

# POLICY

## Human Rights

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This PO.ADC.09 document is integrated to the body of the current internal regulation of the entities Distribuidora de Electricidad de Oriente, Sociedad Anónima and Distribuidora de Electricidad de Occidente, Sociedad Anónima. All references made to ENERGUATE in the present document must be understood as references to the entities Distribuidora de Electricidad de Occidente, Sociedad Anónima and Distribuidora de Electricidad de Oriente, Sociedad Anónima, indistinctly.

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## Historical Revisions

Version	Date	Reason
01	03/21/2022	Redrafting of document.
02	09/01/2023	Minor adjustments or redrafting and update of people responsible of this policy.

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## 1. OBJECTIVE

ENERGUATE promotes and respects Human Rights in all its operations and the relationship with every Business Partner. We believe that the sustainability of our business is achieved just by the compliance with the regulations and the respect of the rights of the communities where we operate, reason why we recognize our obligation to respect and promote respect for human rights in all the areas of our acting.

## 2. SCOPE

ENERGUATE is committed to implement and comply with all the current policies and guidelines. Likewise, is required that suppliers and contractors of ENERGUATE keep the same spirit and intention of such policies and guidelines, standardizing the provisions that correspond to them according to the nature of their contracts.

## 3. REFERENCE DOCUMENTS

### a. Internal:

- CO.ADC.01 Code of Conduct and Ethics
- PO.RHS.04 Diversity and Inclusion
- PE.RHS.02 Recruitment, Selection and Internal Promotion
- PO.SIG.01 Safety, Health, Environment and Social
- PO.RHS.05 Environment Free of Harassment
- PG RHS 05 Management and Evaluation of Training
- PO.CRE.03 Indigenous People
- PO.ADC.01 Anticorruption and Antibribery
- PO.ADC.03 Interaction with Public Officers
- PO.ADC.04 Commercial Courtesies
- NG.RHS.06 Management Regulations
- PG.RHS.08 Elaboration, approval and disclosure of regulation
- NE.ADC.01 Due Diligence to the Supply Chain

### b. External

- International Bill of Human Rights (UN).
  - Universal Declaration of Human Rights
  - International Covenant on Civil and Political Rights
  - International Covenant on Economic, Social and Cultural Rights

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- Their related Optional Protocols
- International Labor Organization core standards (ILO) numbers 29, 87, 98, 100, 105, 111, 138 and 182, as well as the ILO Declaration on Fundamental Principles and Rights at Work.
- United Nations Convention on the Rights of the Child
- Business standards and voluntary initiatives:
  - Principles of the United Nations Global Compact
  - The Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
  - The tripartite declaration of principles concerning multinational enterprises and social policy from the ILO
  - The UN Guiding Principles on Business and Human Rights: implemented in the UN frame to “protect, respect and remedy”.
  - Political Constitution of the Republic of Guatemala
  - Decree number 1441 of the Congress of the Republic, Work Code.

#### 4. DEFINITIONS

- Forced or compulsory work: every work or service demanded from or to an individual under threat of any penalization and for which such individual has not offered voluntarily (See article 2.1 of Covenant 29 or ILO).
- Human Rights: are the rights inherent to all human beings, without any distinction of race, sex, nationality, ethnical origin, language, religion or any other condition. In human rights are included the right of life and freedom; to not be submitted to slavery nor tortures; to freedom of speech and opinion; to education and work, among many others. These rights correspond to persons, without any discrimination.
- Business Partners: include, but are not limited to, consumers, “corporate partnership”, corporate partnership partners, members of a consortium, suppliers, contractors, consultants, subcontractors, vendors, advisors, agents, distributors, representatives, intermediates and investors.
- Discrimination: includes all type of direct discrimination, respectively:
  - Any distinction, exclusion or preference based on reasons of race, color, sex, religion, political opinion, national extraction, or social origin that has as effect to negate or alter equality of opportunities or treatment at work or occupation;

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- Any distinction, exclusion or preference that may have as effect to negate or alter equality of opportunities or treatment at work or occupation.

The distinctions, exclusions or preferences based on the required qualifications for a determined job will not be considered as discrimination.

(See article 1.1 of Covenant 111 of ILO)

- e. Commercial Relationships: relationships with business partners and entities of the value chain, just as any other state or non-state entity directly related to commercial operations, products or services of the company.

(Principle 13 of the Guiding Principles on Business and Human Rights: implemented in the United Nations frame to “protect, respect and remedy”)

- f. Suppliers: people or institutions with which the company keeps commercial, contractual or business relations, and includes in a wide sense, contractors, goods and/or services providers, consultants, subcontractors, advisors, agents, distributors, commercial partners, etc.
- g. Patron: every individual or legal person who uses the services of one or more worker, in virtue of a contract or work relationship.

(Work Code, article 2)

- h. Worker: is every individual person who provides to a patron its material or intellectual services or of both kinds, in virtue of a contract or work relationship.

(Work Code, article 3)

## 5. GENERALITIES

- Deviations and breach to the present Policy may carry the imposition of disciplinary measures, that if applied, will be used as education and forming element of our organizational culture. Disciplinary measures must be fair, reasonable and proportional to the fault committed, respecting the corresponding legal frame and the internal regulations of the company.
- Any exception to this Policy must be treated in a particular way and to be duly supported by the General Manager of ENERGUATE and approved by Compliance.

## 6. RESPONSIBILITIES

- a. Employees:

- To know and comply with the provisions of this Policy.

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- Request guidance to Legal Services and/or Compliance when needed.
- b. Managers, Sub Managers and People Responsible of the Process
- Sensibilizar a los colaboradores sobre el contenido y cumplimiento de esta política.
  - Solicitar orientación a Servicios Jurídicos y/o Cumplimiento para establecer procesos y prácticas que aseguren el cumplimiento de requisitos / exigencias de esta Política.
- c. Compliance:
- As the administrator of the present policy, it must:
    - Update its content when required.
    - Communicate and disclose updates, changes, exceptions and any other matter related to it.
    - Channel and clarify any doubt or comment about the policy.
    - Give specific guidance about each situation or case that arises in the application of the policy.
- d. Legal Services:
- Respond inquiries made about this policy.
  - Inform about the legal requirement for the compliance with the corresponding legal frame of each of the jurisdictions where we operate.

## 7. DECLARATION OF POLICY

In the development of its operations and the relationship with all their Business Partners, ENERGUATE respects and promotes respect and compliance with the principles that are mentioned below:

### 7.1. Rejection of forced and compulsory child labor

ENERGUATE rejects the use of any form of forced or compulsory work – as defined in Covenant 29 of ILO – and in no case confiscates money, or identity documents at the beginning of the work relationship with the purpose of retaining the employees against their will. In addition, it respects all relevant local laws related with voluntary work and minimum age for work.

ENERGUATE respects the rights of children and rejects the use of child labor according to the definition of this concept established in the current law of the country in which the corresponding activities are developed and respecting, always, the minimum age that is established in Covenant 138 of ILO which dictates the minimum age for admission to every type of employment or job, “it must not

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be inferior to the age that obligatory school ends or in every case not less than 15 years of age” and, “not less than 18 years of age” for work harmful for health, safety and morality.

## 7.2. Respect to diversity and non-discrimination

ENERGUATE rejects every type of discrimination according to policy *PO.RHS.04 Diversity and Inclusion*, reason why it keeps the commitment of looking after employees and Business Partners, either current as potential, to be treated with respect towards their diversity, also promoting through specific procedure *PE.RHS.02 Recruitment, Selection and Internal Promotion*, equal opportunities either when establishing the work relationship or in any area of its development.

## 7.3. Freedom of association and collective negotiation

ENERGUATE recognizes the right of its employees to constitute or participate in organizations whose objective is to defend and promote their interests, and not interfere in their election in this sense. It also recognizes the right of representation of the employees, inside the different work units, by unions and other forms of representation elected according to the current law and practices in the different countries where the work relationship is developed.

## 7.4. Work Safety and Health

ENERGUATE has the commitment of ensuring that in the work places are respected the best work safety and health conditions.

Likewise, promotes, through its policy *PO.SIG.01 Safety, Health, Environment and Social* the disclosure and effort of a safety compliance culture, developing awareness about the risk, and promoting responsible behaviors by its employees, through the establishment of policies and procedures, communication and disclosure campaigns, training and education meetings, among other activities.

ENERGUATE works to protect safety and health of its employees and of all those individuals that are inside its premises or areas under its operation, must of all through preventive measures.

## 7.5. Work Conditions

With the purpose of keeping a positive and respectful work environment, ENERGUATE through its policy *PO.RHS.05 Environment Free of Harassment*, rejects all forms of harassment, threat, mistreatment or intimidation at work place.

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ENERGUATE has in account the principle of fair remuneration for work. The minimum remuneration received by employees of ENERGUATE may not be less than the minimum referred in the collective agreements and the current labor regulation of the country where it operates, according to what is established in the Covenants of ILO. The salaries and labor benefits will comply, as minimum, with the legal national standards of each country.

Likewise, ENERGUATE recognizes the importance of training and professional guidance for the development of human resources and their skills, reason why through its general procedure *PG.RHS.05 Management and Evaluation of Training* are preformed training and educational programs, focused on giving to its employees the knowledge and skills to promote their professional development and for the best performance of their functions.

#### 7.6. Respect for community rights

ENERGUATE holds the commitment to respect the rights of local or indigenous communities through its policy *PO.SIG.03 Environmental, Social and Governance* and its policy *PO.CRE.03 Indigenous People*.

#### 7.7. Zero tolerance to corruption and bribery, and free competition

ENERGUATE recognizes that corruption is one of the factors that damage institutions and democracy, the ethical principles and justice, and the wellbeing and development of the society. Reason why, it rejects corruption in all forms, either direct or indirectly.

Specifically, ENERGUATE, through its policy *PO.ADC.01 Anticorruption and Antibribery*, regulates and reiterates its position of zero tolerance to unfair or corrupt practices in the area in which is operatively operating; it is also contemplated by policy *PO.ADC.03 Interaction with Public Officers* and policy *PO.ADC.04 Commercial Courtesies* which regulate and prohibit any practice related to improper payments and bribery. At the same time, ENERGUATE defends and promotes freedom of competition and expects the same commitment from its Business Partners, as established in its policy *PO.ADC.07 Compliance with Free Competition*.

#### 7.8. Privacy and communications

ENERGUATE respects confidentiality and the right of privacy of all the people with whom it interacts, and keeps the commitment of using correctly all the information and data to which it has access. Likewise, it commits to institutional communications respectful towards cultural diversity and non-discrimination.

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## 7.9. Declaration of commitment and disclosure

With the purpose of applying commitments established in this policy and according to the content of the The UN Guiding Principles on Business and Human Rights: implemented in the UN frame to “protect, respect and remedy”, this document represents the public commitment with Human Rights which ENERGUATE has acquired with its stakeholders. The present policy will be disclosed to all the people who interact with ENERGUATE, through the relevant mechanisms. Likewise, will take communication actions and internal disclosure to ensure that all employees of ENERGUATE understand correctly the contents of this policy; according to what is established in the general regulation *NG.RHS.06 Regulation Management* and the general procedure *PG.RHS.08 Elaboration, approval and disclosure of regulation of ENERGUATE*.

## 8. CONTROL POINTS

Assurance of collection of information described below through the process of Due Diligence for Suppliers – *NE.ADC.01 Due Diligence for Supply Chain*:

### 8.1. For the cases of suppliers with quality of patrons or employers:

- Documentation request:
  - Certificate of Compliance with labor, pension and social security obligations, issued by the authority competent of the country, or an Affidavit about compliance with such aspects, by the General Manager or Representative authorized by the company.
- Requirement and valuation of information (incorporated in *FO.NE.ADC.01.01 Declaration of Information of Supplier Contractor*):
  - Do you have a Policy, Procedure or internal regulations that establish respect towards Human Rights?
  - Does all your personnel have a current labor or contractual relationship according to what is established in the regulations of their country?
  - Is the payment of remunerations, payment of pension system or of pension administration, social security and others required by the labor law of the country on time, in respect to your personnel?
  - Do you comply on time with the payment of your tax and contribution obligations?

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- Does your company have Policies, Processes, Procedures and/or good practices for occupational safety and health, environmental protection, relationships with the community and indigenous people?
- Do you respect the individual and collective work rights of your personnel?
- Does your company promote fair work conditions?
- Does your company have implemented Policies, Processes, Procedures and/or good practices to prevent and mitigate forced or compulsory labor and child labor?
- Do you have Policies, Processes and /or good practices that promote equality, respect to diversity of gender and non-discrimination?
- Conditions for the payment of compensations and contract closure: in cases of services that imply temporary or permanent displacement of personnel (such as contracts of personnel intermediation, outsourcing, construction, services provided inside our premises and others of similar nature) the supplier must comply and submit evidence related to the payment of remunerations and pension obligations and of social security of personnel involved in the provision of the service or execution of the contract, previous to the payment of the contract closure compensation.

### 8.2. For the case of all suppliers and contractors:

- Provide to suppliers and contractors the present policy of Human Rights of ENERGUATE and request a Declaration of Knowledge, Disclosure and Compliance, previous to the beginning of a contractual relationship (Contract or OP/OS).

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