DINANT’S IMPLEMENTATION OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS IN 2023

2023 Annual Report
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Commitment to the VPs:

Implementation of the Voluntary Principles on Security and Human Rights (the “Voluntary Principles” or “VPs”) initiative is a continuous process to which Dinant (“the Company”) is and has been fully committed.

Dinant is a Honduran company that was founded in 1960, it’s a consumer – packaged goods (CPG) manufacturer and sales distributor, currently having five primary business divisions: Snacks, Fats & Edible Oils, Foods, Home and Personal Care, and Agribusiness. The manufacturing operations are spread out across Honduras, including crop operations in Comayagua; palm oil extraction and cultivation operations in the Leán and Aguán Valleys; CPG manufacturing facilities in San Pedro Sula, Choloma, Comayagua, and in the Aguán Valley; and sales distribution facilities across Honduras, and in other countries such as: Guatemala, El Salvador, Nicaragua, Costa Rica and Dominican Republic. The corporate offices are located in the capital of Honduras, Tegucigalpa.

Dinant’s business model is underpinned by an extensive corporate social responsibility (“CSR”) program that focuses on demonstrating respect for nationally and internationally recognized human rights, sustainable product development and resource management, community engagement and development, workforce well-being, and responsible security operations. In addition to its participation in the Voluntary Principles Initiative (“VPI” or “the Initiative”), Dinant is a member of several other organizations that focus on human rights and sustainability – including Banco De Alimentos Honduras, Fundación Hondureña de Responsabilidad Social Empresarial, and Alianza Empresarial para La Sostenibilidad en Centroamérica.

Dinant is widely respected in Honduras and has been recognized as “The Best Place to Work” in Honduras, awarded by Great Place to Work Central America and the Caribbean ® in 2020, and in 2023 was granted the Empresa Más Atractiva para Trabajar (EMAT) an award that recognizes the most attractive companies to work. It also holds numerous certifications. These include a certification from the Business Alliance for Secure Commerce (BASC) and three certifications from the International Standards Organizations (ISO): ISO 9001, which is the standard for a Quality Management System; ISO 45001, the Occupational Health, and Safety Management Standard; and ISO 14001, for Environmental Management Systems. Additionally, we hold two of the International Sustainability and Carbon Certifications (“ISCC”): the ISCC EU, which is recognized by the European Commission and demonstrates compliance with the sustainability criteria for biofuels and bioliquids; and the ISCC PLUS, the certification for plastics and chemicals, food, and feed markets, including the biofuels outside the European Union and UK.

Since 2013, Dinant has been passionately committed to implementing the Voluntary Principles in the different sectors and cities that the Company operates. While companies outside the extractive industries were ineligible to join at that time, Dinant recognized the VPs were “best practices” regardless of membership. Dinant promoted the VPs publicly from the beginning through various platforms, as well as to the Honduran business community.
The Company has since created different initiatives to align its practices to the VPs. In 2017, Dinant’s Social Team conducted VPs training for all employees, as well as monitoring compliance of the Company’s VPs Implementation Program. This effort continues through annual refresher training. 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, ALL contractors, particularly security service providers, are required to adopt the VPs and to train security staff assigned to Dinant regarding implementation of the Voluntary Principles.

Since in 2020, Dinant has provided mandatory on-line training for several of the Company’s certifications related to quality control, environmental, and social management systems. This training includes Dinant’s ethics code and the VPs Implementation Program, with the main goal being to ensure that every Dinant employee knows the importance that the VPs play in our operations. A one-hour course was created for all new employees as part of their induction to the Company. In 2023, 1,184 employees received this training. Additionally, our existing employees received courses on what the Voluntary Principles are, how we implement them, and rules for the proportionate use of force (for security guards).

The Company also trains community members, outsourced employees, and governmental authorities regarding the VPs. In 2023 we were able to train 145 community leaders and local authorities.

Dinant understands that the VPs are universal. The guidelines are sound business practices that any company can adopt for its benefit and for the benefit of local communities impacted by the company’s operations. The VPs can also be adopted by 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 principles’ effective implementation. The Company has ensured that all its workforce, ranging from employees working in the field to middle management and senior executives, are trained with respect to the Company’s VPs commitments. The training program has always had the full support and direct involvement of Dinant’s Executive President.

To properly maintain a good relationship with the communities, Dinant has a well-developed Grievance Resolution Mechanism (“GRM”), established in consultation with local communities at each major installation. This involves firm procedures that include special provisions for allegations of human rights abuse and protecting the confidentiality of anyone making such 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: “tip boxes” located in easily accessible places in the communities, through the email mdrc@dinant.com, directly with the Social Team, and through the website Dinant - GRM Contact. These methods all include human rights allegations logs which are used to ensure that complaints can be made anonymously and confidentially. Employees from the Social Team have also been trained to handle a wide variety of situations. To date, Dinant has yet to receive an allegation through the GRM of any human rights abuse committed by a Dinant employee, contractor, or affiliate.
Dinant is committed to the pursuit of sustainable operations, actively managing social value, environmental responsibility, and economic viability towards the growth and expansion of the business. Our Sustainability Policy is based on the following nine pillars.

1. Respect for human rights and relations with workers and communities
2. Occupational Health and Safety
3. Conservation and Protection of the Environment
4. Code of Ethics
5. Social Responsibility
6. Labor Administration
7. Control and Security
8. Quality and Safety
9. Supply Chain and Traceability

The Company has closely followed the evolution of the VPs and monitored the changes and evolving guidance to ensure it remains compliant with the spirit, as well as the letter, of the Governance Rules. In addition, Dinant is reprinting handout flyers regarding the VPs for each major worksite. This information is provided in Spanish and English. The flyers are also provided to the local communities during meetings with the Social Team members.
Pictured above are the flyers that are found in Dinant’s facilities and shared with local communities. They explain how to implement and promote the Voluntary Principles. This example is from distributed in the Aguan region.
Dinant has also participated in the VPs Annual Plenary Sessions; including Bogota, Colombia in April 2016; Washington DC, United States of America in 2018; London, UK in 2019; the electronic meetings held in April 2020 and March 2021; and London, UK in 2023 where a Dinant representative made a presentation about the Company and its continuous efforts to implement the VPs. Dinant participated in several extremely useful meetings convened by the VPI’s Secretariat including:

1. The In-Country Implementation Working Groups.; and
3. The In-Country Working Group Roadmap Consultation.

This year has been especially challenging given the multiple invasions of Dinant’s properties. The search for a long-term, sustainable solution to this recurring problem remains among the Company’s highest priorities. To this date, we have 51% of our Oil palm plantations invaded, where we can’t even access the crops, due to security reasons.

Dinant has made continuing and significant efforts to engage with the Government of Honduras and the Honduran Public Security Forces regarding the VPs. In addition, Dinant has worked with the Honduran Human Rights Commission both at the local and national level to address human rights concerns. Dinant has shared copies of the VPs 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 engage in discussions with the VPI about joining as a country member.

Although the NGO community in Honduras is generally more focused on environmental and labor issues than human rights, Dinant continues to reach out to organizations, including those traditionally less sympathetic to private corporations, to establish a dialogue and develop processes to advance and strengthen peace in Honduras, especially in the Aguán Valley.

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

- Example of Article - 2023

Dinant has been invited to share its experience implementing the VPs 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 and in Guatemala. The International Finance Corporation (“IFC”) included Dinant in three forums - in Washington D.C., in Guatemala City, Guatemala, and in Tegucigalpa, Honduras to discuss Dinant’s success in implementing its human rights policies and VPs and how Dinant faces challenges related to the illegal and sometimes violent invasions of its land.

We attended an event focused on the relevance of capacity building for the 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 uses the VPs as an opportunity to enhance the Company’s performance and strengthen its reputation.

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

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 its Human Rights Policy, was mandatory.

As part of Dinant’s implementation process, the Company’s Social Team meets annually with members of local communities to share the Company’s implementation process. During these meetings, community members ask questions about the program and provide feedback.

Given Dinant’s wide-ranging sustainability program, the Company is currently carrying out an Environmental and Social Impact Assessment (“ESIA”) on its palm oil operations. The ESIA was discussed with local communities (17 communities in the Lean Valley and 21 communities in the Aguán Valley) in public assemblies or open forums and will continue to present it in 2024. Using the results of these meetings, impact mitigation and monitoring plans are to be defined, and the essential budget funding allocated to execute the mitigation plans. This will reduce potentially adverse developments which could escalate into conflict. Follow-up and implementation of earlier mitigation plans have proven to be successful in decreasing the potential for misunderstanding and conflict.

This process also includes discussions about the VPs implementation process. Dinant has never hesitated to share its experience implementing its VPs program and is always open to advice on how to improve its performance.

To validate Dinant’s commitment to implement the Voluntary Principles, the Company was audited by Gare Smith and Isa Mirza, two experienced human rights assessors from the law firm Foley Hoag LLP, in July 2022. This Assessment was conducted for the purpose of receiving independent, third-party feedback and recommendations for improvement.

The assessors’ methodology was predicated on the identification and remediation of human rights harms pursuant to the U.N. Guiding Principles on Business and Human Rights (UNGPs). The Assessment’s conclusions verified Dinant’s commitment to the VPs and highlighted the Company’s extensive efforts to implement them through best practices. The Assessment also found some areas for improvement and offered recommendations by which to close gaps. Dinant is addressing each of these recommendations.

One of the biggest challenges that the Company is facing today is the continuing illegal land invasions that began in 2018. Trespassers have seized Dinant’s property in the Aguán and Lean Valleys and proceeded to harvest and illegally sell the palm fruits. In addition to the loss of product, this has presented a serious threat to employees inasmuch as the invaders are sometimes armed and often violent. Dinant has regularly sought assistance from the law enforcement community to enforce the rule of law, but the police have been
unable or unwilling to remove the trespassers consistently and promptly, despite the fact the Company has fully provided ownership proof to security and legal authorities.

We have also reached out to the Honduran President, Xiomara Castro, and numerous senior government officials about the challenge, and even though there have been some efforts from them, the issue has yet to be resolved.

Dinant is seeking to do the best it can in an exceedingly challenging situation. Most importantly, the Company has been seeking to provide a safe environment for all members of Dinant’s workforce. The includes updating the Risk Assessment, ensuring that the security guards receive continuous training, and providing protective equipment for the guards themselves.
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. 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): Dinant - Sustainability Policy Spanish
Sustainability Policy (English): Dinant - Sustainability Policy English

Security Policy (Spanish): Dinant - Security Policy Spanish
Security Policy (English): Dinant - Security Policy English

Human Rights Policy (Spanish): Dinant - Human Rights Policy Spanish
Human Rights Policy (English): Dinant - Human Rights Policy English

The Social Team reports their efforts and any challenges they may face to the CSR Manager, who in turn reports directly to the Human Resources Director, who has full access to the Company’s Executive President. Discussion among the social team allow them to exchange experiences on how to face challenges at the various Company locations.

Dinant provides extensive and continuous training to employees in addition to the introduction to the Voluntary Principles. For example, the Company’s Gender-Based Violence Prevention program is among the first in Honduras, which consists of training employees, community members, and other stakeholders on the diverse types of violence and providing them with tools so that they can prevent it or report it, if needed.

In 2023 the Company also begun training in Guatemala through the Risk Assessment and will continue in Dinant’s other business units outside Honduras in the future.

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 and certified by the Human Rights consultant to ensure they have the skills to deliver such training. In addition, the social liaison staff is 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 Human Resources 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 VPs consist of seven training modules which in general cover the following:

1. Introduction to the Voluntary Principles.
   This training module includes:
   b. An 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 and/or allegations.
   g. What the VP’S are and the business case for them.
   h. History of Dinant’s involvement with VPs.
   i. Responsibilities for implementing the VPs.

2. Implementation and Risk Assessment.
   This training module includes:
   a. Discussion on implementation of the VPs 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.

   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.

   This training module includes:
   a. Discussion on the Company’s responsibilities for managing the relationship with the public security forces as outlined in the VPs.
   b. Outlines techniques, drawn from industry experience, for successfully managing this always sensitive and sometimes difficult relationship.
   This training module includes:
   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.

   This training module includes:
   a. Discussion on the Company’s responsibilities for managing the relationship
      with private security as outlined in the VPs.
   b. Discussion on management of the Company’s relationship through contract
      structure, careful screening, and active oversight to ensure reliable performance
      and to minimize the risk of human rights violations.

   This training module includes:
   a. Outline Dinant’s responsibilities and recommend procedures for Investigation
      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 by Social Team and Human Resources professionals to Dinant’s employees
in all major 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 Aguán Valley.

Training is also provided to Dinant Staff at the Corporate offices in Tegucigalpa.
Training of Dinant’s security staff on the Voluntary Principles

We have continuous training of Dinant’s security staff on implementing the VPs at all operational sites, including the Oil Palm mills. This has proven to be effective to make sure local management, as well as local security leaders, are aware of the Corporation’s 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 staff. Posters and short procedure descriptions on sensitive issues (for example the correct use of force) and about the Company’s VPs program are visible to everyone.

Training in local communities

Training is an essential means by which Dinant shares the importance of the Voluntary Principles Initiative. This also allows the Company to inform local communities how Dinant’s security force works.

In 2023, Dinant sought to share the VP’s with as many individuals as possible. The social staff located at every major site, arranged meetings with community leaders, teachers, and members of the communities.

<table>
<thead>
<tr>
<th>SITE</th>
<th>Training Hours</th>
<th>Total Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMAYAGUA</td>
<td>656</td>
<td>574</td>
</tr>
<tr>
<td>LEAN</td>
<td>41</td>
<td>27</td>
</tr>
<tr>
<td>AGUAN</td>
<td>386</td>
<td>213</td>
</tr>
<tr>
<td>SPS</td>
<td>72</td>
<td>36</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,155</td>
<td>850</td>
</tr>
</tbody>
</table>

Table 1 shows the VPs training on all Dinant’s site, including female and male, with a total of 850 participants.
Risk Assessment:

From the initial stages of Dinant’s implementation process, the Company has worked on a continuing basis on the VPs Risk Assessment.

In general, all threats are to be considered, regardless of their origin. A threat can be related to operational hazards, environmental, social, security, or human rights issues.

Dinant’s risk assessment process covers the following elements:

1. Threat identification and registration of each in the risk matrix.
2. Vulnerability Assessment.
3. Risk analysis, stemming from two variables: Probability on the X axis, and Consequence on the Y axis on a matrix chart.
4. Defining strategies to:
   a. Deter
   b. Deflect
   c. Mitigate
   d. Recover
5. List of Feasible Measures (Mitigation Action Plan).
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 senior Dinant manager.

In accordance with the Company’s policies, all 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. The methodology and process, however, are described above, these are revised every 6 months and changes are made accordingly.

Mechanism to report security-related incidents with human rights implications.

Dinant continues to use the same reporting and monitoring process described in previous reports. Any allegation of human rights abuses committed by Dinant, especially by Dinant security, is immediately reported and investigated. Private security contract providers are required to conduct their own internal investigation and provide a copy to Dinant. In addition, Dinant Security uses specially dedicated and trained investigators to conduct an on-the-spot investigation of the incident, interview any witnesses, gather, and retain any physical evidence and provide unrestricted access to the appropriate Honduran authorities (police and Ministerio Publico [National General Attorney equivalent]) for their inquiries.

This process is detailed in an Investigation Manual which is reviewed and updated periodically to ensure it remains consistent with Honduran law and Best Practices. Dinant is in the process of training all security personnel in critical parts of the investigation manual such as securing a crime scene, identifying witnesses for later interview, and maintaining calm in the area when possible.
Dinant refers allegations of misconduct or criminal behavior to the Corporate Ethics Committee, chaired by the Chief Legal Officer.

In all cases where a report is generated and criminal allegations are made, Dinant must follow up through the appropriate channels. For actions by the Honduran National Police (HNP), the Security Manager uses his regular consultations with HNP commanders to check on the status of open cases. The Chief Legal Officer has the responsibility to maintain liaison with the Ministerio Publico, UMBIVA (the Task Force for investigation of crimes in the Agua region), and the Honduran courts. In both situations, the follow up inquiries depend on the status of each case or incident.

As of the cutoff date for this report, there are no pending legal cases against Dinant.

**Vetting Procedures for security professionals.**

All personnel employed in security-related positions or positions of the highest trust must pass a vetting procedure that includes, but is not limited to, a police background report that certifies the individual is not wanted for any criminal activity. In selected cases, the individual must also undergo a polygraph test that conforms to international security industry best practices and procedures. These are described in the Company Polygraph Procedure. No one rejected or dismissed solely on the basis of the polygraph. Rather, areas of concern are caused for further inquiry and clarification by the subject.

Contract security providers (guards and guard supervisors) are held to the same standard. In addition, all security provider companies are required by contract to accept Dinant’s policies on Human Rights, Ethics and Security. Companies must agree to accept the Voluntary Principles and train their management personnel in the implementation process.
Country Implementation:

While Honduras has not yet decided to pursue membership in the VPI, Dinant has benefitted from engagement with diplomatic representatives of other Government Pillar members such as the United States and the United Kingdom.

At the same time, Dinant has actively encouraged the Government of Honduras to become a Participant Member. To this end, Dinant sent letters to former President Juan Orlando Hernandez describing the Company’s positive experiences implementing the VPs and urging him to put forward Honduras as a candidate to join the Initiative. Since the inauguration of President Castro, Dinant has redoubled its efforts to this end and has increased its outreach to public security forces. Dinant has met frequently with the Castro Government’s Minister of Security and encouraged the Castro Government to pursue membership in the VPIs. Although our efforts have not borne fruit to date, Dinant will continue to encourage the Government of Honduras to participate in the VPI.

Dinant regularly promotes the Voluntary Principles Initiative with organizations in the business community, including ANDI and COHEP, Honduras’s largest business organizations, as well as local private organizations like the Honduran CSR Foundation, Fundación Hondureña de Responsabilidad Social Empresarial (FUNDAHRSE), where various private companies are involved members.

The Company is an active member in ANDI’s National Action Plan, which aims to ensure that every company in Honduras, public or private, big, or small, operates in conformity with the UNGPs. Dinant is also an active member of the Human Rights Committee for ANDI and participates in forums and training on Human Rights and Due Diligence.
Lessons Learned

1. **Transparency and engagement with all stakeholders is critical to business success.**

   Dinant has a long and consistent record of constructive engagement with stakeholders. Among other organizations, Dinant has engaged with the IFC, the Fund for Peace, the World Wildlife Federation, and Human Rights Watch and has 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 acknowledge the Company has never refused dialogue. Dinant has learned that engaging with all stakeholders in a transparent way often results in constructive solutions to a problem that, if not properly addressed, may escalate into confrontation and conflict.

2. **A formal social engagement program with dedicated professional liaison staff on the ground can improve Dinant’s relationship with local communities and deter conflict.**

   Over a decade ago, Dinant realized that its informal community engagement was not as effective as it could be, and that a more robust and open communication with them was necessary. The Company wanted to have direct relationships with all the communities near their sites, particularly the Indigenous communities. Accordingly, Dinant established a program to allow all the communities to have a two-sided communication pursuant to which community members could easily reach out to the Company. The Grievance Resolution Mechanism was implemented, and has significantly improved communication, allowing the Company to engage with all communities, including vulnerable groups, while also creating initiatives to mitigate any possible negative effects its operations may cause. This has allowed the communities to express their concerns and discuss them with the Social Team members at each site. The implementation of a formal social engagement program has enabled Dinant to find a simple and reliable way in which community 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. **Conducting business in the Aguán and Lean Valleys requires vision and a long-term commitment.**

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 have resulted in high crime rates and insecurity.

This factual scenario is symptomatic of greater structural problems in the region, including drug trafficking, limited rule of law, and abuse of private property rights that, in turn, have resulted in reduced national and international private investment that could generate job opportunities in those regions. These challenges have contributed to significant migration to other countries, especially the United States. Dinant has operated in Northern Honduras for many years. Despite the huge cost of illegal invasions and the looting of its plantations, the Company remains deeply committed to the well-being of its employees, the many farmers who supply its processing plants, and the surrounding communities. Dinant’s commitment to the VPs – including open and transparent engagement with local communities and the extensive security modernization program – has significantly contributed to the Company’s ability to navigate these challenges.

Dinant is committed to the region for the long term. That is why it has engaged energetically, peacefully, and transparently with those who hold different views in the belief that common points of agreement can be found. Dinant regularly invites interested parties – including its critics – to visit its palm plantations in the Bajo Aguán region, as well as the rest of its operational sites, to see the results of the extensive resources that Dinant is investing in community engagement, and environmental and social management.

Although Honduras can be a challenging place to do business, Dinant has proven that it is possible to do so successfully, honestly, and transparently. The VPs are embedded in its business model and ensure that we always engage peacefully and respectfully with local neighboring communities.

Criminality in these regions is endemic. Other companies and even farmer-owned small cooperatives have had their land invaded as well. Our efforts to urge the Honduran government to enforce the law have included sending employee-signed petitions, writing letters to the President, and meeting with senior government officials at all levels and across the Government. Regrettably, these efforts have been unsuccessful to date and Dinant’s security personnel and operations continue to be threatened and targeted. Dinant realizes that success in these regions requires a long-term commitment to the rule of law. We will continue to do all we can to protect our employees and their communities, including through continuous implementation of the Voluntary Principles.

4. **Violence in sites has forced the Company to rearm some guards.**

The violent assault on Dinant’s property continued unabated in 2023. At one point in 2023 the palm oil extraction mill in the Aguán was surrounded and the employees held there against their will for over 24 hours. On that and other occasions Dinant employees have been threatened and physically assaulted. As a consequence, Dinant has reluctantly rearmed a small number of contract guards with shotguns at the extraction mills to protect the lives of our employees. In addition, the mills use sophisticated equipment that, if mishandled, could result in catastrophic damage to anyone nearby. That equipment must be safeguarded during shutdown to prevent a tragedy. These guards have been hand-selected and specially trained in a multi-media, interactive program on the de-escalation of confrontations and, if that fails, in the use of minimal and proportional force.

The guards have been highly trained and are aware that these weapons are only to be used to mitigate a risk, not aimed to injure, or kill any individual.
It has been a lengthy process, but it was imperative that we acted accordingly to the current threat situation while implementing the Voluntary Principles. The VPI members were previously informed by Dinant before taking this action.

Once the Government of Honduras responds to the lawlessness and reestablishes order and the rule of law, Dinant will disarm this small force.