.



V AGROLÍBANO'S SUSTAINABILITY STRATEGY



AGROLÍBANO'S SUSTAINABILITY STRATEGY

Agrolíbano's Sustainability Strategy defines how the company addresses the associated challenges resulting from daily business activities, the size of its operations and the attention to the individuals and organizations with which the business relates every day.

Company developed programs, projects and activities are derived from the strategic approach. They allow the systematic management of the impacts generated by operations, products and services, as well as stakeholder expectations: shareholders, strategic partners, current and potential customers, collaborators and internal public, companies and suppliers, public bodies and regulatory organizations, communities and opinion leaders.

This strategy, in turn, results from the joint analysis of all operational areas, both in terms of defining priority aspects, as well as in their approach and evaluation. Thus, the business is strategically managed, seeking long-term sustainability and turning it into a cross mainstay to all production and commercial management.

CSR strategic approach towards sustainability

As a responsible company that moves towards sustainability, Agrolíbano is compliant with the concept proposed by the ISO 26 000 standard in this sense.

"The responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that:

- **Contributes to sustainable development**, including health and the welfare of society.
- **Considers the expectations** of stakeholders.
- **Complies with applicable law** while being consistent with international standards of behavior.
- **Is integrated throughout the organization** and implemented in its relationships ."¹

Strategic statement and sustainability commitment

Based on the proposal by this globally accepted concept, a systematic and analytical exercise was carried out in 2022 with all relevant company stakeholders, aimed at identifying major positive and negative business impacts. This has made it increasingly clearer about the sustainability challenges that Agrolíbano faces as an organization. Likewise, stakeholders were mapped and prioritized, opening dialogue with them as of that year, to accurately identify their most significant expectations and assess how the company responds to them.

Convinced that responsible business actions are the best way to influence the development of Honduras and other countries with which Agrolíbano has commercial relations, a public commitment to society is made from that moment on, and which exactly says:

"Building a long-term responsible and sustainable business that generates value for our partners, customers and suppliers, in addition to WELL-BEING for our collaborators, their families and the communities where we operate, by using natural resources responsibly and promoting the sustainable development of society as a whole."

¹ Social responsibility concept, according to ISO 26 000.

This commitment is intended to encourage the responsible behavior of executives and collaborators, so that they have a sense of belonging, own this mandate and translate it into a high-quality product for customers.

Given the above, this commitment is binding for Agrolibano's all areas and collaborators, thus forcing us to consistently and permanently leverage on the capacity developed to positively impact progress in southern Honduras and promote the growth of the communities where it operates, through prudent and sustainable practices.

All this shows how social responsibility principles, as a path towards the company's sustainability, are an integral part of the business strategy applied every day, in each administrative area and production farm.

In summary, Agrolibano's public sustainability commitment is related to the internal and external public impacted by its operation.

Relationship with stakeholders

Every day at Agrolibano we interact with dozens of people and organizations, through multiple channels. The central mainstays of the strategy, outlined below, summarize the feedback received from key stakeholders. There is an interest in increasingly deepening our knowledge of these people and bodies and strengthening our relationship with them, to better understand their needs and respond more appropriately to their company expectations in terms of products, services and sustainability.

Agrolibano's stakeholders

Stakeholders are those individuals, social groups and organizations that may be significantly affected by company activities, products and/or services, and/or whose actions may affect the company's capacity to continue successfully developing the strategies defined and achieving objectives.

Through a permanent review and adjustment process, the original list has been gradually refined and outlined until reaching the list defined in 2022, which includes the following categories: shareholders, customers, potential customers, competitors, public organizations, community leaders, suppliers, internal public, regulatory bodies, and strategic partners.

It is very important for the organization to be in constant communication and listen to each of these audiences, since one of the most important commitments is to ensure that business interests concur with their expectations and thus, achieve the best possible alignment.

That is why, a process was launched as part of the Social Responsibility and Sustainability Strategy review, aiming to improve the identification of these people and groups, establish more effective communication mechanisms with them and implement effective responses to their information requirements about company work and performance, not only from the financial perspective, but also in the social and environmental fields.

Thus, we use various communication and accountability channels. For example, the sustainability reports published, the open dialogue processes of the last 10 years, the inclusion of CSR and sustainability

topics on the Group's website, reaching out to social media, blogs and specialized customer consultation sites; periodic surveys, studies on community programs effectiveness and another series of mechanisms that seek to understand and respond more effectively to stakeholder growing information needs, provide better service to customers and be accountable to society in an increasingly timely and transparent manner.



Stakeholder identification and mapping process

In 2022, the methodology applied to identify and map stakeholders was the result of a critical review of processes developed in previous years, in light of new theoretical documents and best global practices.

This analysis revealed that to actually integrate sustainable development into the business strategy, it was necessary to clearly understand the components of Agrolibano's value chain and from that, identify the stakeholders related to each link in the chain.

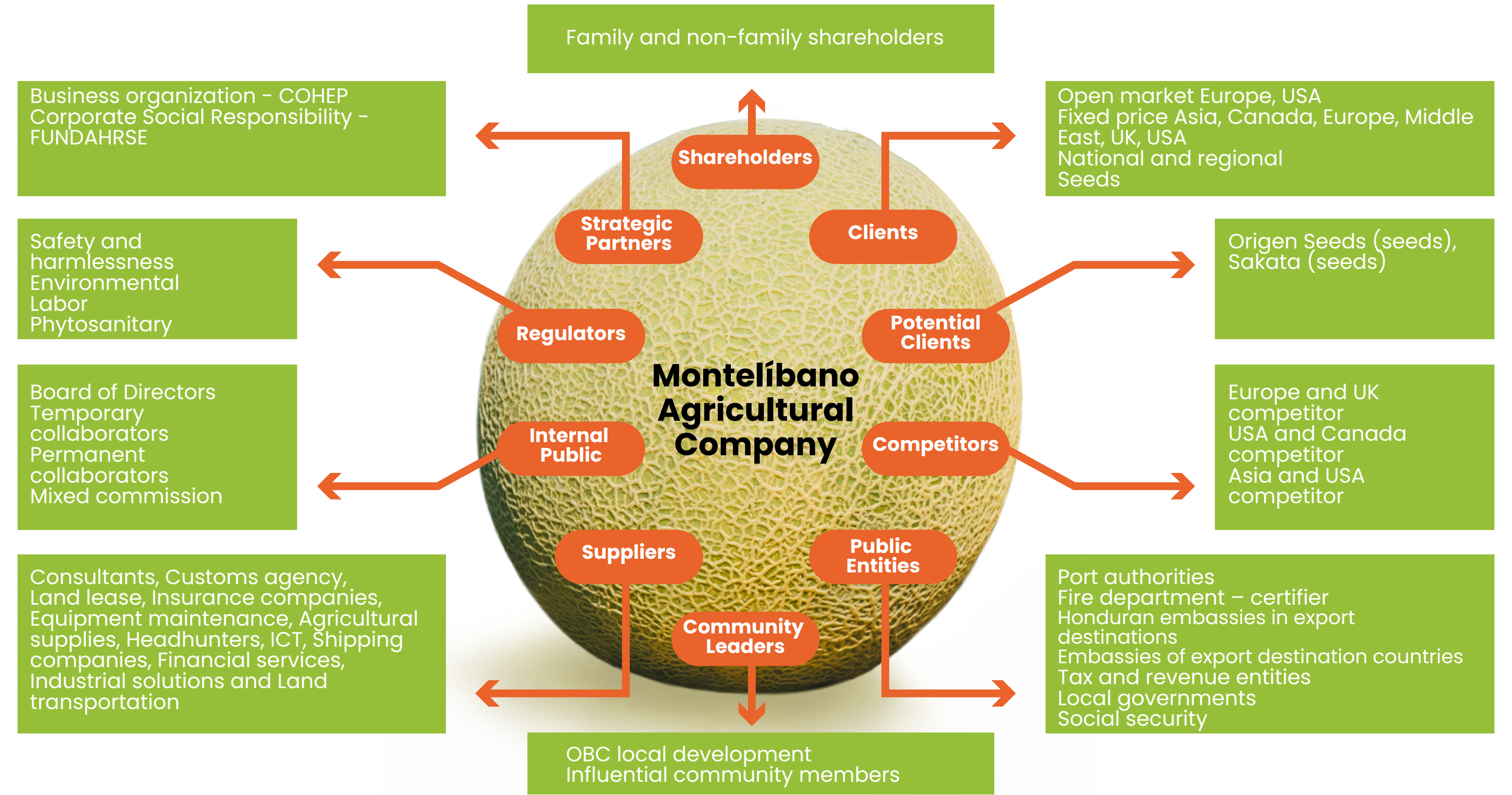
Thus, a methodology with the following steps was designed:

- Organization of a training process with the managers and executives of all areas of Group member companies.
- Delivery of tools and training to managers and executives of all operational areas of Group member companies.
- Identification of key stakeholders who have a direct relationship with each operational area of Group companies, of each process.
- Identification of the most relevant natural and legal persons who are part of the stakeholders identified.
- Classification of these persons according to their relevance and ability to influence.
- Identification of risks derived from each of the steps in the value construction processes.
- Identification of other stakeholders who could result from the risks acknowledged.
- Information consolidation and validation.
- Information analysis for each of the organizations part of the Group.
- Creation of a map of the most relevant stakeholders with whom we interact.

Finally, validation workshops were held with managers and key executives from different business areas. As a result of this process, an initial stakeholder classification was obtained. It included different categories, not only by their type of relationship with the

company, but by their closeness, periodicity of the relationship and other variables. For practical purposes, this first categorization was synthesized in the graphs presented below.

Main stakeholders by category and subcategory



Based on the relevance and influence analysis of stakeholders, a management system is being designed to strengthen and strategically focus the relationship with such parties.

Agrolibano is in the process of establishing a Stakeholder Management System, which is part of the goals of the current 2022-2025 strategic cycle.

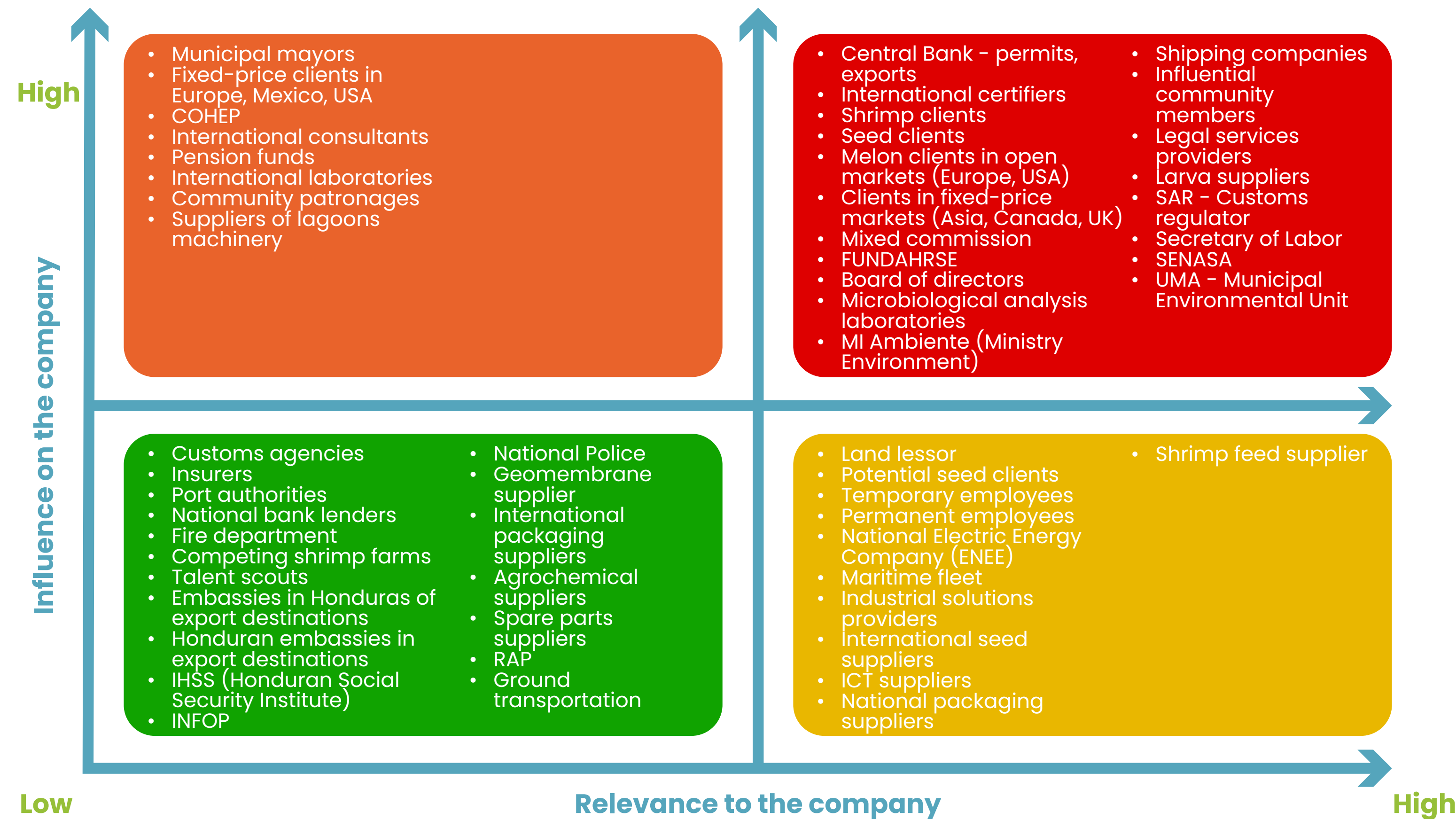
Material topics of Agrolibano

To comply with Agrolibano's corporate commitment to transparency and accountability with its stakeholders, knowing them and placing them in a relationship scheme is not enough. Understanding their expectations and identifying their concerns about the company is necessary, as well as knowing the viewpoint of internal leaders on these same issues.

Based on the initial analysis of impacts and on the information obtained from these two groups, Agrolibano defined "material topics" as those fundamental for the company's long-term sustainability but, at the same time, important for the people and bodies with whom we relate.

Once this information has been obtained, it has been ensured that it is not only the base for guiding the strategy, but also that this report seriously addresses the issues identified, so that the information in the document has added value for our stakeholders.

Relevance and influence analysis of stakeholders



Methodology for identifying material topics

To carry out Agrolíbano's materiality analysis and determine what these concerns are, several research techniques, methodologies and tools were applied.

The process was divided into three phases:

Phase 1: Environment analysis and consultation with external sources

This first phase of the materiality study identified the most relevant topics for Agrolíbano's stakeholders in its sector.

Additionally, it was possible to visualize the position the company occupies versus other leaders in the same productive sector, in terms of sustainability and social responsibility issues part of the analysis.

Techniques used:

- Inventory of the sector's corporate responsibility and sustainability challenges, developed by world leaders, starting with Agrolíbano itself.
- Analysis of the demands by socially responsible investors, who set the tone for global trends. The Dow Jones Sustainability Index was the reference used in this part of the process.
- Benchmarking and identification of the material topics covered in external communications and sustainability reports of agricultural and fruit exporting companies considered sustainability leaders.
- Analysis of reports, studies and other public documents on projections and trends in our productive sector, prepared by NGOs and other social leaders.
- Scrutiny of media, internet publications and public information sources offering data on inappropriate behavior risks and growth opportunities in non-financial topics, analyzing media news and articles published by public leaders.

All of the above enabled the visualization of concerning issues for general society and food producing sector stakeholders, in particular. Some of the indicators obtained allow us to distinguish which of these concerns or expectations are shared or can be influenced by a certain group. And finally, Agrolíbano's progress so far could be compared to other groups on a global scale.

Phase 2: Consultation with internal leaders

To know in detail the opinion of internal leaders regarding the 40 priority topics identified in the first phase, a consultation methodology was used to compare the so-called key business drivers (hard drivers) with these priority topics (soft drivers) identified by external stakeholders, according to the latter's capacity to influence the former.

Agrolíbano's traditional business model proposes three main drivers or hard drivers for the company's long-term sustainability:

- Income increase
- Cost optimization
- Risk management

Each of the leaders digitally surveyed was asked to specify the level of influence that, in their opinion, each of these non-financial items has on each of the three financial elements mentioned.

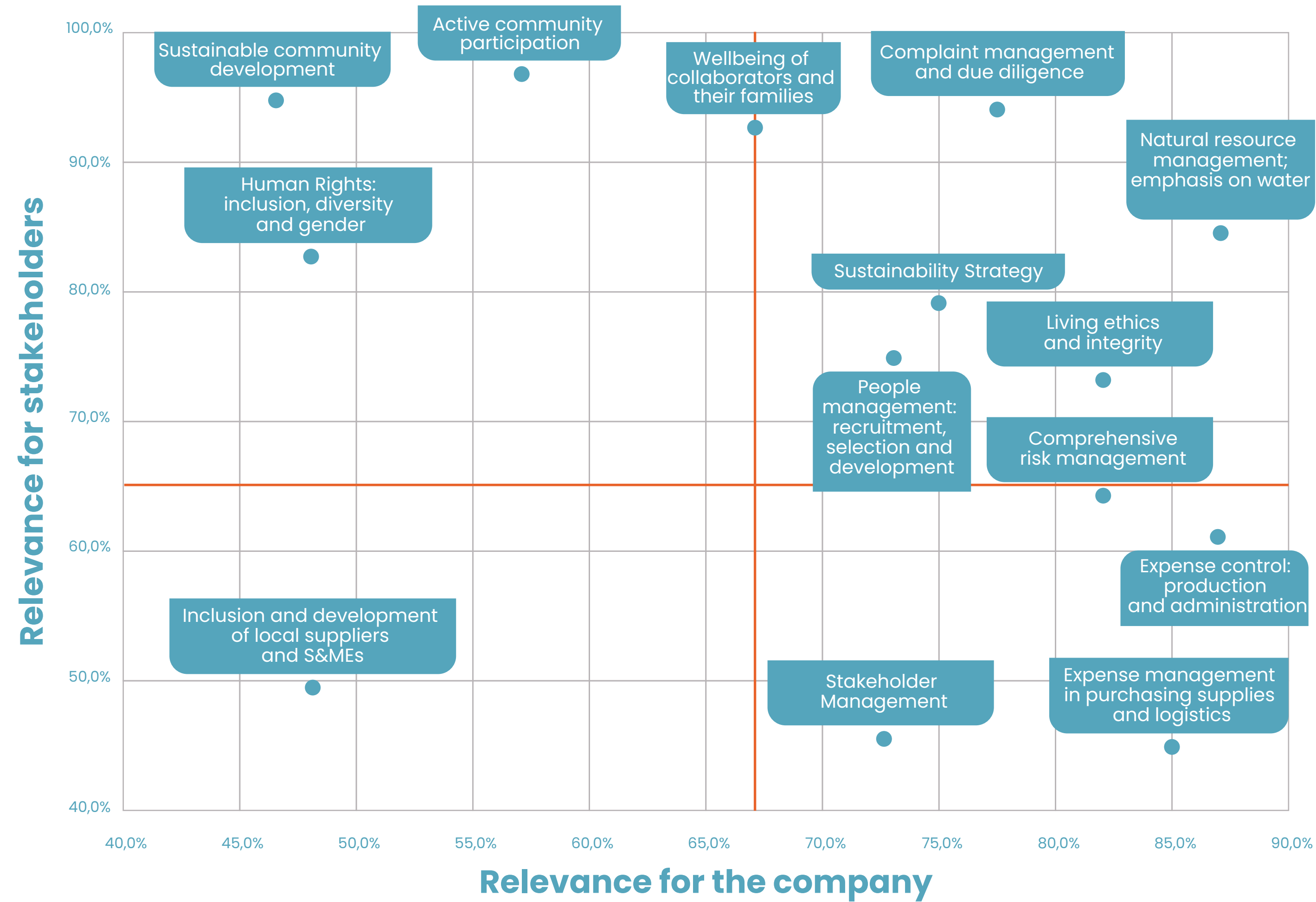
This second analysis allowed us to determine the critical elements for the long-term sustainability of Agrolíbano's success to date, according to the opinion of company decision makers.

Phase 3: Information crossing

Once the previous phases were completed, the task in this last part of the process was to cross-check the information obtained from external sources with the data resulting from the opinion of internal leaders. Thus, a graph was finally obtained, which precisely identifies substantive issues for the company's long-term sustainability and know their priority according to each of the groups identified.



Material topics and programs map



The 2022-2025 Sustainability Strategy

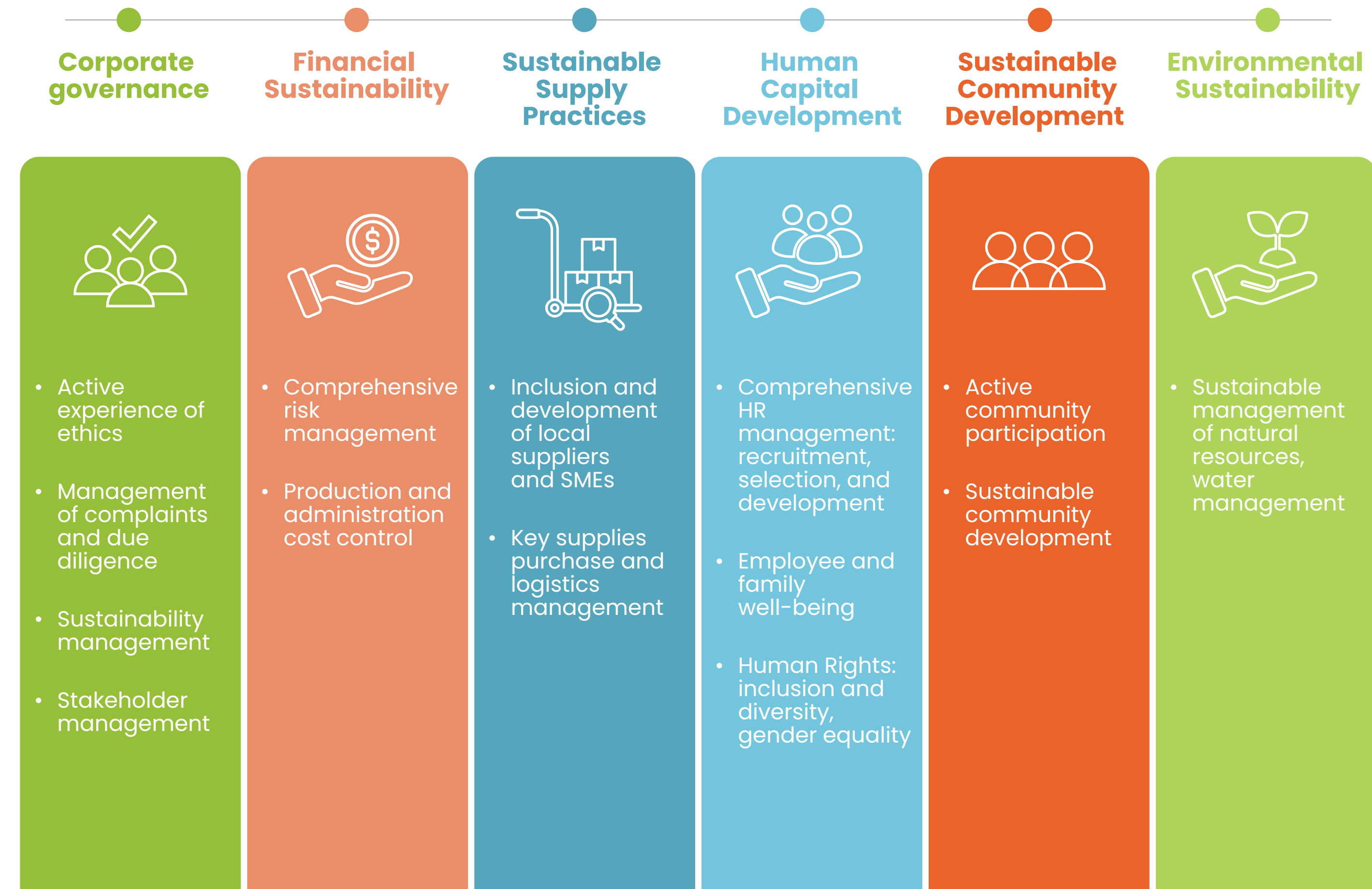
As indicated since the beginning of this report, in 2022 a critical review of social responsibility and sustainability achievements, progress and lessons learned in previous years was conducted, considering stakeholder feedback.

Starting from the recognition that productive and commercial management has an impact on people, the environment and society, a socially responsible business strategy was designed, aiming to eliminate, minimize or compensate for negative impacts and, above all, enhance the opportunities derived of positive impacts.

From this process, the new Social Responsibility and Sustainability Strategic Plan was proposed. It will manage the company's work in this matter until 2025 through 6 strategic areas aligned with the material topics identified, and 14 programs related. These are the outcome and summary of the feedback received during the listening process to key stakeholders. These are the essential areas and strategic mainstays that the company must take care of for the future sustainability of the success achieved to date.

The chapters of this report delve into each of these topics and present specific examples of programs, projects and practices shaping the social responsibility implementation towards the company's current and future sustainability.

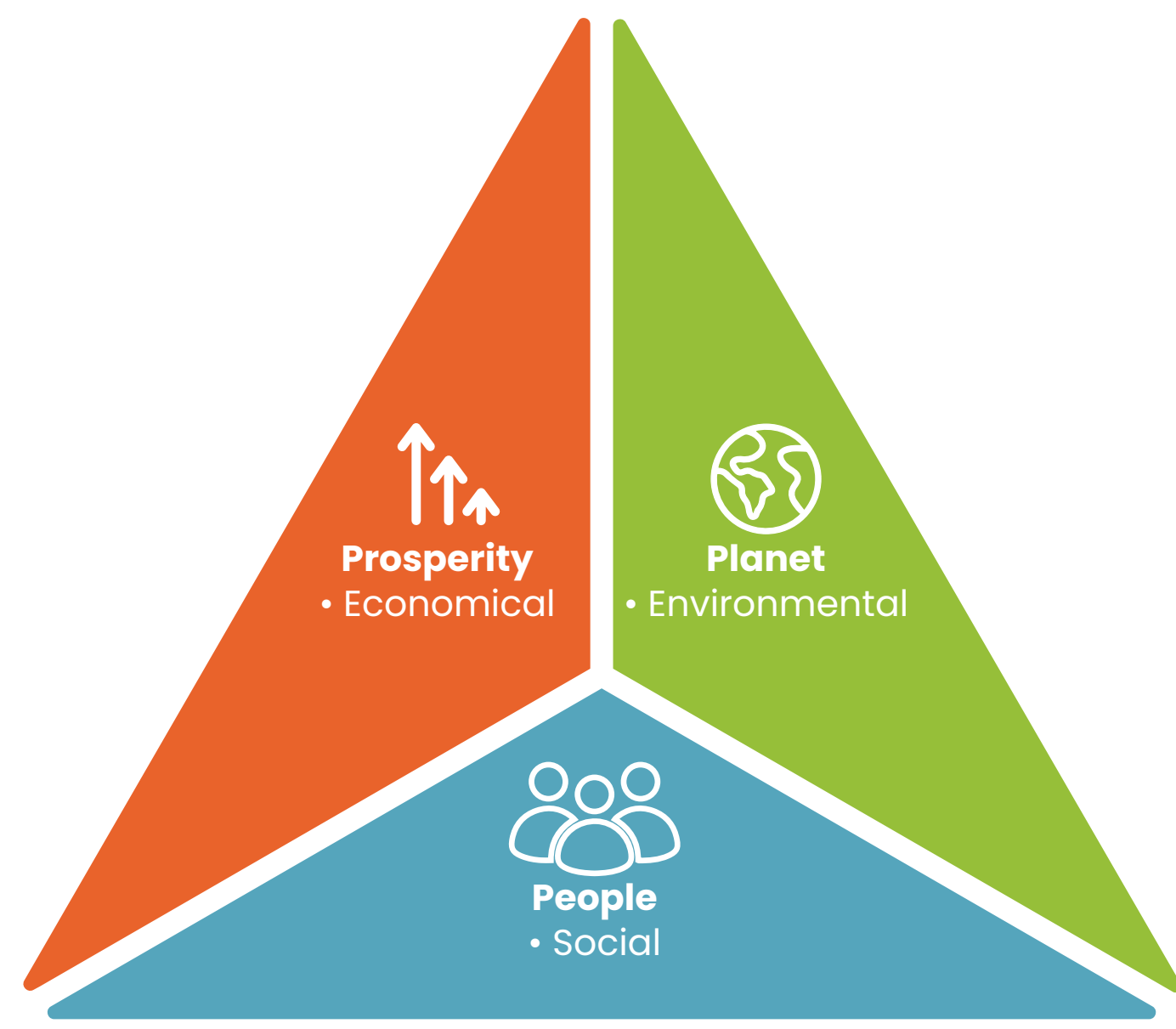
Material topics Corresponding programs and projects



Alignment with SDGs

As part of the review process already mentioned, the new strategic cycle incorporates alignment with the Sustainable Development Goals (SDGs) approach and their objectives. For this, we organized the strategy around the three sustainable development dimensions, as follows:

Sustainable development dimensions



Alignment with ESG approach

Likewise, the ESG approach (Environment, Society and Governance) has been adopted as a fundamental methodology to sustain the long-term value generation capacity of any company, understanding this approach as follows:

- **Environmental aspects:** How the organization executes its natural resources administrator role, including performance regarding climate change, biodiversity and natural resources administration, and waste management, among other aspects or issues. Being an agricultural company that sells quality food products to the entire world, this environmental aspect is of utmost relevance.
- **Social aspects:** This set of aspects includes the company's relationship with stakeholders: collaborators, customers, suppliers, communities, citizens and others, seeking the application of equality, equity and inclusion principles, as well as non-discrimination of individuals and respect for human and labor rights; seeking health conditions, safety at work and equal opportunities.
- **Governance aspects:** This last set of aspects includes the design and organization of the functions, responsibilities and rights assumed by the stakeholders of leading bodies regarding company governance and impact management on stakeholders. This includes aspects such as transparency, integrity, ethical behavior and the application of anti-corruption principles, as well as decision-making balance, accountability and truthful and timely information.



VI CONTRIBUTION TO THE DEVELOPMENT OF HONDURAS



CONTRIBUTION TO THE DEVELOPMENT OF HONDURAS

Socioeconomic reality

Agrolíbano operates exclusively in the Republic of Honduras, a Central American country with an area of 112 492 km², and with coasts on the Caribbean Sea to the north and on the Pacific Ocean to the south. Agrolíbano's operation centers and headquarters are in the southwest, in the Gulf of Fonseca region.

According to the National Institute of Statistics (INE, per its Spanish acronym), Honduras' population in 2022 was approximately 9.8 million inhabitants, with 82.6 inhabitants/km². 46.6% of population lives in rural areas and 53.4% in urban zones.

Life expectancy is 77.1 years; the global fertility rate is 2.4 children, and the infant mortality rate is 14.5/1000 births. The average number of years of study is 8 and illiteracy reaches 11.8%.

The number of people per household shows a progressive reduction from 5 in 2004 to 3.8 in 2023. The HDI was 0.621. The nominal GDP reported for 2021 was 684 204 million lempiras. According to official data, 2020 is the year with the highest open unemployment rate (10.9) so far this century, as a result of the COVID-19 pandemic.

Multidimensional poverty data shows a MPI of 0.29 nationwide, with 0.4 in the rural sector. In 2018, Agrolíbano reviewed the MPI in neighboring communities, all rural, revealing an MPI of 0.43.

According to the World Bank and to the Global Climate Risk Index, Honduras is the second most affected country by extreme weather events, with constant threats to natural resources. A recent example is the impact caused by Category 4 hurricanes Eta and Iota in 2020, which severe rain and flooding hit 4.7 million people, almost half of the population. Furthermore, the effects of the COVID-19 pandemic intensified existing social and financial challenges, causing greater impacts in areas with high concentrations of indigenous and Afro-Honduran groups. Social and financial costs due to damages to infrastructure, land and crops were estimated at \$1.8 billion, equivalent to 7.5% of 2020 Gross Domestic Product.

Furthermore, in 2022 global economy faced huge challenges, resulting in widespread and more pronounced slowdown than expected, with the highest inflation recorded in several decades. The war in Ukraine and the COVID-19 pandemic have had a great impact: global growth decelerated from 6.0% in 2021 to 3.2% in 2022. According to the Economic Commission for Latin America and the Caribbean (ECLAC), estimates reveal that in 2022 Honduran economy grew 3.5%.



The distribution of economic, social and environmental value in agrolíbano

Agrolíbano is aware of its enormous responsibility to leverage on the potential of its resources. Therefore, economic value is fundamental and, in this sense, its contribution to the melon industry is key. Agrolíbano contributes around 0.1% of the Gross Domestic Product and 0.7% of agricultural product.

The distribution of economic, social and environmental value in Agrolíbano impacts Honduras' sustainable development, particularly in the southern region, with the diversification of export products and 61% of the distributed economic value going to suppliers, of which 66% are local. Over 26% is allocated to company collaborators, generating more than 6 000 jobs each year in the rural area and managing a social investment of 3.3M dollars, of which 45% is provided by the company for community development, benefiting more than 2 350 families in the reporting period. All operations are developed on the basis of a solid anti-corruption policy implemented at all levels of the organization and with all stakeholders.

In addition, research and development actions and operations based on environmentally sustainable agricultural practices contribute to ecosystem and resource conservation, through increasing water availability in water harvesting ponds, reforestation, soil sanitation, bee protection program, 100% recycling of plastic dishes, responsible waste management and reducing pesticide use.



VII ESG APPROACH: GOVERNANCE CRITERIA



ESG APPROACH: GOVERNANCE CRITERIA



FIRST STRATEGIC MAINSTAY: CORPORATE GOVERNANCE

Why is corporate governance a key mainstay for Agrolibano's sustainability?

The choice that people and companies make of the products they buy and consume, particularly in the case of foods, is based on the level of trust the producer causes in them and on eventual benefits in terms of safety, nutritional value, taste, price, proximity, service, and others. *Trust is the belief that an individual, group or organization will be able and willing to act in a certain way, in a particular situation*². Trust will be reinforced depending on such individual's or company actual actions. If they act as expected, trust will grow and be reinforced; if not, it will decline and could eventually disappear. Establishing a climate of "trust" becomes an intrinsic responsibility and a central sustainability element for any company, in particular, food manufacturers.

Consequently, Agrolibano is concerned with growing and sustaining stakeholder trust, responsibly managing resources during production processes and complying with the conditions agreed upon with all of them, not only regarding protection of the environment, reduction of pesticide use or search for the best quality and flavor for its products; but also with a legitimate interest, derived from the certainty that the trust of customers and other stakeholders is the most important value for its sustainability. Therefore, Corporate Governance becomes a material topic for Agrolibano, as a mechanism to establish and sustain stakeholder trust. This exercise is materialized through a Corporate Governance

Policy, which fundamental purpose is to design and implement the set of rules, principles and procedures controlling the structure and operation of the company's governing bodies.

² <https://www.rae.es/desen/confianza> Trust. Firm hope in someone or something.



Goals and initiative performance

Following this order of ideas, Agrolibano has defined and launched a series of programs to advance along the transparency and good governance pathway, while strengthening internal operating structures and mechanisms to generate and sustain stakeholder trust.

For this report's period, Agrolibano implemented the programs described below and established goals for each of them.

Active experience of ethics, integrity and transparency

Regarding principles and values, in 2011 Agrolibano developed a Code of Ethics mandatory for all its collaborators, executives and authorities. However, this Code must be complemented by a series of initiatives that would transform its principles and standards into a culture and a way of operating. As a result, as part of its strategy, a series of tangible actions were proposed to promote the active experience of such document content.

The objective of this Corporate Governance program was to: "Expand knowledge and promote the active experience of the principles, values and standards comprised in the Code of Ethics."

This objective was specified in the following goals:

- 80% of permanent collaborators have had access to the Code of Ethics.
- 80% have been trained on its contents.
- 50% have participated in activities that promote the active experience of the Code of Ethics.

The most important advances in the Active Experience of Ethics Program were the following:

- ✓ The Code was edited and updated in a printed version. It included a complaints channel and an Ombudsperson figure. 100% of the staff has had access to it.
- ✓ Training on the Code is done for 100% of the staff. It is presented as a set of mandatory rules for all Agrolibano employees.

A program was designed with a series of activities encouraging the active experience of the Code and the commitment of collaborators. Activities included art, music and other contests about the topics in the Code.



Complaint management and due diligence

A second central aspect to ensure the successful management of Corporate Governance was the creation of a formal complaints and due diligence system for handling cases of corruption, workplace or sexual harassment, retaliation, fraud or any other inappropriate behavior compromising Agrolibano's authorities, executives and collaborators. For this, the company committed to the creation of a new mechanism.

This program set the following objective: "To improve the effectiveness of reporting and due diligence mechanisms in integrity and ethics cases, with the creation of a new mechanism."

The main advances in this matter include:

- ✓ Hiring an expert in the design and practice of the Ombudsperson exercise.
- ✓ Designing the Management System and Due Diligence for complaints on the topics contained in the Code of Ethics.

Social responsibility management and sustainability

A third aspect considered substantive to strengthen Corporate Governance was the creation of a Sustainability Strategy and a Strategy Management System, which consolidate all company efforts in this area for several years.

The objective of this program was to: **"Have a SR and Sustainability Strategy Management System."**

The main advances in this matter were the following:

- ✓ In 2021, the Sustainability Committee was reinforced as a permanent Corporate Governance body, responsible for designing and implementing a strategy on this issue, as well as supervising company performance and its executives compliance, in order to generate benefits for society as a whole and contribute to reinforcing its brand, while creating value for all its stakeholders and the environment.
- ✓ In 2022 and 2023, an extensive participatory process was carried out with all key company managers and executives, enabling training on topics related to Agrolibano's sustainability.
- ✓ As a result of this process, the Sustainability Strategy and Management System described in the first part of this report were known and approved by the Board of Directors.



Stakeholder management

In terms of Stakeholder Management, as previously stated, Agrolibano is in the process of designing and implementing the actions that will be part of this project and which will be informed in the next report.

This program's objective was to: **"Have a Stakeholder Management System for Agrolibano."**

Currently, the company uses various channels to communicate key aspects of business sustainability, according to each group interests.

These topics are detailed in the following table:

Key topics for stakeholders

Stakeholders	Topics of interest	Stakeholders	Topics of interest
Customers	Product quality	Public bodies	Regulatory framework compliance
	Service quality		Ethics
	Compliance		Sustainability practices
	Sustainability practices		Strategic partnerships
	Accountability		Accountability
Communities	Sustainable community development	Potential customers	Innovation and product quality
	Community participation	Suppliers	Sustainability practices
	Sustainability practices		Global Compact Principles
	Impact of operations		Ethics and regulatory compliance
	Accountability		Accountability
Internal audience	Professional growth		Strategic partners
	Occupational health and safety	COP Global Compact	
	Employee and family well-being	Email	
	Administrative processes	Phone calls	
	Sustainability practices	Sustainability report	
	Ethics	Social networks	
	Organizational climate	In-person and virtual meetings	
	Volunteering	Sectoral/industry meetings	
	Accountability	Regulatory framework compliance	
	Shareholders	Ethics and Due Diligence	
Sustainability practices		Sustainability practices	
Accountability		Accountability	

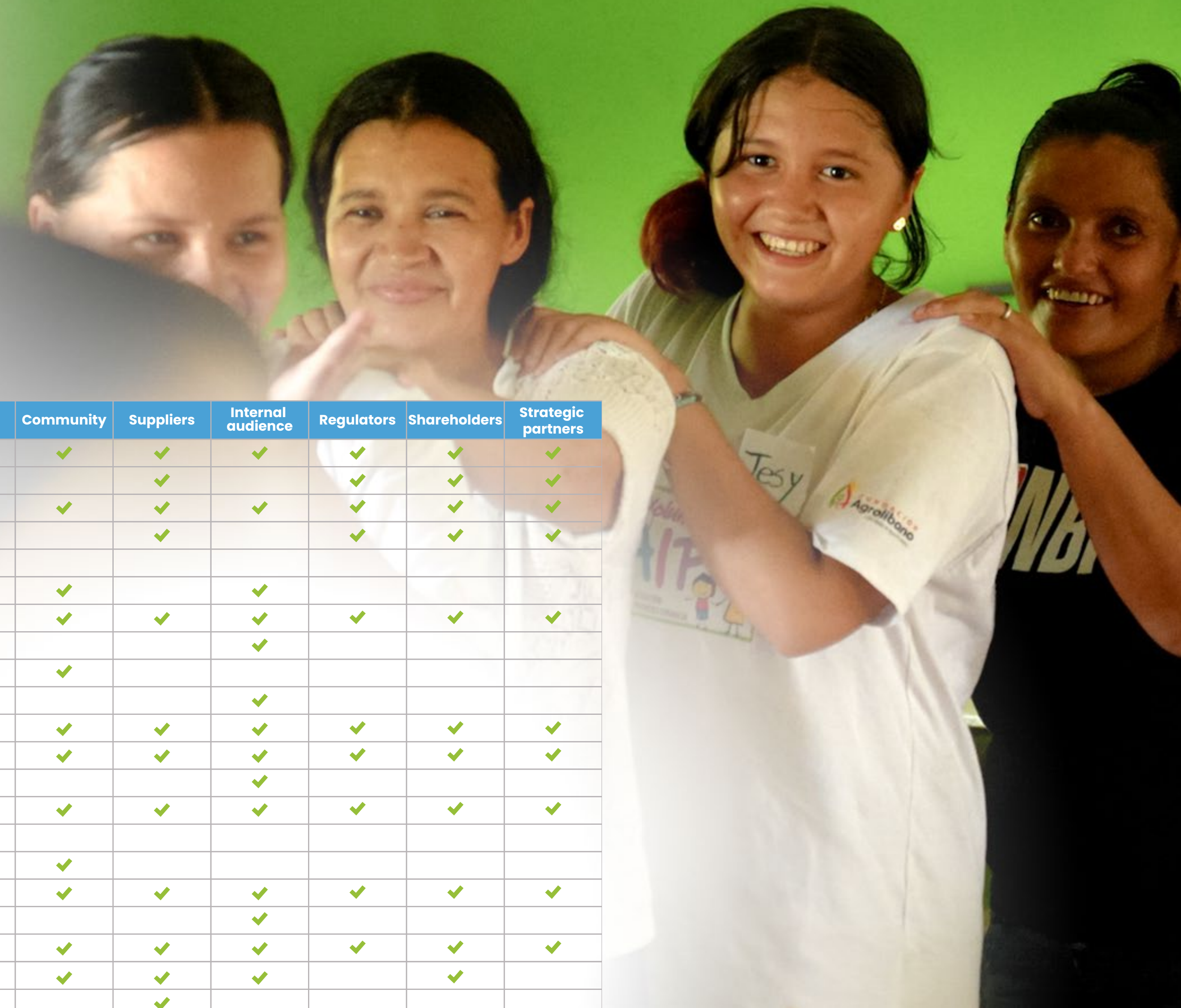


The mechanisms used for Agrolibano's relationship with its stakeholders are diverse and range from personal or virtual spaces for direct bilateral relations, to open communication channels in which Agrolibano's information is exposed to the public through informative notes, bulletins and sustainability reports.

The below table details the main mechanisms used.

Communication channels and relationship with stakeholders

	Customers	Potential customers	Public bodies	Community	Suppliers	Internal audience	Regulators	Shareholders	Strategic partners
Monthly newsletters	✓	✓	✓	✓	✓	✓	✓	✓	✓
COP Global Compact	✓		✓		✓		✓	✓	✓
Email	✓	✓	✓	✓	✓	✓	✓	✓	✓
Meetings with executives and business representatives	✓		✓		✓		✓	✓	✓
Satisfaction survey	✓								
Surveys / consultation	✓		✓	✓		✓			
Sustainability surveys / consultation	✓	✓	✓	✓	✓	✓	✓	✓	✓
Work environment surveys						✓			
Community meetings				✓					
Intranet						✓			
Phone calls	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability report	✓	✓	✓	✓	✓	✓	✓	✓	✓
Screens in dining rooms and buses						✓			
Social networks	✓	✓	✓	✓	✓	✓	✓	✓	✓
Meetings with senior leadership		✓							
Meetings with OBC				✓					
In-person / virtual meetings	✓	✓	✓	✓	✓	✓	✓	✓	✓
Personas y Cultura Magazine						✓			
Website	✓	✓	✓	✓	✓	✓	✓	✓	✓
Training workshops				✓	✓	✓		✓	
On-site visit to local suppliers					✓				





SECOND STRATEGIC MAINSTAY: FINANCIAL SUSTAINABILITY

Why is financial sustainability a fundamental mainstay for Agrolibano's sustainability?

The main purpose of every company is to generate wealth for its owners, collaborators, suppliers, customers and other stakeholders, contributing to society's well-being and environmental protection. Agrolibano generates revenue through planting, growing, harvesting and selling agricultural food products, mostly melons, other fruits and vegetables. This subsidizes business operating costs: salaries, goods, services, technological development and others.

The income-expenses difference becomes profits, for which Agrolibano pays the corresponding taxes to the government of Honduras. The balance, net profits, is basically allocated to the following items: a) reserves, provisions and profit retention, to fund the growth and development of the organization itself; b) investment for the development of surrounding communities; and c) profit distribution to shareholders.

The company's sustainability depends, to a large extent, on its capacity to preserve this relationship between income and its distribution, with a favorable balance, over time. This makes the financial issue a fundamental element for its strategy and a material topic for Agrolibano's current and future sustainability.

That is why Agrolibano performs its productive work and financial administration in a strategic and prudent way, pursuing higher returns, through mechanisms that enable the effective redistribution of a high percentage of the total income received, through the relationship with different stakeholders. In particular, Agrolibano performs this financial redistribution by hiring local

labor, thus providing significant personal and professional development opportunities to thousands of people hired from nearby communities. On the other hand, the company purchases inputs from small local suppliers and actively engages in community development through the Agrolibano Foundation.

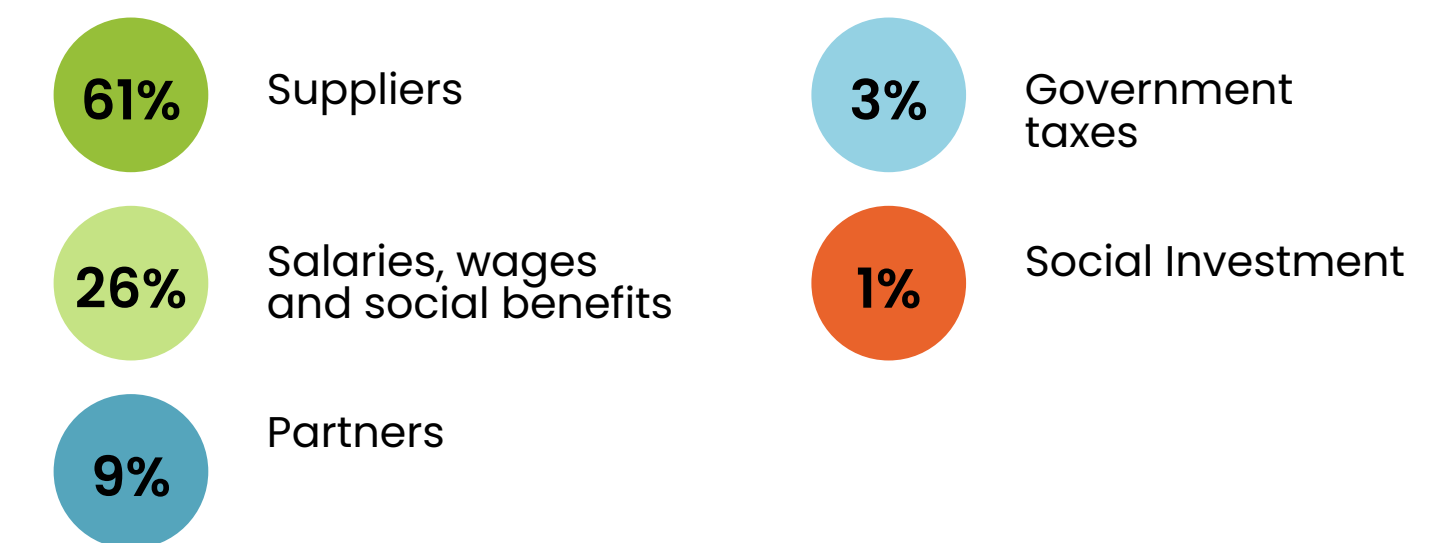
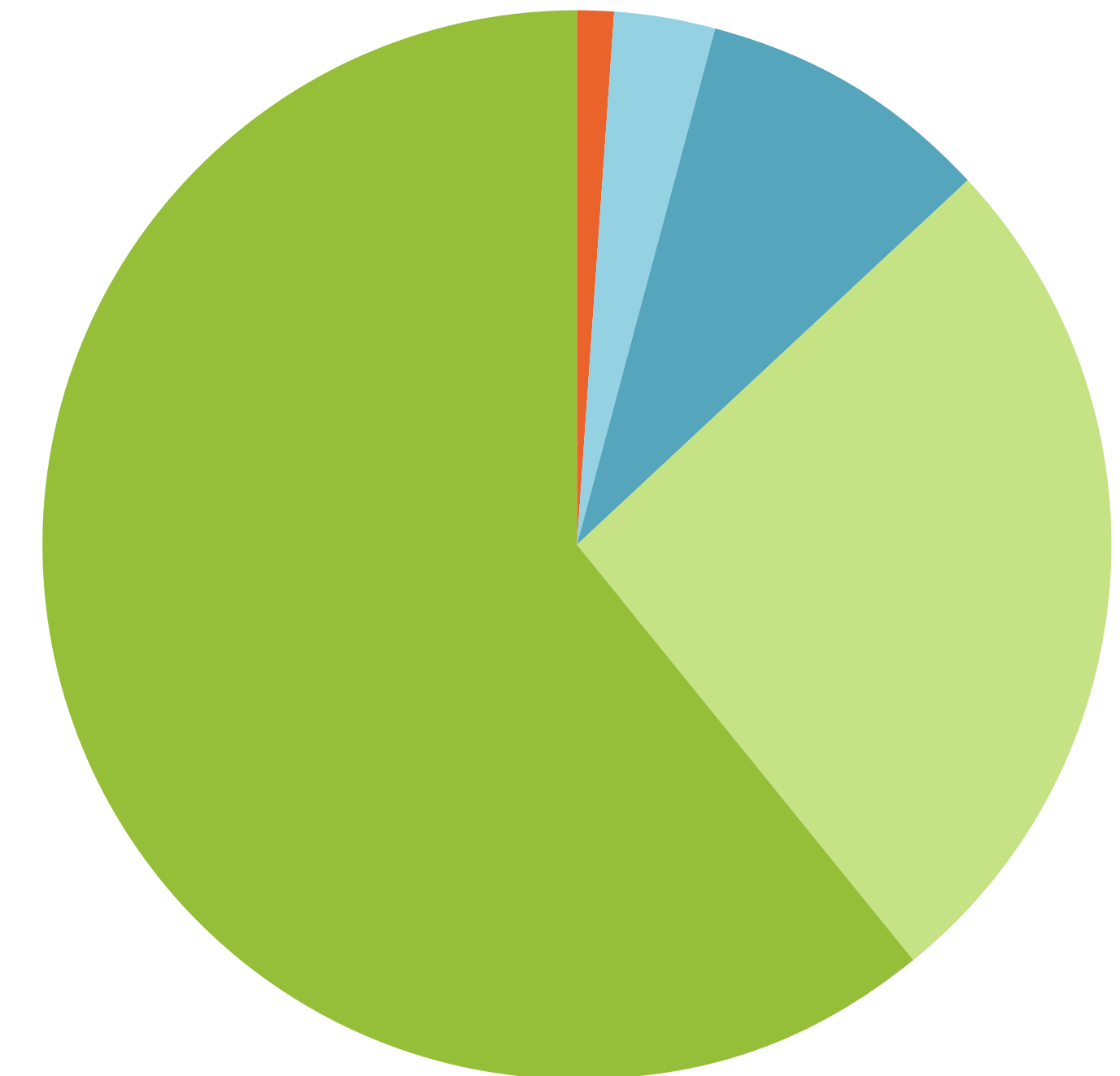
This has allowed the company to effectively connect with local communities, facilitating money flow among participants in the financial cycle and energizing their economies. Over the years, this has generated a close relationship with them, deeply connecting the company with social and economic fabric to become an essential enabler for their prosperity and development.

In summary, the distribution of economic value implicit in Agrolibano's daily operations is a material topic for the company's sustainability and essential for the continuity of the success achieved through history. Additionally, it allows the company's greatest contribution to many depressed communities in the south of Honduras and to the country's development in general.

Economic value generated and distributed

The distribution of Agrolibano's economic value concentrates as follows: 61% to suppliers, 26% to collaborators and 3% to tax payment. The graph below details the values recorded in the last year.

Economic value distributed



Source: Department of Finance, Agrolibano.

Comprehensive risk management: operational, legal, financial, environmental regulatory and reputational

Agrolibano has had risk management systems in place to comply with its stakeholder commitments. Those systems are mandatory for all its collaborators, executives and authorities. However, a permanent update and consolidation of a comprehensive risk system is necessary, given contextual changes. In addition, this should be complemented by a series of initiatives to reduce occurrence risks. Therefore, a set of concrete actions to promote a comprehensive risk management were proposed as part of its strategy.

The objective of this program on Corporate Governance was to: **"Have a comprehensive risk system."**

The main advances in this matter have been:

- ✓ The Board of Directors' Risk Management Committee has been reinforced with the incorporation of field experts.
- ✓ Hiring a firm specialized in the design of comprehensive risk management systems.
- ✓ Updating the risk map, which will allow us to integrate concrete preventive actions.

Cost-effectiveness analysis of investments with sustainability criteria in production and administrative processes

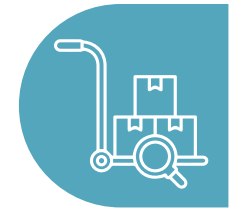
In line with current sustainability challenges, it is necessary to integrate cost-effectiveness analysis for all investments with sustainability criteria. In this sense, and as part of its strategy, Agrolibano proposed a series of real actions to encourage in-depth analyzes for future investments.

The objective of this program on Corporate Governance was to: **"Establish intelligent expense control, based on the cost-effectiveness analysis of investments and sustainability criteria in production and administrative processes."**

The main advances in this matter include:

- ✓ The New Investments Committee has been reinforced with the leadership of the Board of Directors' Vice President, who has extensive experience in the subject.
- ✓ Restructuring of the financial area with the integration of personnel specialized in cost-effectiveness analysis and sustainability.





THIRD STRATEGIC MAINSTAY: SUSTAINABLE SUPPLY PRACTICES

Why are sustainable supply practices a critical mainstay for Agrolibano's sustainability?

Agrolibano has understood the need to establish a steady, close and mutually trusting relationship with the individuals and companies in its value chain, as a fundamental element for its long-term sustainability. This relationship constitutes a key element of its strategy, not only because it facilitates the control of risks associated to possible erratic and/or unethical behavior of its value chain members and which could affect the quality of its products, reputation and/or company image, but also because it allows both parties to build fair, satisfactory and lasting business relationships over time.

The fact of being an important buyer for some local suppliers gives Agrolibano the opportunity to influence and motivate them to adopt better production, social and environmental practices. Agrolibano accepts its commitment in this sense, promoting best practices in its value chain to contribute to supplier and economy growth in the area where it operates, knowing that local suppliers development is also connected to company sustainability.

Agrolibano recognizes that it still has to delve deeper into this aspect. Thus, it has integrated this topic as one of its strategy mainstays, with the aim of increasing its coverage. Agrolibano's greatest challenge is to implement an effective knowledge transfer methodology, which allows scaling the consolidation of its value chain management.

Inclusion and development of local suppliers

The objective of this program is to: **"Include and develop local suppliers and SMEs in Agrolibano's value chain."**

The main advances in this matter have been the following:

- ✓ Agrolibano generates prosperity in Honduras through supplier management, buying 55% of the total purchase volume from local suppliers, who in turn generate employment.
- ✓ The figures for the reported period are detailed below:
 - 56.7 million dollars in local purchases (55% of total purchase volume)
 - 103.4 million dollars in national and international purchases for the reported period
 - 305 local suppliers associated to our operations (66% of a total of 462 suppliers)
 - 157 international suppliers

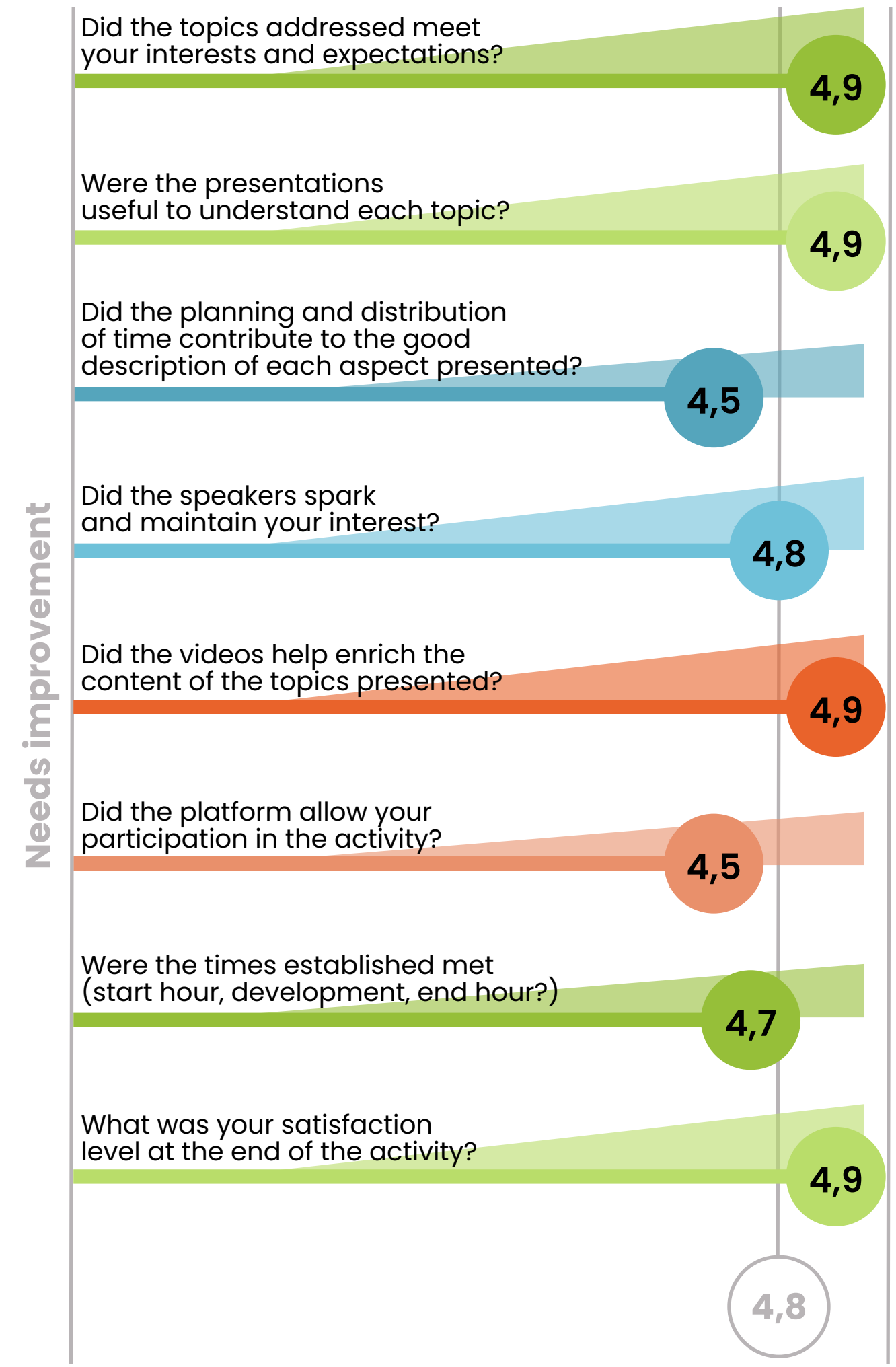
The company has a Supplier Policy in line with human rights respect, aimed at transparent and fair relationships, and explicitly contrary to any corruption practice, bribery or extortion. These principles are ratified in a Code of Ethics that sets the rules for the relationship of collaborators and managers with suppliers, also specifying monitoring, case resolution and action mechanisms. Suppliers are periodically trained based on the updated Supplier Policy and Code of Ethics, also incorporating sustainability and corporate social responsibility aspects. All suppliers sign acceptance of Supplier Policy provisions and observance to the Code of Ethics.

Transparency and clear rules within a mutually beneficial relationship have allowed us to ensure international standards in joint operations, compliance with the contractual conditions of the parties, as well as promote responsible practices, especially those related to human rights fulfilment and environmentally sustainable practices.

Training processes are periodically carried out to contribute to supplier development. This helps to improving their performance in the provision of goods and services of interest to both parties, from a relationship based on ethical behavior and anti-corruption standards, encouraging compliance with the United Nations Global Compact Principles and their contribution to the objectives of the Sustainable Development Goals. In the reporting period, 34 suppliers were trained on topics such as: businesses and sustainable development, fair operating practices policy, Code of Ethics, Agrolibano's sustainability progress, partnerships and social investment for SDGs achievement.

The following graph shows the evaluation of participating suppliers, who rated the workshop with an average of 4.8 out of 5 points.

Supplier workshop evaluation



Source: Mentimeter

Purchasing management of key inputs and logistics

The objective of this program was to: **“Reinforce the sustainability of the purchase of key products and services, such as supplies, logistics and others that contribute to the sustainability of processes.”**

The main advances in this matter have been the following:

- ✓ Key suppliers such as carton companies, providers of wooden pallets, paper sleeves, sanitizers and sea freight are evaluated annually to verify their environmental licenses, compliance with occupational safety standards, human rights, ethical behavior, product integrity and safety aspects.
- ✓ In this period, 8 national and 2 foreign suppliers were assessed, and action plans to implement the identified improvement opportunities were established.



Regarding the management of logistics services, Agrolibano accomplished some of the goals set for this period, namely:

- Reduction of sea rates, to bring them closer to pre-pandemic levels.
- Cutback of transit times to Europe and the United Kingdom, through the creation of multi-year agreements with key logistics partners.

However, risk distribution is still a challenge, with at least three shipping lines with transits below 18 days.



Contribution of governance criteria to SDGs

From the three strategic pillars in the governance criteria, Agrolibano contributes to SDGs pillars of Prosperity, Peace, Partnerships, and People.

In the Prosperity pillar, by promoting inclusive and sustainable economic growth, generating employment and decent work for rural populations by offering **productive employment opportunities that provide decent income**. Living ethical principles of non-discrimination for any reason is key, thus contributing to the reduction of inequalities that hinder poverty reduction and threaten social and economic development.

It also contributes to sustainable industrialization by creating **research and development strategies that allow innovation and make industrial business processes sustainable and infrastructure resilient**. Also, by supporting local entrepreneurs, promoting the formalization and growth of local micro, small and medium-sized businesses, opening sustainable participation opportunities in the company's value chain.

On the other hand, with the management of key inputs and logistics, Agrolibano contributes to **responsible production and consumption**, by finding new sustainable consumption solutions and production models, considering the environmental, economic and social repercussions of certain products and services. Also, by favoring the purchase of local products, along with audit processes for these, which encourages small businesses to adopt sustainable practices and provides local suppliers with information and knowledge relevant to sustainable development.

With regard to the Peace and Partnership pillars, Agrolibano contributes by establishing **systems that promote stakeholder harmonious coexistence**, with a Corporate Governance committed to ethics and mechanisms for reporting and effectively processing conflicts concerning the behavior principles established by the company, thus contributing to the inclusion of all individuals, without fear of suffering any form of violence and feeling safe in

their daily lives, regardless of their ethnic origin, religion, gender, sexual orientation or opinion. Also, with the corporate governance transparency and anti-corruption policies and the code of ethics, the company is committed to contributing to the reduction of corruption and bribery in all its forms, as well as strengthening institutional effectiveness and guaranteeing transparency and accountability.

On the other hand, by allocating production for export to dozens of countries on three continents, increasing exports by diversifying products, **Agrolibano contributes to improving country tax revenues**.

Finally, given the interrelation of different goals among SDGs, Agrolibano contributes to the reduction of multidimensional poverty and the labor inclusion of women, **by generating decent employment, free of any type of discrimination** and by promoting women's entrepreneurship in small businesses of its value chain.

In this way, from governance criteria, Agrolibano contributes to SDGs 1, 5, 8, 9, 10, 12, 16 and 17.



VIII ESG APPROACH: SOCIAL CRITERIA



ESG APPROACH: SOCIAL CRITERIA



FOURTH STRATEGIC MAINSTAY: HUMAN CAPITAL DEVELOPMENT

Why is human talent development a key mainstay for Agrolíbano's sustainability?

Currently, the main challenge companies face regarding labor has to do with their permanent support to collaborators so that they make progress and develop skills at the accelerated pace at which society advances in aspects such as:

- Technological innovations and their implications for clean and sustainable agricultural production, product quality and virtual distribution channels.
- Convergence with other activity sectors, including workers, transportation companies, shipping companies, distributors in different countries, among others.
- Regulator and customer demand regarding transparency, controls, safety, reports, process documentation, among others.
- The ever-increasing quality and service demands from customers, sometimes in contrast to mandatory regulations.
- The increasingly high expectations of society, in the face of an industry that suffered huge problems from the COVID-19 pandemic, and where multiple corporations dedicated to the sale of products that are not essential for people, compete.

On the other hand, no company works well without quality human talent. The attitude, knowledge and dedication of collaborators is vital for product quality, which ultimately leads to customer purchase decision. Today, more than ever, collaborators are essential pillars to reinforce customer trust and secure long-term business relationships.

Therefore, in Agrolíbano's capacity to improve and promote the development of its collaborators and keep the pace for permanent adaptation to change, lies one of the most important factors to achieve medium- and long-term sustainability. This makes this issue a very important material topic and a basic element for its sustainability strategy.

Finally, all Agrolíbano employees know the positive and negative impacts of their actions, and exercise social responsibility from their workplace. The company also seeks to link them to volunteer and social projection activities, to motivate them to become aware of their personal social responsibility as citizens of a developing country. As such, they must also contribute to the promotion of better living conditions in the communities where Agrolíbano operates and with collaborators who live in poverty and/or social disadvantage.



Comprehensive HR management: recruitment, selection and development

With regard to Comprehensive HR Management, Agrolibano has had human resource management systems, including all aspects associated. However, and given changes in context, a permanent update and consolidation of a comprehensive HR system is necessary. Also, this system should be complemented by a series of initiatives to enhance our human capital. As part of its strategy, a series of concrete actions to promote comprehensive HR management were proposed.

The objectives of this program were to:

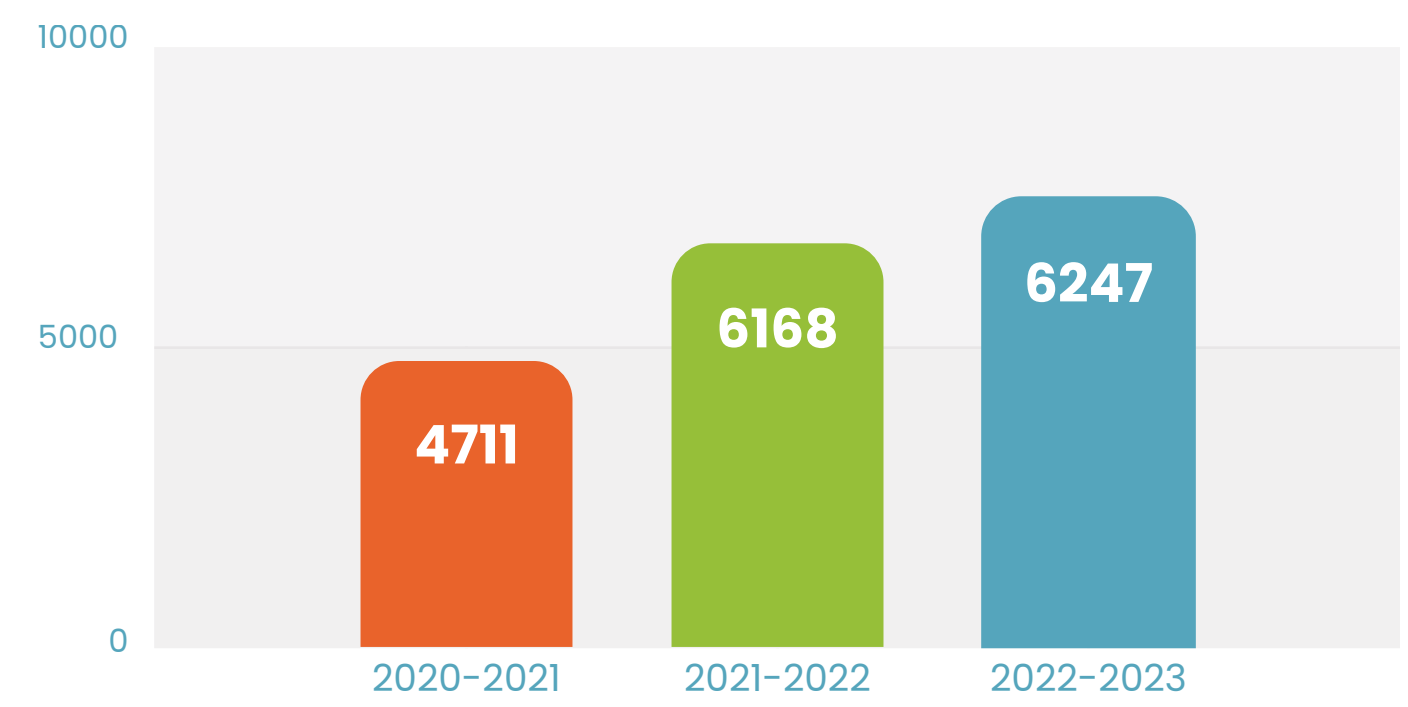
- a) "Have a robust human resource management system, including all aspects associated."
- b) "Design and implement a plan aimed at improving the work environment"

The main advances in this matter have been the following:

- ✓ The Human Talent Committee of the Board of Directors has been reinforced with the integration of field experts.
- ✓ Hiring the firm Martha Alles, focused on the design of competency management systems, leadership models and human capital development.
- ✓ Hiring the firm Korn Ferry, specialized in the design of compensation systems according to competencies and results.
- ✓ HR area restructuring with the integration of organizational culture management specialists, and with the capacity to lead structural changes in human talent management in Agrolibano.

As an agro-industrial company, Agrolibano provides employment opportunities to rural populations, where informal and survival occupations prevail. For the reported period, the hiring of local work force during the 2022-2023 season increased by 32.6%, compared to the 2020-2021 period. Business diversification has contributed to this by incorporating the cultivation of okra, which demands greater workforce and time.

Employees hired according to season



Source: People and Organizational Culture Management, Agrolibano.

Some relevant aspects related to human talent recruitment and selection for the reported period, include:

- **6247** people with decent jobs in the last season.
- **29%** of hires are women.
- **22%** of people are young individuals between 18 and 24 years old; 2.5% are over 60 years old. This evidences equal opportunities at the extremes of the working age.



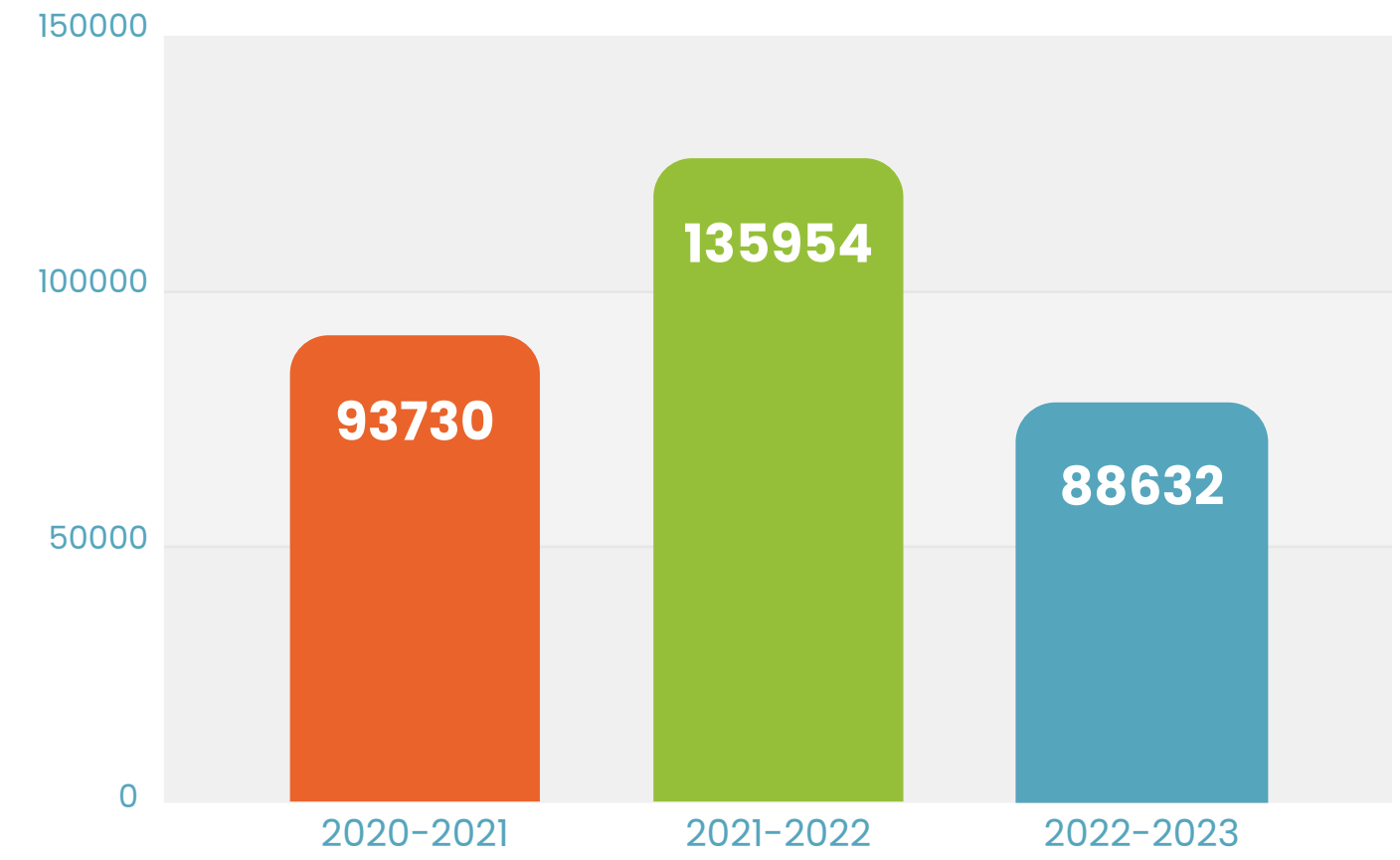
Professional growth

Living values at Agrolibano involves teamwork, excellence and continuous improvement. The daily experience of these aspects contributes to business sustainability. For this, the implementation of a professional development strategy that focuses training on key processes for all operations is vital, considering the human rights approach.

Main achievements in professional development:

- **120 hours** of Labor Inclusion of People with Disabilities diploma.
- **4212 hours** of Six Sigma Green Belt Methodology training. 78 people certified.
- **144 hours** of SMETA Social Certifications training. 3 people certified.
- **48 hours** of training on Human Rights, Labor Rights and Human Rights Impact Assessment for 2 people.
- **318 316 hours** of training delivered on 160 topics.
- **28 h/person** of training each season.

Training hours / season



Source: People and Organizational Culture Management, Agrolibano.

Work environment survey

Every year, Agrolibano conducts a Work Climate Study. In 2023, the 55-question survey included aspects about the feelings, needs and expectations of collaborators. A total of 605 people participated in the survey, 10% of the total of permanent and temporary collaborators.

Survey results showed 76% satisfaction with Agrolibano's work environment, in addition to valuable information to better guide training and development strategies, continuous improvement and well-being of collaborators.



Human Rights: Inclusion and diversity; gender equity

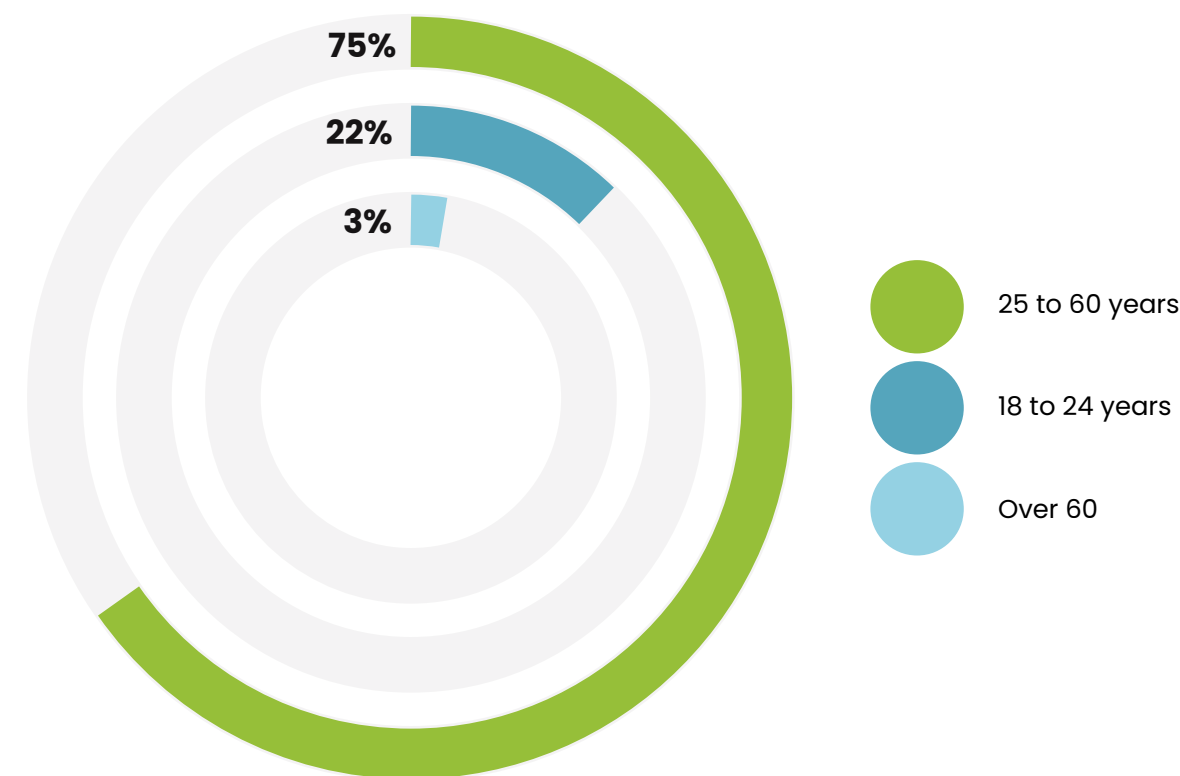
The objective of this program was to: *“Improve conditions for the inclusion of minority groups traditionally excluded from the workplace in the agro-industrial sector.”*

The main advances in this matter have been the following:



The company promotes equal opportunities, applying the non-discrimination principle in hiring. Thus, there is a significant presence of collaborators (25%) at working age extremes: young people from 18 to 24 and over 60 years.

Collaborators hired by age group



Source: People and Organizational Culture Management, Agrolibano.

The company is hiring more women, even for tasks traditionally assigned to men.



Employee well-being

The objective of this program was to: *“Improve the well-being level of Agrolibano employees and their families.”*

The main advances in this matter have been the following:

Health, hygiene and safety at work

Agrolibano has a Health, Hygiene and Safety Policy at work, which aims to provide employees with a pleasant, safe workplace free of occupational risks, whether they are accidents or diseases of occupational origin.

In order to prevent risks, an assessment is carried out with collaborators in each work area. This evaluation includes the identification of real and potential risks according to the level of danger, based on the probability of occurrence and the severity of consequences. It also includes the planning of necessary actions to prevent or correct situations that may cause accidents or illnesses.

The company supports the organization of employees, who have formed a Joint Commission that, among other functions, promotes adequate health conditions at work. The administrative areas in charge, together with the mixed commissions of each work center, monitor the appropriate use of personal protective equipment when required and encourage employee cooperation through teamwork for the prevention of incidents and accidents at work.

Each work center, whether farms or administrative areas, has a medical clinic and nursing staff, who in addition to performing care work, also do preventive work, including epidemiological surveillance actions. In addition to the prevention of occupational diseases, the company has launched year after year campaigns for the timely detection of cervical cancer and has provided treatment to employees who require it. In the period 2020-2023, surveillance, prevention and care of COVID19 cases have gained great importance.

Below, some relevant data linked to health prevention and care of Agrolibano's collaborators:

- **13 084** medical care services provided to collaborators in clinics on 5 farms.
- **12 976** preventive medical assessments.
- **405** cholinesterase analyzes performed (99.8% normal).
- **2 654 750** doses of flavored oral rehydration solution distributed (2 doses (1/2 L) / person / day).
- **4722** people informed about the importance of the early detection of cervical cancer.
- **480** employees benefit from cytology tests for the early detection of cervical cancer.
- **423 dosis** doses of COVID19 vaccine applied in workplaces.

Unidos Crecemos program

The *Unidos Crecemos* program, aimed at the well-being of collaborators and their families, derives from Agrolibano's purpose of becoming a poverty-free company.

Since improving the well-being of employees and their families is one of the objectives of our sustainability strategy, in the reported period the company decided to make an intelligent investment in order to make evidence-based decisions. Thus, in the 2020-2021 season, an agreement was made with Wise Responder – Sophia Oxford, an entity that promotes and accompanies the execution of multidimensional poverty index (MPI) studies in the business environment. The first survey was conducted to investigate deficiencies among the families of 257 permanent collaborators. Based on the results, the *Unidos Crecemos* program was designed. It has been implemented since 2022.

Wise Responder Testimonial:

"Agrolibano is a company that has undertaken a social mission. The company has used the Multidimensional Poverty Index methodology by the University of Oxford to guide its investments in neighboring communities and support its own people. The adoption of this professional and scientific approach is transforming the lives of all these individuals, both collaborators and families, of the towns near Agrolibano. When analyzing company progress, the positive impact of its interventions is clear. So, this company is securing its "social license to operate", thanks to the enthusiasm and appreciation demonstrated in its employees dedication and the support provided by surrounding communities."

Jamie Coats, CEO, Wise Responder.

Unidos Crecemos intervention model

Transcendent Transformative Purpose

A long-term sustainable business that generates value for its stakeholders, as well as well-being for employees and their families, transforming their mindset to break the cycle of poverty.



Through the 5 pillars of the program, Agrolibano contributes to the well-being of collaborators and their families as detailed below:

- Promoting income generation for working age, unemployed individuals.
- Improving access to comprehensive health services.
- Offering educational opportunities to improve education level and training for employment.
- Facilitating access conditions to own housing and water and sanitation improvements.
- Relieving excessive debt, with financial support and education, emotional management, and support for debt readjustment.

\$111 345 invested in the *Unidos Crecemos* program

In the implementation of the *Unidos Crecemos* program, corporate volunteers participation is key. This promotes everyone's engagement, from the Board of Directors, managers, executives and operational collaborators, in actions ranging from the design, planning, execution, monitoring and evaluation of program progress.

2834 hours of volunteering
372 hours of Board of Directors members

Results: 226 people: 193 collaborators (74.2% permanent) and 33 family members benefited from the different areas of *Unidos Crecemos*.

Unidos Crecemos Collaborators and families served



Food Safety

- 1 family with food safety support



Healthy Family

- 124 people trained on Mindful Eating
- 22 people received personalized training on mindful eating and comprehensive well-being
- 26 participants in workshop "Change your mind. Create a new reality"
- 41 people with risk factors for non-communicable chronic diseases received attention
- 40 people received attention at health fairs



Education

- 15 people were granted formal education scholarships
- 6 people received vocation training for **employment**
- 24 people received computer information training



Decent Housing

- 6 people were approved a loan to build a new house
- 2 people received water and sanitation improvements for their homes



Healthy Finances

- 31 people received financial counseling training
- 38 people received emotional and spiritual support with the Peniel method
- 65 people received healthy finances training
- 24 people received financial counseling for debt overhang relief
- 9 people with debt readjustment management



Testimony of the *Unidos Crecemos* program recipient:

Mayra Maradiaga – Agrolibano collaborator.

I feel very happy to have participated in this second phase of Mindful Eating, in which we learned more about the importance of caring for our organs. This will help us preserve and have a better life, so, let's practice what we learned!

<https://youtu.be/9pcybxXafY8>



FIFTH STRATEGIC MAINSTAY: SUSTAINABLE COMMUNITY DEVELOPMENT

Why is sustainable community development a fundamental mainstay for Agrolibano's sustainability?

The most underprivileged groups in society, anywhere in the world, basically live in the midst of two types of limitations: the lack of assets and the absence of means of access to those assets. This second situation is called exclusion, because due to the non-existence or lack of appropriate channels to access tangible assets (money, property, others) and intangible assets (social security, education, health, transportation, others), millions of people, families, and entire communities are excluded from wealth redistributive means and, therefore, are trapped in the impossibility of improving their living conditions.

That is particularly true for disadvantaged groups in less developed societies, and even more true in rural areas like those where Agrolibano operates.

This is the reason why the contribution to the sustainable development of the communities nearby Agrolibano's farms and industries, which provides access to society's redistributive mechanisms for marginalized populations, becomes a material topic for the company and a fundamental mainstay of its sustainability strategy. To the extent that prosperity and well-being increases in nearby communities, company access to better qualified labor, healthier collaborators, and a safer environment to perform its production processes will increase.

Active engagement in communities



¡DEL ÉXITO AL SIGNIFICADO!

<https://youtu.be/Kuh4TKtxC4c>

Through its Foundation, Agrolibano permanently seeks to support the enhancement of community infrastructure; promote human capital development with education, health and better living conditions for community families; collaborate with food security improvement and the reduction of malnutrition among families, especially children. Its main purpose is to contribute to the sustainable human development of the communities in Agrolibano's area of influence, through a comprehensive approach to the dimensions associated to multidimensional poverty in the rural area of the southern part of Honduras.

Although there is always a long way to go in this sense and important challenges to overcome, the Group is clear that this is one of our main responsibilities with the societies where we operate, and that its fulfillment demands a permanent commitment to innovation, openness and truthful reading of their reality, to try to provide well-being, growth and development options to more and more people and families, promoting their inclusion and prosperity.

The objectives of this program were to:

- a) **"Keep the company's active participation in communities of influence and become a relevant actor on a local scale."**
- b) **"Sustain current activities and reinforce the investment focus, towards the reduction of multidimensional poverty"**

The main advances in this matter have been the following:

Relevant data on Agrolibano's social investment

- Social investment in the reported period was **3.3** million dollars, of which **45%** was contributed by Agrolibano and **55%** through partnership management.
- More than **2350** families in rural areas and over **3200** students in **28** educational centers (14 elementary schools and 14 pre-school centers) were reached.
- Child malnutrition does not exceed 6%, decreasing to **4.3%** in 2023.
- Deprivations associated to the Multidimensional Poverty Index (MPI) are the basis for defining **strategies and measuring our social investment impact.**



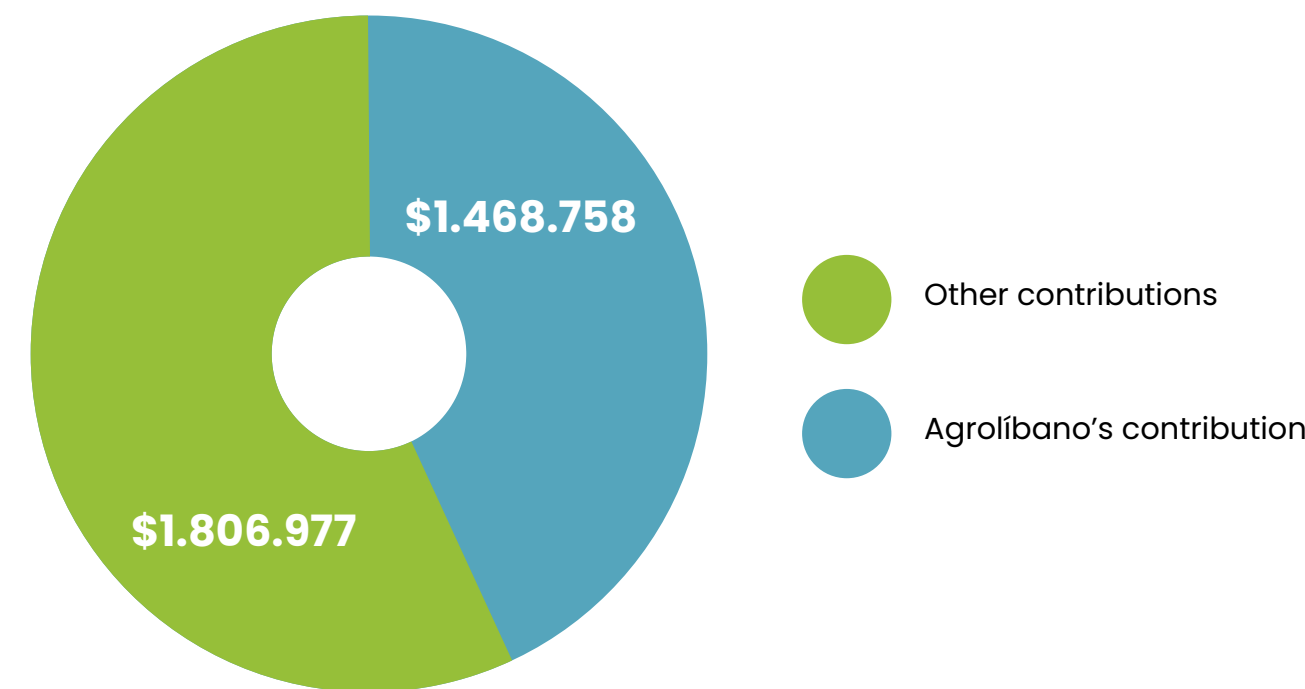
This report's period has been marked by the impact of the COVID19 pandemic and corresponding recovery response actions. In the social dimension, specifically in terms of active community participation in development actions, it meant adaptation efforts during the crisis period in 2020 and starting in 2021, efforts for educational reintegration, reinsertion into community dynamics and local economic recovery.

With the aim of contributing to sustainable human development in neighboring communities, through a comprehensive approach to the dimensions associated to multidimensional poverty in rural areas, Agrolíbano's social investment is implemented through 5 programs developed by its Foundation from a systemic approach, focused on children from 0 to 5 years old. Regarding children, we work with families, and at the community level, with schools, groups excluded from their right to education and community-based organizations, generating development-conducive conditions from children's best interest, with a human rights approach.

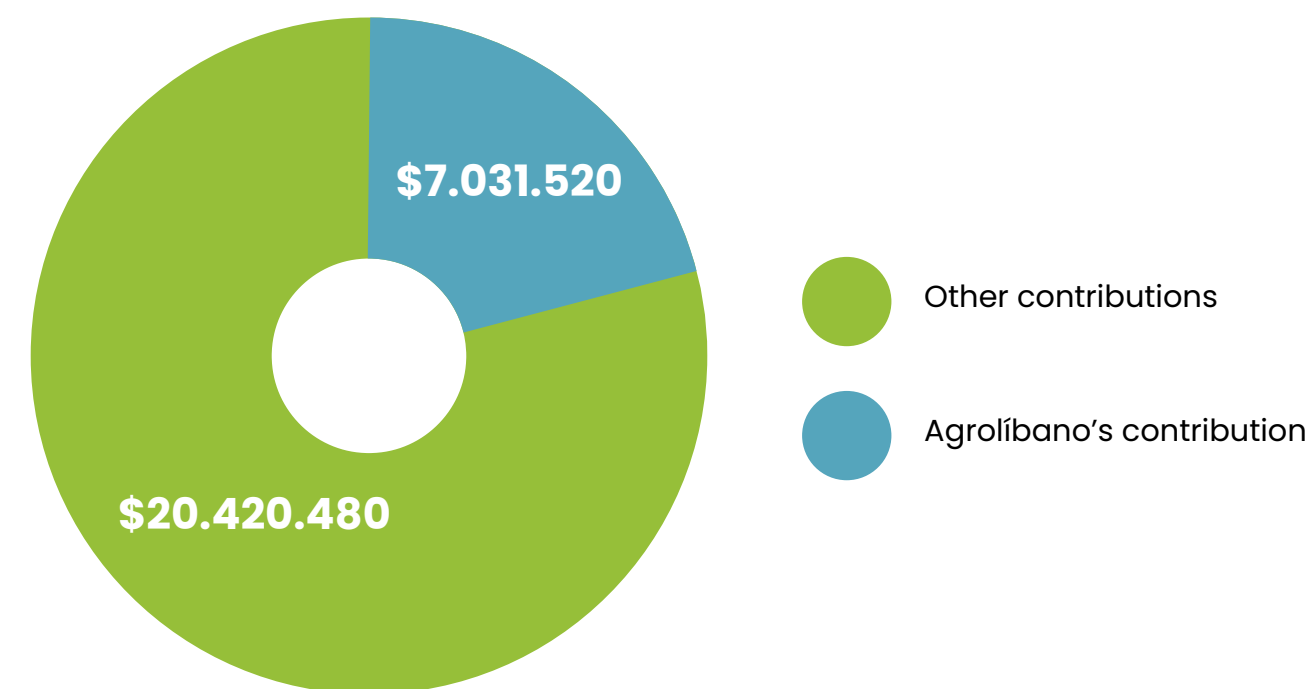


Social investment

Period 2020-2023



Accumulated 2010-2023



Source: General Management Agrolíbano Foundation

Social Investment Programs

Health

- Early Childhood Comprehensive Care Program – PAIPI (per its Spanish acronym)
- Healthy Families – FS (per its Spanish acronym)

Education

- Support for the comprehensive development of children and adolescents at school – ADINAE (per its Spanish acronym)
- Access to education for socially excluded groups – AEGES (per its Spanish acronym)

Standard of Living

- Strengthening citizen engagement for peace and development – FOPACDE (per its Spanish acronym)

Social investment achievements are presented according to programs in three dimensions: health, education and standard of living.

Health

The Agrolíbano Foundation implements social investment from a systemic approach with children at its core. In this sense, actions are executed to promote the development and healthy growth of children under 6 years of age through volunteers in the communities, with the technical support of the Agrolíbano Foundation team. Likewise, we work with families to encourage healthy habits and living conditions, in order to generate a setting conducive to the comprehensive development of children in their immediate environment.

The actions that contribute to health are developed through the programs described below:

Early Childhood Comprehensive Care Program – PAIPI (per its Spanish acronym)

Children from 0 to 5 years old are assisted with actions ranging from care during the gestation period, nutritional surveillance and early stimulation in the community and educational background at the pre-school level.

These are the accomplishments reported for the 2020-2023 period:

- **685** pregnant women supported by the program.
- **188** talks on safe motherhood, reaching 3 021 educational contacts with pregnant women.
- **368** safe maternity baskets distributed (baby clothes, diapers and hygiene products), to support pregnant women.

who completed at least 4 prenatal check-ups, participated in pregnancy clubs, had a safe birth and attended early puerperal check-up, to help prevent maternal mortality.

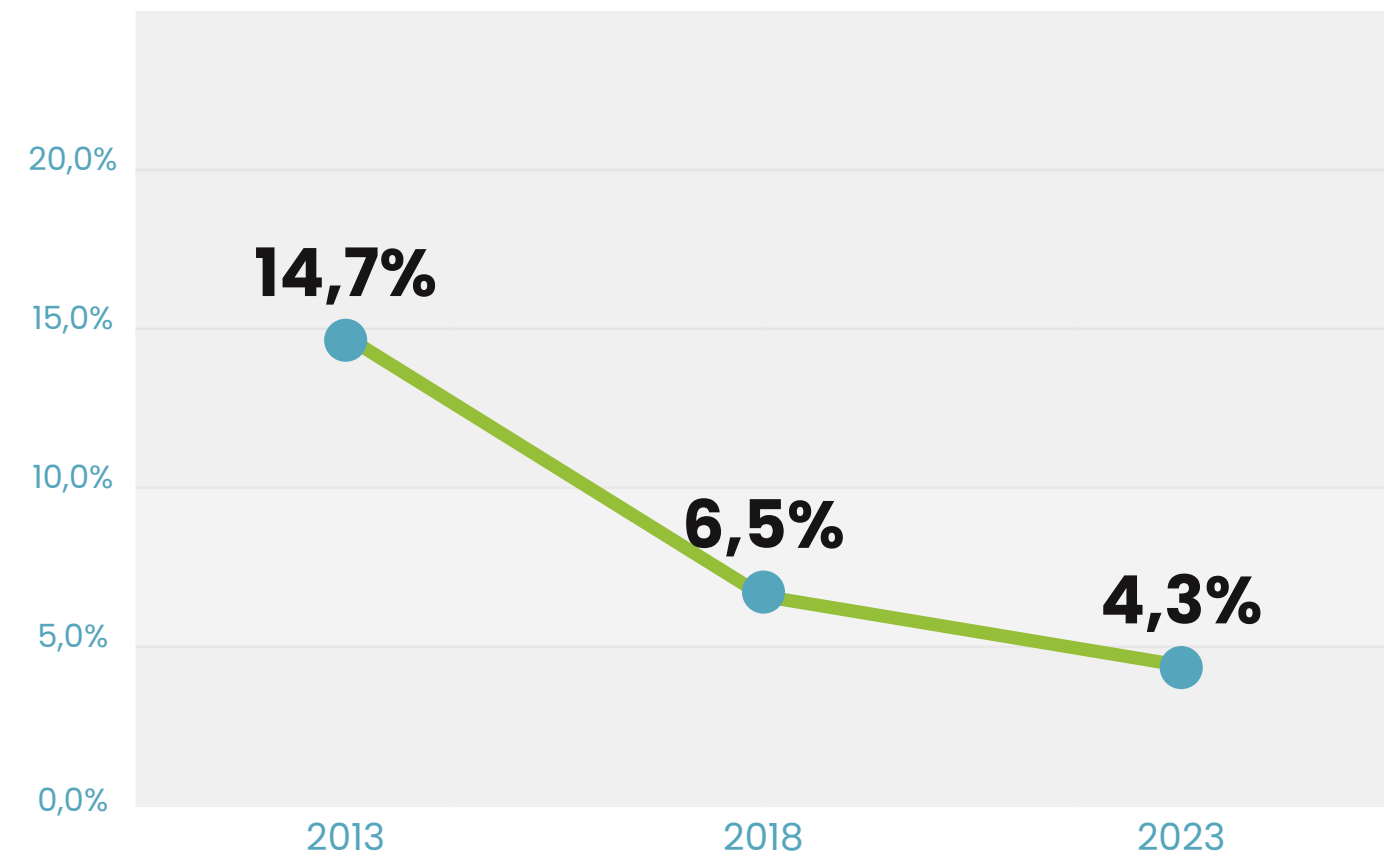
- **2327** deliveries of Enov Mum nutritional supplement. 203 730 sachets to pregnant and breastfeeding women were distributed.
- **98** PAIPI volunteers trained with 162 hours of training each.
- **611** community nutritional surveillance sessions.
- **13 667** nutritional surveillance services to 2 846 children between 0 to 5 years old.
- **153** community early stimulation sessions.
- **3989** early stimulation services for children between 0 to 5 years old.
- **14** pre-school centers supported with didactic materials, supplies and training.
- **More than 550** children aged 3-5 years in 14 pre-school education centers received nutritional surveillance services and improved their conditions.
- **373 700** Nutributter nutritional supplement sachets distributed in 2 928 deliveries to children between 6 to 24 months.

- Global malnutrition index GMI reduced by **4,3%** in children under 2 years of age, in 18 communities.

The Comprehensive Early Childhood Care program contributes to reducing multidimensional poverty deprivations: child malnutrition, infant mortality and lack of access to early education.



Global malnutrition index by year



Source: Agrolíbano Foundation database, analysis according to Anthro platform (WHO)).

Testimony:

María de Jesús Zúniga – volunteer at PAIPI Pedrerito community.

“We are very happy as members of the Pedrerito community. We are eight volunteers. We are in training, learning more so that mothers can provide better health to children and see how they are growing as well. We are all grateful for that.”

<https://youtu.be/uRFXW2iNwF8?si=VbFkQw9vyB5Ed-vI>

Healthy Families

2 350 families receive help directly, through actions in terms of food safety, healthy housing, promotion of sexual and reproductive health, healthy habits for the prevention of chronic non-communicable diseases and community participation in the exercise of their right to health.

The main achievements of the period included in this report are detailed below:

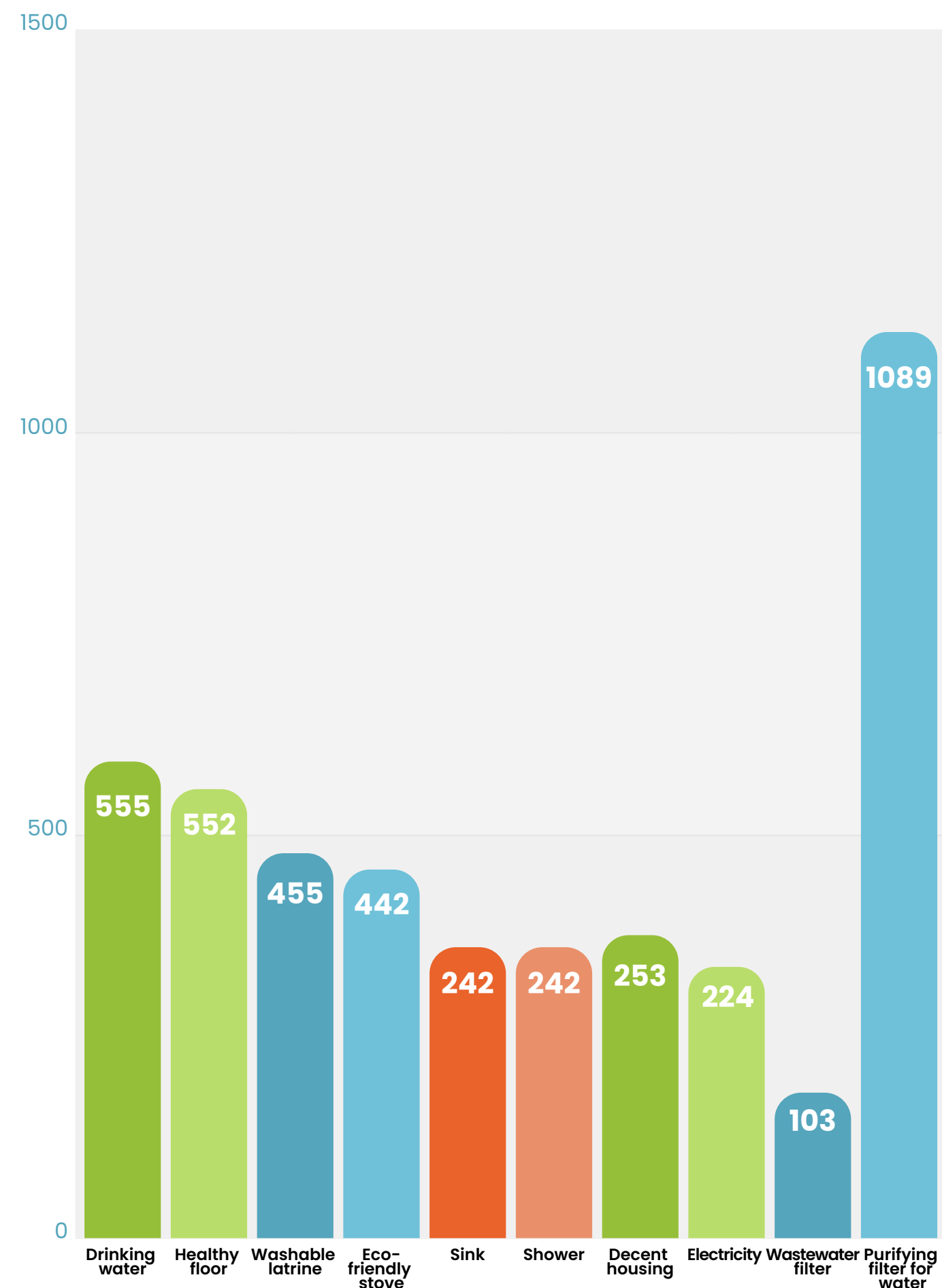
Healthy Housing

- **1** improved water collection and purification system in Choluteca that benefits more than 100 000 people.
- **1** community water system for 94 rural families.
- **70** families receive water purifying filters.
- **79** domestic sinks for drinking water reservoirs.
- **45** families with wastewater filters.
- **17** families benefit from the construction of decent housing and 11 from home improvements.
- **15** families benefit from connection to electricity.
- **90** families with eco-friendly stoves with chimney.

- **119** families with healthy floors.
- **95** families with a washable latrine connected to a septic tank.
- **539** families benefited with talks to promote better habits for healthy housing.
- **539** heads of families sign commitment statement on children’s rights.
- **18** communities launch a comprehensive dengue prevention campaign every year.



Homes with improved living conditions, 2022-2023



Monitoring and evaluation system, Agrolibano Foundation

Food Safety and Nutrition

- **506** small agricultural producers trained in agroecological techniques.
- **296** small corn producers receive a production kit.
- **760** people trained in climate change.
- **147** families implement Garden Plan strategy for food production (family gardens and/or henhouses).
- **254** families trained in family gardens with agroecological techniques.
- **3** school farms receive technical assistance for agroecological production demonstration activities.
- **2** school farms with enhanced irrigation systems.

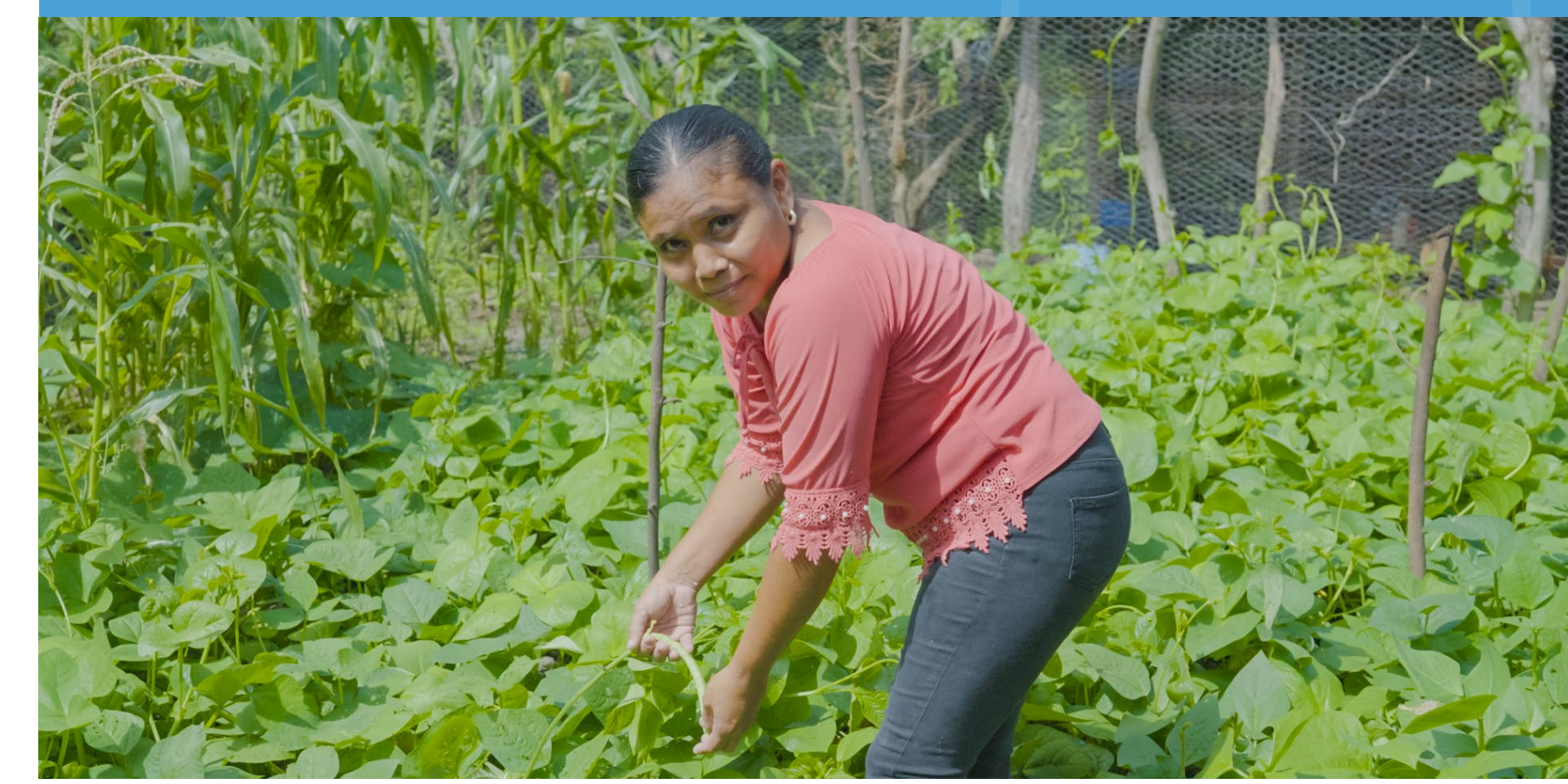
▶ This program contributes to reducing multidimensional poverty deprivations with access to drinking water and basic sanitation, improvement of housing conditions, access to electricity, stoves with chimney, and food safety and nutrition.

Testimony:

Ingrid Betancourth – Healthy housing recipient, Agua Agría #2 community.

“We have organized in my community, and thanks to being with the community, with the bank, with the health committee, I feel happy for having satisfied my needs. First came the latrine, then the sink with the bathroom. Now there is more privacy for my family. Thirdly, came an eco-friendly stove that I wanted so I wouldn't be inhaling smokes. The last project was my house's healthy floor. My daughter can now get on the floor to play. I feel more confident because it is more hygienic. I have capitalized all of these projects into the rural bank. This benefits us as a family to continue with projects and we can get loans. These projects help us improve habits in our families.”

https://youtu.be/CKmvCUfwKqQ?si=sglx_IFexi9WrX4a



Education

The education area has been one of those with the greatest impact from the COVID19 pandemic, given that schools were closed in 2020 and 2021. During this period, students participated remotely, which in neighboring communities was very challenging due to the lack of adequate internet. This caused severe delays in learning, in addition to significant school dropouts. In-person presence was possible in mid-2022.

At the beginning of this period, school support was aimed at enabling remote and blended education conditions, improving hydro sanitary systems, providing equipment and supplies for reproducing didactic material, as well as biosecurity supplies.

The actions contributing to education are implemented through programs described below:

Support for the Comprehensive Development of Children and Adolescents at School

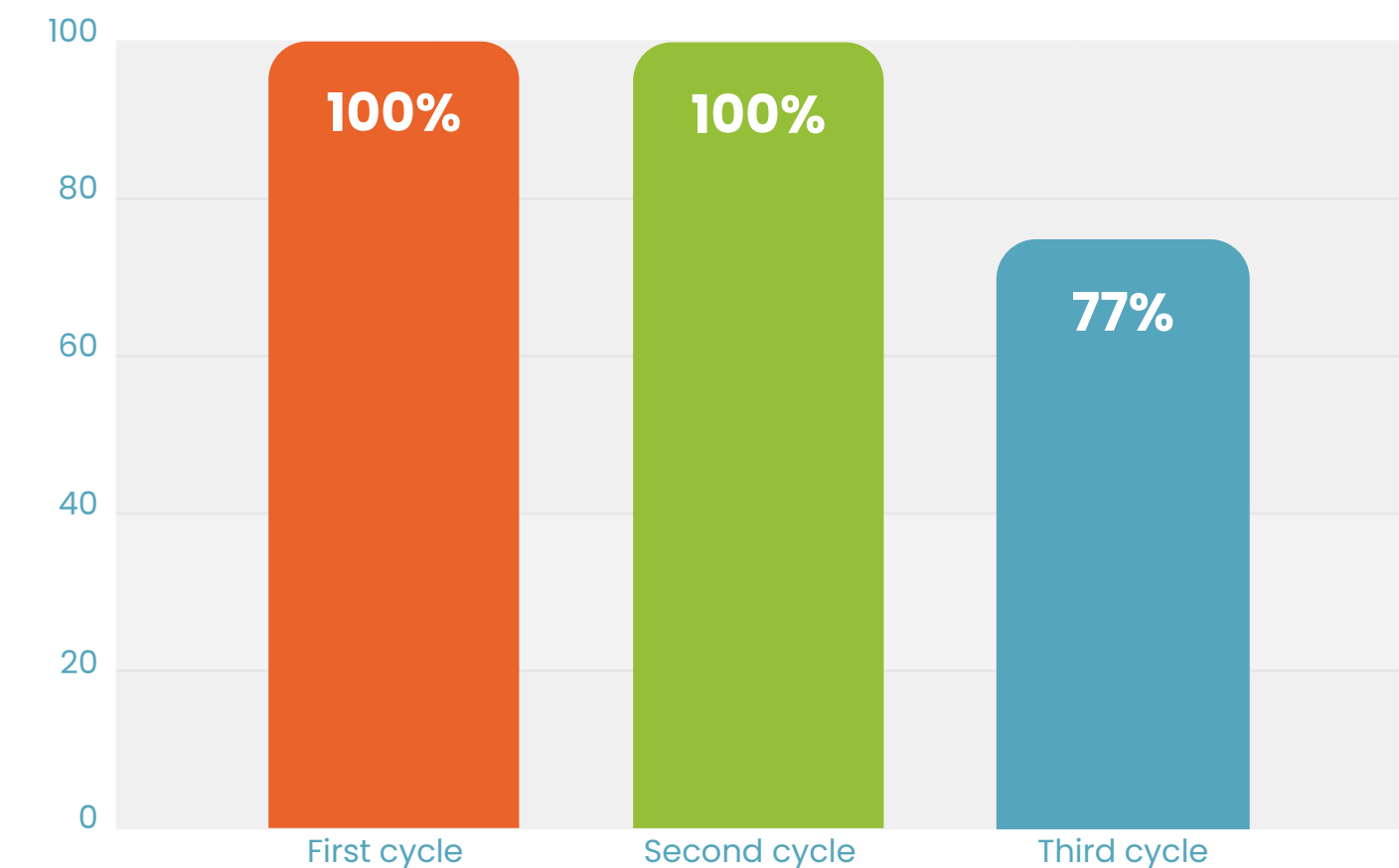
With actions to strengthen pedagogy, the promotion of children's rights, food safety and school health, the environment, a culture of peace and scholarships, more than 3 200 students and 139 professors in 14 public schools benefit. The achievements for the reported period are the following:

- **3749** reading and writing books were distributed.
- **139** textbook sets of 4 basic subjects delivered to professors.
- **820** first cycle students (1st to 3rd grade) receive didactic material.

- **14** schools receive biosafety kits each school year.
- **157** students trained as children's school health enablers.
- **13** schools benefited from equipment to reproduce didactic materials.
- **12** schools with improved hydro sanitary infrastructure.
- **296** student tutors participate in the tutoring scholarship initiative.
- **1021** tutored first-cycle students benefit from tutoring scholarships.
- **350** students benefit from a connectivity center, in partnership with Terra Foundation.
- **2100** elementary and pre-school students participated in health sessions with nutritional assessment and deworming.
- **529** third-cycle students participate in sexual and reproductive health education sessions.
- **10** students from families in severe poverty receive scholarships to join the school system.

- **14** schools receive sports equipment.
- **11** schools receive technical assistance and tools to implement school gardens.

School coverage according to basic education cycle School Year 2023



Source: Agrolibano Foundation's database, Indicator 14 of the SME (enrollment per educational center, according to community of origin), based on the Administration System for Educational Centers records (SACE, per its Spanish acronym - Ministry of Education of Honduras) for each school in the coverage area.

► This program contributes to reducing multidimensional poverty deprivations: school coverage, years of school.

Testimony:

Yoisy Ludibeth Espinoza- Teacher at CEB Luis Landa:

"We are very happy because they have provided us with textbooks and didactic material that will be very helpful and very important. We are committed to taking care of it and making the most of it so that our children have quality education."

https://youtu.be/hi3G79RyAug?si=58kJ6oJH6Wgn_pTd

Access to Education for Socially Excluded Groups – AEGES, per its Spanish acronym

This program is aimed at a population that has not had access to the formal educational system to exercise their right to basic education. The program includes literacy activities, alternative education to complete the 3rd cycle of basic education (7th - 9th grade), alternative education for middle school and technical education, and community centers for pre-school education. The main achievements of the period are these:

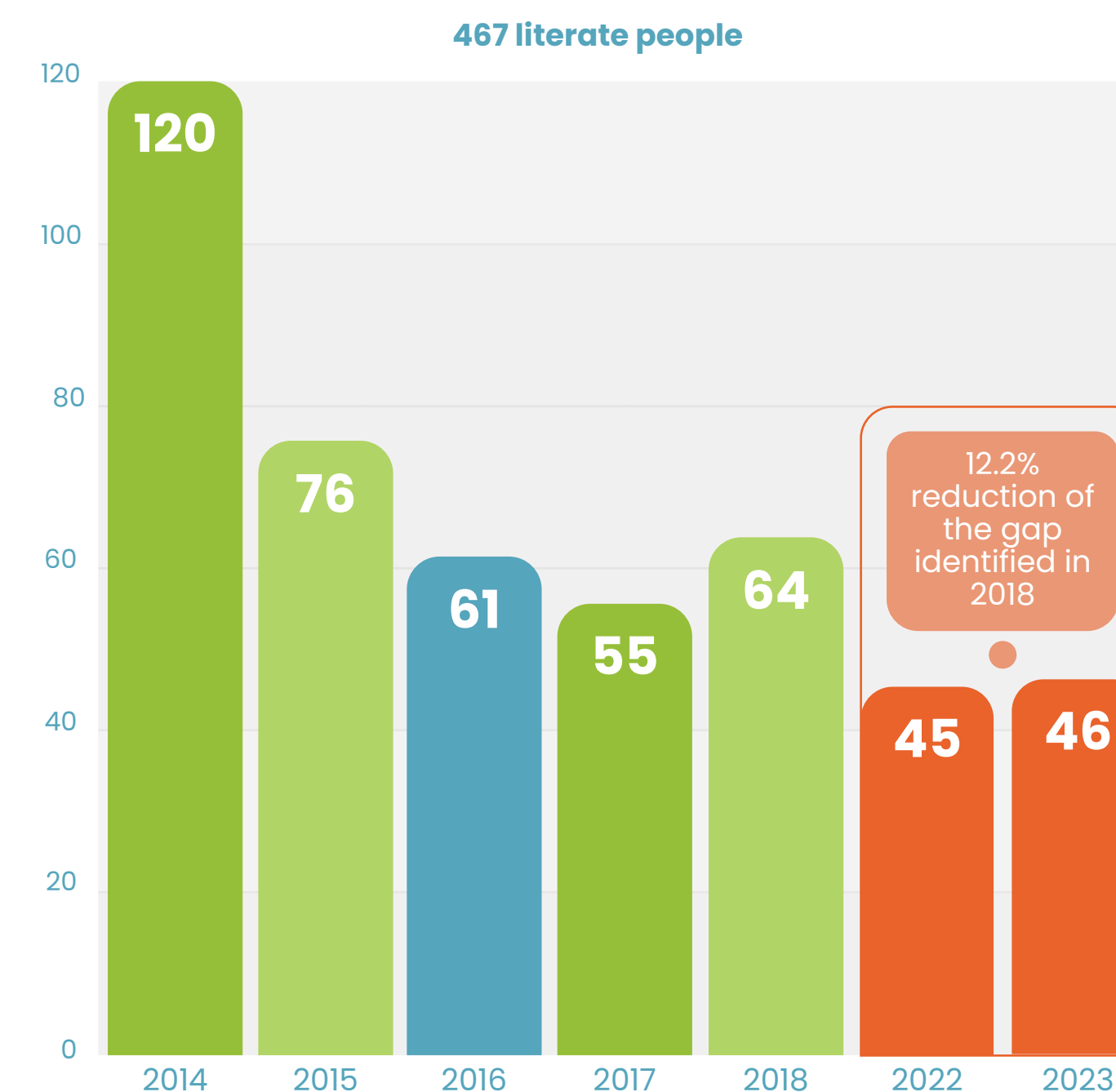
- **5** alternative elementary education centers operating.
- **46** adolescents and young people complete elementary education.
- **4** alternative middle education centers operating.
- **67** young people with access to middle education.

- **91** literate people.
- **3** pre-school education community centers operating.
- **24** children aged 3-6 years receive pre-school education.
- **2** annual deliveries of biosafety kits for 12 alternative education centers.

In 2018, that the gap to eradicate illiteracy was identified: 744 people over 15 years of age who did not know how to read and write. Through the actions executed in 2022 and 2023 this was reduced by 12.2%.

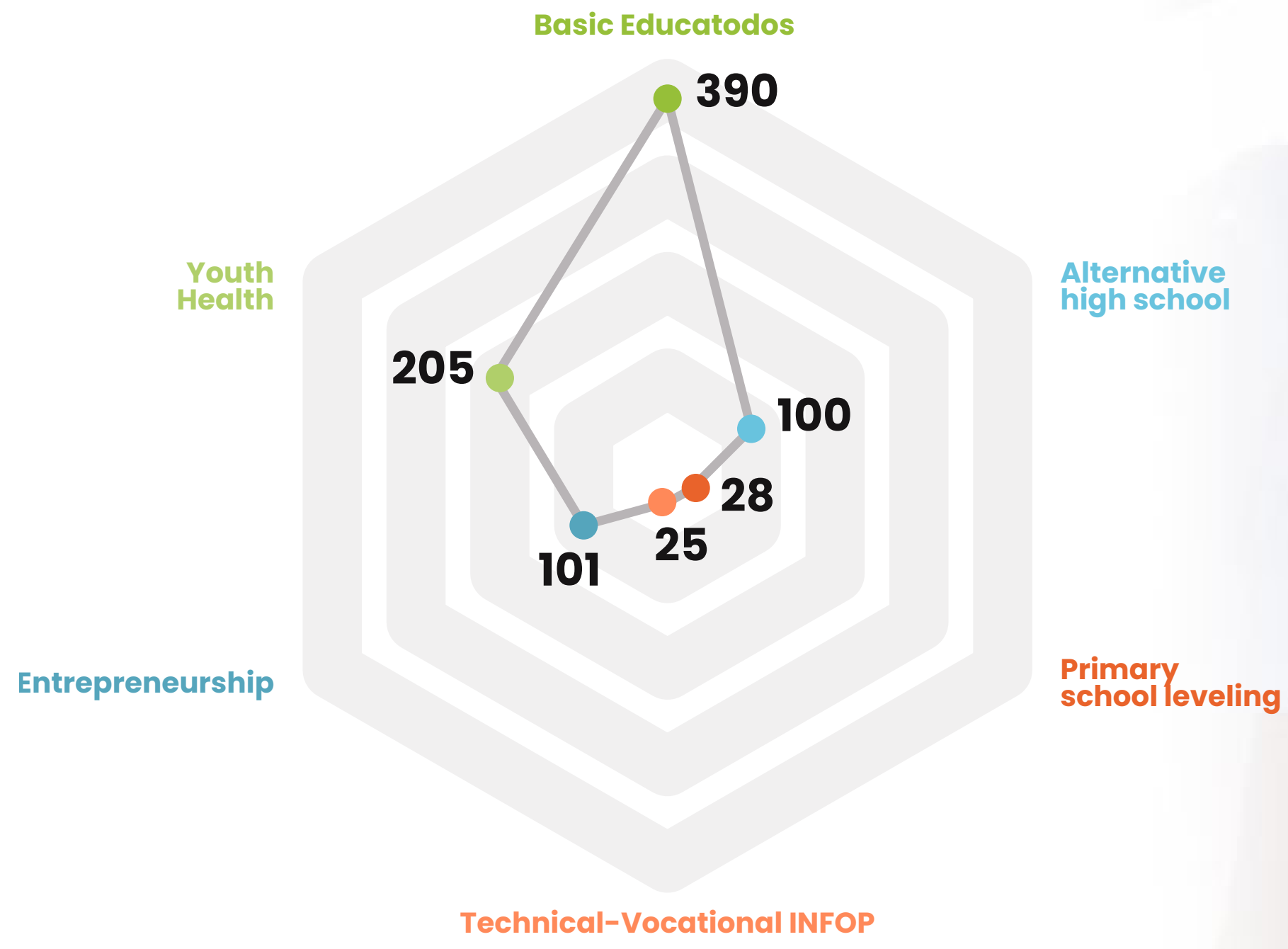


Literate people, 2014-2023



Source: Agrolibano Foundation's database, Indicator 16 of the SME, based on enrollment records of the General Sub directorate of Education for Youth and Adults of the Ministry of Education of Honduras.

Alternative education recipients, 2013-2023



Testimony:

Cindy Lorena Estrada – 11th grade alternative education beneficiary, El Porvenir community.

“I am studying business administration. This is an opportunity that came to me thanks to the Agrolíbano Foundation, which is supporting us. We don’t have to think that we have to go long. They gave us this opportunity here nearby. I am a mom; I have a girl. I live alone with her. More than anything I am doing it so that tomorrow I can have a good job and profession.”

<https://youtu.be/ANiiJzzXAVo?si=T6ldJilmj8hI6oI1>

Source: Agrolíbano Foundation’s database, Indicator 15 of the SME, based on enrollment records of the General Sub directorate of Education for Youth and Adults of the Ministry of Education of Honduras.

► This program contributes to reducing multidimensional poverty deprivations: illiteracy and years of school.



Standard of living

A key pillar for community development sustainability is citizen participation in decision making. In this sense, the Agrolibano Foundation promotes broad and inclusive engagement through different community-based organizations, for the development and implementation of sustainable growth plans in each community.

The actions that contribute to effective participation and from a culture of peace are developed through the program described below:

Strengthening Citizen Participation for Peace and Development

This program contributes to the sustainability of community development processes, through the strengthening of community leadership, preparation of comprehensive community development plans, reinforcement of rural banks and environmental sustainability.

The achievements in the reported period are the following:

Strengthening of community leadership

- **269** people leading community-based organizations trained in social projects formulation, service leadership and sustainable community development.
- **10** communities move forward with updating community development plans.
- **391** community-based organizations representatives analyze progress towards sustainable development.
- **68** community leaders trained in a culture of peace.
- **117** young people are trained to promote the art and culture of peace in 4 communities.

- **103** people who make up 10 health committees are trained to implement health promotion plans.
- **54** Parent Associations representatives (APF, per its Spanish acronym) trained.

Community economic development

- **13** strengthened rural banks are evaluated annually and implement improvement plans.
- **91** rural banks managers reinforce their capabilities in administrative and accounting processes, savings, credit portfolio, contributions, administration of basic grain banks and information digitalization.

Environmental sustainability

- **9000** plants produced in 4 community nurseries.
- **9851** trees planted: fruit trees that contribute to a healthy diet, wood energy for domestic use and reduce forest clearing, and dense root systems that help retain water in the source recharge area.
- **600** mangrove plants planted.
- **9** community water boards reinforced.
- **3** micro-basin councils fortified

This program indirectly contributes to reducing multidimensional poverty deprivations in the health, education and standard of living dimensions, by strengthening community engagement platforms for the implementation of the aforementioned programs and incorporating local economic development through rural banks and risk management through environmental sustainability



Testimony:

Sandra López - partner of Rural Bank, Paso de Vela community.

"We are going to make it. We are going to get ahead. We are going to overcome the challenges preventing us from moving forward, with God's help, with your help, we are going to get ahead. Problems are solved, they are not left there, they are not left stagnant. You have to fight for what you want and what you think."

<https://youtu.be/IGwMZLBRAMa?si=AT4JdDK-pTclwua->

Contribution of social criteria to SDGs

From social criteria, Agrolibano contributes to SDGs in the People, Prosperity, Peace and Partnerships pillars.

In the People pillar, the impact on the cutback of multidimensional poverty stands out, both with actions within the company to promote the well-being of employees and their families through the Unidos Creceamos Program, and in neighboring communities through Agrolibano Foundation's social investment programs. The initiatives to reduce poverty arise from the results of the application of the Multidimensional Poverty Index (MPI), a methodology created by the Oxford Poverty and Human Development Initiative. For this, studies were conducted separately for families in neighboring communities and for the families of collaborators.

The comprehensive approach of these programs includes actions in the health, education and standard of living dimensions. This has contributed to improving security and nutrition, child health, reduction of child malnutrition, decrease of maternal and child mortality, enhanced access to water, basic sanitation, and housing conditions.

Internally, the company, with employees and their families, has contributed to health, reducing risk factors for chronic non-communicable diseases, promoting healthy eating and better lifestyles. Additionally, basic sanitation conditions have been improved in the homes of some collaborators, thus contributing to family health.

With education initiatives in neighboring communities, Agrolibano has contributed to improving school coverage at the basic education level, facilitating alternative education opportunities to complete basic, middle and/or technical education for young people who have been excluded from the formal education system, and providing literacy opportunities to adults. In the company, we have contributed to the professionalization and certification of

employees, allowing them to apply for better positions. They have also received training in life skills. In addition, employees' relatives have had opportunities to improve their educational level.

Regarding the standard of living dimension, community participation has been strengthened, promoting the inclusion of women and young people in different community-based organizations, especially in decision-making areas.

In the Prosperity pillar, social criteria have contributed to the reduction of inequalities at the workplace, providing opportunities for everyone to get a productive job with a decent income, a safe workplace and social protection for families, as well as better personal development and social integration prospects, protecting labor rights and promoting a safe and risk-free work environment. At the community level, we have contributed to improving access to financial services for the growth of micro and small businesses, through the consolidation and capitalization of 13 rural savings and credit banks. Community infrastructure improvements, whether in educational centers, health facilities, community drinking water systems, or in the homes of families under the most vulnerable conditions, have been made based on community sustainability criteria.

Through the *Unidos Creceamos* program, we have contributed to the financial health of collaborators who were in an over-indebtedness situation, through financial education processes and debt readjustment support, when appropriate. Training activities have also served to promote responsible consumption.

In the pillars of Peace and Partnerships, the following have been relevant: community participation in decision-making about development; social investment transparency and its results; execution of studies generating data availability for making intelligent decisions that contribute to sustainable development, producing local situation indicators that also facilitate the measurement of sustainable development progress; resource

mobilization management from different sources for sustainable community development, the promotion of partnerships between multiple stakeholders to contribute to the achievement of objectives and, above all, Agrolibano's consistent financial contribution as a private cooperation source for the development of the communities of southern Honduras.



IX

ESG APPROACH: ENVIRONMENTAL CRITERIA



ESG APPROACH: ENVIRONMENTAL CRITERIA



SIXTH STRATEGIC MAINSTAY: ENVIRONMENTAL SUSTAINABILITY

Why is environmental protection a critical mainstay for Agrolíbano's sustainability?

For Agrolíbano, as a company dedicated to the agriculture and marketing of melons and other vegetables, the environmental topic is material since it is in its essence and reason for being. Therefore, it is a fundamental pillar in its sustainability strategy, which directly impacts its business success, as well as the survival of humankind in the medium and long term.

Following the sustainable development principles, Agrolíbano perceives people's inadequate use of natural resources as a debt to future generations. For this reason, it has decided to be part of the solution, offering its talents and operational structure to contribute to properly addressing this concerning issue and that, undoubtedly, is associated to company and environmental sustainability.

Thus, Agrolíbano recognizes a high potential for exposure to risk related to the environmental consequences of its operations, especially, product sowing, cultivation, harvesting and packaging, as well as the waste management associated to these processes. On the other hand, it knows that this environmental impact is not limited to the direct influence of its operations but extends to the effect generated by its distributors and customers.

In this field, Agrolíbano is above all interested in responsible water management and natural resources protection. The company understands that, before using water for agricultural production, the priority is water for human consumption. Furthermore, it is aware that contaminated water can lead to the extinction of entire species due to the absence of oxygen, becoming a hostile environment for the life of aquatic plants and animals. On the other hand, Agrolíbano is aware that the world is experiencing a lack of this fundamental element for life, which is why its administration must be increasingly strategic and prudent.

Sustainable management of natural resources, with emphasis on water

Environmental sustainability is one of Agrolíbano's strategic mainstays. Therefore, it is committed to establishing a Comprehensive Natural Resources Management System, with key strategies and indicators on all environmental impact issues. The company bases its environmental strategies on the Sustainable Development Goals, the Global Compact Principles and its environmental protection and improvement business policy.

The objective of this program is to: ***“Establish a comprehensive Natural Resources Management System, with key indicators on all environmental impact issues”.***



In the period of this report, the following achievements stand out:

- Water availability increased by **25%** with the construction of a new water harvesting pond on Rincón Grande farm, with a capacity of additional 1 million m³. This allows us to meet the needs of 70% of our crops, which are watered with drip irrigation from the water harvesting ponds, where more than 4.5 million m³ are stored yearly. Moreover, this pond's water supports the water needs of the city of Choluteca during April, the driest month of the year.
- **Partnerships** have been fostered with the communities and Municipal Environmental Units of each municipality for correct water governance of hydrographic basins, implementing reforestation programs, training talks and erosion control terraces, as well as participation in basin organizations and the anti-drought committee for responsible water management decision-making.
- Residues of chemical active ingredients in melons have been reduced by **80%**. By 2026, a further 10% decrease is expected, managing to eliminate active ingredients residues by **90%**.
- The soil protection program covers **100%** of them, providing strict monitoring of soil quality, incorporating beneficial microorganisms and implementing rotation crops to generate organic matter that improves production efficiency.
- The **circular economy** program is implemented, incorporating sustainable agriculture technologies that lead to waste reduction, especially plastics, as well as the regenerative use of soil with nature-derived innovations.

- **100%** of waste (cardboard, plastic, organic) is managed responsibly through agreements with companies authorized for the recycling and final disposal of waste.



The programs that make up the Comprehensive Natural Resources Management System are detailed below:

Regulatory compliance

Agrolibano is an agro-industrial company highly committed to the environment, biodiversity and ecosystems. Its policies are circulated throughout the organization and allow the implementation of environmental-friendly production processes, which generates a sustainable agriculture system respectful of the different ecosystems.

Business requirements and responsible management are supported by each farm's environmental licenses, water contracts issued by MiAmbiente (Natural Resources and Environment Office), inspections by local authorities of the Environmental Municipal Unit (UMA, per its Spanish acronym) of each municipality where we operate and third-party certifications such as GLOBAL. G.A.P.

A high-commitment environmental culture has been created and, on this sense, the following policies have been established:

- Business policy on the management's responsibility to minimize environmental pollution and production processes impact on communities of influence.
- Business policy for environmental conservation and improvement.
- Business policy on the responsibility to optimize the use of water and other natural resources.
- Business policy to reduce, recover, recycle and reuse waste generated by our processes, under a circular economy model.
- Business policy for the rational use of phytosanitary products and integrated crop management.

- Business policy for the rational use of fertilizers.

All policies, programs and actions are performed to protect, prevent and mitigate the environmental impact of Agrolibano's production processes, which are validated and supported by audits of the following international certifications:

Agrolibano's certifications



Agrolibano reiterates its commitment to respect the environment, ecosystems and humankind, complying with its socio-environmental focus policies. This guarantees the health of global consumers and collaborators, preserves the environmental and health quality of its production areas and immediate surroundings, through the execution of Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and compliance with environmental measures (ICMA).

Sustainable agriculture



The integrated management of melon cultivation begins with the selection of pest-and-disease-resistant varieties that allow for a healthy and strong plant and reduce the use of chemicals. It is based on a production of 37 million seedlings in nurseries under controlled conditions. For transplanting, technology is used such as an Agribon blanket to protect the crop from insects for 3 weeks and reduce pesticide and water use in each application.

Agrolibano implements a permanent integrated pest management program in farm surroundings, working jointly with producers in the area and supporting their diagnoses to maintain low pest levels and reduce pesticide use in crops.

This process is complemented by a plan to eliminate host plants inside and outside melon production lots. This includes the placement of yellow traps to monitor sucking insects such as whiteflies and aphids, blue traps to monitor thrips with glue, and traps with natural attractants such as cane molasses.

The company permanently implements the Integrated Crop Management (MIC, per its Spanish acronym) program. Through this, Agrolibano focuses on the continuous reduction of agrochemicals use and their replacement with bioregulatory agents, organic products and preventive controls. To achieve this, in 2004 the AGROCIBI Laboratory (Agrolibano Bioregulators Center) was founded, with the highest technology to produce biological agents and use them in crops.

AGROCIBI produces:

- **Antagonistic fungi:** Responsible for inhibiting the growth and development of phytopathogenic fungi that cause many diseases in different crops.
- **Entomopathogenic fungi:** They produce diseases and cause the death of insects and other arthropods, through the adhesion of spores to the insect cuticle and their penetration by germ tube formation, causing the growth of the fungus inside the insect body, until its death.
- **Beneficial insects:** They are pest natural enemies. They can act as parasitoids or predators. A parasitoid is an insect that in its immature state (larva) feeds and develops on an organism called the host, which it finally kills. Predators feed on their prey, which in these cases is a pest, helping to reduce their populations in crops.
- **Botanical extracts:** These are substances obtained from plants, with beneficial bioactive properties for pest or disease control in crops, reducing environmental damage and chemical residues in products.

<https://www.youtube.com/watch?v=jhniocRusHI>

All of the above follows a strict quality system that guarantees the effective control of pests and diseases, systematically and progressively eliminating the use of agrochemicals. Also, there is a disease diagnosis laboratory with PCR molecular diagnostic equipment for the early detection of diseases.

There is a laboratory for diagnosis of nematodes, soils (Chromatography) and plant nutrition, according to its phenological stage and variety. This technology has enabled the comprehensive management of crop health and with an

environmentally friendly system, producing high-quality melons and meeting the maximum residual levels (MRL) in each market where they are exported.

With this program, it has been possible to reduce the level of pesticide residues by up to 80%. Hopefully, by 2027 it will be possible to offer melons with a "Zero Residue" guarantee, which will give greater satisfaction to customers, minimizing environmental impact.



Sustainable water management

Water is the most critical resource for humankind. Worldwide population increase and climate change effects have a severe impact on water availability for communities and for agro-industrial production processes. Therefore, Agrolibano considers water as a resource associated to human rights.

With this in mind, an order of importance has been set for water use. First, it must be available for people, then for animals and finally for agriculture and industry. Thus, effective water management is of critical importance for the company to accomplish sustainable agriculture.

To secure the sustainability of melon crops and production operations, Agrolibano started a water harvesting program 15 years ago. It consists of collecting rainwater in artificial ponds for use during droughts. Such water is then used in production processes, eliminating the use of water from wells and rivers, leaving the vital liquid available for communities.

Through this program, eight ponds have been built on different farms, with a total area of 85 hectares. In 2022, water harvest increased by 25%, representing additional 1 million m³. This provided an annual availability of 4.5 million m³ of water, which helps to meet 70% of crop needs. As part of the Biodiversity Protection Policy, each pond is left with 10% of its capacity, which contributes to the sustainability of ecosystem biodiversity.

These ponds have helped restore water levels of wells in neighboring communities due to underground seepage. Watch video: Agrolibano Water Harvesting.

https://www.youtube.com/watch?v=UtVDX4_z0Y4

The vital liquid is monitored with modern technologies and its optimization is improved with precision irrigation systems, plastic bed covers to reduce water loss due to evapotranspiration, seedling protection with an antivirus blanket (Agribon) that has allowed the reduction of three pesticide applications, saving more than 150,000 m³ of water each season. Additionally, weather conditions

are permanently monitored at the company's own weather stations to measure water requirements, according to temperature and humidity.

As a socially responsible company, aware that communities must have water for their inhabitants, Agrolibano has shared its water harvesting technology with neighboring communities. Since 2020, it has supported community organizations and local authorities by participating in watershed councils and the Choluteca and Valle anti drought committees.

Finca Montelibano



Zone	Conservation Area (hectares)	Restoration Area	Water Harvesting Lagoons
Zone 1	14.8	21.60	
Zone 2	30.3	14.14	20.4
Zone 3	31.03	14.51	17.76
Total:	76.13	50.25	38.16

Testimony:

Patricia Danzi – general director of Swiss Cooperation, on a visit with the Territorial Water Governance Program:

“The visit is important to see basin management and the collaboration between different communities and actors that use water. Water is life. And how responsibilities are shared. The environment is very precious and when there are no droughts or floods, we do not realize its importance for us and for future generations.”

https://youtu.be/oKuNtGV_xel

Responsible land management

Sustainable land management can increase healthy food supply and contribute to reducing food insecurity for the world's population. Agrolíbano is committed to minimizing land degradation and preserving its optimal conditions for the generation of microorganisms required by plants.

Land is the raw material for agricultural production. On Agrolíbano's farms, a land management plan has been established to integrate practices and techniques aimed at the responsible management of this resource, including:

- Keep land balance through foliar diagnoses that determine the exact amount of nutrients the plant requires in its different growth stages.
- Avoid biodiversity loss by incorporating beneficial microorganisms into the soil such as Trichoderma, Bacillus Subtilis, Bacillus Firmus, EM efficient microorganisms, soil activators produced in AGROCIBI which allow the creation of optimal conditions for the development of other microorganisms helpful for land balance process and the reduction of agrochemicals use.
- Land diagnosis before sowing and during production cycles to identify the microorganisms present and beef up the lots requiring a larger amount. These diagnoses are carried out in the AGROCIBI laboratory, according to the sowing schedule of lots.

Chromatography Results on Agrolíbano Farm



AGROCIBI productions and diagnoses, 2022-2023

Product	Description	Total	Total x Mz	Unit
Soil samples (Nematodes)	Diagnosis	2207.00	2	Samples x cycle
Soil samples (Fungi)	Diagnosis	5272.00	2	Samples x cycle
Telenomus	<i>Parasitoid insect</i>	21 063.00	4	Dose
CBA trichogramma	Parasitoid insect	9333.00	4	Dose
Trichoderma spores	Beneficial fungi	126 619.00	12	Dose
PCR diagnosis	Diagnosis	1636.00	2	Samples x cycle
Agdia Analysis for Acidovorax	Diagnosis	307.00	2	Samples x cycle
Elisa analysis	Diagnosis	8382.00	2	Samples x cycle
CRYSOPAS	<i>Predatory insect</i>	7466.00	3	Dose
Bacillus firmus	<i>Beneficial bacteria</i>	39 058.00	40	Liters
Trichoderma metabolites	Beneficial fungi	55 461.00	40	Liters
Ambliseus SWIRSKII	Predatory insect	60 659.00	4	Dose
Foliar analysis	Diagnosis	1188.47	2	Samples x cycle
Bacillus subtilis	Beneficial bacteria	126 593.00	40	Liters

100% compliance with the goals set for each product and service for each farm has been achieved, allowing success in pest and disease control programs.

Avoid soil compaction by maintaining cover crops, crop rotation program and incorporating stubble from the rotation crop. The following map shows in white the areas in the rotation program for the 2021-2022 season, which sets, according to soil analysis results, which area is a priority in this land improvement process.

- Techniques used to reduce soil erosion, including planting barriers, drainage maintenance, land leveling, drip irrigation, mulching and street watering.
- Soil chromatography, which can be compared to an x-ray of the soil to diagnose deficiencies and improve soil health, balancing content of organic matter, native microbiology and organic acids. With this, it is possible to identify current land conditions in each farm, and based on this, develop an action plan to restore

its structure through the production and incorporation of oxide-reducing products.

100% of Agrolibano's soils are under a permanent monitoring program to secure their health and presence of necessary beneficial microorganisms. The image on the right is the result of the analyzes carried out on the soils where melons are grown.

Crop Rotation Map and Incorporation into the Soil



Reforestation and conservation areas program

Agrolibano has a reforestation and protection program for conservation areas that aims to:

- Restore forest cover and improve air quality to sustain and increase the carbon sequestration potential of forests, mitigating global climate change effects.

- Mitigate the environmental impacts associated to the cutting and burning of forests, which represents a crucial problem for farm water harvests, as well as for biodiversity.
- Restore the vegetation cover degraded in conservation areas, seeking to constitute these areas as forests with mild environmental impacts to improve the quality of human and natural life.

Within the conservation areas on the El Porvenir farm is located the Mike and Chuy ecopark, with an area of 82.99 hectares, which comprises local biodiversity, hiking trails, a training room, and recreation areas for employees and their families. This allows interaction with nature, respecting the park's flora and fauna. This forest reserve also protects the farm's water source and allows water to be shared with neighboring communities.

<https://www.youtube.com/watch?v=iAVw8S2X0JA>

Chuy-Mike Park Conservation Area on Porvenir Farm



The water harvesting process is complemented by an annual reforestation program of water sources, non-productive areas, recovered forests and reforestation in neighboring communities, support by the Municipal Environmental Unit (UMA, per its Spanish acronym) of each municipality. Through this program, more than 120 000 trees have been planted in the last four years and 450 hectares have been reforested. Additionally, there is an 83-hectares private forest reserve with native tree species.

Reforestation program, 2020-2023

Department of safety & environmental management/nurseries					
Farm:	2020	2021	2022	2023	Total trees
Neem	10 000	7500	6000	1600	25 100
Carreto	10 000	7500	8000	1100	26 600
Polialta	15 000	12 000	10 000	25 000	62 000
Teak	5000	1000	1000	-	7000
Total units	40 000	28 000	25 000	27 700	120 700

Source: Department of Safety and Environment, Agrolibano.

Circular economy and responsible waste management

Agricultural activity implies the need of being efficient and, at the same time, environmentally friendly. This is one of the fundamental requirements that we must meet to satisfy global customers and consumers.

Agrolibano's Comprehensive Solid Waste Management Plan includes the participation of production and packaging processing areas, as well as of all collaborators, from managers/heads of departments, security, workshops, clinics and AGROCIBI. Annual training on responsible waste management is delivered to all staff, engaging them to be an integral part of the established controls.

All waste generated is identified, quantified and its final disposal is defined. This is described in a waste and pollutants action plan reviewed and updated every year.

There are areas for the temporary storage of solid waste, where it is classified and controlled until its final disposal.

The final disposal of waste generated by the different operations is described below, some of them under agreements with different external bodies. This responsible management is validated by GLOGAL.G.A.P. external audits.

Through the implementation of the Circular Economy System, agreements have been made with certified waste recycling companies, for the use of waste, such as plastic mulch, as input in their processes. Agrolibano audits these companies on a yearly basis to verify compliance with responsible waste management.

Actions from the origin include the agreements with suppliers to ensure solid waste proper management, such as:

- With Brenntag, **100% of the phosphoric and sulfuric acid containers received with product are returned and refilled.**
- **Agreements with Cementos del Norte, Cementos ARGOS, and plastic recycling company RECCA**, allowed the annual delivery of more than 1 100 tons of plastic waste and Agribon blanket (100% waste), which are sent at the end of the season.
- **Another relevant agreement is with Chep Pallet** for the recycling of the pallets customers receive in the transport of melons. Approximately 15 000 pallets out of a total of 80 000 annual pallets used for export have been recycled.
- Annually, **100% of supply chain collaborators and warehouse managers and auditors are trained** on good manufacturing practices, occupational safety, compliance with ethical standards and legal requirements.
- **Every year, all key suppliers are audited** to assess their compliance with environmental regulations.
- As a contribution to the community, **small producers benefit from the Agribon blanket and irrigation** hose provided by the farms to the projects managed by the Agrolibano Foundation.

As mentioned in the environmental business policy, recycling is present all across the production chain.

Agrolibano has a plastic dishes factory. These dishes are placed under each melon to guarantee their quality, reduce microbiological contamination risks and moderate loss or waste due to quality defects.

The use of dishes generated considerable plastic waste each year (15 million plates). The fact of having its own factory results in no

waste. The discarded dishes are reincorporated into the production process, following Circular Economy Models:

- **Residues as resources:** by taking broken or used dishes and reusing them as raw material for the production of more dishes.
- **Circular supply:** by reincorporating waste previously generated as "garbage" to production activities. Transform them and reuse them.
- **Extension of shelf life:** by increasing the shelf life of plastic resources in melon production.



Bee protection program

Bees have an essential role in the pollination process of most plants that serve as a food source for humans. However, bees are in danger of extinction due to the impact of intensive agriculture and the inappropriate use of chemical pesticides. This could generate a serious threat to humanity and ecosystems.

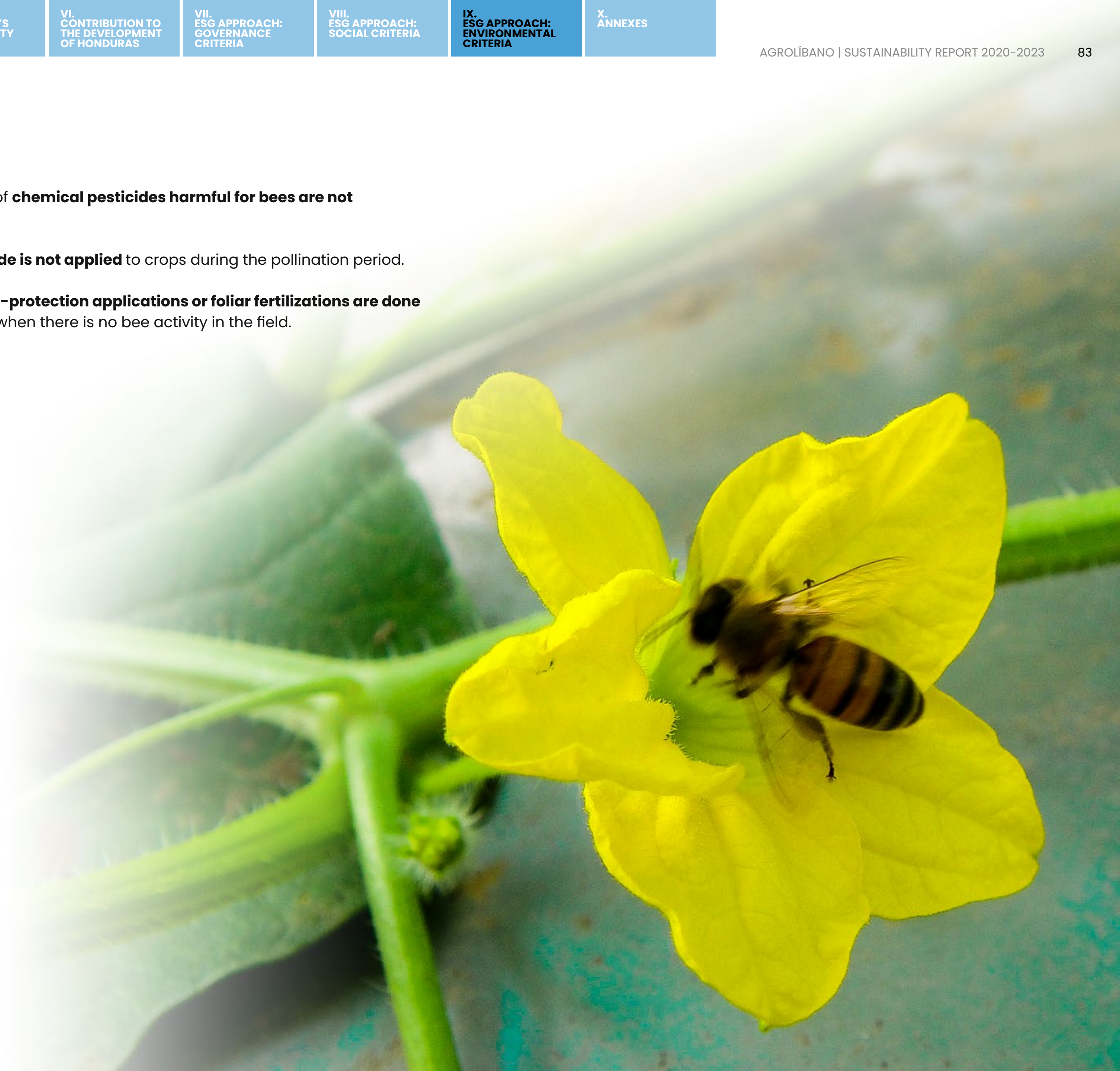
In Agrolibano, bees play a fundamental role in production processes since they determine the quantity of fruits per plant and the perfect quality of each melon. Therefore, our business sustainability depends on this important insect and its pollination process in each seedling in a certain moment.

The company counts with a Bee Production Program, with a total of 3 300 hives rigorously controlled by highly trained personnel, responsible for the health of bees and their correct feeding and use in the production process of melons. Each hive has a record to keep control of the queen, amount of bees per hives, pest control and diseases, and honey harvest.

This program allows the sustainability of ecosystems and of the production processes of melons and okra, which has high impact on environmental biodiversity. Likewise, it generates 4 000 bottles of honey per year, which are sold at cost price to collaborators in farm stores, guaranteeing access to high nutritional value food for them and their families.

To preserve a bee-friendly ecosystem and protect their environment, the following measures are implemented in cultivation operations:

- The use of **chemical pesticides harmful for bees are not allowed.**
- **Insecticide is not applied** to crops during the pollination period.
- **All phyto-protection applications or foliar fertilizations are done at night** when there is no bee activity in the field.



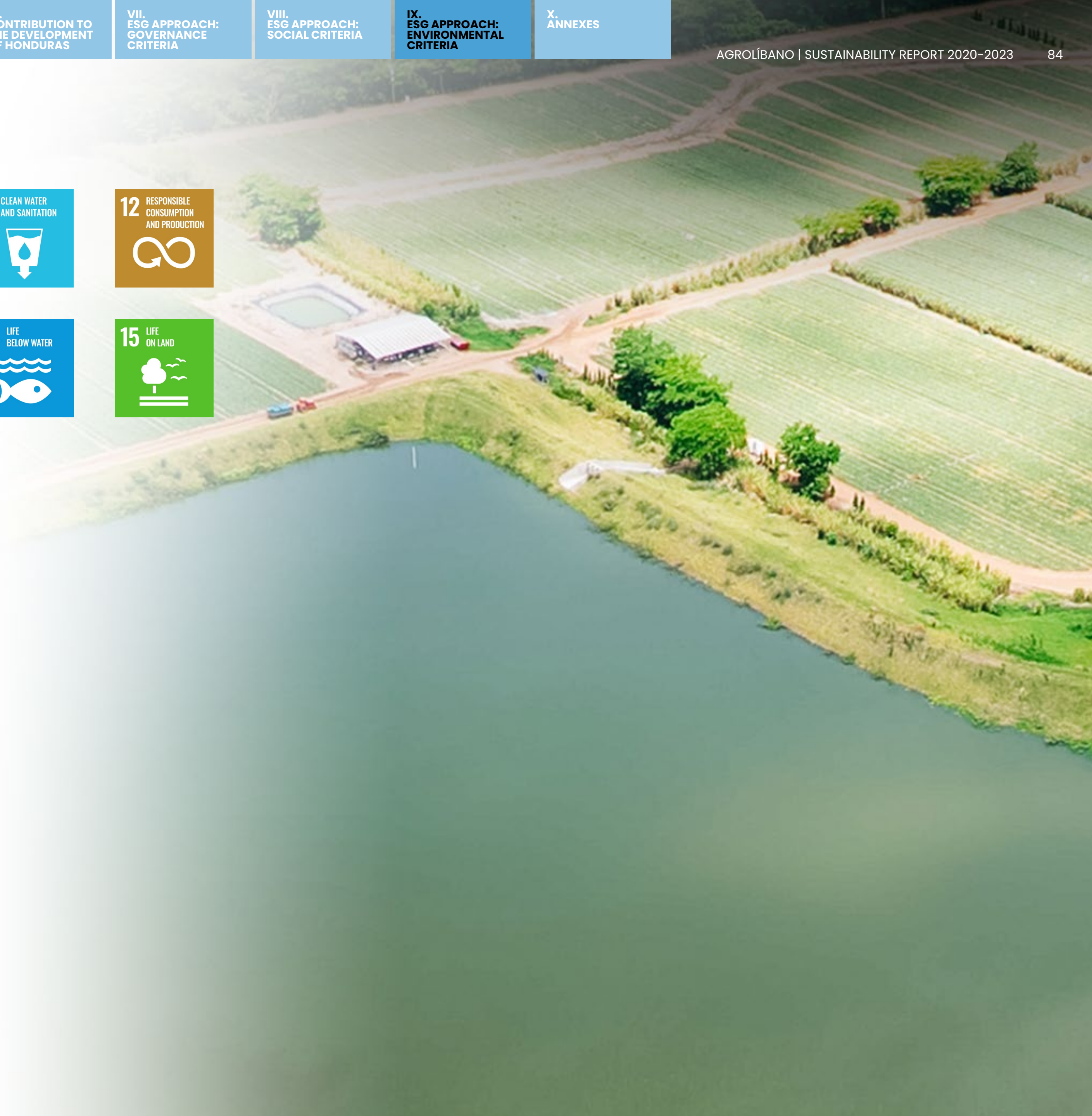
Contribution of environmental criteria to SDGs

Through the programs included in the sustainable management system of natural resources, Agrolíbano contributes mostly to SDGs in the Planet pillar, but also to the People pillar, through actions related to sustainable agriculture, guaranteeing safe and nutritious food products. Agrolíbano also contributes to the Peace pillar, by giving priority to compliance with national and international regulatory framework regulations associated to agroindustry exports.

In this period, progress in terms of sustainable water management for cultivation, support for water supply to neighboring populations and contribution to territorial water governance has been of great relevance, by actively joining micro-basin committees and the anti-drought committee in the region. Sustainable water management is complemented by the reforestation and conservation areas program. Both programs, together with responsible soil management and the bee protection program, contribute to preserving land ecosystems and climate actions.

With responsible waste management within the framework of circular economy and the reduction of pesticide use, Agrolíbano contributes to responsible production and consumption, as well as to underwater life, by reducing the amount of waste, especially plastics and chemical waste.

In this way, Agrolíbano's environmental actions contribute to SDGs 2, 6, 12, 13, 14 and 15.



X ANNEXES

GRUPO Agrolíbano
Productos saludables mejorando vidas



ANNEXES

Verification Letter



External verification report

To Agrolibano's stakeholders

Introduction

For the third-party verification of compliance with a GRI Standards Universal Sustainability Report, the following procedure was followed:

- The Agrolibano 2020-2023 Sustainability Report was read carefully based on the GRI Standard Universal assessment methodology.
- All items corresponding to the GRI Standard Universal Guide were reviewed with the people in charge of this report.

Scope of verification

The verifier's primary function was to provide a declaration of truthfulness about the information in the Sustainability Report in accordance with:

- GRI Standards Universal Guide
- ISO 26000: 2010
- UN Global Compact
- Sustainable Development Goals (SDGs)

Methodology

A methodology was defined following the GRI-Standards process, which included reviewing the content of the present report, basic and specific content data such as associated sectoral documents.

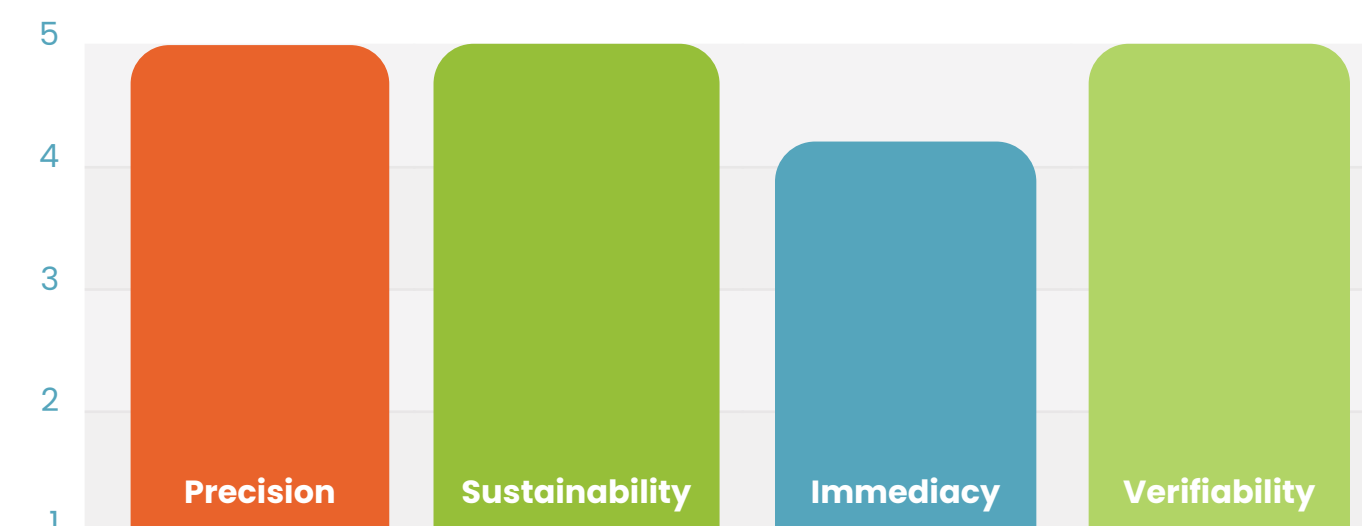
The verified information is based on Agrolibano's operations and the data provided by the reporting organization.

Conclusions

Based on the verification work, it has been concluded that the 2020-2023 Sustainability Report of Agrolibano has been prepared in compliance with the "in accordance" criterion with the guide for the preparation of Sustainability Reports of GRI Standards Universal and the quality standards mentioned above.

The following graph reflects the level of application of the principles established by the international criteria used. It shows the application of the principles that allow the 2020-2023 Sustainability Report of Agrolibano to be considered in accordance with the GRI Standards Universal criterion.

Level of Application of GRI Standards Universal Principles



Highlights

- Agrolibano's integration into the Sustainable Development Goals, its alignment with ISO 26000, the Global Compact, and the SDGs stands out, thus complying with the principles of sustainability and verifiability.
- The analysis of materiality and respect for the principles of the GRI Standards Universal, especially accuracy and verifiability, are maintained.

Areas for improvement

- Continue the process of strengthening corporate governance policies and decision-making based on ESG criteria.
- Renew actions for the integration of human rights issues, especially regarding the presence of female personnel.
- Increase initiatives in terms of risk prevention, especially those associated with climate change and its effects on soil, water, and biodiversity of communities near the organization's operations.

San Pedro Sula, June 24, 2024

Roberto Leiva
Executive Director FUNDAHRSE

Verification matrix

GRI Table of contents

 <p>Table of contents in accordance with GRI Standard Universal</p>	
Declaration of Use	Agrolibano has prepared the Report in accordance with the GRI standards for the period from August 1, 2020, to July 31, 2023.
GRI Standard Universal 2021	GRI foundations GRI General contents GRI Material topics
Thematic Standards	Governance: 2-9, 2-11, 2-16 Economic: 301-1, 301-2, 301-3 Social: 404-1, 404-2, 404-3 Environmental: 2-16, 403-4

Table of performance indicators for the sustainability report presented according to the GRI standard Universal, ISO 26000, Global Compact, and SDGs 2030

GRI General Contents								
Section	GRI Description	GRI Content	Verifier	Material Topics	Omission	ISO 26000	Global Compact	SDGs and goals
Organization Profile and Reporting Practices	Organization details	2-1	✓					
	Entities included in the sustainability report	2-2	✓					
	Reporting period, frequency, and contact point	2-3	✓					
	Re-expression of information	2-4	✓					
	External verification	2-5	✓					
Activities and collaborators	Activities, value chain, and other relationships linked to the business	2-6	✓					
	Internal employees	2-7	✓					
	Non-employee workers	2-8	✓					
Governance	Governance structure and composition	2-9	✓					
	Designation and selection of the highest governing body	2-10	✓					
	President of the highest governing body	2-11	✓					
	Function of the highest governing body in the supervision of impact management (risks)	2-12	✓	✓		6.3.6	Principle 10	16,7
	Delegation of responsibilities in risk and impact management	2-13	✓	✓		6.3.6	Principle 10	16,7
	Function of the highest governing body in the preparation of sustainability reports	2-14	✓					
	Conflicts of interest	2-15	✓	✓		6.3.6	Principle 10	16,7
	Communication of critical concerns	2-16	✓	✓		6.3.6	Principle 10	16,7
Collective knowledge of the highest governing body	2-17	✓						

GRI General Contents								
Section	GRI Description	GRI Content	Verifier	Material Topics	Omission	ISO 26000	Global Compact	SDGs and goals
Governance	Evaluation of the highest governing body's performance	2-18	✓					
	Remuneration policies	2-19	✓					
	Compensation determination process	2-20	✓					
	Annual total compensation ratio	2-21	✓					
Strategy, policies and practices	Declaration on the sustainable development strategy	2-22	✓	✓		6.2.1	Principle 8	17,17
	Policies for commitment to responsible business conduct	2-23	✓	✓		6.2.1	Principle 8	17,17
	Policy dissemination	2-24	✓					
	Process for remediating negative impacts	2-25	✓					
	Ethical advice and concern mechanisms	2-26	✓					
	Compliance with legislation and regulations	2-27	✓					
	Participation in associations	2-28	✓					
Stakeholder Engagement	Approach to stakeholder engagement	2-29	✓					
	Collective bargaining agreements	2-30	✓		There are no collective agreements			
GRI 3: MATERIAL TOPICS 2021		3-1	✓	✓		6.2.3	Principle 1	16,6
		3-2	✓	✓		6.2.3	Principle 1	16,6
		3-3	✓	✓		6.2.3	Principle 1	16,6

Table of Performance Indicators for Sustainability Report Presented According to GRI Standard Universal, ISO 26000, Global Compact and SDGs 2030

Contents by material topics							
Material Topics	GRI Description	GRI Content	Material Topics	Omission	ISO 26000	Global Compact	SDGs and goals
Social	Management of people, recruitment, selection and development	GRI 401-1, 404-2, 404-3, 408-1, 409-1, 413-1, 414-1, 414-2, 416-1, 416-2	✓		6.4.7	Principle 1	9,2
Economic	Sustainability strategy	GRI 201-1, 201-2, 203-2, 204-1	✓		6.2.1	Principle 7	12,5
Environmental	Management of natural resources (emphasis on water)	GRI 303-1, 303-2, 303-3, 303-4, 303-5, 308-1, 308-2,	✓		6.5.4	Principle 8	13,1
Governance	Management of complaints and due diligence, living ethics and integrity	2-15, 2-16, 102-14, 102-15, 102-31, 102-32, 102-33, 102-34	✓		6.3.4	Principle 1	16,7

