

# **DINANT'S IMPLEMENTATION PROCESS FOR THE VP'S INITIATIVE**

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## Commitment to the Voluntary Principles

Dinant is fully committed to implementing the VP's on Security and Human Rights (VP'S) and has been so for many years. We are confident that, not only is adherence to the VP'S the right way to conduct our business, but it has also given us a platform on which to expand our international exports and generate more well-paid sustainable jobs in the region.

Dinant's public commitment to the Voluntary Principles is posted on the Dinant website. It can be found on pages 4 and 5 of the Ethic Code. In part, this commitment statement reads:

*"Our Ethic Code and Security Policy are based on the Voluntary Principles of Security and Human Rights, a commonly accepted reference for business operations, as well as national and international standards. Also, its frame of reference is based on the main purpose of our organization (Mission) and on the qualities, that inspire our daily behavior (Values)."*

The full statement is available at (<https://www.dinant.com/wp-content/uploads/2018/12/Dinants-Sustainability-Policy.pdf>).

We refer readers to the 2019 Annual Progress Report – Dinant Voluntary Principles Implementation Program in the Annexes to this document.

Below you will find the background on the Company's VP'S Implementation Program.

As part of Dinant's efforts to comply with an Environmental and Social Action Plan (ESAP) required by the International Finance Corporation (IFC) during a critical situation related to many violent trespassing incidents at some of our properties, the Company agreed to conduct an audit process of its security operations in early 2011. The audit was guided by international best practices and was undertaken to confirm compliance with IFC's Performance Standard 4 concerning Community Health, Safety, and Security. To perform the audit, Dinant hired Charles McFetridge of McFetridge Consulting, Inc. – an internationally-renowned and widely respected consultant with vast experience of the VPs. Mr. McFetridge has personal experience with the VP Programs of Exxon Mobil, BP, Chevron, Freeport McMoRan, Barrick Gold, and several other extractive industry companies.

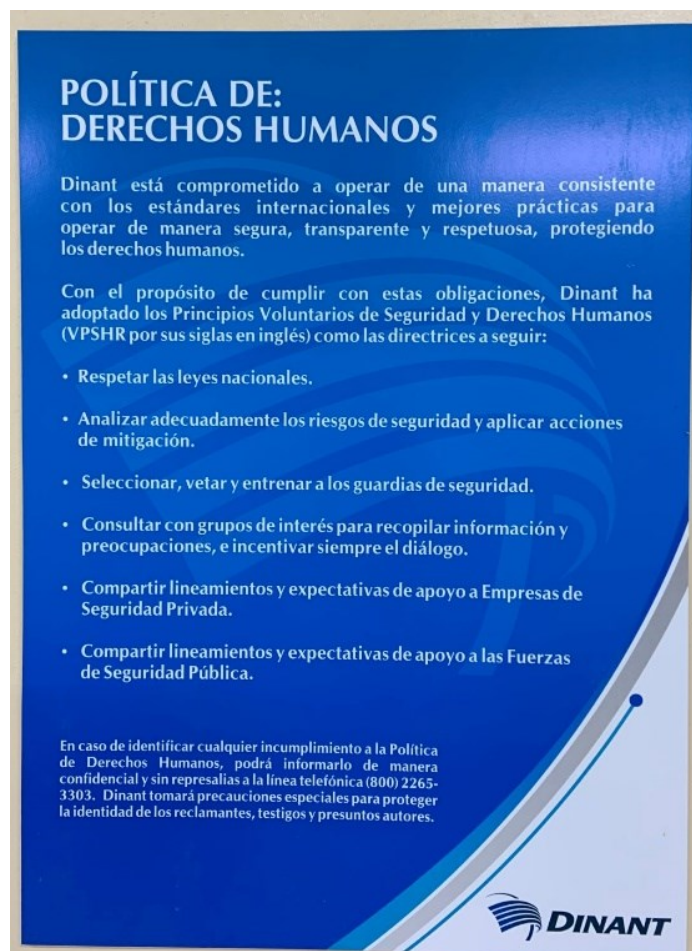
Dinant understands that the VP's are universal. The guidelines are sound business practices that any company can adopt for its own benefit or for that of local communities impacted by the company's operations and the host country's public security forces. From the beginning of its VPs implementation program, Dinant has considered it crucial that all members of the Dinant Team understand and fully commit to the implementation of the VP's initiative. The Company has made sure that all of its work force is trained in, and part of, the implementation process, including those working in the first line as well as middle management and senior directive positions. The Program has always had the full support of the Dinant's Executive President.

To ensure the Company's continuing commitment to the VPs, refresher training is required of all staff. In 2020, Dinant provided mandatory on-line training for several of the Company's certifications related to quality control, environmental and social management systems. This training included reference to Dinant's ethics code and the VP'S Implementation Program.

Three years ago, Dinant determined that the social liaison staff would conduct VP'S training for all employees, as well as monitor compliance of the Company's VP'S Implementation Program.

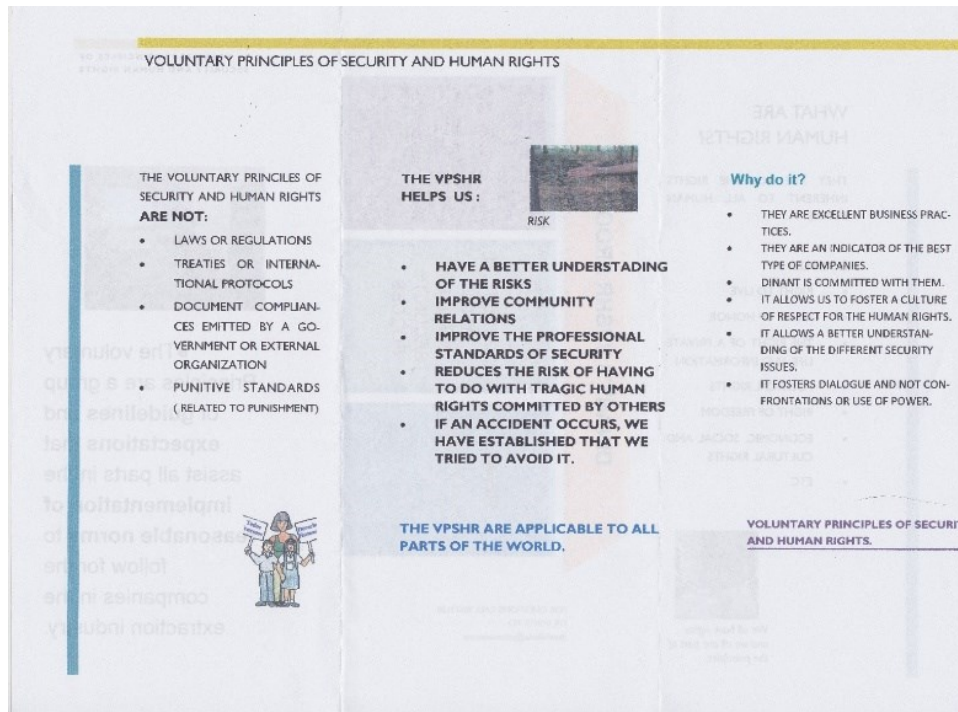
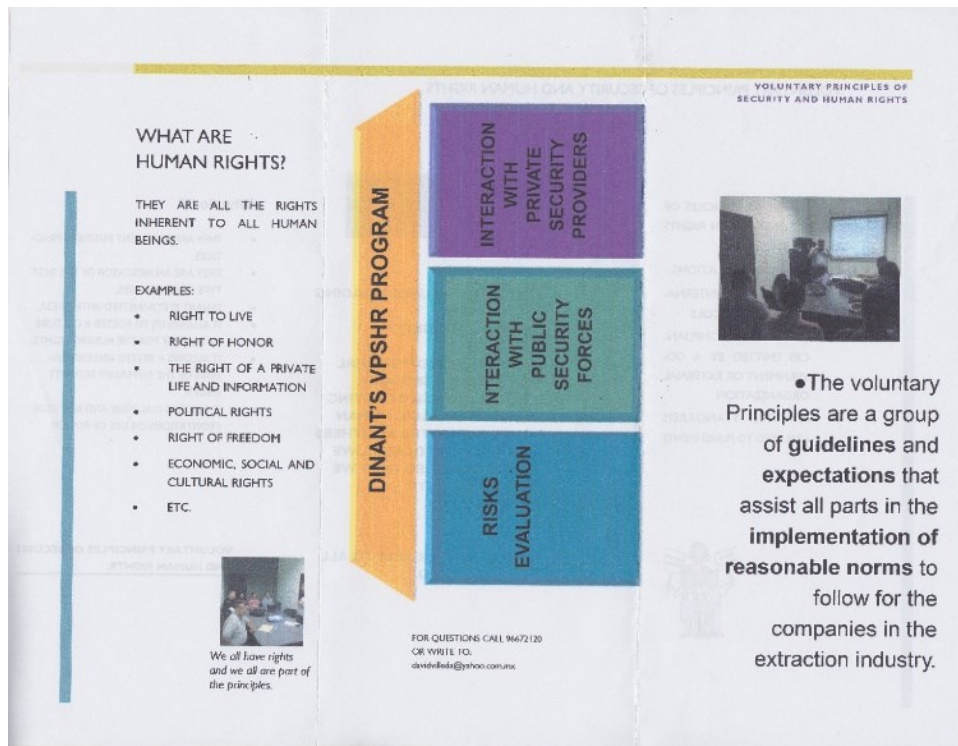
Dinant has long had a binding public commitment to ethical behavior and respect for human rights. This commitment has been prominently posted at all Dinant facilities, operations, and sites in Honduras. Further, it is required for ALL contractors, particularly security service providers, agree to adopt the VP's and to train their personnel assigned to Dinant in the expectations of the VP's. (See Annex for a copy of this letter).

In addition, we have a well-developed Grievance Resolution Mechanism (GRM), established in consultation with local communities, at each major installation. Procedures include special provisions for allegations of human rights abuse and protecting the confidentiality of anyone making allegations. The GRM has been disseminated to all employees and to neighboring villages. There are four different ways to bring issues to the attention of Dinant for resolution. Separate human rights allegations logs are available to maintain this confidentiality. To date, no such allegations have been received.



Dinant has closely followed the evolution of the VP's Initiative (VPI) and monitored the changes and evolving guidance to ensure the Company remains compliant with the spirit, as well as the letter, of the Governance Rules.

In addition, Dinant is in the process of reprinting handout flyers for each major site describing the VPs and providing relevant information in Spanish and English. These flyers are also provided to the local communities during meetings with them by the Social Team members.



Full size copies are included in the Annex.

Dinant was invited to participate in the VPs Plenary Sessions in Bogota, Colombia in April 2016, Washington DC, United States of America in 2018, and London, UK in 2019. The Company was also invited to attend the Annual Plenary in Canada in 2017, but sadly, due to a miscommunication, the invitation arrived too late for Dinant executives to be able to comply with the visa application process in time to attend. As an Engaged Member, Dinant was invited to participate at the Annual Plenary in Switzerland in 2020 that, as we all know, had to be suspended due to the travel restrictions imposed by the COVID-19 pandemic. However, Dinant did participate in the subsequent electronic Annual Plenary Meeting held in April 2020.

Dinant has also participated in some very useful meetings called by the VPI Secretariat including:

1. In-Country Implementation working groups
2. Conflict Project
3. In-Country Working Group Roadmap Consultation

Also, Dinant met with the Secretariat to address the conflict project and the possibility of finding new initiatives that might be useful in resolving local conflict in Dinant's area of operations. Fortunately, these issues have significantly decreased over time. While these confrontations have abated, the issue remains among the Company's highest priorities to find a long-term and sustainable solution.

Dinant has made continuing and significant efforts to engage with the Government of Honduras and the Honduran Public Security Forces on the issues embodied in the VP'S. In addition, Dinant has worked with the Honduran Human Rights Commission both at the local and national level to address these same concerns. Dinant has shared copies of the VP'S with government ministries, legal authorities, police and military commanders, and other senior officials of the Honduran Government. The Company takes every opportunity to encourage the Government to open discussions with the VPI about joining as a country member.

While the NGO community in Honduras is generally more focused on environmental and labor issues than on human rights, Dinant continues to reach out to organizations, including those traditionally less sympathetic to corporations, to open dialog and develop processes to advance and strengthen peace in Honduras, especially in the Aguan Valley.

Dinant strongly supported efforts by the Consensus Building Institute, appointed by the IFC, facilitate dialogue between all parties. This was just one of several efforts to discuss and develop a process to advance the wellbeing of all concerned.

Recently, Dinant began an outreach program to Indigenous communities in Honduras. As a function of that program, Dinant is searching for local partners who represent these minorities with whom the Company can work. Any recommendations in this area are welcome.

To date, there are no other Participants or Engaged Members of the VPI in Honduras. However, working through word-of-mouth recommendations, Dinant has directly influenced more than half a dozen other companies in Honduras to adopt the VPs for some of their operations. Two other Agro-businesses in Guatemala have also engaged in training and the implementation of the VP'S in conflict areas. None of these developments would have occurred without Dinant's successful example.

Dinant has used the VP'S as a building block in other highly respected international certifications. These include the Business Alliance for Secure Commerce (BASC) international security certification; ISO 14001, and ISO 45001; as well as ISCC EU and ISCC Plus. In each of these programs for good governance and responsible operations, Dinant's VP'S Implementation Program has provided valuable processes and procedures that meet or exceed international standards. For example, Dinant's Risk Assessment process, developed directly from the VP'S, was a primary factor in developing high quality environmental protection programs that met ISO 14001 requirements.

Dinant continues to regularly share its programs and successful examples with different stakeholders. This is done directly as well as through media releases, speaking programs and statements published on the Company's website.

Dinant has been invited to share its experience implementing the VP'S in several public forums. The Company has twice been invited by the United Kingdom's embassy for Honduras and Guatemala to participate in public programs on human rights in Honduras. The IFC included Dinant on three occasions, one in Washington D.C., one in Guatemala City, Guatemala and one in Tegucigalpa, Honduras to discuss Dinant's success in implementing our human rights policies and VP'S. The most recent event focused on the relevance of capacity building for IFC's clients. This forum included representatives of most of Honduras's banks. Among many issues, Dinant was able to explain to the banks' representatives the relevance of Human Rights matters and how Dinant used the VPs as an opportunity to enhance the Company's performance and strengthen its reputation as "The Best Company to Work For" in Honduras (recognized by the annual award of the Great Place to Work® Institute of Central America and the Caribbean).

The Company has shared experiences and commitment at different meetings with institutions such as the Private Companies Honduran Council/Consejo Hondureño de la Empresa Privada (COHEP), the National Industrials Association/Asociación Nacional de Industriales (ANDI), and others.

Even before Dinant was accepted as an Engaged Member, as part of its implementation process Dinant elaborated and shared with different stakeholders its annual Progress Reports on its VP'S Implementation Program. These are available on the Dinant website.

Dinant requires third party, contract security suppliers to comply with the Company's VPs Implementation Program, including VP'S training for all security company management and guards. Failure to comply is justification for Dinant to terminate the contract without penalty.

In 2019 and again in 2020, Dinant sent letters to all suppliers and contractors to make them aware that compliance with the Company's policies, including the Human Rights policy, was mandatory. Efforts to complete the documentation of acceptance from Company's contractor and suppliers is under way. This process is led and monitored by the internal auditing department (copies of both letters are attached in the Annexes).

Dinant has met with different government officials to share the Company's VPs implementation efforts and challenges, including the Honduran Human Rights Minister. On two occasions, Dinant representatives met with the local United Nations Human Rights Representative in Honduras and at least twice with the UN Human Rights Rapporteur during visits they made to Honduras. The Company has also met with diplomatic representatives of the European Union and several individual countries. As previously stated, Dinant has participated in international forums (sponsored by the IFC and the Fund for Peace) where the Company was able to share its challenges and experiences during implementation process.

The Company has met several times with the Honduran Committee for the Defense of Human Rights/Comité para la Defensa de los Derechos Humanos en Honduras (CODEH), sharing the Company's experiences as well seeking to identify joint initiatives. The Company has also met with representatives of the Honduran National Human Rights Commissioner/Comisionado Nacional de los Derechos Humanos en Honduras (CONADEH). On December 22, 2020, the election for a new person in charge of this entity was announced. Dinant will try to meet with this new government official, (as it did with the two predecessors), as soon as possible to share the Dinant's experiences and challenges. In the early stages of Dinant's implementation process (before the Company was first invited to participate on the VPs Plenaries), Dinant met with representatives of Non-Government Organizations Federation for the Honduran Development/Federación de Organizaciones No Gubernamentales Para el Desarrollo de Honduras (FOPRIDEH).

As part of Dinant's implementation process, the Company's social liaison staff meets at least twice a year with a random selection of members of local communities to share with them the Company's implementation process. During these meetings, community members ask questions about the program and provide feedback to strengthen confidence in it.

As part of Dinant's wide-ranging sustainability program, the Company carries out an Environmental and Social Impact Assessment (ESIA) on its Oil Palm operations which is later discussed with community members impacted by them (17 communities in the Lean Valley and 21 communities in the Aguan Valley) in public assemblies or open forums. Using the results of these meetings, impact mitigation and monitoring plans are defined, and the essential budget funding is granted to execute the mitigation plans. This reduces potential adverse impacts which may escalate into conflict. Follow-up and implementation of the mitigation plan has proven to be successful in decreasing potential conflict.

Dinant has never hesitated to share its experience implementing its VPs program and is always open to advice on how to improve the Company's program.

## Policies, Procedures, and Related Activities

Dinant has put in place robust Human Rights and Security Policies. Such policies are part of Dinant's overall sustainability policy. In general, all the Company's policies are open to revision when needed and are updated at least once a year. Dinant policies related to Human Rights can be found at the following links:

Sustainability Policy (Spanish): <https://www.dinant.com/wp-content/uploads/2018/12/Libro-Politica-Sostenibilidad-Dinant-2019.pdf>

Sustainability Policy (English): <https://www.dinant.com/wp-content/uploads/2018/12/Dinants-Sustainability-Policy.pdf>

Security (Spanish): <https://www.dinant.com/wp-content/uploads/2018/12/Politicad-Seguridad.pdf>

Security (English): <https://www.dinant.com/wp-content/uploads/2018/12/Security-Policy-Dinant.pdf>

Human Rights Policy (Spanish): <https://www.dinant.com/wp-content/uploads/2018/12/Politicad-Derechos-Humanos-1.pdf>

Human Rights Policy (English): <https://www.dinant.com/wp-content/uploads/2018/12/Human-Rights-Policy.pdf>

Dinant has assigned responsibility to the social liaison staff to conduct training for all Company employees as well as to audit compliance of the Company's security staff with the VPs. To undertake this role, the social liaison staff was trained by the Human Rights consultant to ensure they have the skills to deliver such training. In addition, the social liaison staff is directly responsible to report their efforts and any challenges they may face to the Corporate Social and CSR Manager, who in turn reports directly to the Corporate and Sustainability Director who has full access to the Company's Executive President. The social staff is separate from operational positions to ensure training standards and solutions are provided for the implementation process to be successful. Discussion forums among the social staff are in place to exchange experiences on how to face challenges at the various Company locations.

Dinant's training for the VP's consist of 7 training modules which in general cover the following:

1. Introduction to the Voluntary Principles. This training module includes:
  - a. An introduction to the Voluntary Principles.
  - b. Explanation on why the VPs represent Dinant's core values.
  - c. Provision of a critical guide for navigating through the dilemmas of today's challenging security environment.
  - d. The international environment.
  - e. The evolving international human rights framework.
  - f. How the current environment can lead to human rights violations or their allegations.
  - g. What the VP'S are and the business case for them.
  - h. History of Dinant's involvement with VP's on Security and Human Rights.
  - i. Responsibilities for implementing the VP'S.
2. Implementation and Risk Assessment. This training module includes:
  - a. Discussion on implementation of the VP's at site.
  - b. Explanation of what a risk assessment should deliver.

- c. How to deliver the best value to the business unit.
  - d. The difference between a security risk assessment and other forms of risk management.
  - e. The strengths and benefits of a comprehensive risk assessment.
  - f. Common pitfalls of risk assessments.
  - g. How a good risk assessment supports the overall security strategy and validates security resource requirements.
3. Role of Public Security Forces in Site Security. This training module includes:
- a. Discussion of the involvement of the public security forces in Company security and the dilemmas associated with that involvement.
  - b. Public security force types, capabilities, and roles.
  - c. Human rights risks associated with their involvement.
  - d. Dealing with the risks through engagement, management of support and training.
4. Public Security Forces –Managing the Relationship. This training module includes:
- a. Discussion on the Company’s responsibilities for managing the relationship with the public security forces as outlined in the VP’s for Security and Human Rights.
  - b. Outlines techniques, drawn from industry experience, for successfully managing this always sensitive and sometimes difficult relationship.
5. Role of Private Security Forces in Site Security. This training module includes:
- a. Private security and Company standards, national law, and best practice.
  - b. Role and conduct.
  - c. Vetting a provider and guard background.
  - d. Contract provisions.
  - e. Level of professionalism with firearms and use of force.
  - f. Use of force standards and policies.
  - g. Monitoring private security’s performance.
  - h. Recording and investigating abuse allegations and use of force incidents.
6. Private Security Forces –Managing the Relationship. This training module includes:
- a. Discussion on the Company’s responsibilities for managing the relationship with private security as outlined in the VP’s for Security and Human Rights.
  - b. Discussion on management of the Company’s relationship through contract structure, careful screening, and active oversight to ensure good performance and to minimize the risk of human rights violations.
7. Special Management Issues, Investigations, Reporting, Stakeholder Engagement. This training module includes:
- a. Outline Dinant’s responsibilities and recommend procedures for investigating allegations of human rights abuses.
  - b. List some effective ways to capture grievances, including allegations of abuse.
  - c. Outline procedures to protect confidentiality.
  - d. Recommend a reporting system that captures allegations.
  - e. Suggest ways to report the results of the preliminary inquiry to the appropriate officials.
  - f. Explain the principles of stakeholder engagement.
  - g. Identify the main security and human rights stakeholders.
  - h. Discuss stakeholder interests and equities.

Training is delivered to all of Dinant's employees in the Honduran operational sites:

- The consumer goods products manufacturing and operational facilities in the Comayagua Valley which include the Foods and Home Care products, the green houses facilities, and the fresh vegetables packaging facility.
- The Snacks manufacturing facility and main distribution center in San Pedro Sula City.
- The Bleach products manufacturing in Choloma City.
- The Oil Palm Extraction Mill and Oil Palm Plantations in the Lean Valley.
- The Oil Palm Extraction Mill and Oil Palm Plantations, as well as the Fats & Edible Oils manufacturing facility in the Aguan Valley.
- Training is also provided to Dinant Staff at the Corporate offices in Tegucigalpa City.



**Training to Dinant's security staff on the VP's at the Oil Palm operations**

Continuous training on the ground has proven to be an effective tool to make sure local management, as well as local security leaders, are aware of the Corporate mandate to implement the VPs at all Company's operations. At Dinant's main operational facilities, a copy of the Company's sustainability policies, which includes the Human Rights Policy, is posted in public locations available to the local staff. Posters and short procedure descriptions on sensitive issues (for example the use of force) and about the Company's VPs program is visible to everyone.

**RISK ASSESSMENT (RA)**. From the early stages of Dinant's implementation process, the Company has worked on a continuing basis on the risk assessment as a critical element of the Company's implementation process. In general, all threats are to be considered, regardless of the threat's origin or characteristics. A threat can be related to operational hazards, environmental, social, security or human rights issues. Dinant's risk assessment process covers the following aspects:

1. Threat identification and registration of such in the risk matrix.
2. Vulnerability Assessment.
3. Risk analysis, which has 2 variables playing in such analysis: Probability on the X axis and Consequence on the Y axis of a matrix chart.
4. Priority for Management carrying such risk assessment is to define strategies to:
  - a. Deter
  - b. Deflect
  - c. Mitigate
  - d. Recover

5. List of Feasible Measures (Mitigation Action Plan).
6. Determine Resources – Cost/Benefit Analysis.
7. Decision to commit resources
8. Allocation of:
  - a. Responsibilities for each mitigation measure
  - b. Resources required to deliver the measure (personnel, equipment, procedures, budget)
  - c. Time required to fully implement the mitigation measure (when will it be in place)
9. Once the mitigation plan is set in motion, the responsible staff members are required to re-evaluate their progress on a regular basis to deliver successful risk mitigation with their site manager or their respective senior Dinant manager.

In accordance with the Company's policies, all the risk assessment processes must be validated at the highest corporate position within the Company, which helps strengthen the implementation process and ensures delivery of the plan.

The current Risk Assessments are confidential. However, the methodology and process are clearly described in a Power Point presentation of the RA from 2013; this presentation can be found in the Annexes. An example of the Mitigation Action plan is included in the presentation.

## Country Implementation

Despite multiple efforts with different government officials to motivate the Honduran Government to join the VPs, these efforts have been fruitless. Dinant's efforts include a letter dated February 8, 2018 from Dinant's Executive President, Miguel Mauricio Facusse, to the Honduran President, Juan Orlando Hernandez, sharing Dinant's experiences implementing the VPs as well as asking the Honduran President to put forward Honduras as a candidate to join the initiative as part of the Government Pillar. A copy of this letter was sent to Mrs. Heide Fulton, then acting as the Chargé d'Affaires, at the American Embassy in Honduras.

Honduras is not a member of the VPs; however, the Company has been able to engage with diplomatic representations of Government Pillar members such as the United States of America and the United Kingdom. The Company has not been able to identify any other representatives for the Corporate or Social Pillars in Honduras.

Dinant is cognizant of its responsibilities to support and disseminate the VP's. The Company has drafted and submitted a Memorandum of Understanding to the Honduran Public Security Forces. However, it is their policy not to enter into bilateral agreements with private companies. In response, the Company has escalated the request to the ministerial level and await their response. (A copy of the DRAFT MOU is attached in the Annexes.)

Dinant is rightly proud of the Grievance Resolution Mechanism it has fielded at each of its major sites in Honduras. The process used to develop the procedures is detailed in the Company's 2019 Annual Report (attached in the annexes).

Dinant uses a very detailed and specific internal evaluation system for tracking progress in implementing the VP's. The process uses a matrix to quickly report the current status of each element of the VP's. The determination of the status for each element is defined in an Implementation Checklist. Current examples of these are sensitive, but examples from 2015 of these are included in the annexes.

An example of the Dinant implementation of VP's in action can be found in the Annex - The Missing Man.

## Lessons and Challenges

### **1. When security situations arise now the Company has systems and processes in place to handle them quickly and professionally.**

Our security staff in the past was not properly trained. Specifically, when confrontation or direct conflict situations arose, they did not have the proper skills to manage those situations, especially when firearms were present. Since 2014, Dinant's security guards have not carried firearms. They are properly trained to minimize the use of force and in ways to de-escalate confrontations.

### **2. The Company learned how a formal social engagement program with dedicated liaison staff on the ground can improve relations with local communities.**

Dinant used to have an informal community engagement mechanism. The Company realized this process was not fully effective. In response, Dinant established a community relationship program and a community Grievance Resolution Mechanism at all sites. Each location consulted with and received input from the neighboring communities. Implementation of the Grievance Resolution Mechanism has significantly improved communication channels with communities. The results are integrated into Dinant's community engagement program and create initiatives to mitigate any possible negative impacts its operations may cause.

Dinant continues to reinforce its community engagement program by meeting with local communities and explaining the most relevant issues to them. This is done through:

- The social management system,
- Findings of the social base line study,
- The community engagement program,
- The VP's on Security and Human Rights program, and
- The results of our Social and Environmental Impact Study (SEIS), among many other subjects.

Dinant's social team members have developed trust among communities that has enabled them to help solve issues that are unrelated to Dinant activities



Community Assemblies-Community Engagement Program



The implementation of a formal social engagement program has enabled Dinant to find simple and reliable ways in which communities' members can reach out and communicate with the Company and find constructive and sustainable solutions that create a safe and secure environment for all parties.

**3. Relevance of having a risk assessment for each of the Company's operations, can help identify the origins of some issues, thus providing the Company with an early warning system of potential conflict.**

Dinant understands how important a formal, updated Risk Assessment analysis is to our business.

The Risk Assessment drives the Mitigation Action Plans that deter, deflect, or mitigate the consequences of many hazards, some of which might be caused by Dinant's operations.

**4. Need for highly professional, well trained security staff.**

Today, when our security guards face a possible confrontation, they are trained in ways to manage the situation, maintain a calm presence, and avoid negative actions.

Training the security staff and taking the bold and unprecedented step to remove firearms from the guards in 2013 has created a more suitable internal environment for all our security staff. Security members report they are now perceived positively and treated as colleagues by all Dinant's staff.

**5. Importance of transparency and engagement with all stakeholders.**

Dinant has a long and consistent record of cooperation with stakeholders. Among others, Dinant has engaged with the IFC, Fund for Peace, World Wildlife Federation, Human Rights Watch, Foley-Hoag LLC and implemented recommendations from each. Dinant responds to every inquiry from media or academia with full transparency. Indeed, even those who take issue with Dinant must admit the Company has never refused dialogue.

Dinant has learned that engaging with all stakeholders in a transparent way often results in a constructive solution to a problem that, if not properly addressed, may escalate into confrontation and conflict.

**6. Under the VPs we can secure our properties without firearms.**

Removal of firearms from our security staff has changed the dynamics of an ongoing, challenging situation for Dinant. This was unprecedented. Even now, well-armed security guards are a common sight elsewhere throughout the country, but NOT on Dinant property.

Violence associated with trespassing events has decreased but not disappeared. Dinant security personnel continue to be targeted. Unfortunately, well-armed criminal organizations and a few irresponsible individuals remain at large in parts of the country and continue to prey on citizens, communities, and companies like Dinant.

**Challenges of doing business in the Aguán and Lean Valleys.**

Dinant operates in areas of Honduras that have historically suffered from a limited Government presence, scarce private and public investment, and few job opportunities, which many believe have resulted in high crime rates and insecurity. For example, trespassers have been illegally occupying two of Dinant's oil palm plantations in Northern Honduras since August 2017 and March 2018 respectively, costing the company millions of dollars.

These events are symptomatic of much greater structural problems in the region, including drug trafficking, limited rule of law, and abuse of private property rights, resulting in reduced national and international private investment which could help generate job opportunities in those regions. Together with high crime rates (although these have improved in recent years), these have contributed to illegal migration to other countries, especially the United States. Dinant has operated in Northern Honduras for many years and, despite the huge cost of illegal invasions and occupations of our plantations, we remain deeply committed to the wellbeing of our employees there, the many farmers who supply our processing plants, and the surrounding communities. Dinant's total commitment to the VP's— such as peaceful engagement with local communities and our extensive security modernization program – has significantly contributed to our ability to navigate these underlying challenges.

However, Dinant is committed to the region for the long term. That is why we have consistently engaged energetically, peacefully, and transparently with those who hold different views in the belief that common points of mutual agreement can be found. We regularly invite interested parties – including our critics – to visit our Oil Palm plantations in the Bajo Aguán region, as well as the rest of our operational sites, to see the results of the extensive resources that Dinant is investing in community engagement, and environmental and social management.

While Honduras can be a challenging place to do business, Dinant has proven that it is possible to do so successfully, honestly and transparently. The VP's are embedded at the core of our business model, ensuring that we consistently engage peacefully and respectfully with local neighboring communities.

## **Engaged Member Progress on Implementation**

Dinant is relentless in pursuing greater implementation of the VP'S.

The company has trained cadre experts, security managers, and contract security providers in an intensive 32-hour training session on the VPs initiative.

Despite the many challenges associated to the land trespassing events and criminal activity in many parts of the country, the company continues to implement the decision to have withdrawn the firearms from its own security guards and security services third party contractors at all of its manufacturing facilities, Oil Palm extractions mills, Oil Palm plantations, its main distribution centers, located in San Pedro Sula and Tegucigalpa and the Corporate offices.

Dinant has willingly submitted to multiple external audits and inspections which has provided input on how to improve its implementation process that the company has implemented.

Dinant's grievance mechanism continues to strengthen, including local communities input as previously referred to in relation to the company's Environmental and Social Impact Assessment (ESIA) which is planned to be implemented in 2021 in all Dinant's operational sites.

Despite the many challenges associated to the ongoing Pandemic, the company has continued providing VPs training.

Regrettably, the combination of the COVID-19 pandemic and two major hurricanes in the region have slowed down plans to expand the VP'S Program to other Dinant operations in Central America and the Caribbean region. However, the initial plan has made some progress, The Security managers from El Salvador and Guatemala were trained in the VP'S in 2019. Following this, Dinant staff trainers conducted full-scale training for the management staff of Dinant-Guatemala. They also did a security audit of the offices and warehouse facilities in Guatemala City.

In the short-term, Dinant's efforts in Honduras are focused on sustainment of the Program, updating the Risk Assessments at each location, and initial training of new employees as part of its induction process.

In the long-term, the Company plans to align each Dinant country business unit with a trained VP'S Subject Matter Expert (SME). The SME will train and monitor the roll-out of the VP'S Program in each country, beginning with a formal Risk Assessment.