



CODE OF ETHICS,
TRANSPARENCY
AND INTEGRITY

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ACKNOWLEDGEMENTS

The Presidency of COHEP wishes to express its gratitude to those who have made possible the creation and approval of this **CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY.**

First, we would like to thank Mr. Wilson Alejandro Martinez Sanchez, an international consultant, who patiently and knowledgeably prepared the drafts of this Code of Ethics, which includes all the important contributions made during this process leading to the approval of the Code. Likewise, we would like to thank our team of managers at COHEP who have made a great effort to build a Code of Ethics in accordance with national and international standards. Nonetheless, I would like to express our gratitude to the member organizations of COHEP who willingly sent their comments and suggestions to the drafts submitted to us during the process of drafting the Code of Ethics.

Lastly, my thanks to all the members of the Board of Directors and the Supervisory Board for their analysis, comments, suggestions and finally the unanimous approval of the **CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY.**

FOREWORD

The present **CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY** constitutes the basis on which the Values and Principles that COHEP has adopted, which is characterized by fulfilling the commitments representing the general interests of Free Enterprise in Honduras.

Companies around the world and Honduras is no exception, every day participates in discussions, elaborations, and application of ethical and moral standards in the business field, in which they are committed to respect the principles and moral values. Business organizations must promote business integrity in each of their actions, where a disciplinary regime for private organizations is also established, to achieve a healthy competition within the framework of the Law, moral values, and good practices.

The Honduran Business Council strongly believes and reiterates our commitment that the best way to ensure the basic rules of coexistence and business ethics in commercial, industrial, national, and international relations, and trade, are those where institutions must ensure that they apply and enforce effective compliance with the law, human rights, ethics, transparency, and business integrity.

The Board of Directors of COHEP has listened and taken into consideration the opinions of the business organizations, and therefore resolved to approve the **CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY** whose recipients are the member organizations, Directors, administrators, representatives, COHEP employees, suppliers and stakeholders that have a direct or indirect relationship with this Council.

The objective of this regulation is to propose to member organizations and the Honduran business community of all sectors, regardless of their mission or social purpose, whether they are small, medium, or large companies, a framework of good practices, a better management of risks in anti-corruption and fight against irregular and illegal practices and thus avoid falling into the reputational risk of any of the member organizations or companies.

In this edition we incorporate the various instruments adopted for some years by our business organization, and we believe it is of utmost importance that they are known and applied internally and externally by COHEP; these instruments are:

- A. Declaration for the Immediate Eradication of the Worst Forms of Child Labor, dated September 10, 2001;

- B. Declaration of Principles on Business Integrity, dated January 22, 2015;
- C. Declaration of Principles on Gender Equality and Equity, dated November 5, 2015;
- D. Institutional Policy on Business and Human Rights dated January 20, 2020.

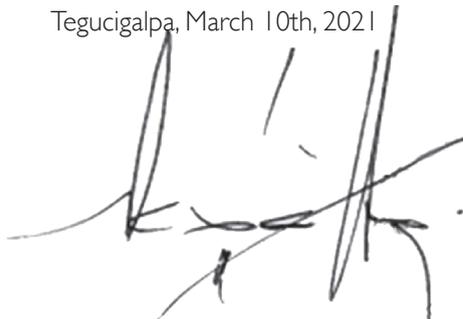
Our organization is committed to the fight against corruption in all its forms, based on corporate social responsibility, which starts from monitoring the creation of laws in this area and following up on the correct application of the legislation in force in the country, to the prosecution of cases. We are conscious that it is the institutionalism of the country which must be responsible of establishing the guidelines that define the legislation with the corporate responsibility, yet this application must be correct and not fall into the abuses of persecuting companies by State institutions; likewise, the Government must not expect the Business Sector to fulfill the role that corresponds to them by Law.

Ethics, transparency, and business integrity are transversal pillars for COHEP and have a significant influence on the corporate world. Not only does it change the way in which companies must operate daily, but it also influences all processes and policies, improving their profitability and avoiding reputational risks for companies; this code will serve as a compass that leads to wise decisions and actions with moral values for the national business community.

We believe that, with these actions, we continue to reaffirm our commitment to the promotion of business ethics, firmly maintaining that our organizations and their affiliates will take part of and comply with the implementation of this Code of Ethics.

By doing so, we all win!

Tegucigalpa, March 10th, 2021



Juan Carlos Sikaffy Canahuati

President

Honduran Business Council



Resolution Code of Ethics

The Secretariat of the Board of Directors of the Honduran Business Council (COHEP), in compliance with its duties and the statutes in force, issued the Resolution No.V-22-02-02-21 of Point Three of the Act No. 201-2021 of the Board of Directors of COHEP, held in the city of Tegucigalpa, MDC, Department of Francisco Morazán, on February 2, two thousand twenty-one, which in its conducive part literally expresses:

“Resolution No. V-22-02-02-21: The Board of Directors of the Honduran Business Council, in use of their legal powers:

CONSIDERING: That on January 22, 2015, under the Presidency of Aline Flores, the Board of Directors issued the DECLARATION OF PRINCIPLES ON BUSINESS INTEGRITY, which defined the principles in matters of ethics, transparency, and business conduct, having divided them into three parts, as follows: with respect to the State, With respect to competitors, Suppliers and Clients, and With respect to Society.

CONSIDERING: That the Board of Directors must approve the Code of Ethics of the Honduran Business Council, as established in article 51 of its statutes.

CONSIDERING: The Supervisory Board of the Honduran Business Council will provide oversight and ensure that the Board of Directors complies with the Statutes, regulations of the General Assembly and the agreements and resolutions it issues; likewise, monitor the ethical behavior of the members of the Board of Directors, Executive Director, Internal and External Auditor according to what is established by the Sanctions Regime of the statutes and the Code of Ethics.

CONSIDERING: The Supervisory Board of the Honduras Business Council will also recommend the sanctions that should be applied to individuals and member organizations as established by the Statutes, the Code of Ethics, and other Regulations.

CONSIDERING: That the Board of Directors was informed of the three projects about business ethics: Model Project for Companies, Model Project for member organizations and the Honduran Business Council Code of Ethics, Transparency and Integrity and the Councils relations.

CONSIDERING: It is the responsibility of the organization to promote the values of entrepreneurship, innovation, ethics, morality, and transparency, both internally and externally, for the efficient achievement of companies, entrepreneurs, and businessmen in general, both domestic and foreign.

THEREFORE:

THE BOARD OF DIRECTORS OF THE HONDURAN BUSINESS COUNCIL, in use of its legal powers and as established in articles 1, 2,3, 4, 5, 6, 9, 12 No.1, 26, 29, 30, 31, 38, 46, 49, 51 No.2 of the current Statutes, by unanimity of votes.

RESOLVES:

FIRST: *Approve the CODE OF ETHICS, TRANSPARENCY AND INTEGRITY which is attached to this Resolution.*

SECOND: *The Executive Management and the Legal Counsel Management proceed to incorporate the suggestions presented by the members of the Board of Directors and the Supervisory Board.*

THIRD: *The presidency is authorized to make a public launching of this instrument for the knowledge of businessmen, the Honduran society, and international institutions. It is authorized to be published on social networks and in different languages that are considered relevant.*

FOURTH: *The Supervisory Board, together with COHEP's team of collaborators, provided training on the CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY, to all member organizations.*

FIFTH: *The administration will proceed to make a publication on paper, which must be delivered at the Ordinary General Assembly on March 10 of the current year (2021).*

SIXTH: *This resolution is of immediate execution.*

Signature and sealed by Juan Carlos Sikaffy Canahuati President and Juan José Cruz Secretary by Law".

And for the corresponding legal purposes, it extends this Certification in the city of Tegucigalpa, on the third day of February of the year two thousand twenty-one.

JUAN JOSE CRUZ

Secretary by Law of the Board of Directors

Honduran Business Council



**Code Of Ethics
Transparency and
Integrity**

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CODE OF ETHICS, TRANSPARENCY, AND INTEGRITY

Honduran Business Council

I. RECIPIENTS

The directors, administrators, representatives, and all collaborators of COHEP, as well as all natural or legal persons who have any relationship with it, are recipients of this Code, including suppliers, contractors, contractual counterparts and temporary or permanent allies.

COHEP is a third-degree union organization; therefore, COHEP's member associations, organizations, entities, and business chambers will also be recipients of this code. As well as the commercial companies or associations that the members of COHEP are part of, or with whom they maintain relationships. To the same extent, the members of COHEP must request the adoption of instruments of ethics, transparency, and integrity like this Code, but adjusted to its size, purpose, and characteristics.

The Code of Ethics shall be mandatory knowledge and application for associations, organizations, entities, and business chambers that are members of COHEP, who must ensure that their actions are always framed within the rules contained within. They must adopt codes, policies, regulations, or any other type of instruments that provide for mechanisms such as those contained in the Code, to promote ethics, transparency, and integrity in their organization.

II. DECLARATION OF PRINCIPLES, VALUES AND DUTIES.

Title I.

COHEP Ethical Values

The following are fundamental values that must prevail in the exercise of the duties of the recipients of the Code of Ethics:

1. COMMITMENT.

Adopt the duties, goals, and objectives to fulfill the mission of the Council.

2. HONESTY.

To act with integrity and honesty in acting as a person and as a member of the Honduran Business Council.

3. RESPECT.

Demonstration of consideration and tolerance towards others for the benefit of a good work environment.

4. COOPERATION.

Unite efforts to achieve institutional objectives.

5. RESPONSIBILITY.

The ability to assume the consequences arising from the acts carried out in compliance with the functions as an employee or contractor of the Council.

6. LOYALTY.

Act with fidelity and sincerity before the institution and the other associations, organizations, entities, and business chambers that are members of COHEP.

7. EXCELLENCE.

To strive for perfection in everything we do through continuous improvement.

8. QUALITY.

Achieve excellence in work flows and results.

Title II.

COHEP Principles

The principles are rules of the organization that constitute a source of responsibility and guide the behavior expected by the recipients of this Code.

I. PRINCIPLE OF INTEGRITY.

COHEP has declared its commitment to the set of values outlined in this Code. The recognition of these values is not purely formal, but a statement about the criteria that determine the behavior of our directors, administrators, representatives, employees, and member organizations. In this sense, the principle of integrity demands consistency between the formally recognized values and the behavior observed by all recipients. Consequently, integrity implies consistency between the values we claim to respect and the meaning of the actions that we carry out.

COHEP is an institution that has been characterized by fulfilling the commitments adopted in pursuit of business integration, representing the general interests of Free Enterprise in Honduras, contributing to the integral development of the country. In practice, integrity in COHEP is a pillar on which all the activities and promotions that have been developed in recent years. Therefore, COHEP has made the values recognized by the member organizations a reality, through activities such as the sectoral promotion of SMEs and the publication of relevant information and statistics for the sectors.

In addition, to promoting the development of the national private initiative, COHEP expects both from its executives and employees, as well as from the member organizations, to act honestly and with integrity in all activities.

2. PRINCIPLE OF TRANSPARENCY.

COHEP is a transparent and open organization. The decisions and actions of our directors, administrators, representatives, employees, and members must, as a rule, be accessible to all citizens, without any discrimination. For this reason, the information contained in our reporting and documentation systems is public.

In compliance with this principle, the directors, and administrators of COHEP must strive for the maximum possible and proactive disclosure of information relevant to citizens, on the decisions and actions of the Council. In addition, they must have the most expeditious mechanisms and procedures possible to respond to requests for information that are submitted.

The information shall only be reserved if the Board of Directors of COHEP classifies it as such, because it is personal information whose disclosure would affect the right to privacy of any person; if the information affects the physical and employment, security or the information handled by COHEP; If the information affects the security of directors, administrators,

representatives, employees or members of the Board; or any other information that the Board of Directors deems to merit its confidentiality.

COHEP has always provided public and continuous access to its information, and to this end has permanently arranged means and channels that include relevant information systems to provide and facilitate access to public information for all its stakeholders.

This principle also includes the commitment of COHEP and all member organizations to respond to their stakeholders and respect transparency through accountability in their decision making, management and the handling of functions and resources among other aspects.

3. PRINCIPLE OF LEGALITY.

COHEP is a non-profit institution that strictly adheres to the applicable legal system. Under no circumstances shall the Council authorize, facilitate, or promote conduct that is illegal, or whose legality is even questionable. In case of doubt as to the legality of the conduct, business or operation, the Council's employees, consulting bodies and member organizations shall refrain from acting until they are certain that the conduct, business, or operation is in full compliance with the law.

It is the responsibility of the directors, administrators, and representatives of COHEP to carry out all the necessary acts, to ensure that the structure and operation of the Council respect national and international legal standards for the fight against corruption. In particular, those derived from the United Nations Convention against Corruption, the Inter-American Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

4. PRINCIPLE OF DEFENSE OF FREE ENTERPRISE AND PRIVATE INITIATIVE.

COHEP understands freedom of enterprise as the fundamental right of all Hondurans to create any type of company or society, for the development of a legitimate economic activity. Freedom of enterprise is a guarantee of private initiative, this being understood as the power that all Hondurans have to undertake any legal business or economic activity, without any limitations other than those strictly necessary to guarantee consumer safety, the competition of competitors and the validity of a fair economic and social order.

COHEP believes that free enterprise and the private sector are the most important mechanisms for the State to achieve higher levels of development and competitiveness. Free enterprise as well as the private

initiative are fundamental rights, the exercise of which contributes to improve the quality of life of Hondurans and the sustainable economic development of the country.

The principle of free enterprise implies that COHEP and its members will promote, defend and respect:

- a.)The rights of consumers.
- b.)Healthy competition between the different economic entities. COHEP rejects and condemns any form of unfair competition.
- c.)The validity of a fair economic and social order, in which the only wealth recognized and protected by the State is that obtained through the legal initiative of the private sector and honest work.

5. EFFECTIVENESS PRINCIPLE.

The standards of behavior contained in this Code must be read, interpreted, and applied, in the way that best contributes to the realization of the values and principles recognized and declared by COHEP.

6. EFFICIENCY PRINCIPLE.

All processes, procedures, and formalities within COHEP should be simple, fast and require the least possible resources and efforts. The simplicity of the procedures contributes to their transparency and control, which reduces the risk of corruption and improves the ethical standards in the operation of the organization.

The directors, administrators, representatives, and employees of COHEP must promote efficiency in the processes, procedures, and formalities under their responsibility. COHEP members must adopt the commitment to increase the efficiency of their processes, procedures, and formalities, and require the individuals or organizations with which they have permanent relations to do the same.

7. PRINCIPLE OF IMPARTIALITY, INDEPENDENCE AND OBJECTIVITY.

The directors, administrators, and employees of COHEP shall endeavor to make decisions, in the most objective, independent, and impartial manner, based on the evidence and reliable information available. In any case, they shall avoid making decisions or taking actions when their objectivity, independence or impartiality is compromised or could be questioned.

In the event of a conflict of interest, the affected person must declare it to his / her hierarchical superior or the Supervisory Board and withdraw from the decision or action in which the conflict of interest arose. Such declaration of the conflict of interest must be informal; that is, on their own initiative, even if it has not been identified by the organization.

COHEP's directors and managers must adopt controls and procedures, aimed at monitoring, detecting, and adequately managing conflicts of interest that may be incurred by directors, administrators, representatives, employees and members of the Council.

COHEP members must take internal controls and procedures to promote and ensure the objectivity, independence, and impartiality of the decisions of its directors, administrators, representatives, and employees, which includes measures to monitor, detect and adequately manage conflicts of interest.

8. CONTROL PRINCIPLE.

All staff who are responsible for carrying out tasks, each within the scope of their competencies, must work in a coordinated manner to ensure effective compliance with the values, principles and rules of behavior set forth in this Code.

III. ETHICAL DUTIES

Title I

Corruption concept

1. For COHEP, an act of corruption is the use of power to divert the fulfillment of the objectives and purposes of the Council, for the benefit of a private interest that is foreign and contrary to the welfare of all member organizations, the Honduran State and society in general.
2. The main duty of all directors, administrators, representatives, and employees of COHEP is to act ethically, contribute to the prevention of corruption and denounce all acts of corruption that come to their knowledge.
3. The same duty is required from associations, organizations, entities, and business chambers that are members of COHEP.

Title II

Members' duties

The legally constituted associations, organizations, entities, or business chambers that have been accepted to form part of the Council, must strictly comply with the duties described below:

1. Respect human rights inside and outside the organization.
2. Respect and act in accordance with the Honduran law as well as the justice system.
3. Promote democracy, both outside and inside the Council.
4. Comply with all the principles, values and policies of the Code of Ethics, Transparency, and Integrity.
5. Respect and promote sustainable development, business freedom and entrepreneurship.
6. Promote ethical conduct and behavior inside and outside the organization.
7. Refrain from engaging in any behavior that, according to Honduran regulations, may be classified as unfair competition.
8. Take measures to protect the rights of consumers recognized in Honduran legislation.
9. Ensure that the association, organization, entity, or business chamber is managed in a transparent manner.
10. Protect and respect the environment.
11. Prevent corrupt behaviors from the associations, organizations, entities, or business chambers.
12. Implement policies on ethics, transparency, accountability, and corporate social responsibility.

IV. INTEGRITY AND PREVENTION OF ACTS OF CORRUPTION.

Title I

Policies to promote integrity and prevent bribery.

Concept: Bribery is an offer or proposal of a payment in money or the delivery of any object of value, such as products or services in kind, an offer, a plan, or a promise to pay something (including in the future), directly or indirectly, in exchange for an undue personal benefit, of a third party or for the company.

The provisions contained in this policy are a clear and unequivocal expression of COHEP's willingness to adopt this as its internal policy, and as a guiding principle, the provision of effective, efficient, unconditional, and unrestricted collaboration with all public authorities in their fight to prevent and combat any behavior that may constitute violations of criminal law and / or administrative dispositions, specifically corruption, bribery and all its manifestations.

With the purpose of maintaining COHEP's position in the country, as the organization with the highest degree of private union representation, the following measures have been established to prevent acts of corruption.

1. COHEP adopts as an institutional policy not to offer or grant gifts, payments, or any other benefit to state officials, for the performance of an act contrary to their tasks, or for the performance of an activity proper to their functions.
2. In no case may any director, administrator, representative, employee or member of COHEP request any gift, payment, or any other benefit from a third party for performing an act that is proper to his or her tasks, or for performing an act contrary to them.
3. COHEP prohibits its directors, administrators, representatives, and employees from using any facilitation payments in any procedure in which they represent the Council. Facilitation payments are a form of bribe paid to a person, for the expedited performance of an activity proper to his or her position that in any case should be carried out, even if it takes more time. These payments consist of a sum of money given in exchange for accelerating or facilitating the execution of a procedure, in which there is an interest, such as obtaining permits, licenses or operating authorizations, or the processing of applications in public entities.

4. COHEP member associations, organizations, entities and business chambers shall adopt measures such as those provided for in this policy, to prevent their directors, administrators, representatives or employees from offering or granting gifts, payments or any other inappropriate benefit to state officials, or to a director, administrator or employee of another private entity, to obtain a decision favorable to their interests by a state authority, or to expedite a procedure carried out by a public institution.
5. All COHEP member organizations are obliged to immediately inform the Council's Supervisory Board and the corresponding authorities, when they become aware that another association, organization, entity and / or business chamber is involved in a possible case of bribery.

Title II

Conflict of interest management policy

Concept: An ethical conflict of interest is a circumstance in which there is a conflict between the personal interest of the person who is responsible for making a decision or carrying out an activity, and the interest of the organization for which he/she works. This conflict of interest must be of such a nature that his or her objectivity, independence or impartiality is seriously compromised.

1. COHEP member associations, organizations, entities, and business chambers shall take measures and procedures to detect, declare and appropriately manage conflicts of interest that may affect their directors, administrators, or employees.
2. All COHEP member associations, organizations, entities, and business chambers are obliged to immediately inform the COHEP Supervisory Board when they become aware of situations of conflicts of interest.
3. COHEP member associations, organizations, entities, and business chambers shall act transparently and in good faith in the event of conflicts of interest. In the event of conflict of interest, they shall not intervene in simulated acts or fraudulent operations or in any other action aimed at hiding, distorting, or manipulating the information presented to the Council.

With the purpose of promoting ethics in the fulfillment of its mandate, COHEP adopts the following behavioral measures to prevent, manage and disclose ethical conflicts of interest among directors, administrators, employees, and members of the Council.

1. In case an executive of the Council (other than the president and vice president) becomes involved in a conflict of interest, he / she shall immediately report the situation to the COHEP President, who shall consult with the Supervisory Board on the best way to handle the case.
2. In case the conflict of interest involves the President or Vice president of COHEP, he/she shall immediately report the case to the Supervisory Board of COHEP, who shall decide how to handle the case.
3. It is the duty of the members of the governing and / or administrative bodies of COHEP to expressly express to the Supervisory Board their intention to aspire to public office, whether they are elected. The duty to inform the Supervisory Board arises from the moment the person begins to carry out acts aimed at fulfilling his/her aspiration, even if he/she has not been elected as a candidate or launched an electoral campaign.
4. Once the Supervisory Board receives information in this regard, it must assess whether the member of the governing body is suspended from his/her position, in which case another will be appointed to replace him/her; or whether he/she can continue performing his/her duties, after assessing the existence of a conflict of interest on a case-by-case basis.

Handling and management in cases of conflicts of interest.

In any of the cases described in the preceding paragraphs, the following steps shall be taken in consideration to handle any conflict of interest that may arise in COHEP:

1. Directors, administrators, representatives, and employees of COHEP who are aware of a conflict-of-interest situation, or believe they are involved in one, must inform their direct supervisor as soon as possible, who will act as Conflict Manager of the Conflict of Interest. It is not necessary that the person is certain of being in a conflict of interest, it is sufficient that he/she suspects of being in a conflict of interest.
2. The person who assumes the role of Conflict Manager will have two main functions: first, to receive the report or information on the possible existence of a conflict of interest; and, secondly, to assess the situation the way possible to resolve the conflict of interest.
3. The person who is affected by the conflict of interest, and his/her

Conflict Manager, will mutually agree on the best way to handle it, making sure to sufficiently document the situation along with the decision that is being made to handle the conflict of interest.

4. Once the case has been identified, the Conflict Manager will report how the case was managed and the decisions that were taken to resolve the conflict to the Supervisory Board.
5. In general, the person involved in the conflict of interest must withdraw from the decision or activity related to that situation. Only exceptionally, with the express authorization of COHEP's Supervisory Board, and under strict controls, may the person involved in a conflict of interest situation continue to oversee the related decision or activities.

Title III.

Policy on business favors, benefits, and other courtesies

International anti-corruption standards insist on the risk of receiving gifts, attentions, donations, favors or courtesies as a mechanism to disguise bribes. For this reason, COHEP adopts this policy of behavior on the exchange of gifts, attentions, donations, favors or courtesies. The above, to prevent any act of corruption and, likewise, with the purpose of eliminating all kinds of unjustified privileges.

1. The directors, administrators, representatives, and employees of COHEP must refrain from receiving from any person - by reason of and on the occasion of their duties- gifts, attentions, donations, favors or courtesies that by their value, nature or characteristics could compromise their objectivity, independence, and impartiality in decision-making, or in the execution within their competence.
2. COHEP authorizes the receipt of gifts, attentions, favors or courtesies of low commercial value, which in no case compromise the objectivity, independence and impartiality of the person receiving them.
3. COHEP establishes the prohibition for directors, administrators, representatives, and employees, to give or offer any kind of gifts, attentions, donations, favors or courtesies to a public official or member of a political party. The foregoing, unless expressly authorized by the Executive Director and under the condition that the gifts, attentions, donations, favors or courtesies do not affect the objectivity, independence, and impartiality of the public official, nor may they be perceived as a subtle form of bribery.

4. COHEP member associations, organizations, entities, and business chambers shall adopt measures such as those provided for in this policy, to regulate the delivery of gifts, attentions, donations, favors or courtesies by their directors, administrators, representatives, and employees.

Title IV

Policy on relations with authorities

COHEP requires frequent interaction with national and foreign authorities to fulfill its institutional mandate. This interaction must adhere to the principles and values promoted by the Council, with special emphasis on the principles of integrity, transparency, and respect. Consequently, COHEP adopts the following rules of behavior as part of its institutional policy regarding to its interactions with the authorities:

1. COHEP's directors, administrators, representatives, and officials shall interact with Honduran and foreign authorities in a respectful manner, maintaining a strictly professional relationship. In such relations, situations shall be avoided that may lead to dealings that go beyond the standards of formality inherent to a professional relationship and lead to personal, family, emotional or affective relationships that undermine the objectivity, independence, or impartiality of any of the parties involved.
2. The directors, administrators, representatives, and officials of COHEP shall not accept invitations from national or foreign authorities, which may mitigate the professional nature of the relationship between them.
3. COHEP's directors, administrators, representatives, and officials shall only contact and communicate with Honduran and foreign authorities, through official means of communication, such as the professional telephone number and institutional email. Exceptionally, when this is not possible, or when it is necessary to use the telephone or personal mail, a professional language and attitude that shows respect, courtesy and integrity to the authority shall be maintained.
4. COHEP's directors, administrators, representatives, and officials shall only communicate and contact with Honduran and foreign authorities during working hours. Exceptionally, when this is not possible, or when it is necessary to interact during non-business hours, a professional language and attitude that shows respect, courtesy and integrity to the authority shall be maintained.

5. The directors, administrators, representatives, and officials of COHEP shall avoid going out to dinner, drinking liquor, going for a walk, dancing or, in general, engaging in recreational leisure or entertainment activities with Honduran and foreign authorities. Exceptionally, when it is necessary to attend a party, a cocktail, social event, celebration or similar act, a professional language and attitude that shows respect, courtesy and integrity to the authority shall be maintained.
6. Before establishing contact with any national or foreign authority, COHEP's directors, administrators, representatives, and officials must verify that it is within their authority to interact with such officials on behalf of the Council. Likewise, they must verify that their interaction has the competencies and attributions necessary for the purposes pursued with the meeting.
7. COHEP member associations, organizations, entities, and business chambers shall adopt measures such as those provided for in this policy, to regulate the relationship between their directors, administrators, representatives and employees, and national and foreign authorities.

Title V

Policy for the proper use of goods and resources

The resources of the institution are destined to a social purpose consisting of providing the most appropriate physical, legal, and economic conditions, to promote the creation of wealth and the socioeconomic development of Honduras, based on the system of free enterprise and responsible business conduct. For this reason, COHEP strives to avoid the misuse of resources owned by the Council, including physical assets, information, and intellectual property.

1. The name of COHEP is the main asset of the organization. For this reason, COHEP's directors, administrators, representatives, and employees shall only use its name when necessary, ensuring that the good name and reputation of the entity is maintained. The Executive Director of COHEP shall issue a regulation, indicating which officials of the entity are authorized to use the name, symbol, and other institutional insignia. No director, administrator, representative or employee of COHEP may use the name, symbol, and other institutional distinctions without express authorization.
2. The directors, administrators, representatives, and employees of COHEP shall take special care of the assets delivered for the

fulfillment of their functions, and those whose administration has been assigned to them. All shall be attentive to inform their superiors about situations that may lead to the loss, damage, deterioration, devaluation, or improper use of them.

3. COHEP's member associations, organizations, entities, and business chambers shall adopt measures such as those provided for in this policy, to regulate the proper use of their assets and resources.

Title VI

Policy of respect for the environment and responsible business conduct

COHEP is committed to sustainable economic development. This concept rests on three pillars: economic performance, environmental balance, and responsible business conduct. As a manifestation of this commitment, COHEP adopts the following policy:

1. COHEP shares and promotes the Sustainable Development Goals (SDGs) that make up the United Nations Global Agenda 2020-2030. In this sense, COHEP supports any public or private initiative aimed at helping Honduras achieve the SDGs.
2. COHEP's directors, administrators, representatives and employees must promote the SDGs in compliance with their functions and work decisively and proactively to help Honduras achieve them.
3. COHEP's member associations, organizations, entities, and business chambers must promote the SDGs as part of their corporate purpose and work decisively and proactively to help Honduras achieve them. An association, organization, entity, or business chamber may not be a member of COHEP if it engages in, supports, authorizes, or remains silent in the face of industrial or commercial practices that go against the SDGs.
4. It is the obligation of the Councils member associations, organizations, entities, and business chambers to adopt environmentally friendly industrial processes and business practices, as well as to comply with and enforce compliance with the national environmental preservation standards, policies, and procedures, reporting any environmental risk.
5. COHEP's directors, administrators, representatives, and employees must always comply with and promote, fully and without exception, the Honduran labor legislation.
6. The associations, organizations, entities, and business chambers that

are members of COHEP must fully comply with Honduran labor legislation. An association, organization, entity, or business chamber may not be a member of COHEP if it engages in, supports, allows, or remains silent regarding practices of labor exploitation of immigrants; labor exploitation of children or adolescents; any form of slavery or forced labor; or manifest and proven violation of the right to freedom of association and collective bargaining.

Title VII

Accountability and transparency policy

COHEP is aware that there must be a strengthened and constant dialogue with society to generate information channels that nurture the Council's decision-making processes.

Transparency, integrity, and a sense of responsibility are principles that guide the conduct of all activities by COHEP's the directors, administrators, representatives, and employees.

In this regard, COHEP is committed to publishing its results and showing its contribution to the economic development of Honduras. The information corresponding to financial performance, environmental, social, and corporate governance practices will be disclosed to the markets with timeliness, truthfulness, and balance, in accordance with the following rules:

1. The directors, administrators, representatives, and employees of COHEP shall be accountable for their management, at least once a year, under the terms established in this policy, and in the regulations that develop it.
2. The COHEP Supervisory Board shall issue regulations defining the following: a) the directors, administrators, representatives, and employees of COHEP who are obliged to render accounts; b) the persons to whom each of the directors, administrators, representatives and employees of COHEP are required to be accountable; c) the date or opportunity in which accounts must be rendered; d) the form in which they must be held accountable; and e) the minimum content of the rendition of accounts.
3. The Executive Director of COHEP will render public accounts at least once a year. In this rendering of accounts, the public shall be informed of all the activities carried out by COHEP during the year. The Supervisory Board shall define the minimum form and content of this accountability.

4. COHEP's Communications Management shall prepare an inventory of the information produced by COHEP that may be of interest to the public. This inventory shall be submitted to the Supervisory Board for its approval.
5. The information related to the inventory approved by the Supervisory Board must be compiled, classified, and proactively published on the COHEP website, in a Transparency link created exclusively for that purpose and accessible from the home page of the COHEP website. This page should be periodically updated.
6. The Executive Director of COHEP shall prepare a route for handling requests for information submitted to COHEP. This route must process in a differentiated manner requests for information submitted by a) national or foreign authorities; b) the associations, organizations, entities, and business chambers that are members of the Council; and c) society in general. The route designed must correspond to the principle of efficiency defined in this Code and guarantee that the request is dealt with in an effective manner.
7. COHEP's accounting records and books, as well as its financial statements shall be subject to confidentiality. Such confidentiality shall not apply to the requirements of the judicial authorities, nor to the directors, administrators, representatives, and employees of COHEP who are authorized to know it and who require it for the fulfillment of their duties. The confidentiality will not apply to associations, organizations, entities, and business chambers that are members of COHEP, who will be informed annually at the Ordinary General Assembly.
8. Notwithstanding the above, the Supervisory Board shall select the financial and accounting information to be made public through COHEP's website, or at the annual and public accountability act, as it is of interest to the community or to the Council's stakeholders.

Title VIII

Policy participation in politics and campaign finance

COHEP is a non-profit organization, with social purposes, independent of any political affiliation. COHEP's mission is to work for the promotion of free enterprise, private initiative, and a fair economic and social order, regardless of the political composition of the government, the National Congress, and other organs of popular representation in the Honduran State. Consequently, COHEP's policy regarding the participation and

financing of political campaigns is as follows:

1. COHEP's funds, facilities and services may not be used or provided to support any candidate for public office, political party, or group. The above is not an impediment for COHEP's member associations, organizations, entities, and business chambers, in their personal capacity and with their own funds, make political contributions they are not made on behalf of or for the benefit of the Council.
2. The name, image, logo and distinctive signs of COHEP may not be used to endorse any candidate for public office, whether elected or not.
3. It is the duty of the members of the governing and / or administrative bodies of COHEP to explicitly state before the Supervisory Board their intention to aspire to public office, whether they are elected. The duty to inform the Supervisory Board arises from the moment the person begins to perform acts aimed at realizing his/her aspiration, even if he/she has not been elected candidate or launched an electoral campaign.
4. Once the Supervisory Board receives information in this regard, it must assess whether the member of the governing body is suspended from his/her position, in which case another member will be appointed to replace him/her, or whether he/she can continue performing his/her duties, after assessing the existence of a conflict of interest on a case-by-case basis.

Title IX

Policy against discrimination

The main objective of COHEP is to provide the most appropriate macroeconomic, legal, and institutional conditions to foster wealth and socioeconomic development in Honduras. To achieve this objective, COHEP is committed to the development of two fundamental principles: inclusion and respect. COHEP's commitment to these principles allows both member organizations, such as officers, administrators, directors, representatives, and employees of COHEP, to perform their duties as officials or members without any type of discrimination. In this sense, COHEP promotes a culture of non-discrimination in accordance with the following rules:

1. COHEP expressly prohibits associations, organizations, entities, and business chambers that are members of the Council, as well as their representatives, managers and employees, and the directors,

administrators and representatives of COHEP, from discriminating against any person on the basis of race, sex, origin, nationality, disability, gender identity, political or religious beliefs.

2. COHEP expressly prohibits conduct or behavior aimed at causing physical or moral harm to a person, group of people, community, or people, based on their race, ethnicity, religion, nationality, political or philosophical ideology, sex, or sexual orientation.

Title X

Policy against workplace harassment

COHEP recognizes the importance of establishing mechanisms to prevent harassment in the workplace. Therefore, the Council will promote a collective conscience of healthy coexistence, which establishes work in dignified and fair conditions; the harmony among those who share a business working life and a good environment within the Council, as well as in the member organizations and entities. To avoid any scenario of workplace harassment, COHEP establishes the following rules:

1. For COHEP, harassment at work consists any abusive conduct carried out in a conscious, premeditated, repetitive and premeditated manner that threatens the dignity and physical or psychological integrity of the person affected, with the aim of getting him/her to leave to leave the job or worsening the work environment.
2. For COHEP, the following constitute acts of workplace harassment:
 - Labor mistreatment: Any act of violence against the physical or moral integrity, physical or sexual freedom and property of an employee, as well as any insulting or outrageous verbal expression aimed at undermining self-esteem and dignity.
 - Labor persecution: Any conduct whose characteristics of repeated or evident arbitrariness induce resignation.
 - Labor discrimination: Any differential treatment based on race, gender, family or national origin, religious creed, political preference, or social status.
 - Work hindrance: Any action tending to hinder the performance of the work or to make it more severe or delay it.
 - Labor inequality: Assignment of duties to the detriment of the worker.

- Limit communication channels. Any act that restricts the affected person from defending his or her position when a conflict is discussed, or isolation in their work environment.
 - Labor Risks: Any conduct that tends to put the integrity and safety of the worker at risk.
3. COHEP expressly prohibits representatives, managers, employees and, in general, all officials, from any act of harassment or workplace harassment within the Council.
 4. COHEP, through Human Resources, will conduct awareness and training campaigns on workplace harassment for personnel, as well as on topics that strengthen relationships, such as conflict management, communication, and interpersonal relations.
 5. The associations, organizations, entities, and business chambers that are members of COHEP must create work coexistence manuals that establish norms regarding the prevention of workplace harassment.
 6. It is the obligation of all COHEP employees, regardless of their position, to ring to the attention of Human Resources any act of workplace harassment which they are aware.

Title XI

Policy against sexual harassment

COHEP is committed to protecting the privacy, honor, mental health, and freedom of people at work, and therefore considers it essential to include a policy regarding the prevention and reporting of sexual harassment. For these purposes, the following rules are contemplated:

1. For COHEP, sexual harassment consists of any unwelcome verbal or physical conduct of a sexual nature that interferes with work, conditions employment or continued employment, or creates an offensive, intimidating, or hostile work environment.
2. Any of the following behaviors may constitute sexual harassment:
 - Misplaced sexual advances or requests for sexual favors;
 - Unwanted touching or patting, or other verbal or physical conduct of a sexual nature;
 - Inquiries or observations about a person's sexual life;
 - Verbal or written communications with sexual allusions;

- Gender bases insults that cause disturbance or humiliation;
 - Repeated and unwanted invitations of a social or sexual nature;
 - Inappropriate or intrusive remarks about a person's physical attributes, appearance, or sexual orientation.
3. COHEP expressly prohibits representatives, managers, employees and, in general, all officials, from carrying out any act of sexual harassment described in the previous paragraph, within the Council.
 4. The associations, organizations, entities, and business chambers that are members of COHEP must create work coexistence manuals that provide norms regarding the prevention of sexual harassment within organizations.
 5. It is the obligation of all COHEP officials, regardless of their position, to inform Human Resources of any act of workplace harassment of which they are aware of.

V. ETHICS LINE AND CONSULTATION BODY

Title I.

Ethics Line

1. With the purpose of maintaining direct communication with the recipients of this Code, and with the public in general, COHEP will set up a direct telephone line and a special email address to receive reports of cases of violation of the duties and obligations set forth in this Code.
2. COHEP's Legal Management division will develop a route of attention to the complaints submitted through the telephone line, email, or any other means, such as social networks. This route designed must be consistent with the principle of efficiency defined in this Code and ensure that the complaint is dealt with effectively.
3. The route must always ensure the protection of the identity of the complainants.

Title II.

Consultation body

The consultation body designated by COHEP for matters related to the conduct described in this document will be the Supervisory Board of COHEP, in accordance with the terms established in article 46, paragraph 3 of the Council Statutes.

The consultation body will respond to all the concerns that may arise in connection with the conducts described in this document. All concepts issued by the Supervisory Board shall be submitted in due time to the Board of Directors and shall serve as background for the decision of the cases mentioned above.

VI. DISCIPLINARY REGIME

Title I.

Ethical Misconduct

The offenses committed by the recipients of this Code are classified as follows: Minor, serious, and very serious.

Section I

Minor Offenses

Failure to comply with the duties set forth in titles VI and VII of Roman IV of this Code is considered a minor offense. The commission of the conducts indicated here will give rise to the sanctions referred to in the following paragraph, without prejudice to the administrative, civil, and criminal investigations and/or sanctions that may be imposed on the director, administrator, representative, employee or members of COHEP.

1. The sanctions for the commission of a minor offense will be the call for attention by the Supervisory board, which will be made known to the Board of Directors and will be incorporated in the report to be presented before the Ordinary General Assembly of COHEP.
2. The commission of more than one of the minor offenses in the same calendar year will be understood as a serious offense and will give rise to the respective sanction.

Section II

Serious Offenses

Failure to comply with the duties set forth in Titles III, IV, V, IX and X of Roman IV of this Code is considered a serious offense. The commission of the conducts indicated here will give rise to the sanctions referred to in the following numeral, without prejudice to the administrative, civil investigations and/or sanctions that may be imposed on the director, administrator, official or member of the Board for the commission of conduct.

1. The sanctions for the commission of a serious offense will be the following, as defined by the General Assembly of COHEP:
 - a. Should the person under investigation hold an executive position, the sanction will be disqualification from holding any position on the Board of Directors or Supervisory Board of COHEP for a period of 5 years.
 - b. If the person under investigation holds administrative positions, the sanction will be suspension from the position for a period of 5 years.
 - c. In case the sanctioned party is an association, organization, entity or business chamber that is a member of COHEP, the sanction will be suspension as a member for a period of 6 years.
2. The commission of more than one serious offense in the same calendar year shall be understood as a very serious offense and will give rise to the respective sanction.

Section III

Very serious offenses

Failure to comply with the duties set forth in Titles I, II, VIII and XI of Roman IV of this Code is considered a very serious offense. The commission of the conducts indicated here will give rise to the sanctions referred to in the following numeral, without prejudice to the administrative, civil investigations and/or sanctions that may be imposed on the director, administrator, official or member of the Board for the commission of conduct.

1. The sanctions for the commission of a very serious offense will be the following, as defined by the General Assembly of COHEP:

- a. Should the person under investigation hold an executive position, the sanction will be disqualification from holding any position on the Board of Directors or Supervisory Board of COHEP for a period of 10 years.
 - b. If the person under investigation holds administrative positions, the sanction will be disqualification from occupying any the position on the Board of Directors or Supervisory Board for a period of 10 years.
 - c. In case the sanctioned party is an association, organization, entity, or business chamber that is a member of COHEP, the sanction will be suspension as a member for a period of 10 years.
 - d. In exceptionally serious cases, the sanction may also consist of immediate expulsion from the association, organization, entity, or business chamber that is a member of COHEP, or the director of COHEP who has incurred the offense.
2. The above sanctions may be imposed individually or jointly, as determined by the authority in charge of the ethical misconduct.

Title II.

Penalty procedure

Section I

Competence

The Cohep Supervisory Board is responsible for initiating, advancing, and bringing to completion the sanctioning processes for non-compliance with the duties set forth in this Code of Ethics, with respect to sanctions committed for minor offenses, in accordance with the procedure described above.

In the case of the alleged commission of conduct constituting a serious or very serious offense and whose sanction contemplates expulsion or suspension, the COHEP General Assembly shall decide on the sanctions to be imposed in accordance with the provisions of this code.

Section II

Procedure.

1. Once the Supervisory Board becomes aware of the alleged violation, it shall determine whether the conduct reported constitutes a violation of the Code of Ethics, according to the information provided through the ethics telephone line or directly to the Board.
2. For such purpose, the Supervisory Board shall randomly appoint one of its members, or commission the Legal Management division of COHEP, to investigate and determine whether any conduct constituting a violation of this Code has been committed. The designated person will be the investigator and will be empowered to collect all the evidence that he/she deems conducive, pertinent, useful, and necessary, for the purposes of the investigation. The investigator shall carry out the inquiry and, upon completion, will prepare and present to the Supervisory Board a complete report of his/her findings, along with all the evidence collected.
3. Upon the receipt of the investigator's report, the Supervisory Board shall hold an extraordinary meeting to decide on the pertinent aspects of the investigation carried out.
4. Should the Supervisory Board consider that there are elements of judgment to affirm the existence of a violation of the Code of Ethics, it shall proceed to prepare a statement of charges that must contain at least the following:
 - a. Description of the facts allegedly constituting a violation of the Code of Ethics.
 - b. Description of the duty (s) allegedly infringed.
 - c. Evidence on the offense.
5. The Supervisory Board may appoint one of its members or commission COHEP's Legal Management to prepare the statement of objections.
6. The statement of charges must be notified in writing to the alleged offender, within a maximum term of eight (8) business days.
7. Once the alleged offender of the infraction is notified of the statement of charges, he/she will have a term of fifteen (15) business days to present his/her arguments and discharge in writing.

8. The Supervisory Board will meet in session within eight (8) days after receiving the written statement of arguments and discharges, to analyze it.
9. After analyzing the arguments and the evidence collected, the Supervisory Board will decide on the existence of the ethical misconduct and the sanction to be imposed. Its decision shall be set forth in a properly reasoned written resolution, which shall be notified to the person under investigation within fifteen (15) business days following its issuance.
10. The decision of the Supervisory Board may be appealed within five (5) business days following its notification, before the COHEP Board of Directors.
11. In the case of serious or very serious offenses, the same procedure shall be followed as described above, but in such cases the Supervisory Board shall submit the draft decision to the COHEP Board of Directors for discussion and approval.

The COHEP Board of Directors shall receive the investigation file, the investigator's report and the draft ruling prepared by the Supervisory Board. All these elements will be made available to the members of the Board of Directors for a term of eight (8) days, after which they will meet to deliberate and decide. The Board of Directors may approve the project or reject it, in which case it shall indicate the direction in which the replacement project should be drafted, for discussion and final approval.

The decision adopted must be reported to the Ordinary General Assembly by the Supervisory Board.

VII. FINAL PROVISIONS

1. The Supervisory Board and the Executive Director of COHEP must issue the necessary regulations for the implementation of this Code of Ethics within a period of 30 business days from the effective date of this Code.
2. This Code of Ethics shall come into effect after the ratification of the resolution containing its approval, which according to the scheduling of sessions of the Board of Directors of COHEP corresponds to Thursday, February 18, 2021.

Tegucigalpa January 20, 2021.

Honduran Business Council



**Declaration of
Principles on Business
Integrity**

Honduran Business Council

Declaration of Principles on Business Integrity

CONSIDERING

The 10 Principles of the United Nations Global Compact, of which Honduras is a signatory, **establishes that companies should work against corruption in all its forms, including extortion and bribery**, for which they should develop concrete policies and programs that address the issue of corruption by joining governments, United Nations agencies, and Civil Society for a more transparent global economy.

With respect to business codes of conduct, the position of the International Organization of Employers (IOE), of which COHEP is a member, establishes that companies and their organizations are free to decide whether to formulate, apply, adopt, and make them public to ensure compliance with them.

The statutes of the **Honduran Business Council** establish that the organization's main objective is to foster, unify, strengthen, and promote joint actions for the national private enterprise, oriented towards business integration to promote the values of entrepreneurship, innovation, ethics, morality, and transparency.

The Honduran Business Council, as the umbrella organization of the private sector and the Free Enterprise, has among its main functions to coordinate the efforts of the private initiative to find solutions to national problems and to strengthen the entrepreneurial spirit, seeking unity and harmony. Likewise, it will represent the general interests of free enterprise in Honduras, thus contributing to the integral development of the country.

Therefore, the Board of Directors of the Honduras Business Council, based on its power conferred by Article 29 of its statutes, recognizing that the Free Enterprise system offers the opportunity to achieve the best levels of prosperity.

Resolves to adopt the following principles regarding ethics, transparency, and business conduct:

WITH RESPECT TO THE STATE

1. Ensure the implementation of the Constitution of Honduras and the correct application of its laws and instruments that guarantee the effective functionality of a democratic, representative, and subsidiary State.
2. Contribute to the strengthening of legitimately constituted institutions and authorities to ensure that the rule of law and legal security prevail.
3. Comply with the legal tax obligations in due form and collaborate in broadening the tax base.
4. Prevent conflicts of interest between the State and the private sector.
5. Promote a transparent administration of the tax benefits that are granted to the private sector.
6. Promote and encourage administrative, operational and tax simplification to facilitate the formalization and operation of companies as a mechanism to combat arbitrariness, lack of transparency and corruption.

WITH RESPECT TO COMPETITORS, SUPPLIERS AND CUSTOMERS

7. Advocate and promote free competition and encourage practices of loyalty, transparency, and good faith in all commercial relations.
8. Promote the adoption of appropriate auditing and certification procedures as a means of transparency and accountability.
9. Adhere and comply with the legal obligations contracted to avoid fraudulent acts.

WITH RESPECT TO SOCIETY

10. Collaborate on programs that are aimed to prevent and fight corruption and its root causes.
11. Promote the correct use and access of public information by citizens.
12. Promote corporate social responsibility among our members and stakeholders.
13. Promote the respect for and compliance with labor obligations, international laws and conventions that guarantee decent work and dignity.

We hereby present this **DECLARATION OF PRINCIPLES ON BUSINESS INTEGRITY** to society, to the Business Associations and to the Constitutional President of Honduras, Attorney JUAN ORLANDO HERNÁNDEZ ALVARADO, who signs this document as a witness of Honor.

Tegucigalpa, January 22, 2015

ALINE FLORES PAVÓN
PRESIDENT

WITNESS OF HONOR

JUAN ORLANDO HERNANDEZ ALVARADO
PRESIDENT OF HONDURAS

Honduran Business Council



**Declaration of
Principles on Gender
Equality and Equity**

Honduras Business Council

Declaration of Principles on Gender Equality and Equity

CONSIDERING

That in Honduras, to achieve sustainable economic development, it is necessary to empower women to actively participate in the different economic activities of the country.

At the global level, a new condition has been created where women occupy spaces of importance in companies and in society. Today's women are active, participatory, independent, with higher education degrees and economically empowered within society.

CONSIDERING

We are convinced that breaking down the structural and cultural barriers within organizations, which limit the opportunity of development for women, requires a firm commitment from all sectors; that for this reason, female leadership is a reality that is gaining strength every day, since leadership traits and competencies of women have become essential and important part of family life as well as in business.

CONSIDERING

Honduras has ratified the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, also established two fundamental conventions that are: Equal pay and on discrimination, employment, and occupation; These instruments commit the companies operating in the country to ensure these conditions.

The Honduran Business Council, as the umbrella organization of the business sector, has been committed to promoting equal working conditions for women and men. The vision on equality considers this to be a fundamental right, essential to achieve the global goal of decent work for all.

THEREFORE: The Board of Directors of the Honduras Business Council, based on its doctrinal principles framed in a philosophy of development based on competition, production, productivity, efficiency and quality, in conditions of equal opportunities and observing strict ethical and moral values in all its activities that promotes equal opportunities for all, within the broadest freedom and supports the strengthening of

human capital as the basis for development, recognizing that the Free Enterprise system offers the opportunity to achieve the best levels of prosperity, resolves the following:

1. Promote equal treatment between women and men in companies and business organizations.
2. Promote initiatives aimed at guaranteeing gender equality at the highest level within companies and business organizations.
3. Promote an inclusive business culture, eliminating stereotypes.
4. To provide equal opportunities in the recruitment and selection processes.
5. Promote work environments free from any type of harassment, discrimination, and intimidation.
6. Promote growth and development through education, training, coaching and orientation programs, with equal conditions for women and men.
7. Ensure safe and secure work environments for women and men through the implementation of occupational health and safety management systems.
8. Promote good business practices that promote gender equality and equity.
9. Support the development of sustainable, economically, and socially entrepreneurial capabilities under equal conditions.
10. Articulate efforts to guarantee support for business ventures that guarantee the well-being of Honduran families.

We request the Government of Honduras to consider the spirit of this Declaration, to incorporate in a progressive and gradual manner, the issues that as entrepreneurs we have resolved, with the aspiration of seeking new opportunities for gender equality and equity. Likewise, we would like to pick up on the initiative of the Gender Equity Standard in force since December 2013, which includes areas of training, professional development, equal opportunities and compensation, awareness, and communication on gender issues, as well as promoting the National Policy for Women to achieve greater empowerment.

We hereby present this DECLARATION OF PRINCIPLES ON GENDER EQUALITY AND EQUITY to the Member Organizations of

the Honduran Business Council, the Government, the United Nations representation in Honduras and society in general.

Tegucigalpa, November 5, 2015

ALINE FLORES PAVÓN

PRESIDENT



A handwritten signature in black ink, appearing to read "Aline Flores".

Honduran Business Council



**Resolution Act
Institutional Policy on
BHR**

Certification

The Secretariat of the Board of Directors, of the Honduran Business Council (COHEP), in compliance with its duties and the statutes in force, issued the Resolution No. 413-10-19 of point ten of Act No. 184-2019 of the COHEP board of directors, held in the city of Tegucigalpa MDC, Department of Francisco Morazán, on the sixteenth day of October of the year two thousand and nineteen, which in its conducive part literally expresses:

Resolution No. 413-10-2019: The Board of Directors of the Honduran Business Council (COHEP), in use of their legal powers,

FIRST: To approve the Institutional Policy of Business and Human Rights of the private sector of Honduras, Thus: "**PREAMBLE.** The Honduran Council of Private Enterprises, taking into consideration that,

- The United Nations framework of respect on business and human rights: **Protect, Respect, Remedy** clearly communicates that: It is the duty of the state to respect, protect and enforce human rights and fundamental freedoms; It is the duty of the business sector to respect human rights; Access to effective reparation mechanisms for victims of human rights violations.
- Human rights, as universal norms, constitute an indispensable requirement of action to develop business activity in a legitimate way, by virtue of human dignity.
- The Honduran private sector generates employment opportunities that allow the creation of wealth at the level of individuals, families, and communities and that this wealth is essential to meet the country's economic, social, and environmental challenges.
- The responsible actions of companies provide business opportunities, generates employment, motivates employees, facilitates access to financial resources and new markets, in addition to strengthening the reputation and trust of stakeholders.
- COHEP promotes compliance with the legal and regulatory framework by companies and their supply chains.
- COHEP understands that respect for human rights is not a voluntary act of social responsibility, but rather a legal and ethical requirement that makes a positive contribution to the sustainable development goals and social peace in Honduras.

DECLARATION OF COMMITMENT

AGREES to approve the following Institutional Policy of Business and Human Rights:

The Honduran Business Council (COHEP) reiterates its commitment to observe and fulfill Human Rights and promote respect for these rights by its member organizations and the business community.

Human Rights are legal and universal guarantees that protect individuals and groups against actions that interfere with fundamental rights and human dignity and are contained in:

- The International Bill of Human Rights of the United Nations which is made up of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and its optional protocols.
- The ILO Declaration on Fundamental Principles and Rights at work.

The Honduran Business Council, specifically provides:

1. Promote among its members and the business community respect for human rights, responsible business conduct and anti-corruption practices:
2. Raise awareness through workshops and training with its member organizations and the business community in respect for Human Rights, the integration of due diligence in business practices and in effective claim and redress mechanisms.
3. Spread the United Nations framework on Business and Human Rights that establishes the duty of the State to Protect, the duty of Businesses to Respect and the duty to Remedy in matters of human rights, as well as the implementation of this framework by means of the United Nations Guiding Principles on Business and Human Rights.
4. Promote the respect for Human Rights by all national and international actors with whom it interacts.
5. Spread this Institutional Policy, provide follow-up to its execution and communicate the actions carried out within the framework of the policy.

Commitment acquired in Tegucigalpa, Honduras on october 16, 2019.

SECOND: Approve the Action Plan of COHEP for the year of 2020-2021, as follows:

“Plan Objective”

It is the mission of the Honduran Business Council (COHEP), to contribute to the national economic and social development through the strengthening of Free Enterprise, it commits itself, together with its members, to train the business community, promote the integration of due diligence in business practices, promote dialogue and the articulation of efforts in the field of human rights.

With the implementation of the plan, COHEP hopes to make a positive contribution to human dignity, the objectives of sustainable development and social peace in Honduras.

EXECUTION PERIOD: 2019-2022

ELABORATION PROCESS

The Declaration of respect for human rights and the elaboration of the action plan to strengthen human rights capacities is another milestone in the COHEP's trajectory in promoting the culture of legal and ethical compliance in Honduran businesses. In addition, it is the result of strengthening the knowledge of the Guiding Principles on business and human rights, the organization of training workshops designed for organization members and companies, as well as the human rights diagnosis and the consultation with its main stakeholders.

INTEREST GROUPS

The interest groups according to the level of materiality are: The member organizations, the Board of Directors and the Business and Human Rights Committee of COHEP; formal companies in Honduras, the International Organisation of Employers (IOE) and the International Labor Organization (ILO). The institutions of the State in particular, the Secretary of Human Rights, the National Commissioner of Human Rights (CONADEH), the Secretary of Labor and Social Security and the Judicial Power. Civil society organizations linked to business activities, international organizations present in the country and the United Nations System.

In general, the Honduran society.

ACTION PRIORITIES

1. Awareness and training in Human Rights.

The respect for human rights by companies requires knowledge of the rights and applicable legislation, as well as knowing how to integrate business practices that ensure respect for human dignity, private property, and production within the regime of the free enterprise.

Objectives

1. Sensitize the Honduran business sector about the relevance and duty of respecting human rights in all its actions.
2. Train the business sector present in Honduras in the matter of human rights and in the Guiding Principles of the United Nations on business and human rights.
3. Promote and spread good practices of respect for human rights carried out by Honduran companies to demonstrate their commitment to human dignity.
4. Provide the business community with learning tools such as guides, methodologies and exchanges of experiences that strengthen their capacities to respect human rights and strengthen relationships with the community of influence of the company.
5. Promote alliances with national and international actors to strengthen the capacities of companies, in particular, micro, small and medium enterprises in the field of human rights.

Goals and Deadlines

- The Honduran Business Council (COHEP) Policy of respect for human rights is communicated to the employers who participate in the member organizations of COHEP. A communication effort is carried out in the territories that are far from the main cities of the country. March 2020
- Members of the council adopt, as their own, the policy of respect for human rights. At least 30% by 2021
- Human rights awareness strategy aimed at members of corporate governments in companies. The strategy uses appropriate methodologies that encourage the participation and involvement of business leaders.
- Business and Human Rights training strategy is articulated with

COHEP member organizations and is implemented at the national level. Formulated in 2020 and implemented by 2021-2022.

- Communication strategy for good business practices in respect of human rights, designed in 2020 and implemented in 2020-2021. The strategy has national and international scope and includes different communication instruments: social networks, written press, television, forums and spaces for dialogue.
- Support by international organizations is specified for the design and implementation of the training and communication strategy on human rights. 2020-2021.

2. Due Diligence

Due diligence is the way in which a company determines, in a given operational context, whether it runs the risk of producing or contributing to a negative human rights consequence arising from its own activities, operations or from its business relationships. In addition, it allows you to understand the measures you need to take to prevent and mitigate those risks.

Objectives

1. Make guidance tools available to companies that facilitate the integration of human rights due diligence in business practices.
2. Encourage the identification of current or potential risks in the field of human rights by the type of business activity, in order to generate references that support the conduct of due diligence in companies in the sector.
3. Facilitate the understanding and implementation, at the operational level, of effective claim and remedy mechanisms, in the eventual violation of rights by companies.
4. Create institutional capacity in the COHEP to guide member organizations and companies in conducting due diligence on human rights.

Goals and deadlines

- Guidance on how to integrate human rights and due diligence in business practices made available to the business community. December 2019.
- COHEP is permanently building capacities to train its own personnel to advise member organizations and companies on human rights

due diligence and to follow up on the Institutional Policy on Respect for Human Rights. March 2020.

- Lead the identification of current and potential human rights risks in at least three union sectors and the preparation of recommendations for their prevention and mitigation. One sector in 2020 and two sectors in 2021.
- Provide guidance on Good practices for the Definition and implementation of effective claim and remedy mechanisms by companies. December 2021.

3. Dialogue and coordination of efforts in the field of human rights

The duty of the State to protect human rights, the duty of companies to respect them and the exercise of rights by people are based on permanent dialogue and the articulation of efforts in favor of human dignity and social peace in Honduras.

Objectives

1. Promote spaces for dialogue that contribute to generating a climate of trust among the interest groups of Honduran private companies, including those who work in the defense of human rights.
2. Participate and Influence public policy proposals to improve the effectiveness of the State in its duty to protect human rights and human rights defenders.
3. Encourage the coordination of actions in the field of human rights by the Honduran business and government sectors and the international community.
4. Strengthen the capacities of the business sector in generating constructive dialogues on human rights.

Goals and deadlines

- UN Forum on Business and Human Rights. A platform is created to discuss the actions of the State in its duty to protect human rights and of the Companies in their duty to respect. First forum in 2021.
- Guidance Tool for good practices for conducting effective dialogue spaces. 2021
- Dialogue spaces with state entities and civil society organizations on human rights. At least two spaces per year take place on key themes

of the United Nations framework of respect: Protect, Respect and Redress.

- Immediate support for the creation and management of the Global Compact Local Network in Honduras.

EXECUTION AND MONITORING

The Honduran Business Council (COHEP) will monitor the implementation of the policy through its governing bodies and will provide a communication on progress on an annual basis. The results of the policy will be evaluated at the completion of the third year”.

THIRD: The Presidency is authorized to hold a public event of the subscription of this policy and make it known to: member organizations of the COHEP; international organizations, diplomatic missions recognized in Honduras, labor unions, FEOEPRIAP, CCIE, International Organization of Employers (IOE), Organization of American States (OAS), MACCIH, United Nations High Commissioner for Human Rights, the three branches of the State of Honduras and citizens in general.

FOURTH: The declaration of Business and Human Rights will be delivered to the United Nations Working Group at the forum to be held in November 2019, in the city of Geneva.

FIFTH: The Executive Board must present in the month of December 2019, the calendar of actions to be carried out based on the approved Action Policy.

SIXTH: This is an immediate Execution resolution

And for the corresponding legal purposes, it extends this Certification in the city of Tegucigalpa, Municipality of the Central District on the seventeenth day of October of the year two thousand nineteen.

MARIA CRISTINA GONZALEZ DE HANDAL

Secretary of the Board of Directors by Law



MARIA CRISTINA GONZALEZ DE HANDAL
Secretaria Junta Directiva por Ley

Honduran Business Council



Institutional Policy on Business and Human Rights

Honduran Business Council

Institutional Policy on Business and Human Rights

Background

The Honduran Business Council (COHEP) brings together chambers, associations, federations, and business organizations that make up the country's private initiative with the purpose of contributing to national economic and social development by strengthening free enterprise. The main objectives of COHEP are to promote, unify, strengthen, and promote joint actions of the national private initiative, oriented towards business integration.

The Honduran Business Council, as representative of the Honduran private sector, defender, and promoter of free enterprise, encourages it to act in a transparent manner, observing strict ethical and moral values in all its activities. Since its creation, COHEP has promoted legal and regulatory compliance and respect for human rights by the business sector. In this sense, recent COHEP actions include:

- The Honduran Business Declaration for the Immediate Eradication of the worst forms of Child Labor (2001).
- The Declaration of Principles of Gender Equity and Equality in the Business Sector (2015).
- The Declaration of Principles of Business Integrity (2015).
- Adherence as signatories to the United Nations Global Compact, which is a voluntary initiative through which companies undertake to align their strategies and operations to universally accepted principles in anti-corruption, human rights, the environment, and labor standards.
- The establishment of a Committee on Business and Human Rights with the participation of member organizations, companies, and the Board of Directors of the Council.
- Active participation in the national and international dialogue on Business and Human Rights, mainly organized by the United Nations Working Group through its annual forum, the consultation meetings that take place in Latin America.
- Participation and monitoring of the declarations and statements of the International Organisation of Employers (IOE) on Human Rights.

- Collaboration with the International Labor Organization (ILO) to ensure compliance with the International Labor Standards by the business sector:
- The beginning of training processes with the Honduran business community regarding the United Nations Guiding Principles on Business and Human Rights, the due diligence of companies in matters of human rights in relation to supply chains. The elaboration of a diagnosis that served as a baseline to know the degree of knowledge that the Business sector had in the context of the Guiding Principles on Business and Human Rights.
- The search for technical support from international development cooperation organizations that are present in Honduras to strengthen institutional capacities in the field of human rights.

PREAMBLE

The Secretary of the Board of Directors of the Honduran Business Council (COHEP), in compliance with its functions and the Current Statutes, issued Resolution No. 413-10-2019 of Act No. 184-2019 on October 17, 2019 approving the Institutional Policy for Business and Human Rights.

The Honduran Business Council, takes into consideration the following,

- The United Nations Framework of Respect on Business and Human Rights: Protect, Respect and Remedy, clearly communicates that:

It is the duty of the State to respect, protect and enforce human rights and fundamental freedoms.

It is the responsibility of the business sector to respect human rights.

The need for rights and obligations to be accompanied by adequate and effective remedies in case of non-compliance for their repair.

- Human rights, as universal norms, constitute an indispensable requirement of action to carry out business activity in a legitimate way, by virtue of human dignity.
- The Honduran private company generates employment opportunities that allow the creation of wealth at the level of individuals, families, and communities and that this wealth is essential to meet the economic, social and environmental challenges of the country.
- Responsible action by companies provides business opportunities,

generates employment, motivates employees, facilitates access to financial resources and new markets, in addition to strengthening the reputation and trust of stakeholders.

- COHEP promotes compliance with the legal and regulatory framework by companies and their production chains.
- COHEP understands that respect for human rights is not a voluntary act of social responsibility, but rather a legal and ethical requirement that makes a positive contribution to the goals of sustainable development and social peace in Honduras.
- COHEP promotes compliance with the Principles of Business Integrity, promoting the adoption of a permanent commitment to monitoring and sanctioning fraudulent acts and behaviors that promote corruption in all its manifestations, encouraging effective communication mechanisms and awareness of a responsible business culture with transparency, ethics, and honesty.

DECLARATION OF COMMITMENT

AGREES to approve the following Institutional Policy of Business and Human Rights:

The Honduran Business Council (COHEP) reiterates its commitment to observe and fulfill Human Rights and promote respect for these rights by its member organizations and the business community.

Human Rights are legal and universal guarantees that protect individuals and groups against actions that interfere with fundamental rights and human dignity and are contained in:

- The International Bill of Human Rights of the United Nations which is made up of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights and its optional protocols.
- The ILO Declaration on Fundamental Principles and Rights at work.

The Honduran Business Council, specifically provides:

1. Promote among its members and the business community respect for human rights, responsible business conduct and anti-corruption practices:
2. Raise awareness through workshops and training with its member organizations and the business community in respect for Human Rights, the integration of due diligence in business practices and in effective claim and redress mechanisms.
3. Spread the United Nations framework on Business and Human Rights that establishes the duty of the State to Protect, the duty of Businesses to Respect and the duty to Remedy in matters of human rights, as well as the implementation of this framework by means of the United Nations Guiding Principles on Business and Human Rights.
4. Promote the respect for Human Rights by all national and international actors with whom it interacts.
5. Spread this Institutional Policy, provide follow-up to its execution and communicate the actions carried out within the framework of the policy.

Tegucigalpa, M.D.C Honduras, 20 enero de 2020.

Juan Carlos Sikaffy Canahuati

President COHEP

WITNESSES OF HONOR

Karla Cueva Aguilar

The Secretary of Human Rights

Roberto Suárez Santos

Organisation of International Employers (IOE)

Alessandro Palmero

Ambassador of the Delegation of the European Union

María Soledad Pazo Representante

Country Representative Office of the High
Commissioner for Human Rights in Honduras

Honduran Business Council



**Declaration for the
Immediate Eradication
of the Worst forms of
Child Labour**

Honduran Business Council

Declaration for the Immediate Eradication of the Worst forms of Child Labour

Whereas on June 17, 1999, during the seventeenth meeting of the International Labor Conference, the Convention 182 was adopted, on the “Prohibition of the Worst Forms of Child Labor” and by Legislative Decree No. 62-2001, dated May 24, 2001, this Convention was approved and therefore became a Law by the State.

One of Honduras' serious social problems is the high level of poverty, which causes low-income families to have to resort to child labour.

Concerned that child labor deprives the opportunity for children to benefit from education, and therefore the opportunity to fully develop their potential, thus hindering the social and economic development for Honduras.

The fact that child labor is very challenging and requires medium- and long-term measures for its prevention and progressive elimination, particularly in those tasks that have not been considered as the worst forms of child labor.

Employer organizations and companies, as well as other groups in Honduran society, concerned about the effects and implications of the worst forms of child labour in the country, have adopted policies and measures aimed at the gradual eradication or immediate elimination.

The business sector is committed to our children and youth, of today and tomorrow, to fight and achieve the conditions that allow them to grow, learn and develop their skills in a climate of physical, intellectual and emotional security, including the basic rights to education, health, and recreation, and therefore we call for the immediate elimination of the worst forms of child labor, such as: “a) All forms of slavery or practices which are analogous to slavery, such as the sale and trafficking of children, debt bondage and forced or compulsory labor, including recruitment of children for use in armed conflict; b) The offering of a child for prostitution, pornography or pornographic performances; (c) The use and offering of children for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and (d) Any type of work that is, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morality of children.

Therefore,

The Honduran Business Council, in the framework and spirit of the celebration of the Children's Day in Honduras, declares:

1. To immediately, without discrimination, put an end to slavery-like conditions, prostitution, and hazardous forms of child labor in Honduras.
2. The Government of Honduras should implement a policy for the immediate elimination of the worst forms of child labor, encouraging local and national public authorities to apply it effectively.
3. Employers' Organizations in Honduras are urged not to participate or engage in the use of child labor in its worst forms on business activities.
4. The board of directors of the Honduran Business Council, with its member organizations, should analyze and enforce the immediate application of Legislative Decree No. 62-2001.
5. The Honduran Business Council is committed to collaborate with governmental institutions for the effective application of ILO Convention 182, as approved by Law from the Government.
6. Promote this corporate Declaration nationally and internationally.
7. The Honduran Business Council will develop and distribute a Guide for Employers, which addresses the issue of child labor, in collaboration with the International Programme on the Elimination of Child Labour (IPEC) of the ILO.

We hereby present the Declaration for the Immediate Eradication of the Worst forms of Child Labour to the Member Organizations of COHEP, the Government and society in general.

Tegucigalpa, September 10, 2001

Juliette Handal de Castillo

PRESIDENT

WITNESSES OF HONOR

Mary Flakes de Flores

FIRST LADY OF HONDURAS

Rosa Miranda de Galo

Secretary of Labour and Social Security

President of the National Commission

for the gradual and progressive
eradication of child labor

Carmen Moreno

Regional Director

IPEC-ILO

