



Pantaleon

Responsible
Development Report

2020



About Our Report

The goal of this report is to provide our stakeholders with information related to the sustainability of our operations in a transparent manner.

For the twelfth year, we have published the Responsible Development Report, outlining the information corresponding to the period from January to December 2020. In certain instances, the data corresponds to the harvest period from November 2019 to October 2020. For the seventh time, the report is prepared under the Global Reporting Initiative (GRI) methodology, following the guidelines of its "Essential" compliance option. The latest version of the report under GRI standards was published in 2020.

The scope of the report covers the operations of the organization in Guatemala, Nicaragua, Chile, Brazil, Mexico, and the United States of America. For Brazil, we do not report environmental management indicators because we operate the mill in partnership with Manuelita, and have not yet integrated the indicators to our QHSE reporting.

Throughout the document, various indicators corresponding to the different areas of impact, risks, and opportunities are detailed. The prioritization of the topics was evaluated and approved by the Responsible Development Committee and General Management.

The Responsible Development Department was responsible for the elaboration of this report. It should be noted that this report has not been subjected to an external validation process.

The report is available digitally in the organization's website:
www.pantaleon.com

Any concern arising from the report will be addressed via mail:
desarrolloresponsable@pantaleon.com

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Letter From Our CEO

Marked globally by the impact of the Covid-19 pandemic, 2020 was a year like no other. Nevertheless, thanks to the commitment and dedication of our employees, we were able to adapt to the challenges, bringing out some of our best attributes: teamwork, flexibility, resilience, and foresight towards the future. We can say that 2020 was the year in which our culture, caring for and protecting our people, was strengthened and thus, continues to grow.

At Pantaleon, our approach prioritized the health and well-being of our employees, their families, and the communities where we operate, generating and implementing a protocol manual endorsed by our medical team. Each operation activated an Emergency Committee to create and monitor actions to support all areas of the organization. In 2020, we invested US\$ 4.78M in development projects, supporting efforts to combat the pandemic and promoting the development of the communities surrounding our operations. We created prevention campaigns, keeping 148 communities informed about health protocols and worked with community leaders and volunteers coordinating the delivery of medical supplies such as antibacterial gel, alcohol, and masks. Additionally, in Guatemala - together with different organizations - we supported by allocating funds and materials to create and supply a hospital on the South Coast, another one in Petén and a Multiple Care Center in Guatemala City.

By protecting our people, we made it possible to continue our operations with the excellence that characterizes us. We have made important transformations in the operation and in the strategy of our group. We successfully completed the last

harvest at Concepción Mill and increased the capacity of Pantaleon Mill, consolidating and making our operation in Guatemala more efficient. We continue to increase our presence in Mexico, with the acquisition of El Mante Mill and the growth of Pánuco, increasing our competitiveness at a global level. We invested in improvements in Monte Rosa and Vale Do Paraná; we increased the production of specialty sugars and alcohols, and reached new markets and clients through Panor in Chile and our commercial office in Miami. We continue to deliver renewable energy to clients in Mexico, Nicaragua, Guatemala, and now in Brazil. At the same time, we are carrying out a digitization process that will impact our administrative and operational efficiency, incorporating state-of-the-art technology in all our processes - from the field, to the delivery of our products, strengthening Ingenia and implementing an Integrated Operations Center.

Despite the challenges and uncertainty that we still experience, we will continue to contribute to the development of the countries where we operate, positively impacting our region, and thus, building a better future. This, thanks to the effort and commitment of all our employees.



Pantaleon in Figures

2019/2020 Harvest season

Employees

+18,400

549,450



MWH

Energy sold

145,422



M³

Alcohol produced

1,163,206



Tons

Sugar produced

408,232



Tons

Molasses produced

76,000



Tons per day

Milling capacity

172

Years of experience

44

Export destinations

6

Countries of operation

11,651,957

Tons of harvested cane



Covid-19 Response

At Pantaleon, Integral Well-being is at the center of all our activities. In 2020, with the Covid-19 pandemic, we created a Prevention Plan under two premises:

- Our priority is to preserve the well-being of employees, their families and communities.
- We are committed to guarantee the supply of sugar and electricity during times of crisis.

Each operation assembled a Covid-19 Emergency Committee with regular meetings to create and monitor actions to support all areas of the organization.

The Well-being of Our **Employees and Families**

Following the indications, protocols, and recommendations of local authorities and world-renowned entities, we established prevention measures in all of our operations under the guidance of our health specialists, including:

- Medical, paramedical, administrative, and cleaning staff trained in Covid-19 prevention and management.
- Employees trained with constant and transparent information.
- Adhered to the prevention measures recommended by the WHO/ CDC including hand washing, temperature controls, access to disinfectant alcohol, physical distancing, and mandatory use of a mask, among others.
- Encouraged remote work for non-essential workers.
- Coordinated with health entities and national government.
- Enabled specific and isolated clinics for people with symptoms related to respiratory diseases.
- Internal audits to verify compliance.



Guarantee the Well-being of **Contractors and Suppliers:**

We train our suppliers and contractors to accomplish the same prevention protocols and thus, ensure their well-being and business continuity.

- Communication and support in the implementation of preventive provisions.
- Medical evaluations by Pantaleon's medical personnel to contractors and their workers.
- Compliance audits.
- Virtual meetings for training, feedback, monitoring, and follow-ups.

Support to the Community

Pantaleon provided more than US\$1M of additional contributions in 2020 to address the Covid-19 crisis in the countries where we operate. We donated more than 70 thousand gallons of alcohol to the Public Health System, National Civil Police, National Coordinator for Disaster Reduction, and municipalities in Guatemala. In Brazil we delivered more than 8 thousand liters of alcohol to the communities, and in Guatemala, Mexico, and Nicaragua we supplied the medical personnel of local institutions and municipalities with personal protective equipment and basic medical supplies. In Guatemala, together with the other sugar mills in the country, we donated US\$1M for the construction of the Covid-19 Hospital on the South Coast and US\$1M in conjunction with the energy guild for the construction and equipment of the Covid-19 Hospital in Petén. Additionally, the Pantaleon Foundation in alliance with other benefactors supported the provision of food and supplies and the creation of the Multiple Care Wellbeing Center in Guatemala City, providing primary care to more than 450,000 people.

With the commitment of protecting and promoting development in the communities surrounding our operations, we carried out Covid-19 education and prevention campaigns delivering masks, alcohol, and educational posters.



Main Achievements 2020

We are committed to the 17 Sustainable Development Goals (SDGs) of the United Nations, prioritizing areas where we can have a greater contribution and alignment with the Responsible Development Strategy.

In addition, we align our policies and practices to other global standards including:

- Universal Declaration of Human Rights
- Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work
- United Nations Framework Convention on Climate Change (UNFCCC)

People

14% reduction in the number of lost-time injuries compared to the previous year.



Actions for the enhancement of Integral Well-being including the priority of protecting employees, their families, and communities against Covid-19.

Prosperity

US\$4.78M+ in charitable or social investments per year. More than **31,036** people benefited from the company's social programs.



1,718 people benefit from our free educational programs annually.

Planet

56.4% reduction in our water usage (2013-2020).



7,555.43 hectares conserved in forests, along rivers and ecological trails.

Product

98% of energy utilized comes from renewable resources.



The Supplier Incubation Program supported the generation of 245 new jobs.



Our Code of Ethics and Conduct is communicated to all employees and providers.



Pantaleon

We are an agroindustrial organization dedicated to the responsible processing of sugarcane for the production of sugar, molasses, alcohols, and electrical energy from biomass. We have operations in six countries: Mexico, Guatemala, Nicaragua, Chile, Brazil, and the United States, with our headquarters in Guatemala. We are characterized for having a culture of high performance and commitment, based on values and principles forged over more than 170 years of experience.

We started our operations in 1849 on the South Coast of Guatemala, we have gradually expanded, going from a local operation to a leading business in Latin America with great relevance in the international market. Today, we are leaders within the Central American region in the production of sugar and are among the ten most important cane sugar groups in the world, with an annual production of 1.16 million tons of sugar and derived products. Our products reach local markets and more than 44 export destinations, where we supply food industries, and refineries.

With significant investments in innovation and continuous efficiency improvements in our agricultural and industrial processes, our business strategy focuses on sustainable development and operational excellence.

Purpose

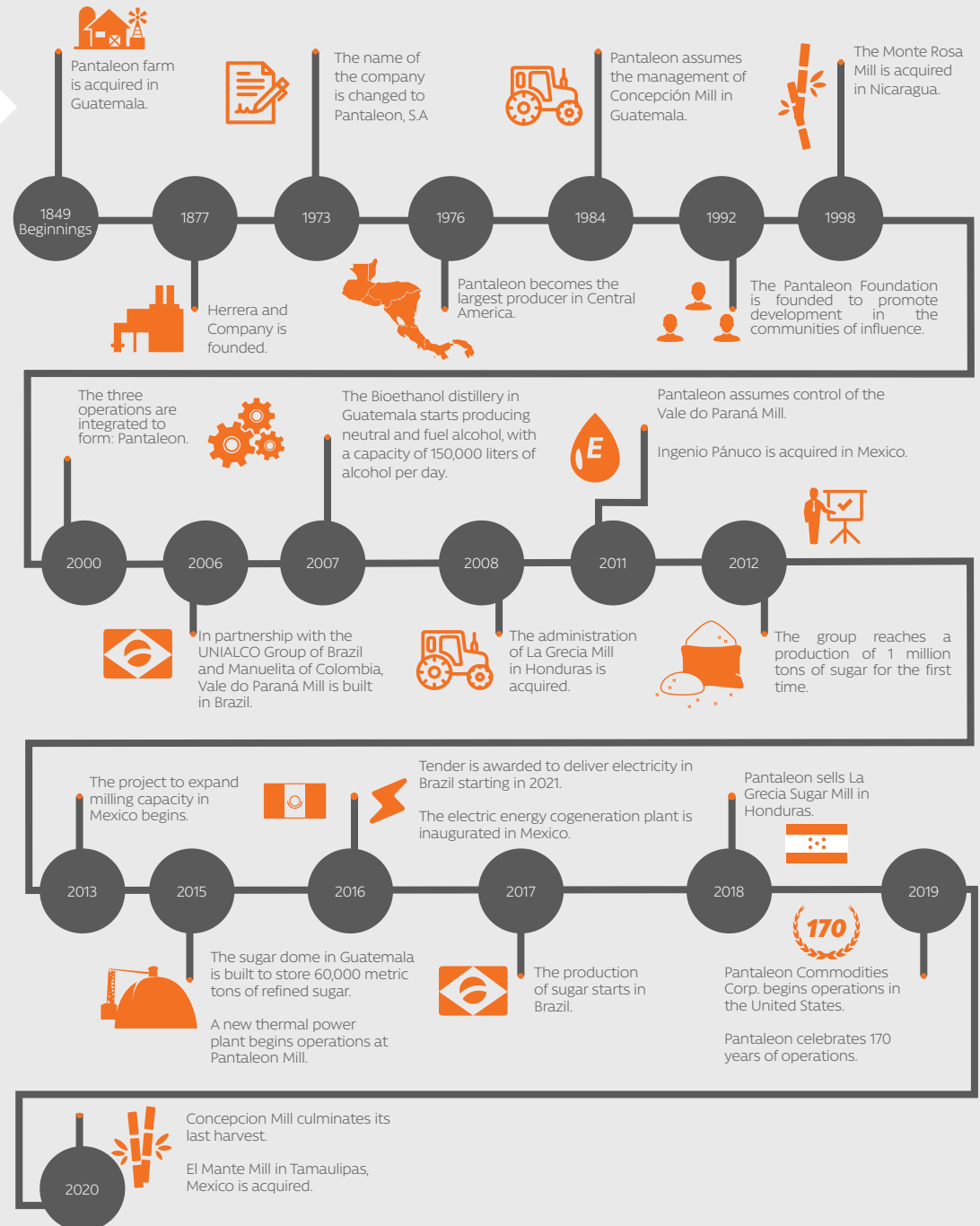
- Promote development, transforming resources responsibly.

Ambition

- Strengthen our competitive position seeking a high and sustainable profitability focused on operational excellence, creation of added value, high responsibility, and reputation.

Values

- Integrity and honesty.
- Improvement and permanent change with a long-term vision.
- Respect for people and commitment to their success.





Operations, Products, and Markets

6 countries of operation:

 **Guatemala**
Pantaleon Mill
Bio Ethanol Distillery

 **Mexico**
Ingenio mill
El Mante mill
Pantaleon Energy


 **United States**
Pantaleon Commodities Corp.


 **Brazil**
Vale do Paraná Mill


 **Nicaragua**
Monte Rosa Mill

 **Chile**
Panor Sugar Warehouse

9 varieties of products offered: sugar, molasses, alcohol, and energy.

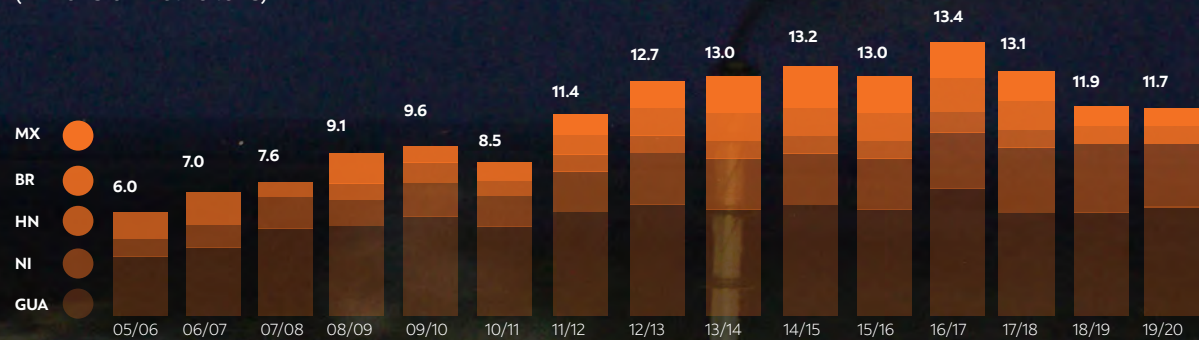
 **Sugar**
Guatemala, Nicaragua, Mexico, Brazil

 **Energy**
Guatemala, Nicaragua, Mexico, Brazil

 **Molasses**
Guatemala, Nicaragua, Mexico, Brazil

 **Alcohol**
Guatemala, Brazil

Milled sugar cane
(Millions of metric tons)



In terms of sugar production from sugarcane

#1 in Central America

#2 in Latin America (Excl. Brazil)

#10 worldwide

Major Export Destinations

America

Aruba
 Bahamas
 Brazil
 British Virgin Islands
 Canada
 Chile
 Colombia
 Curacao
 Dominican Republic
 Ecuador
 Granada
 Guyana
 Haiti
 Jamaica
 Mexico
 Peru
 Puerto Rico
 Saint Lucia
 Saint Kitts and Nevis
 Saint Vincent and the
 Grenadines
 Trinidad and Tobago
 United States
 Venezuela

More than

40

export
destinations

Europe

Belgium
 Bulgaria
 Germany
 Italy
 Portugal
 Spain
 United Kingdom

Africa

Angola
 Democratic Republic of Congo
 Kenya
 Liberia
 Mauritania
 Senegal

Asia

China
 Israel
 Lebanon
 Korea
 Taiwan





Changes in 2020



Guatemala

Concepción Mill

In order to strengthen our operations, guarantee the long-term sustainability of the business and respond to the conditions of the sugar market, we made the strategic decision to consolidate operations in Guatemala. In 2020, Concepción Mill concluded its last harvest. The process was carried out in a responsible manner, announcing changes with years in advance and preserving the largest number of jobs possible.

Brazil

Cogeneration of energy begins, in partnership with a French group, projecting a production of 120 GWh in 2021.

Mexico

El Mante Mill

We acquired El Mante Mill, in Tamaulipas Mexico, and began its administration on October 2020. This acquisition represents the opportunity to expand our operations in Mexico with the objective of growing in preferential markets, in alignment to our long-term vision. For the 2020/21 harvest, 1.0 million tons of cane were crushed and 112 thousand tons of sugar produced.

Bonsucro Certification

In 2020, Pánuco Mill obtained the Bonsucro certification for 2,486.69 hectares, joining Monte Rosa, Pantaleon, PCC, and Bio Ethanol who already have this certification. For more information about Bonsucro, visit www.bonsucro.com.

Innovation

Our business success is the result of operational excellence and the continuous adoption of innovative processes, work methodologies and technologies that ensure the best product quality while promoting productivity and efficiency.



- **Conecta:** Conecta is the digital transformation of our business that seeks to enable new technological capabilities, innovation tools, and improvements in our existing processes. It will impact operational and administrative efficiencies, incorporating state-of-the-art technology in our processes throughout the entire organization—from the fields to the shipment of products. It consists of three phases, the first one, whose implementation continues, began in February 2020 with scope for Guatemala, Nicaragua, and Mexico. During this phase, a corporate, standardized, and robust platform is implemented to:
 - Guarantee business continuity.
 - Increase operational efficiency through the implementation of world-class standard processes.
 - Incorporate innovation and analytical tools that allow us to have accurate information and facilitate decision-making in the operation.
- **Integrated Operations Center (COI):** A centralized service center that will provide services such as:
 - Monitoring and coordinating work in the Agricultural, Industrial, and Logistics areas.
 - Business intelligence.
 - Back office services (finance, payroll, purchasing, etc.).
 - Service desk.
- **BioKlar:** In response to the Covid-19 pandemic, we are leveraging our sustainable alcohol production to produce gel and spray hand sanitizers to help prevent the spread of the virus. Its commercialization began in November 2020, and it is expected to expand to new markets.
- **Biomass separation:** We use the concept of disruptive technology to innovate in the agricultural process by introducing machinery that separates the surplus biomass from the cane in mechanized harvesting, creating a more efficient industrial processing and allowing the integration of organic material into the soil. Alternatives for organic material are constantly studied, such as to generate energy or as animal feed.
- **Living Soil:** Initiated in Mexico, this program implements agricultural practices in Guatemala and Nicaragua that incorporates the natural benefits of endemic microorganisms for the control of pests, diseases, and nutrient availability, in conjunction with sustainable agricultural practices. In 2020, this project won first place at the 2020 Bonsucro Inspire Awards in the category “Planet”. The awards recognize innovative projects that contribute to achieving the Sustainable Development Goals.
- **Centers of Excellence:** We identified and empowered 15 specialists within our organization who contribute to the identification of the best practices worldwide and implement them in our operations to achieve operational excellence in key business processes.

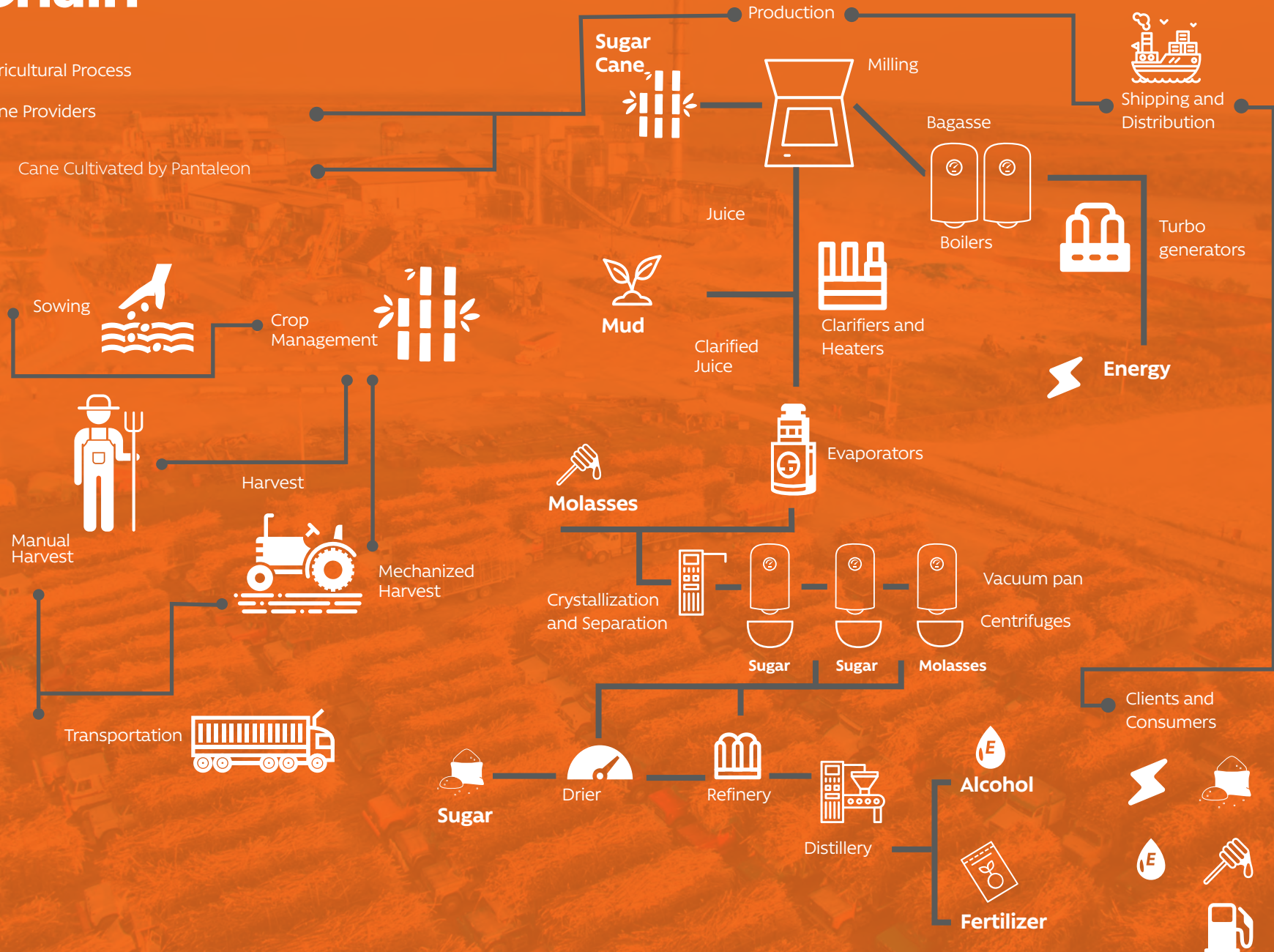


Supply Chain

Agricultural Process

Cane Providers

Cane Cultivated by Pantaleon



Strategic Alliances

We are a proactive agent that is constantly seeking to enhance our impact and reach in the country and in the communities of operation. Therefore, we work with other organizations at the national and international level.

Currently, we have alliances and/or institutional relationships with more than 40 organizations such as universities, research centers, foundations, associations, committees, and private sector associations.

Guatemala

- Guatemalan Sugar Association (ASAZGUA)
- Sugar Foundation (FUNDAZUCAR)
- Guatemalan Sugarcane Research and Training Center (CENGICAÑA)
- Private Institute for Climate Change Research (ICC)
- Expogranel, S.A
- Association of Sugar Technicians of Guatemala (ATAGUA)
- Center for Corporate Social Responsibility (CentraRSE)
- Foundation for the Development of Guatemala (FUNDESA)
- Guatemalan Agricultural Chamber (CAMAGRO)
- Foundation 20 20
- Del Valle University in Guatemala
- Guatemalan Managers Association
- Chamber of Commerce
- American Chamber of Commerce (AMCHAM)
- FUNCAGUA
- Association of Independent Cogenerators (ACI)
- National Generators Association (ANG)

Nicaragua

- National Committee of Sugar Producers (CNPA)
- Association of Private Sugar Cane Producers of the West (APRICO)
- Nicaraguan Union for Corporate Social Responsibility (UniRSE)
- National Commission for Export Promotion (CNPE)
- Nicaraguan Foundation for Development (FUNIDES)
- American Chamber of Commerce (AMCHAM)
- Nicaraguan Chamber of Commerce (CACONIC)
- Superior Council of Private Enterprise (COSEP)
- Association of Producers and Exporters of Nicaragua (APEN)
- Nicaraguan Chamber of Industries (CADIN)
- PRONicaragua
- Nicaraguan Chamber of Energy

Mexico

- National Chamber of the Sugar and Alcohol Industries (CNIAA)
- Union of Workers of the Sugar Industry and Similar Industries of the Mexican Republic
- National Farmer Confederation (CNC)
- National Confederation of Rural Producers (CNPR)
- Mexican Social Security Institute
- National System for the Integral Development of the Family (DIF)
- Training Institute for Work of the State of Veracruz (ICATVER)
- National Association for Personal Improvement (ANSPAC)
- Club America
- Mexican Center for Philanthropy (CEMEFI)
- Technological University of Pánuco
- Caritas de Tampico, AC.
- Veracruz Institute of Adult Education (IVEA)
- National College of Professional Education (CONALEP)

International

- Sugar Producers of the Central American Isthmus (AICA)
- World Sugar Research Organization (WSRO)
- Bonsucro



Corporate Governance

Since our inception in 1849, Pantaleon has been and continues to be a private family business. The Board of Directors, elected by the Shareholders' Meeting, is the body in charge of and responsible for the administration of the company. In 2020, the Board of Directors had four committees to support and monitor the strategic pillars of the organization. The members of the committees meet constantly with company executives to ensure compliance with the business objectives in close alignment with shareholders' requirements.

Responsible Development Committee

Ensures that the corporate responsibility strategy is linked to long-term business plans. It helps the Board of Directors to deepen and manage social, labor, and environmental impacts throughout the entire value chain.

Governance Committee

Advises the Board of Directors in the design of the corporate governance structure, helps evaluate its performance and nominates directors -including independent directors- helping maintain the consistency of a family business governance system.

Committee of Compensation and Development

Supports the Board in the humane management of the organization's operations and suggests fair and competitive compensation models in order to attract and retain the best talent. It supports the Human Resource team succession plans of key positions.

Risk Management and Audit Committee

Oversees the establishment of a risk management system that identifies, evaluates, and manages risks that can affect the achievement of the company's strategic goals. Likewise, it ensures the integrity of the information contained in the audited financial statements and compliance with the Code of Ethics, laws, and regulations applicable to the businesses and industries in which we operate.



Culture of Ethics

Our culture of ethics defines our commitment to long-term growth and establishes how we conduct our business. It's designed to help us comply with our obligations, respect one another in the workplace, and act with integrity in all our interactions.

Our Code of Ethics and Conduct provides specific information on our values and principles, and is a statement of the highest standards of ethics and integrity that guide those who work in Pantaleon in our decisions and daily actions. Every year we carry out campaigns to disseminate this Code with our collaborators, at the same time we strive for our customers and suppliers to know and comply with these standards.

The Risk Management and Audit Committee relies on two entities for compliance and dissemination of the Code of Ethics and Conduct:

Human Resources

Is responsible for the dissemination of the Code of Ethics and Conduct and the proper implementation and integration into the company's culture.

Ethics and Conduct Committee

Fosters a culture of ethics, defines ethical guidelines, receives and oversees complaints to violations of the Code of Ethics, ensures that they are investigated and recommends disciplinary measures. It promotes the adaptation of principles to live the company's values and ensures the divulgation of these.



Llamadas internas: 5115
 E-mail: codigo.conducta@pantaleon.com
 Ética en línea: www.etictel.com/pantaleon



Code of Ethics and Conduct

We nurture our culture of ethics with everyday actions, with our peers, environment, customers and the communities around us. An ethical company is built by its people, honest individuals who live and promote values with which we achieve exceptional goals. We define in our Code of Ethics and Conduct (CEC) compliance with the legal regime, ethical behavior, and values that govern our actions. Our philosophy, business commitment, responsible development practices, values and principles are reflected in our Code, which defines who we are and how we interact with our stakeholders.

The fundamental principles of our Code of Ethics and Conduct are:

- Act with integrity, honesty, and respect in all work, business, and social relations.
- Fulfill our commitment to responsible development as a long-term business vision.
- Promote a safe and healthy work environment.
- Develop our operations in harmony with the environment and act responsibly in the communities in which we operate.
- Comply with our duties before the laws and regulations that dictate our business activity.
- Seek excellence in the performance of our responsibilities, celebrating our successes and learning from our mistakes, while promoting and acknowledging achievements and teamwork.
- Actively and consistently promote the personal and professional development of all members of our team, offering opportunities for participation and growth based on the effort and commitment of each of our employees.

Communication Channels



Extension
5115
Internal calls



WhatsApp
(for all countries)
Guatemala:
Nicaragua:
Mexico:
Brazil:

(+502) 4128 7000
(+502) 2377-2424
(+505) 2342-9040 (+1+5115)
(+52) 846-2660934 (+1+5115)
(+55) 18 3706-9011



E-mail
codigo.conducta@pantaleon.com



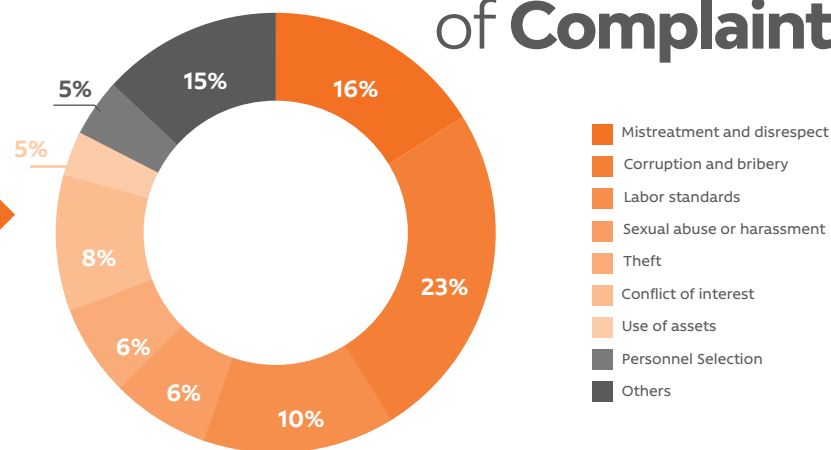
Web page
www.etictel.com/pantaleon

Complaints Resolution

Any behavior that concerns or may represent a breach of the Code of Ethics and Conduct should be reported, preferably before it becomes a risk to the health, stability, and safety of employees, to the reputation of the company, or a violation of the law.

The Ethics and Conduct Committee receives, monitors, and resolves complaints. This committee periodically presents relevant topics and statistics of noncompliance to the Board of Directors.

Classification of Complaints

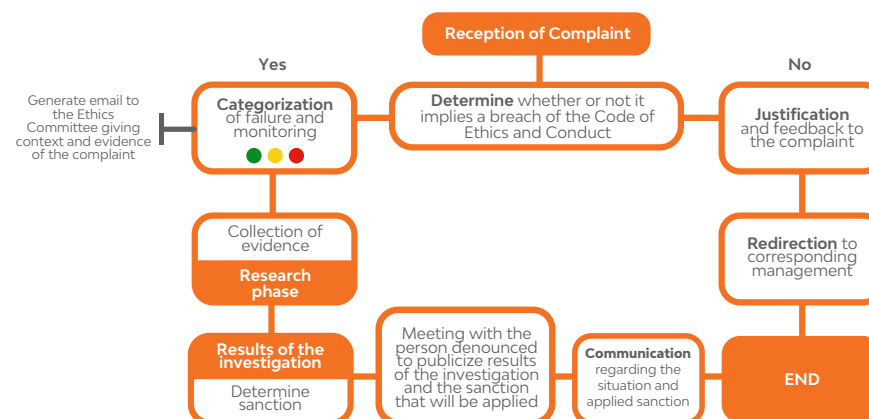


106

Complaints received

106 Resolved

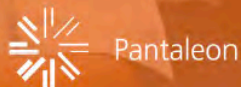
0 In progress



VIVAMOS
NUESTROS
VALORES

Es nuestra responsabilidad reportar incumplimientos al Código de Ética y Conducta

CALL CENTER: 2377-2424 LLAMADAS INTERNAS: Extensión 5115
BUZÓN DE VOZ: 2338-5115 / 2277-5115 @ ÉTICA EN LÍNEA: www.etictel.com/pantaleon
CORREO ELECTRÓNICO: codigo.conducta@pantaleon.com





People



Prosperity



Planet



Product

Responsible Development

Responsible Development is part of our culture and business strategy. We understand Responsible Development as the interrelation between economic growth, people's well-being, social harmony, and the responsible use of natural resources, in a process of innovation and continuous improvement. We see Responsible Development as a source of opportunity and competitive advantage.

As a group, we seek to promote the well-being for people within the company and its surroundings, to leave a positive environmental footprint where we operate, and to generate value to the market.

Quality, Health, Safety and Environment Policy

The QHSE Policy guides the activities of the company around issues of quality, health, safety and the environment.

We are committed to:

- Ensuring compliance with applicable legal requisites and requirements by customers and other interested parties.
- Satisfying the needs of our customers by providing safe and quality products.
- Optimize the use of natural resources and reduce our environmental footprint.
- Promote a safe and healthy work environment and prevent incidents and deterioration of health.

We communicate our commitments openly to our stakeholders.



Materiality Analysis

The materiality analysis identifies and prioritizes issues based on the importance of Pantaleon's economic, environmental, and social impacts, as well as the substantial influence in the evaluations and decisions of our stakeholders.

In 2019, we carried out a systemic evaluation of sustainability issues with the Responsible Development Committee, different Managers of the organization, and members of the Responsible Development Department, led by an external consultant. During the process, we validated the most important topics and established our Responsible Development strategy with goals we aim to reach by 2024. The General Management validated this exercise again in 2020 and the progress of the Plan is periodically reported to the Board of Directors. Compared to previous years, the importance of occupational health and safety within the business increased due to the Covid-19 pandemic and its impact on business continuity.

To carry out this process, we held interviews with the different leaders of the processes, external audiences, and utilized inputs from a recent perception research. In 2018, we carried out an investigation into the public perception of Pantaleon to identify relevant issues, in which interested audiences were interviewed to find out their appreciations, attitudes and perceptions. In 2021, an update was carried out, evaluating the progress and the areas that require greater focus. Interviewees included: informed consumers, public policy leaders, community leaders, non-governmental organizations, managers within the organization, and clients such as international food producers and sugar traders. Likewise, we conduct monthly evaluations of the mentions of the company and the industry in social networks and traditional media.





People

To us, people come first. We promote the well-being and professional growth of our employees so that they share our business success.

We provide a valuable source of employment and adopt practices that contribute to their health, safety, and personal development.



Responsible Labor Policy

The Responsible Labor Policy complements our Code of Ethics and Conduct.



Respect for Our People

We value our employees and their contributions, therefore, we maintain a commitment to equal opportunities, dignified treatment, and respect. We reject any form of forced labor. We are committed to keeping work environments free of discrimination in any of its expressions, whether it be by race, sex, age, nationality, ethnic or social origin, religion, disability, language, sexual orientation, or political orientation. We do not tolerate physical, verbal or psychological harassment. Decisions related to the selection and hiring of personnel are based on the skills, knowledge, performance, professional experience, ability, and congruence with our values.



Salary Competitiveness

We believe in remunerating our employees based on a system of compensation and attractive benefits in relation to the markets in which we compete. We operate in full compliance with labor laws regarding wages, work schedules, working hours, overtime, and work benefits.



Commitment to Future Generations

Convinced of the importance of educating and developing children and the youth, we reject child labor in all its expressions.



Talent Development

We recognize and value the work of each of our employees. Therefore, we offer them opportunities and conditions to develop their skills, abilities, and knowledge, and thus, improve their potential to be successful within our organization.



Effective Communication and Social Dialogue

We are committed to maintain effective communication spaces and open dialogue with our employees to provide the opportunity to discuss matters of common interest. We promote efficient communication channels to consult and exchange information in order to improve labor relations and take action effectively.



Commitment to Safe Workspaces

We promote safe and healthy work practices. We are responsible for maintaining clean and orderly work environments. When needed, we provide our employees with personal protection equipment to minimize accidents, injuries, and exposure to hazards. We maintain procedures and systems to register, report, and address accidents and occupational diseases.



Our Human Capital

Employees on average

12,666

Employees during harvest season

+18,400

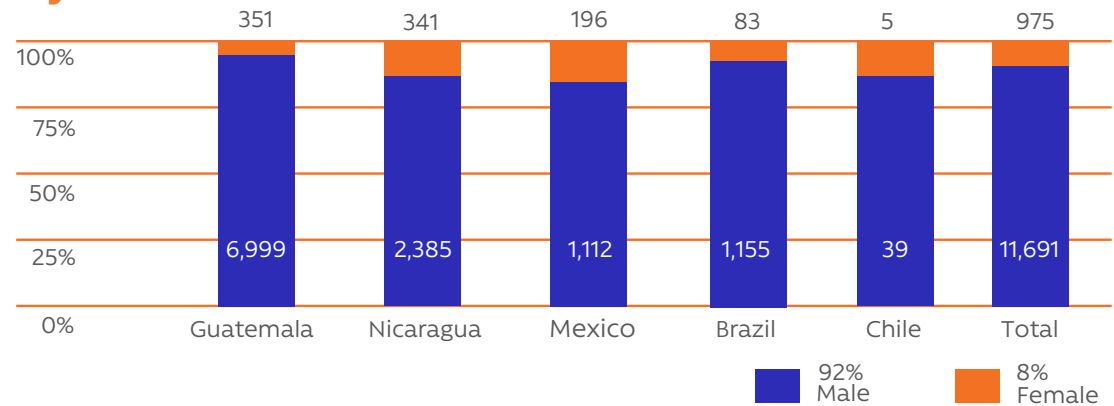


Our Human Capital

Employees by Operation

Area	Employees
Guatemala	7,350
Nicaragua	2,726
México	1,308
Brasil	1,238
Chile	44
Total	12,666

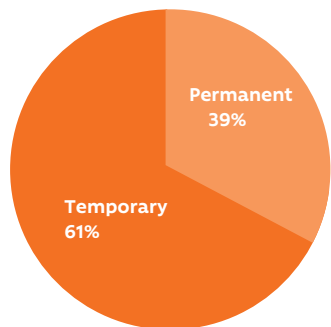
Employees by Gender



Employees by Hierarchical Level

Area	Administrative	Supervision /Technical	Administrative Support	Operational	Total
Guatemala	284	131	620	6,315	7,350
Nicaragua	98	145	139	2,344	2,726
Mexico	90	107	93	1,018	1,308
Brazil	35	161	82	961	1,238
Chile	11	2	5	26	44
Total	517	545	939	10,665	12,666

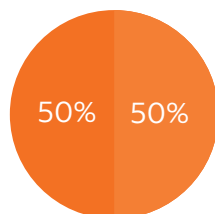
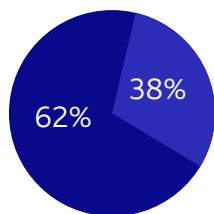
Employees by Gender and Type of Contract



	Permanent	Temporary
Guatemala	2,921	4,429
Nicaragua	577	2,149
Mexico	558	750
Brazil	787	452
Chile	39	5
Total	4,881	7,785

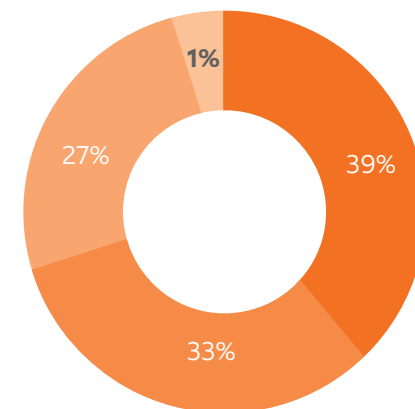
Rotation index equivalent to 8.9% considering only permanent employees

	Male	Female
Permanent	4,392	487
Temporary	7,300	488



Employees by Age

- 18-29
- 30-39
- 40-59
- Older than 50



Employees by Hierarchical Level

Area	Administrative		Supervision /Technical		Administrative Support		Operational	
	Male	Female	Male	Female	Male	Female	Male	Female
Guatemala	215	69	127	4	488	132	6,170	146
Nicaragua	72	26	136	9	65	74	2,112	232
Mexico	75	15	85	21	25	23	927	136
Brazil	32	2	145	16	62	20	917	45
Chile	10	1	2	-	1	4	26	-
Total	404	113	495	50	641	253	10,152	558





Promoting Human Rights

At Pantaleon, we acknowledge our responsibility to respect human rights in all our work, business, and social relations. We are committed to living a culture of respect and protection of the principles of the Universal Declaration of Human Rights of the United Nations as well as the Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work.

Our Human Rights Policy is embedded within the Responsible Labor Policy and the Code of Ethics and Conduct. From it, we prioritize actions to identify, prevent, and mitigate the impacts on human rights in our operations and throughout our value chain. Every employee, contractor, or stakeholder can report noncompliance to the policy through the Code of Ethics and Conduct Complaint Mechanism.

Respecting the rights of all people in our work relationships is our priority. We have evaluated our value chains and identified a potential risk in the link of sugarcane suppliers. We submit to the standards led by the 'UK Modern Slavery Act', our goal is absolute elimination of any form of modern slavery by fomenting a culture of respect for human rights, and we encourage and expect our providers to do so as well. Learn more about our Responsible Sourcing Program in the Product section.

We also recognize that our field workers are more vulnerable to human rights violations; hence, we implement risk mitigation procedures, allocate resources, and cultivate a culture of leadership that is dedicated to promoting ethical practices.



Recruitment and Hiring

We reject any form of exploitation and we have implemented multiple initiatives to eliminate child labor, forced labor, and human trafficking. The Human Resources team is responsible for the direct recruitment and hiring. We do not hire any person under 18 years of age and require all workers to submit their personal identification document as valid proof of age; we do not retain their personal documents. Besides contractual documentation, the Quality and Agricultural Conformity Team conducts random audits in the field.

Decent Work

One hundred percent of our employees have a written contract that defines the work relationship and highlights the specifications such as hours of work, payments, and obligations of employees and employers, in compliance with national and international labor laws. We pay benefits to employees according to the legislation, including rest days, national holidays, vacations, bonuses, and Social Security contributions; which allows them to access medical assistance. All employees are paid above the minimum wage, and can earn additional bonuses based on their productivity. Salaries are deposited in bank accounts, where employees can access their money through debit cards, promoting financial inclusion and reducing security risks. In addition, they can opt for benefits such as savings, daycare, and free education for their children in schools sponsored by the company. At the time of hiring, workers receive a half-day induction session that includes topics such as: health and safety, use of protective equipment, explanation of the payment mechanisms and their receipt of payment, introduction to the code of conduct, and our integrated management system.

In Guatemala employees who reside far from the mill receive additional benefits, such as housing in company-provided complexes, food, recreational services, and an educational program that allows them to complete primary and secondary education during the harvest season.

We recognize the risks associated with agricultural work and are firmly committed to respecting and promoting our employees well-being. We believe that investing in people promotes the modernization and sustainability of our business.





Moments of Dialogue

We understand that effective communication with our employees results in them having a greater understanding of our strategies and initiatives which results in better individual and collective performance. Moments of Dialogue is a tool used within the organization to promote communication with our employees, creating a closer relationship with them. In addition, we seek to strengthen certain values such as: credibility, pride, respect, impartiality, and companionship.

Using this tool, regular meetings with the work teams are held, either weekly or biweekly, to promote two-way communication, identify opportunities for improvement, and recognize their work. The meetings are led by the employees in a participatory and independent format, a record of the topics discussed is kept. The duration of each of these meetings is approximately 20 minutes. In 2020, due to the pandemic, modifications were made.

447 unionized employees in **Panuco Mill**

592 unionized employees in **El Mante Mill**

168 unionized employees in **Monte Rosa Mill**

100% unionized employees in **Vale do Paraná Mill**



Benefits

For us it is very important to ensure that our employees enjoy a good quality of life both inside and outside the organization. Committed to the well-being of our team, we make sure to comply with all the work benefits required by the legislation of each of the countries in which we operate. Additionally, employees enjoy some of the following benefits provided by the company:



Personal protective equipment



Disability coverage



Training



Posthumous assistance



Pension plans



Uniforms



Medical insurance



Housing and accommodation



Nutrition and food



Adult education



Life insurance



Savings bank



Medical clinics



Educational centers



Consumer cooperative



Transportation



Recreational programs



Developing Our Talent

We believe in human value, and committed to this philosophy we have developed different programs that are offered to our employees to enhance their performance and professional development. One hundred percent of our administrative employees have an annual performance evaluation.



Student Internships

We incorporate high-school seniors, undergraduate or postgraduate students in different organizational areas with the aim of supporting them by providing work experience. We seek to prepare young people to develop in their professional field, therefore, we have alliances with universities to cultivate human capital and encourage potential future employees. More than 80 students completed internships in 2020.



Scholarship Program for Students

In 2020 we awarded 24 of our employees with scholarships for undergraduate or graduate programs. Awarding 3 to employees in Mexico, 7 in Nicaragua, 9 in Guatemala and 5 in our Headquarters. Additionally, in Nicaragua 35 children of our employees received scholarships and 300 were awarded backpacks and school supplies. In addition, we encourage our employees to participate in training programs to promote their continuous development.



Internal Promotions

We are committed to the success of our employees, so we encourage them to apply for vacant positions, increasing the number of internal promotions. During 2020, we carried out 217 internal promotions in administrative and technical positions.



CORE

The CORE program develops and recognizes technical talent within our organization, offering a path of professional growth in agricultural, industrial, energy, and information technology processes. Through this program we certify employees that have developed their technical knowledge, proposed creative solutions with high impact on our business strategy, and have provided mentorship or helped in the development of other employees.

Throughout the process, technical leaders can be certified in the different CORE growth levels: **Senior**, where **technical leadership** is recognized within their process or area; **Principal**, in their business unit or operation; **Teacher**, at the corporation level; and **Guru**, as a leader in the sugar agribusiness. A total of 19 employees have been certified in the CORE Program, who continue to provide technical impact solutions to the organization's strategy.



Pantaleon Trajectory

Annually, we recognize employees for their 5, 10, 15, 20, 25, 30, 35 and 40 years in the organization. During this activity, we highlight emotions such as gratitude, effort, satisfaction, and pride of each of our employees, motivating them to continue being part of our trajectory. Due to the provisions for the pandemic, the way of carrying out these recognitions was modified. In December 2020, an activity of multiples of 5 was carried out at Monte Rosa Mill, following social distancing and Covid-19 protocols, to recognize 41 employees.





CENTROS DE EXCELENCIA

Centers of Excellence is a program designed to empower our employees in key competencies, allowing them to perfect and transfer the knowledge they obtain through this practice. We identify essential processes for the performance and operational excellence of our business to create technical communities to advise said operations. This allows us to implement more efficient processes and level our practices to international standards. In 2020, 18 Centers of Excellence participated in this program, sharing their knowledge in operations and implementing impact projects.

Among the impact projects carried out by the Centers of Excellence, the following stand out:

- Design and experimentation for the sugar coloring test based on molasses and HTM.
- Diagnosis of the aircraft's dispersion pattern by the Spectrometer System.
- Design and evaluation of phosphate solubilizing bacteria cocktails for soils.
- Increased use of automation in the production process.
- Reduction of chemical load in weeds control.
- Harvest-Application Project.
- Optimal Transportation Cost Model Project.
- Comprehensive Internal Communication Project Enterate +.
- Project to reduce fuel consumption in the harvest process.



Pantaleon **Ambassadors**

Pantaleon Ambassadors is a network of leading employees who spontaneously and dynamically share official information relevant to the organization, to their peers. At the same time, through active listening, they collect employee perceptions that help generate timely information to provide certainty and strengthen trust. In 2020 we adapted the program to take place virtually or in small groups. The 103 Ambassadors in Guatemala and 26 Ambassadors in Mexico helped us share the messages of integral well-being, sugar and health, community relations, and protection against Covid-19. We also launched the program in El Mante Mill, expanding its scope.

Avanza

Since 2013, we have held monthly meetings where we train leading employees as internal spokespersons and provide them with tools that they can replicate with their work teams. In 2020 we had 62 spokespersons, whose topics were replicated among approximately 3,600 employees. Topics include: preventive health, sugarcane burning, use of agrochemicals, and soil management.



MODELO DE LIDERAZGO

Leadership Model

In our organization, there is a unique style of leadership that is focused on achieving results through continuous learning, genuine interest in people, and awareness of the company's social and environmental impact.

In 2019, we designed and communicated the Pantaleon Leadership Model, made up by 6 pillars. These guide our leaders with the principles that we hope they integrate to their lives to be an example and achieve results:

- We inspire purpose, we spread vision
- We generate clarity, alignment, and ambition
- We develop personal excellence
- We balance genuine interest in people with achieving results
- We play as a team to win
- We learn, innovate, and transform every day

To ensure the adoption of this Leadership Model as part of the organization's culture, during 2020, we trained our employees to understand and practice the principles and behaviors that distinguish leaders in the organization.

During these years we have impacted the culture of the organization through the Leadership Model with actions such as:

- Training of 80+ Leadership Agents
- Execution of 50+ Leadership Circles
- Training of 600+ leaders
- Performance evaluation of 1,500+ employees providing feedback on our leadership program



Trainings

Our employees' talent is a competitive advantage. In order to reach their maximum potential, we offer opportunities and conditions for them to develop their skills, abilities, and knowledge. For our administrative staff we have courses in leadership and personal excellence, negotiation, time management, languages, data analysis and management, alignment and execution of goals, knowledge of energy, and agile methodology.



My Productive Harvest and My Efficient Machine School

191 employees

In 2017, we launched "My Productive Harvest School" and "My Efficient Machine School", which are programs that train our employees in leadership and technical skills needed to qualify for new positions within the organization. During the training, we reinforce important topics such as ethics, health and safety, and internal policies.



My Productive Harvest School 167 employees

Train those in charge of cultivation, irrigation, and agricultural production in strategies for the adequate administration of resources and the modernization of agricultural production tasks.



My Efficient Machine School 24 employees

Train agricultural machinery operators in strategies for proper resource management and the modernization of agricultural production work.

Training of Machinery Operators

146 employees



Program that specializes in training personnel from different areas to operate tractors, harvesters, trucks, and heavy machinery, thus promoting their development. In 2020, 146 employees participated.

In Brazil, the Program "Development of Talents in the Communities - Agricultural Machinery Operator Course" was distinguished with the MasterCana Social Award in the Communities Category.

Multiplying Knowledge



In 2020, we started a project that consists of identifying and training internal instructors with the aim of increasing the practical operational knowledge and performance of employees in areas such as Irrigation Tractor, Cane Transport Driver, Maintenance Operator, among others.

Advanced Professional Combined Technician Program

15 employees



Program designed to strengthen the knowledge of the technicians who carry out maintenance and repairs to cane harvesters. It contains seven learning modules, taking the participant from basic to complex themes, to understand the complete operation of different combined systems. In 2020, 15 employees participated, 10 from the harvest area and 5 from the workshop.

Labor Competencies

708 employees



Together with educational institutions, we certify the technical skills our employees have acquired within the operation. This allows them to obtain a degree from a certified institution validating their skills. In 2020, Monte Rosa Mill certified the work of 216 employees; 26 in sugar technology, 11 in preventive food controls for humans, 53 in safety leadership, 56 as forklift operators, 26 in efficient and safe steam generators, and 44 as authorized supervisors. In Guatemala, with the support of INTECAP, we certified 192 employees. In Mexico, we trained 300 employees; 43 in institutional capacities, 135 in industrial capabilities, 20 in logistics, 68 in the integral management system, 26 in finance, 3 in IT and 5 in human resources. In Brazil, we conducted 29,911 hours of training regulations and 6,765 hours in labor competencies. Through the "Evoluir" program, we developed the capacities of analysts, prosecutors, and process leaders to prepare them as management leaders.





Occupational Health and Safety

At Pantaleon, we are committed to providing safe and healthy work environments. Occupational health and safety is not only a priority, it's a permanent value of our company. Our main objective is to protect our employees from potential dangers that arise from the work itself. We establish rigorous goals to reduce accidents at work and occupational diseases and generate detailed action plans to achieve our goals.

During the 19/20 harvest season we had great advances in Occupational Health and Safety, reflecting the leadership, commitment, and focus on safety for our employees. We reduced the Lost Time Incidents (LTI) by 14%, compared to the previous year.

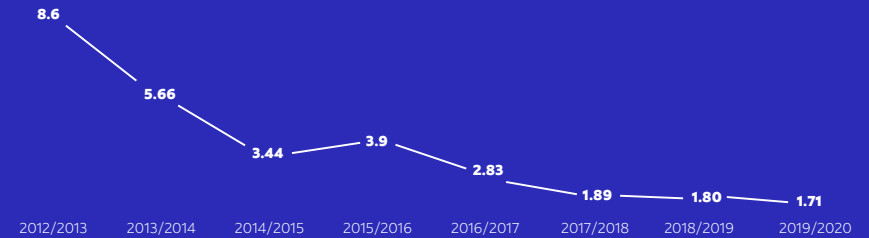




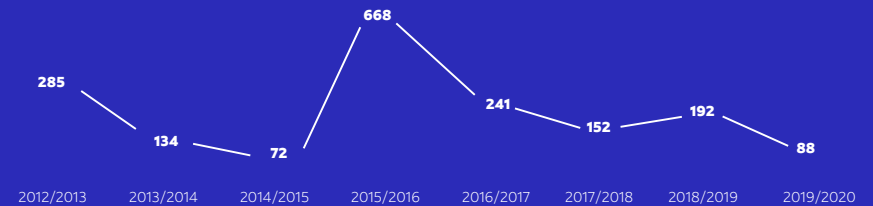
Main Achievements

- We guaranteed a safe operation during the Covid-19 pandemic with a robust plan of control and infection monitoring, through an emergency committee.
- We ensured specific security plans for each of the operating seasons (harvest and repair), based on risk evaluation and hazard identification, as well as the timely closure of deficiencies in infrastructure issues.
- We consolidated a preventive gradient in all operations to provide virtual follow-ups to inspections, unsafe conditions and acts, positive approaches and inspections of the work permit system.
- We maintained a real-time contractor control system to ensure compliance with SSO management at all times.
- We Increased security recognition events focused on leaders and operational personnel.
- We implemented new controls to the transportation security program, reducing the risks associated with this activity.
- We create permanent, people-centered, emotional communication campaigns for awareness and sensitization of thinking and acting safely.

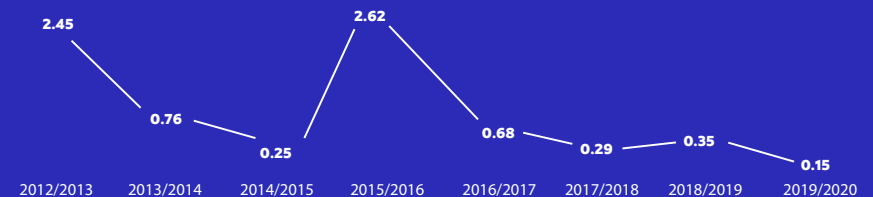
Frequency Rate



Severity Rate

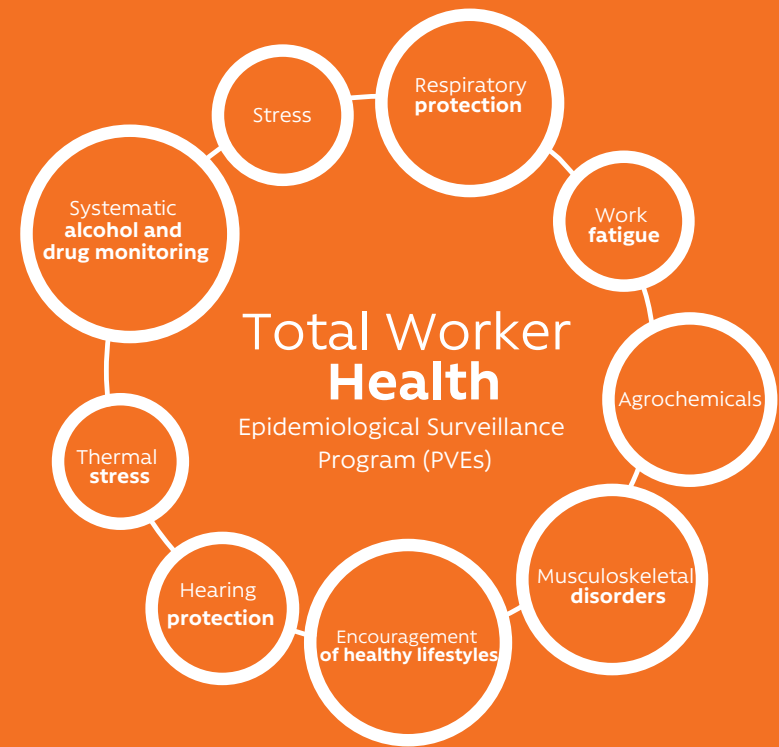


Incapacitating Injuries Index





Total Worker Health



Since 2016, we have adopted the concept of Total Worker Health. This concept, proposed by the National Institute of Occupational Safety and Health (NIOSH) of the United States, is an integrated approach of policies, programs, and practices dedicated to protecting employees from work-related health and safety risks as well as promoting injury and illness prevention.

To strengthen this approach, Pantaleon has worked since 2016 with the Center for Health, Work, and Environment of the University of Colorado to support the identification and mitigation of health risks in workers, and evaluate our health programs based on scientific evidence. We started the alliance to evaluate the effectiveness of the monitoring program for heat stress and we have expanded to evaluate the effectiveness of the Comprehensive Wellbeing Programs.

Since 2004 we started a hydration, shade and rest program in Nicaragua, which we have replicated in Guatemala since 2009. The University of Colorado has systematically evaluated the occupational and non-occupational risks of chronic kidney disease and explored different preventive measures. Based on the findings, we implemented a series of factual scientific recommendations, including: guaranteeing quality water to all employees, providing them with at least 5 liters of rehydrating serum, modifying working hours, improving shade quality, and performing periodic medical evaluations. We continue to evaluate the factors that contribute to the renal health of workers, incorporating the surveillance systems to female agricultural workers as well.

With this alliance, 14 studies have been published in scientific journals. In 2020 we jointly published an article on the applicability of the concept of Total Health for Agribusiness Workers in Latin America.

Primary Health

All mills have health clinics that offer primary care, ophthalmology, and dentistry services. We have a health team of 192 people, including an epidemiologist, 2 occupational physicians, 2 public health specialists, 17 general practitioners, a nutritionist, 75 nurses, 92 paramedics, and health brigades. These services are part of the benefits that the employee and his family receive. In 2020, more than 64,400 medical consultations took place.

To ensure the integral well-being of employees and their families, the following are carried out:

- Vaccination campaigns
- Preventive outreach campaigns
- Detection of chronic degenerative diseases
- Pre-employment medical consultations
- Follow-up medical exams
- Awareness campaigns on different health issues
- Daily talks by health brigades
- Mobile health centers

Medical Consultations	
Guatemala	46,822
Mexico	2,500
Nicaragua	8,494
Brazil	6,591
Total	64,407



17,215

Pre-employment medical consultations



24

Health outreach programs



7,825

Dental consultations



43,129

Health training hours



4,286

Training events



10,380

Follow-up medical exams



137

Follow-up medical exam



Prosperity



BE AWESOME
TODAY.



We enable the generation of capacities and development in the environment that surrounds us, impacting the social fabric of the communities where we operate.

Our community engagement strategy aims to maintain social harmony, promote economic growth, and foster proactive relationships with community leaders and sectors of influence. We use community development plans and characterization studies to understand their needs and support priorities in the areas of education, water & sanitation, and health. Recognizing the impact that our operations may have on our neighbors, we continuously evaluate actions to prevent and mitigate negative impacts while enhancing positive outcomes. We value honest and transparent interactions hence, we promote different mechanisms to achieve this.

Some Community Development Projects to highlight in 2020

29 Education Projects

- Pantaleon Educational Centers
- Child Development Centers "Arcoiris del Futuro"
- Adult Education
- Improvement of educational infrastructure
- Transfer of students to secondary and technical study centers
- Computer centers
- Entrepreneurship program with animal farms
- School breakfasts
- Support schools with equipment and furniture
- Technical trainings in communities
- Football school

10 Health Projects

- Maternity ward
- Health campaigns
- Children's epidemiology ward
- Early stimulation room
- Mental health facilities
- Hearing screen
- Health clinics
- Comprehensive Nutritional Food Program
- Infrastructure improvements and supplies for health clinics
- Support to communities, schools, health institutes, and public entities with personal protective equipment, alcohol, and Covid-19 prevention campaigns.

10 Community Development Projects

- Training in technical skills, entrepreneurship, and seed capital
- Community infrastructure improvement
- Construction of water boards to prevent flooding
- Support for cultural and religious traditions
- Support for communities affected by natural disasters
- Reforestation campaigns
- Volunteering programs

4 Water and Sanitation Projects

- Water supply projects
- Household drinking water systems
- Water purification plants

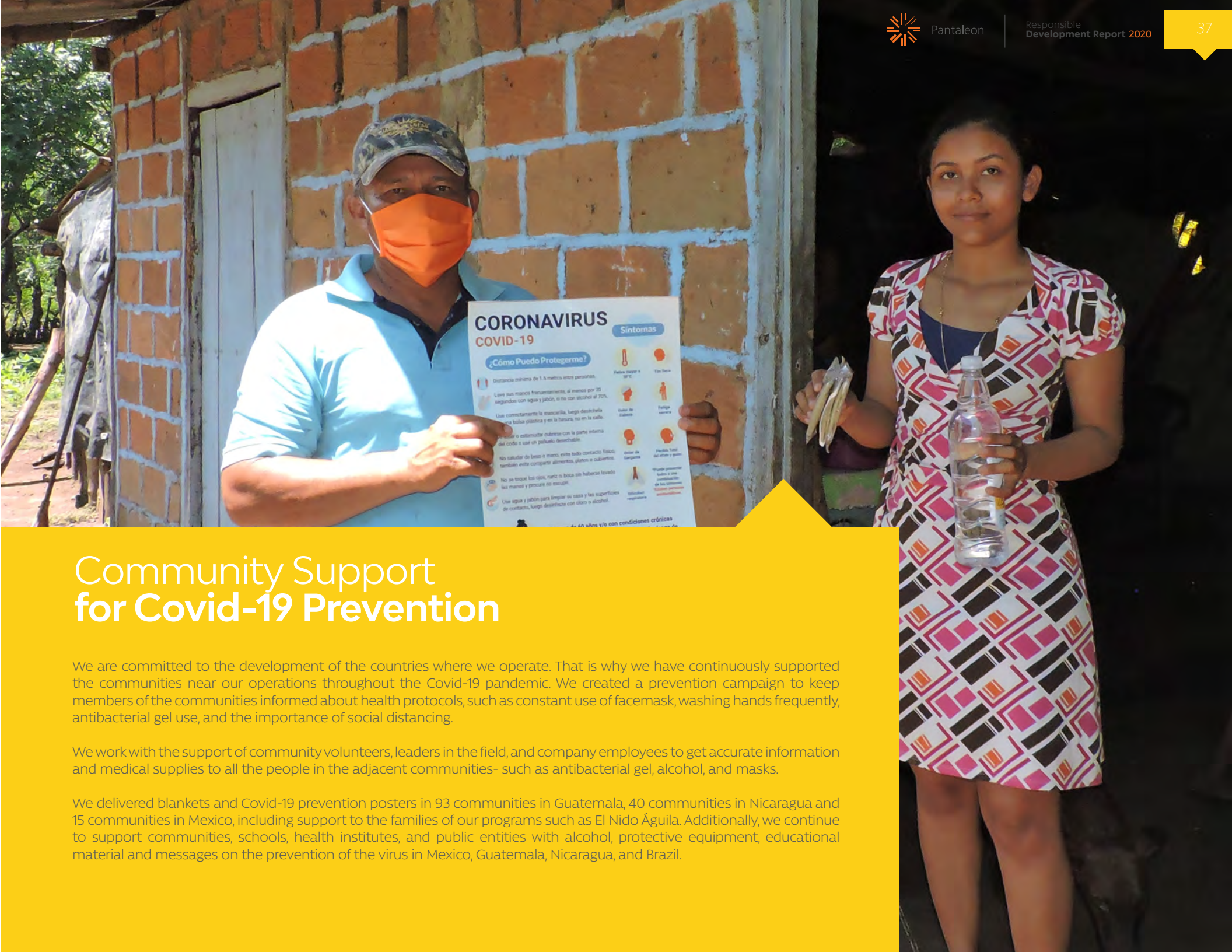


To know more about our social programs visit: www.pantaleon.com/noticias/

31,036 People directly benefited by the programs

175 Benefited communities

\$4.78M
Community investment



Community Support for Covid-19 Prevention

We are committed to the development of the countries where we operate. That is why we have continuously supported the communities near our operations throughout the Covid-19 pandemic. We created a prevention campaign to keep members of the communities informed about health protocols, such as constant use of facemask, washing hands frequently, antibacterial gel use, and the importance of social distancing.

We work with the support of community volunteers, leaders in the field, and company employees to get accurate information and medical supplies to all the people in the adjacent communities- such as antibacterial gel, alcohol, and masks.

We delivered blankets and Covid-19 prevention posters in 93 communities in Guatemala, 40 communities in Nicaragua and 15 communities in Mexico, including support to the families of our programs such as El Nido Águila. Additionally, we continue to support communities, schools, health institutes, and public entities with alcohol, protective equipment, educational material and messages on the prevention of the virus in Mexico, Guatemala, Nicaragua, and Brazil.

Pantaleon Schools and Day Care Centers Arcoíris del Futuro



At Pantaleon education is one of the pillars of our efforts to promote the development of our communities. We have four educational centers, two in Guatemala and two in Nicaragua. Children of our employees and families near the area of operation are students in these educational centers. In addition, we promote pre-school education in the "Arcoíris del Futuro" Child Development Centers (CDI). Students receive quality education, in order to positively impact the future of their respective country through education of the highest level.

In Guatemala, we benefited 47 children with CDI, 448 students in the Pantaleon Educational Center, and 217 students at the Concepción Educational Center. In Nicaragua, we benefited 75 children through CDI, 195 students in La Curva Educational Center and 620 students at the Pantaleon Nicaragua Educational Center.

During the pandemic, we have learned to live differently, adapting student's needs to the multiple restrictions and medical recommendations. In our educational centers in Guatemala, we adopted a new way of taking education into the homes of our students through the use of digital communication channels: video calling platforms, virtual classes, as well as study guides prepared for students without access to internet which were delivered to their homes, among other activities. For the students of the Rainbows of the Future (Arcoíris del Futuro) we also implemented a video platform on Facebook and storytelling activities through the radio program run by the Pantaleon Foundation.

In Nicaragua, a hybrid modality was implemented with social distancing measures, limiting the capacity in classrooms, taking their temperature and incentivizing hand washing among other things. As of November 2020, 70% of the students received virtual classes and 30% were face-to-face. That year the students of the Pantaleon Educational Center in Nicaragua won the award for the best Gold Level Entrepreneurship in the Entrepreneurial School Contest of the organization "Teach a Man to Fish".



1,602
students

School Governance

Pantaleon educational centers are called "Visionary Schools, Constructors of Citizenship", because special emphasis is placed on the civic education of our students, showcasing the duties and rights of citizens in a practical way. Each educational center has a permanent School Government Program, which is democratically elected by the students.



Adult Education Programs

116
students



Our goal is to provide opportunities for employees who wish to continue their studies. For sugarcane cutters who reside far from our facilities, during the harvest period, we offer the educational program for primary level and basic cycles at the end of the working day. In 2020, 116 primary and basic level students completed the program. Due to the pandemic, we adapted the sessions to small groups including work activities in face-to-face modalities with distancing measures, as well as virtual modalities. We added a distance learning process through WhatsApp to enhance communication between teacher and students.

Nido Águila

Nido Águila Pantaleon is the soccer school that uses the methodology of Club América to promote and create a healthy and safe space for 163 children and teenagers. The trainings are held in our facilities, which are adjusted for the school needs. Within the program, students receive ophthalmic care, psychological care, dental health, and awards for academic excellence, while their mothers receive Zumba classes. Due to the pandemic, despite not being able to carry out the trainings, we maintained the psychological sessions for children and parents, created psychological capsules for our employees, and kept Zumba lessons online.

163
students





14 communities (2014-2020)

6,354 people benefited (2014-2020)

During 2020, we carried out two water projects, changing the lives of the inhabitants in Silvio Castro and Germán Pomares, who did not have access to quality safe drinking water.

The project consists of:

- Well drilling
- Installation of the main network and domiciliary ramifications
- Electric pump and storage house
- Tower and storage tanks

Water for All

850 people benefited

Since 2014, we have promoted this program to improve people's quality of life in a sustainable way. Together with partners, the community, and the local government, we establish communal water supply systems. We support communities with the drilling of wells, installation of water pumps and household networks, storage and purification of water. We train community leaders to ensure the sustainability of the system by promoting the creation and formalization of the Drinking Water and Sanitation Committees (CAPS), and thus, strengthen community self-management of the resource. We also train the community to promote good health habits and proper use of the resource.





Silvio Castro Project

With the support from the MAS Program from ED&F MAN, which aims to contribute to the development of communities where molasses is obtained, Pantaleon and ED&F MAN provided one more community with access to quality water.

In this community, the population's water source was not drinkable, some families had wells and others needed to fetch water from other homes that had artisanal wells. Through public assemblies, the communities constituted the Potable Water and Sanitation Committee (CAPS) for the administration and maintenance of the system.

The project achieved:

- Access to safe and potable water for 62 homes.
- A 99.4% reduction in the number of reported gastrointestinal diseases (2020-2021).
- Community empowerment through technical trainings and implementation of a responsible water management system through CAPS.
- Empowerment of women in community leadership positions; three of the five CAPS members are women.

Germán Pomares Project

Their quality of life has significantly improved, before the project, the only source of water came from artisanal wells which during the winter overflowed and reached the same level as the latrines, causing severe health damages. At the same time, some of the wells collapsed and ran out of the vital liquid.

550 people benefited

110 homes

US\$62,000 investment

300 people benefited

62 homes



US\$80,520 investment



"The water project has been life changing for my community, we now have good quality, safe drinking water."

Luz Marina Morán
President of Silvio Castro's Potable Water and Sanitation Committee (CAPS), during the project's inauguration.





Entrepreneurial Support

Pantaleon believes in entrepreneurs and their potential to drive development!

Therefore, we seek to enhance new capacities and tools that enable community members to undertake new entrepreneurial initiatives or employ themselves, thus, generating new sources of income and development.

Technical Training



In Guatemala, 103 people participated in the technical training program in partnership with the Technical Institute for Training and Productivity (INTECAP). The training included: basic motorcycle electronics, automotive mechanics and dressmaking. We supported 119 community leaders from 54 communities to participate in the training "The value of business in the community" where topics such as responsible citizenship, and my business and the role of government are explored.

In Mexico, trainings encompassed technical courses, assessments and seed capital to start businesses in the communities. In 2020, we supported a new bakery and a beauty parlor in Nuevo Chicayan, supporting 20 entrepreneurs and benefiting 796 inhabitants of the community. We also supported return to school initiatives in the face of the pandemic, helping twenty women with the purchase of material for the production of more than 50,000 face masks that were distributed in the neighboring schools of Pánuco and El Mante. In addition, the Agricultural

1,115

people trained

Technological Baccalaureate Center and its 312 students are supported with seed capital for student enterprises, some of them include: pig farms, rabbit farms, the backyard project and a food workshop. The income from this project helps fund scholarships and as a result school dropouts have decreased from 30% in 2016 to 6% in 2020.

In 2020 The Pantaleon Foundation in Guatemala, also supported 541 people, developing their skills in alliance with the Technical Institute for Training and Productivity (INTECAP) to empower and enable people from the communities in Escuintla to create their own business. In October, protocols were established for 25% capacity gauging in facilities, which is why municipal classrooms were opened to give continuity to face-to-face classes.





21

Entrepreneurial ventures



Bootcamp for Social Entrepreneurs

Together with Enactus, we seek to promote the generation of ideas that solve problems through agricultural innovation, turning them into business opportunities. The BootCamp is the leading acceleration program for early stage entrepreneurs, with the purpose of developing skills and transferring knowledge that allows them to strengthen their business model.

Over two months, we held workshops to accelerate 21 virtual ventures and facilitate mentoring sessions with experts. The program culminates with a final competition. This year, BioReact was selected as the first place, creditor of US\$ 5,000 in seed capital. BioReact, seeks to develop a natural insecticide and acaricide for the control of common pests in vegetables and fruit trees.



"We have learned a lot in terms of tools to strengthen our business models. I thought that I already had that part defined for my business, but it turned out that it was only part of the complete picture to be defined. I have unlearned to learn again".

Andres Villalobos, Bioreact



"At the Enactus-Pantaleon Bootcamp on Agricultural Innovation, we've had the opportunity to receive knowledge and tools for the development and advancement of our products. Topics such as value proposition, process flows and the impact they generate have been covered. In addition, we acquired knowledge from our high-profile professional mentors who help us promote our entrepreneurship in a dynamic and professional way. Thank you Enactus and Pantaleon for supporting the agricultural entrepreneurial ventures".

Jeimy y Katherine Pivaral, Fibri - C

"It is very valuable for me to meet people and their experiences, people who have already walked the complex path of entrepreneurship and who have the desire to share the difficulties they encountered and how they managed to overcome them. I am living an extraordinary and gratifying experience in the Enactus - Pantaleon Bootcamp, where we've met entrepreneurs and businessmen who allow us to learn from them".

Joaquin Arcia, FLUMEN S.A



Engagement

In order to maintain a proactive engagement with the different communities of influence, we seek to ingrain a culture of constant interaction with community leaders and interested parties in general. In 2020, while maintaining Covid-19 protocols, we adapted our engagement strategy by including: virtual encounters, small-group visits, as well as the generation and establishment of protocols and communication campaigns. Some of the topics that are addressed include: alternative routes, projects for the benefit of communities, sugarcane burning, mechanisms to receive alerts and incidents, aerial applications, among others.

To do this we use different communication channels such as:

- Community newspapers
- Flyers
- Open door policy
- Participation in multi-sectoral dialogue tables
- Visits to the communities
- Trainings and workshops for community leaders in small groups

Promoting Corporate Social Responsibility

We support events and activities focused on promoting Corporate Social Responsibility in the countries where we operate. As a founding member of the Center for Corporate Social Responsibility in Guatemala (CentraRSE), we sponsor the National CSR Forum and participated as panelists presenting our success story "Incubation of Suppliers: Responsibility in the Value Chain" and shared our Covid-19 prevention practices. We also participated as panelists in the Business Forum of the Global Reporting Initiative (GRI) in LATAM, "Integrating the SDGs". In Nicaragua, we supported and participated in the National Land Fair, a space where our good practices and projects, related to the care and protection of natural resources, are exhibited. In Mexico, we were recognized as a Socially Responsible Company by the Mexican Center for Philanthropy (CEMEFI), additionally, we adhered to the United Nations Global Pact. In Brazil, we participated in several webinars to present Covid-19 prevention measures implemented in our facilities.

Volunteering

Pantaleon employees are committed to supporting the surrounding communities as well as responding to any emergency. We implement volunteering programs where our employees help support local schools, reforestation programs, community cleaning, food collection, among other initiatives. In Guatemala, our employees raised funds to support various organizations in their response to Covid-19. In Mexico, employees participate in beach cleaning programs, reforestation and sea turtles and fingerlings protection efforts. In response to hurricanes ETA and IOTA in Nicaragua, Monte Rosa Mill and its workers pledged to help affected families by donating half a million córdobas (C \$ 500,000). In addition, they distributed the donations from the students of the Pantaleon Educational Center and employees who gave food and clothing to the Nicaraguan Red Cross.

In Brazil, the "Cultivate Talent" program encourages professional workers from the mill to share information with young people and the surrounding communities, highlighting the importance of preparing for future job opportunities by training them in technological advances and market needs. In 2020, over 5 institutions were benefited, impacting 200 young people. In addition, Environmental Education Programs are carried out with the community such as World Tree Day and World Water Day. Since 2015, we have carried out the Solidarity Christmas Campaign, igniting solidarity between employees and the community, in 2020, we benefited 7 institutions with more than 300 gifts and 1 ton of food donated.





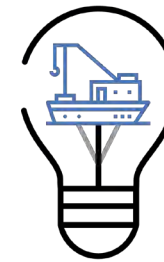
Community Engagement Initiative



Since 2016, we have developed a community management initiative among the sugar mills of the South Coast. All of the mills work together to promote a good relationship with community leaders, which allows a more efficient mitigation the impacts we may cause and strengthen long-term relationships.

Prior to the beginning of each harvest season, we visit community leaders to build agreements and commitments for a responsible operation between the mills and the community. During the harvest period, compliance with these agreements is monitored and with the support of community leaders, we provide feedback to the operational teams.

During 2020, 25 communities participated in this initiative. The agreements signed were mainly related to transport, aerial applications, burning and water usage. Due to limitations by Covid-19, at the end of the season only community leaders were surveyed, 93% of them perceive an improvement in our operation.



Mesa de Competitividad Escuintla Rumbo al Mundo

Competitiveness Table



Pantaleon supports the Escuintla Competitiveness Table. According to the National Competitiveness Plan, this space aims to increase the growth potential ecosystem of the Intermediate City of Escuintla. The Competitiveness Table is a methodology developed by Fundesa to coordinate efforts between different actors to foster an enabling ecosystem that increases the productivity of the region. The process began in 2019, and during 2020 the different actors in the area jointly created an Action Plan for Territorial Economic Development.



Watershed Management



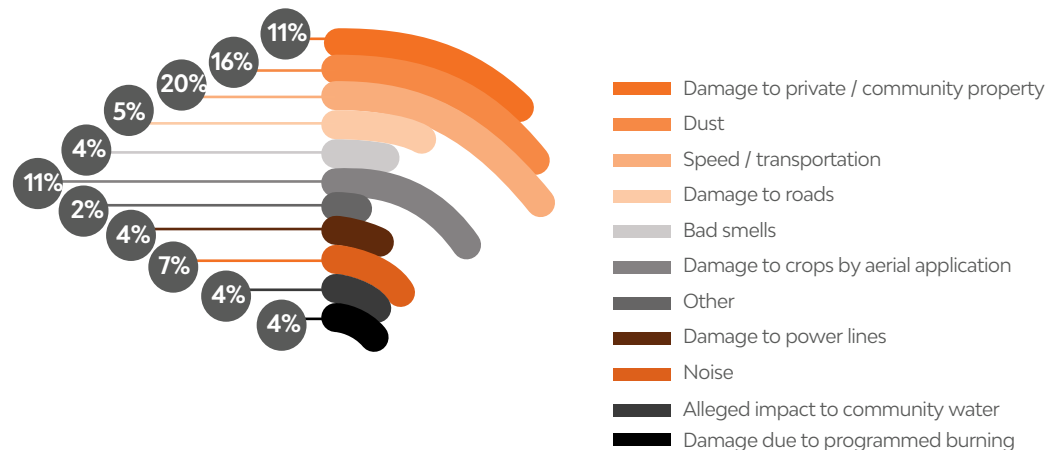
We actively participate in multi-sector dialogue tables to find joint solutions to the water management issue. In 2020, Business Technical Committees (CTE) overseen and managed by the Climate Change Institute (ICC) were held for the watersheds of the South Coast, Pantaleon participates in seven of them. The CTEs are made up of all the business users of the basins and decisions are made at the technical level to guarantee compliance with agreements, especially that the water reaches the basin in adequate levels.



Communication and Impact Mitigation

With the aim of promoting communication with communities and mitigating the negative impact we may cause, the company has established a complaint resolution process through which attention and solutions are given to the problems and concerns arising from the company's operations.

Example of billboards placed in communities of Guatemala



45

Complaints
received




100%

of complaints
addressed within 72
hours

The Social Development teams, in conjunction with other operational teams, follow up on incident resolutions to work on improvement plans. This information serves as feedback we adopt within our practical operating protocols to mitigate and eliminate social impacts.

In 2019 we had no fines or penalties on social issues.

Communication Channels

 **Guatemala:** (+502) 2377-2424
 **Nicaragua:** (+505) 8927-5441
 **Mexico:** (+52) 8461019850 ext.9301



Web

www.etictel.com/pantaleon



Written

Directed to the Department of Social Development



On-site

For complaints made in person, follow-up is managed through a complaint registration form.



Planet

Environmental Management

We promote the development and implementation of systems for the prevention, control, and reduction of environmental impacts in our operations and continuously train and sensitize our personnel to be mindful of the environment to ensure the optimal and rational use of natural resources. We identify the management of energy, water, air emissions, greenhouse gas emissions, waste, agrochemicals, biodiversity, and soil preservation as material aspects.

In environmental matters, we comply with the regulatory requirements of the legislation pertaining to each of the countries where we operate, as well as fulfilling our customer requirements. Additionally, we comply with the World Bank's International Financial Corporation Performance Standards on Environmental and Social Sustainability. In our quest for continuous improvement we monitor our environmental performance and contrast it with international standards to optimize the use of resources and establish environmental efficiency goals.

In 2020 we did not receive fines on environmental matters. In our operation in Guatemala, however, we had two incidents that were taken to resolution mechanisms. The first reported by the Municipality of La Gomera, claiming that Pantaleon Mill was discharging its liquid waste into the river. It was determined that, that week's constant rain caused the industrial water conduction channel -which goes through the sedimentation process in primary treatment basins and is then conducted to channels for irrigation- to overflow and drag mud, organic material, and sediments from industrial effluent. As improvement actions, plugs were placed in the channel where samples were taken to analyze the sediments and effluent in the overflowed area, where it was determined that the effluent complied with local law parameters. An annual program was established to avoid recurrences. The second incidence was a call, via the community incident line, notifying that a cinder fell on a salt storage facility of a company next to one of our cane suppliers. Together, an action and improvement plan was created to prevent it from happening again and to ensure a channel of continuous communication.

Some Significant Achievements

94 % waste reused

43.2% reduction of waste generated from 2013 to 2020

7,555.43 hectares of forest plantations, protected woods, river banks, and ecological reserves

56.4% reduction in water consumption from 2013 to 2020

98% of the fuels used come from renewable sources

64.5% of the harvest is mechanized without burning sugarcane



Energy

We produce energy from the controlled burning of sugarcane bagasse, chips, and other fuels, as part of a cogeneration process. This is a clean energy source that uses renewable sources and avoids the emission of CO2 into the atmosphere.

We use the energy produced to supply the electrical needs of our operations and sell the surplus. In addition, we seek to reduce internal energy consumption through investments in technology and improvement processes, accompanied by a constant consumption monitoring.

Electricity

380,432 MWh

of consumption; of which 96% was supplied by our own cogeneration.

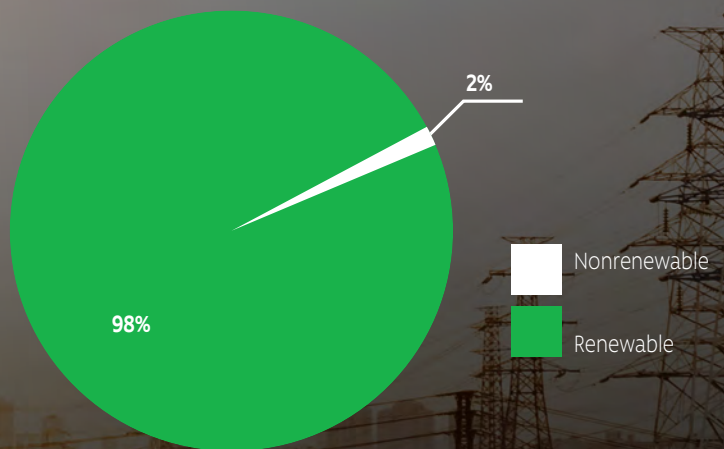
98%

of the fuels used come from renewable sources.

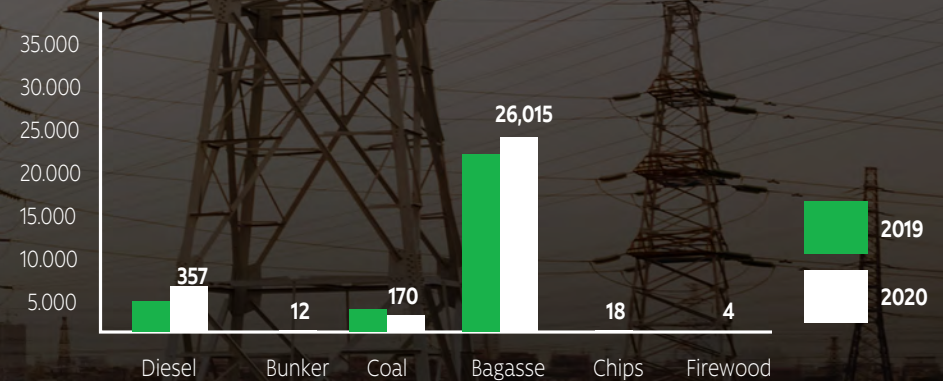
549,460 MWh

sold to the National Interconnected Systems and/or energy markets.

Types of Fuels Used in 2020



Types of Fuel Used to Produce Energy (TJ)

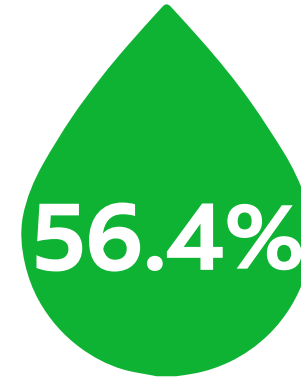


Water

Water is a fundamental resource within our agricultural and industrial processes, especially for irrigation. For several years we have made great efforts to optimize water use and properly manage effluents. Since 2013, as a group we have reduced water consumption by 56%. In the industrial area the reduction is 65.7% and in the agricultural area 53.1%.

During the 2020 period 14.19% of the water used in our agricultural and industrial production processes comes from the reutilization of this resource. In the agricultural area, we have water reutilization projects to reuse water from industrial effluents and direct it towards irrigation, in accordance with local legislation.

Consistent with our culture of continuous improvement, in 2020 we made different investments to reduce our environmental impact. In Mexico we achieved a reduction in the consumption of industrial water with the leak and spill control program. In Nicaragua, the installation of a condensed cooling tower allowed us to reduce water consumption through recovery. This investment also helped us to have better water management during periods with less availability.



Reduction in water
consumption 2013-2020

Among the main measures adopted to make better use of water within our operations are:

- Recirculation system to reduce water consumption
- Reuse of industrial water for agricultural irrigation (fertigation)
- Lining of irrigation channels
- Gauging of the water sources
- Evaluation of soil moisture
- Real-time irrigation equipment monitoring (GPRS)
- Water harvest
- Cleaning of sugar cane without the use of water
- Investment in more efficient technology





GHG Emissions

We are aware of the negative consequences that climate change can have for the world and our business, for this reason we are committed to mitigate our greenhouse gas emissions. We constantly control and measure the emissions generated in each of the operations.

The main sources of GHG emissions in our operations derive from fertilizer emissions (Nitrogen Oxide, N2O), fuels for agricultural equipment (Carbon Dioxide, CO2), fuels for power generation (CO2) and effluent emissions (Methane, CH4).

We constantly control and measure the emissions generated in each of our operations. In Guatemala, the Climate Change Institute, with the support of USAID, has evaluated the carbon footprint of agribusiness and the GHG emission reduction strategies of the last twenty years. As a guild, in recent years the carbon footprint has decreased thanks to improvements in the production process, including the more efficient use of nitrogen fertilizers - in the past fifteen years the dose has been reduced by 11% per ton of cane. Sugarcane transport has been more efficient, directly affecting the reduction of fossil fuels. Additionally, there has been an increase in power generation efficiency. Today, 129% more energy is produced with the same ton of cane than 20 years ago. This renewable energy not only reduces the carbon footprint of sugar, but also provides clean energy to the national electric power grid*.

With technical support from the Climate Change Institute, we have calculated the emissions avoided as a result of our operations at Pantaleon Mill and Concepción Mill. Annually we avoid 708,904 tons of CO2 equivalent (around 2.25% of national emissions), which are not released into the atmosphere due to green cane harvesting, as well as the generation of renewable energy from cane biomass. In addition, compared to the previous harvest, we increased the areas harvested without burning which reduce emissions related to pre-harvest burning and also lowered the use of mineral coal to produce power for internal use.

Complying with international standards in environmental requirements, our operation in Guatemala has the ISCC Plus certification and additional verification of the greenhouse gas emissions requirements ISCC 205-01. It also complies with the requirements of the California Air Resource Board. Both certifications validate the sustainability and greenhouse gas savings in our biofuels. At the same time, our cogeneration plant in Mexico is registered as a Clean Development Mechanism (CDM) by the United Nations for its contribution to the reduction of GHG emissions.

Reference:

ICC (Private Investigation Institute for Climate Change) 2019. Strategy for the Reduction of Greenhouse Gas Emissions -GEI- in the Sugar Production of Guatemala. Guatemala. 68 p.

235,181

Metric tons of CO2 emitted in 2020.

173,166

Metric tons emitted in the agricultural process.

62,015

Metric tons emitted in the industrial process.

In 2020, our carbon footprint was 0.23 tCO2 per ton of sugar produced*
*Scope 1 and 2, calculation based on the IFC methodology



Air Emissions

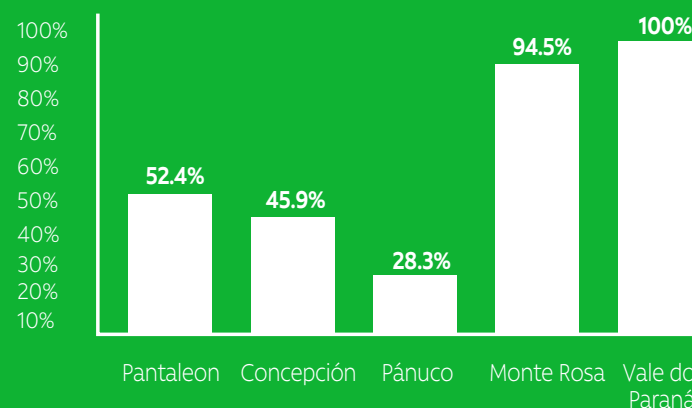
We monitor air quality and environmental noise which allow us to manage and reduce our environmental footprint.

Air emissions is one of the factors of high impact in our environmental performance, therefore, we have developed and updated mechanisms to monitor and identify the main sources. Among them, we discovered that one of the main sources is the emissions generated from the material of the boilers. In response, we invested in new and improved equipment to manage boiler gases and mitigate said impact.

Mechanized Green Harvest

The constant increase in mechanized green harvest allows us to be increasingly efficient and reduce our environmental impact. Using machinery of the highest standards, we carry out cane cutting without burning, contributing to the reduction of emissions.

Percentage of Mechanized Green Harvest



72.6%
64.5%

of the harvest is mechanized

of the harvest is mechanized
without burning





Responsible Waste Management

Part of our vision consists on making the most out of the residues generated throughout the production process and reuse them to create byproducts, or as a source of fuel.

To be proactive, we keep a periodic control of the types and amounts of waste generated in each of our operations, which allows us to establish strategic programs for reduction, reuse, and recycling.

Our waste includes bagasse, mud, ash, paper, cane waste, cardboard, plastics, lubricants and oils. Most of them are reused and/or composted. For waste that cannot be reused, we manage its disposal with accredited suppliers in accordance with environmental criteria and local environmental legislation.



Type of waste	Volume of Generated waste In Metric Tons
Reuse	1,685,379
Compost	187,245
Stored	127,557
Recycling	3,745
Dumpsite	1,151
Landfill	592
Incineration	84
Others	6
Total	2,005,759

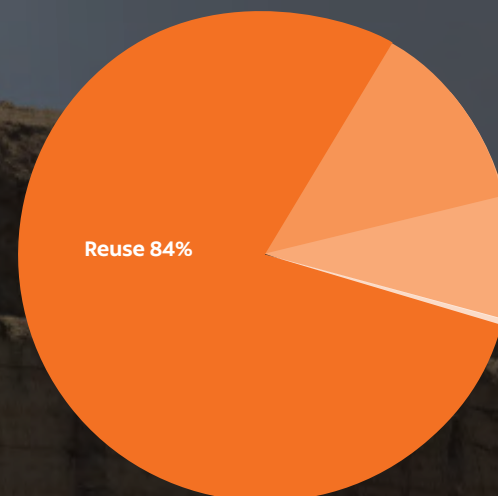
43.2%

Reduction in waste generated from 2013 to 2020

94%

Residues reused

Residue Disposal 2020



Example of posters placed in the facilities of our providers.

Management of Agrochemicals

We use products and doses of agrochemicals allowed according to the national rules and legislations of the countries and markets where we operate. We also ensure that products from the prohibited lists of the different international conventions are not used. We use approved agrochemicals for sugarcane and its derivatives in compliance with laws of the United States and Europe.

The containers and waste generated by the use of these products are managed through the national programs of 'Campo Limpio'. All packaging handling must comply with environmental standards according to national legislation and company standards.



Disposal

We've generated alliances with companies that are specialized and authorized by the local authorities for the proper disposal of agrochemical containers.



Collection Centers

We gather the containers in designated Collection Centers for them to be disposed in an appropriate manner.



Triple Rinse

- We triple rinse agrochemical containers.
- We provide our employees with the adequate equipment and protective gear to perform this task.
- We perforate containers to prevent them from being reused.



Soil Conservation

The sustainability of the business depends highly on the quality of the cultivation soil; conservation is of vital importance to prevent erosion and promote recovery of affected soils. We evaluate the needs of the soils throughout the cultivation process and in response, renew and recondition the fields according to their needs. We have developed important initiatives of sustainability such as precision agriculture and an initiative called Live Soil. Precision agriculture is a practice that focuses on implementing agronomic management tools at the right time, place, and quantity, in order to increase productivity. The Live Soil initiative seeks to control pests and diseases through the application of endemic microorganisms, thus reducing the use of agrochemicals and increasing agricultural productivity.



Selection Process

Technical evaluation of the soil and the environmental impact.



Soil Preparation

We use mitigation measures

- Incorporation of agricultural waste into the soil
- Biological control of pests
- Methods to reduce tillage activities
- Mechanized green harvest
- Sowing of Flemingias and legumes
- Terraces and conservation structures



Plan of Use

The design team establishes space adaptation activities to take advantage of the fields efficiently and sustainability.



Biodiversity

In our constant search for the conservation of protected areas and their biodiversity, we have developed several projects within the company and in partnership with external institutions. These projects focus on three central areas: forest production, reforestation, and conservation of natural forests.

7,555.43

Hectares of forest plantations, protection forests on the banks of rivers, and ecological trails.

171.41

Hectares reforested in 2020 for energy and commercial plantation, adding species nesting areas, or improving the water treatment area.

Monte Rosa Plant Nursery

The Monte Rosa Plant Nursery aims to support the National Reforestation Campaign, benefiting communities, producers, schools, and municipalities. We cultivate 300,000 plants of 32 species in an area of 1.2 hectares, supporting the protection of water recharge zones and reducing respiratory diseases in the departments of Leon and Chinandega.

5,023.90 Pantaleon

2,279.42 Concepción

252.11 Monte Rosa

Monte Rosa San José de las Marías

As part of our commitment to biodiversity, we have established a conservation area called 'San José de las Marías'. It is composed by 200 hectares of extension, its protection is of vital importance because it is an area of water discharge and the home of endangered migratory and native fauna. This ecological path also provides educational benefits, as it allows students to acquire practical knowledge about the ecosystem and its biological interactions; thus, promoting scientific research and local ecotourism.

We formed a group of trained guides made up of employees, students, professors, and producers of the area, who are trained to lead visits and share education and information about the area. Our aim is to grant them knowledge so that they can pass on the environmental potentialities of this area, at the same time, the Environmental Management team coordinates the conservation areas.

In addition to the conservation of 200 hectares of the San José de las Marías, we also have 52 conservation hectares in La Criolla, Papalon, La Tigra, and San José de Aguas Frías.





Product

Generate market value from sugarcane

Our business success is the result of operational excellence and continuous adoption of processes, work methods, and innovative technologies that ensure the best quality, promote productivity and efficiency.

Sugar



Refined
Brown sugar
White 150
White 250
White 300
Standard White
Raw

Alcohol



Hydrated Alcohol
Neutral Alcohol
Anhydrous Alcohol

Molasses



High Test Molasses
(HTM)
Molasses

Energy



Biomass Based
Renewable Electric Power

Certifications

To guarantee the quality of our products and productive processes we continuously seek to comply with the highest standards.

We implement the best international practices in terms of quality, occupational health and safety, and environment. Through doing this, we ensure quality products, sustainability in our operations, and the satisfaction of our customers.

Each of our operations has achieved the following certifications:

Pánuco: Bonsucro / ISO 9001 / FSSC 22000 / ISO 45001 / ISO 14001 / Kosher

Pantaleon: Bonsucro / ISCC Plus / ISCC EU / ISO 9001:2015 / FSSC 22000 / HACCP / Kosher / Halal

Bio Ethanol: Bonsucro / ISCC Plus / ISCC EU / ISO 9001:2015 / FSSC 22000 / HACCP / Kosher / Halal

Monte Rosa: Bonsucro / ISO 9001 / ISO 22000 / OHSAS 18001 / FSSC 22000 / HACCP / BPA / Kosher / GMP + / Halal

El Mante: ISO 9001 / FSSC 22000 / Kosher

Pantaleon Commodities Corp: Bonsucro

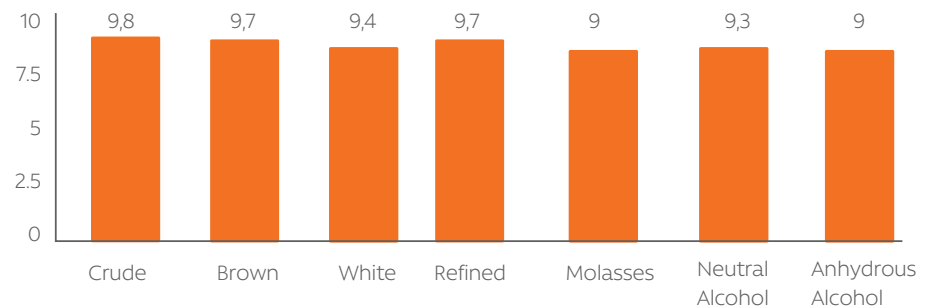
For more information about Bonsucro, please visit: www.bonsucro.com

Our Clients

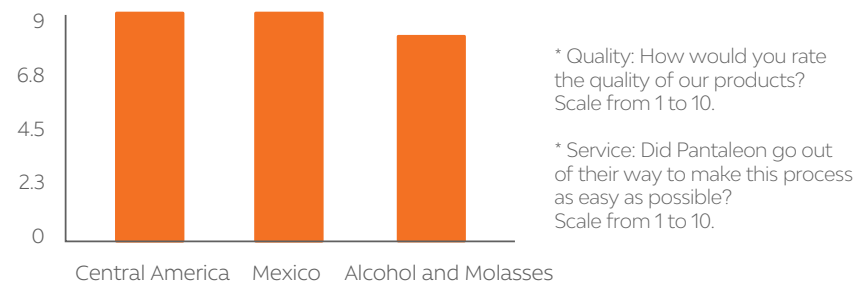
We are internationally recognized as an efficient and reliable sugar producer that competes with high quality products. Annually, we ask our clients to fill out surveys in which their appreciation and satisfaction with the quality of our products and services is evaluated.

Our clients highlight our effective communication channels, our efficiency, experience and professionalism, a culture of continuous improvement, the prompt emission of certificates and openness to solving queries and problems. As part of our culture of continuous improvement, additional controls were established for compliance with specifications, monitoring of physical-chemical parameters, and improved response times.

Quality



Service





Responsibility in Our Supply Chain

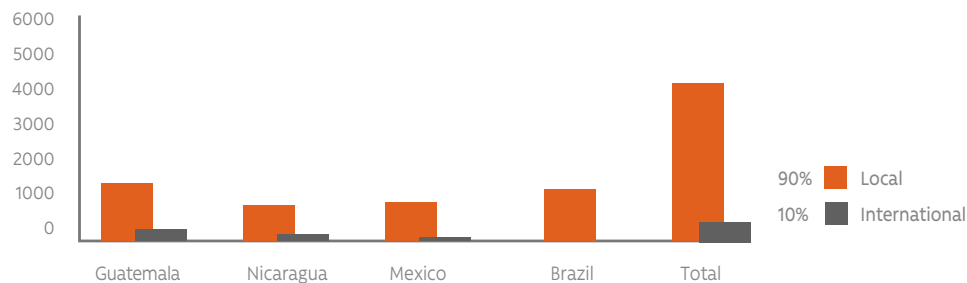
We acquire materials and services through 4,641 suppliers, of which 90% are local, promoting the economy of the countries where we operate.

Our Purchasing Policy defines the guidelines and processes that the entire organization must comply with to guarantee the optimal acquisition of goods and services. We possess technological platforms that allow a greater traceability and transparency in the execution, bidding, and contractual process of each request. Additionally, we ensure that our contractors and service providers act in accordance with our culture and procedures. We have a technological tool that assesses the safety, occupational health, and environmental requirements that must be met in the different stages of the contracting and operation process.

To date, through the system we manage 912 contractors, 10,519 contractor workers, and 4,372 teams including vehicles and machinery. This control allows us to:

- Guarantee that all contractors meet the established requirements before being granted access to the facilities.
- Standardize processes, time saving, and higher control efficiency.
- Base decisions on indicators that are updated daily.
- Oversee the hours, payment, and overtime of contractors' employees.

Suppliers per Country



Supplier Incubation Program

245

new jobs

In order to generate growth and development in our value chain, Pantaleon carries out the Supplier Incubation Program. We started the program in 2019 with 9 suppliers and in 2020, 5 companies participated. Participating companies receive support from specialized consultants for one year to generate growth, sustainability and job creation in their companies and the region. The program is carried out under the guidance and methodology of Pomona Impact, a consulting company that seeks to generate entrepreneurship ecosystems in Central America.

The program focuses on each supplier having a successful, innovative, and sustainable business model.

During the program, providers:

- Prepare their strategic plan
- Execute strategies defined in the plan
- Define growth goals
- Develop and strengthen their business skill

The 14 participating companies have created more than 245 new jobs. The vision of this program is long-term; seeking to enable companies with tools to adapt and generate new opportunities, strengthening our relationship between company/supplier and contributing to the development of Guatemala through job creation and the promotion of a sustainable business ecosystem.





Independent Sugar Cane Suppliers

We support our cane suppliers by training them in various topics to help them be more productive and profitable. Likewise, we facilitate compliance with the standards of our Code of Ethics and Conduct by providing updates on social, environmental, and legal practices.

Training Topics

- Legislative updates on labor issues
- Occupational Health and Safety
- Agronomic practices
- Sugar cane varieties
- Environmental management
- Compliance with prevention protocols against Covid-19
- Campaigns against child labor

Responsible Sourcing



Pantaleon is committed to ensure sustainability within its supply chain. Through the Responsible Sourcing program in Guatemala and Nicaragua, we support small, medium, and large cane suppliers to improve compliance with labor, occupational health and safety, environment, human rights, and corporate social responsibility. Participating providers receive a field assessment on key indicators and are accompanied by a consulting firm, free of cost, to close identified gaps and allow providers to prioritize preventive actions. We also developed a Compliance Manual per country for all producers, which includes detailed local laws and step-by-step instructions and formats to facilitate administrative processes.

In 2014 we established the program in Guatemala and since then, 86% of the sugarcane received by third parties has been part of this program. In 2020, 13 cane suppliers were prioritized to receive personalized accompaniment of expert labor and legal consultants. In Nicaragua, we replicated this program in 19 farms with the support of the National Association of Cane Producers of the West (APRICO), representing 15% of the producers' cane. The participants achieved, in percentage points, a 15 points increase in labor compliance, 33 in health and safety, 19 in environmental and 15 in social responsibility.





Sugarcane Production and Quality Committee

Pánuco

The Sugarcane Production and Quality Committee, made up of Panuco Mill, the National Union of Sugar Cane Workers (CNC), and the National Confederation of Rural Producers (CNPR), has invested in improving the working conditions of cane cutters and their families. We seek to contribute in five areas: child labor eradication, education, health, working conditions, and efficiencies. The hiring of personnel under the age of 18 is prohibited and inspections are carried out in the field to ensure compliance. In addition, we support schools where the children of workers attend, promoting spaces free of child labor.

We provide safe working conditions; providing drinking water, rehydrating serum, thermos carafe, and personal protective equipment (PPE) such as shin guards, long-sleeved shirts, a cap with a nape, gloves, and glasses. Field staff is accompanied by a medical brigade for on-site care, preventive health programs (which measure and track blood pressure, heart rate, and respiratory issues), and ongoing health and vaccination campaigns. In 2019 we integrated the ophthalmological review and delivered magnifying lenses. In the face of the Covid-19 crisis, we increased from 27 to 42 the buses that on a daily basis transfer cane cutters to guarantee social distance. At the same time, each bus was provided with an infrared thermometer and a kit of masks for each operative worker from the harvesting groups on a fortnightly basis.

In 2017 we built two housing facilities for agricultural personnel. Las Estancias, El Cepillo and Alto del Ojite have accommodations, restrooms, dining rooms, an area for literacy classes and recreational spaces. We also set up two facilities for agricultural production employees, La Norma and Tanchicuín. We implement recreational programs in the facilities such as movie afternoons, board games, soccer games, and televisions. We also promote good agricultural practices such as the use of the “Machete Bamba Huasteca” a tool created to increase staff productivity and their income.

El Mante

In October 2020, at the start of the operation of Pantaleon in El Mante, the Sugarcane Production and Quality Committee, -made up of El Mante Mill, the National Union of Sugar Cane Workers (CNC), and the National Confederation of Rural Producers (CNPR)- supported a smooth acquisition providing good labor practices throughout the entire value chain.

For the first time, cane cutters were provided with drinking water and personal protective equipment (PPE) such as shin guards, long-sleeved shirts, a cap with a nape, gloves, glasses, and the delivery of rehydrating serum resumed. Field monitoring of the nursing team was implemented for on-site care with preventive health programs. Additionally, we support the schools where the children of workers attend, promoting spaces free of child labor.

We work conjunctly to implement good agricultural practices such as mechanized green cutting and subsequent management of the crop to avoid scorch, and ensure the responsible application of environmentally friendly ripening agents. The use of the “Machete Bamba” tool began to increase staff productivity and their income. Also, protocols were incorporated to prevent the spread of Covid-19 such as temperature taking, antibacterial gel use, periodic sampling, use of face masks, and compliance with distancing measures.





The Nutritional Impact of Sugar

Sugar or sucrose is a carbohydrate, ingredient, and natural nutrient that brings sweetness to drinks and food. It is present in fruits, vegetables, honeys, table sugar, cereals, and dairy products. In traditional food this ingredient has been used for centuries. All sugars, like all other carbohydrates, have the same calories = 4 kcal per gram. In addition, it provides other functionalities to food.

Sugar is the only carbohydrate that provides energy immediately, it represents an important source of energy in the form of glucose, which is the staple food for the brain, muscles, red blood cells, the retina and the nervous system.

Pantaleon is interested in getting to know the role that sugar has in human nutrition, and that this knowledge is based on scientific evidence. Therefore, we participate in the World Sugar Research Organization (WSRO). The WSRO is an international scientific organization dedicated to providing research-based information about the different functions sugar plays in our nutrition, health, and well-being. This organization evaluates, monitors and communicates reliable scientific-based evidence and also has a program which supports sugar and health research in areas with knowledge gaps. The research program is adhered to the Ethical Research Principles.

The Uses and Benefits of Sugar:

- It represents an important source of energy for the body.
- It is a fundamental ingredient in food preparation, contributing to its flavor and texture.
- It has medical uses; it can help prevent dehydration.
- Fortified with Vitamin A, sugar contributes to the correct development and growth in children. Pantaleon voluntarily fortifies sugar with Vitamin A in Guatemala as a response to the deficiency of this micronutrient in the population.
- Industrial uses for the manufacture of other products, from honey to cement.

Did you know?

4 kcal / g

Sugar

4 kcal / g

Protein

7 kcal / g

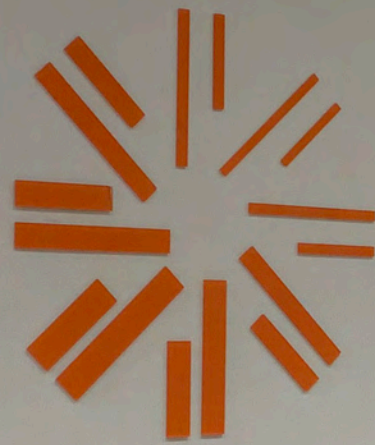
Alcohol

9 kcal / g

Fats

4g 16 kcal

1 teaspoon of sugar



Pantaleon

Sustainability Awards 2020

Guatemala's General Manager
Association

Francisco Baltodano -
CEO Pantaleon

CEO of the year, Global Management

Recognition to the best Manager, who has successfully succeeded in expanding the company's operations surpassing national territory.

Bonsucro

Pantaleon Mill

First Place in the Planet Category:
'Suelo Vivo'

Recognizes innovative projects that contribute to achieve the Sustainable Development Goals.

MasterCana Social

Vale do Paraná Mill

Best program in the Community
Category: 'Talent Development
in the Communities - Agricultural
Machinery Operator Course'

Recognizes the work done with communities in neighboring operations. Selected among the three best programs.

Mexican Center of Philanthropy
(CEMEFI)

Pánuco Mill

Socially Responsible Corporation

Distinction received for the 10th consecutive year.

Secretary of Labor and Social Welfare

Pánuco Mill

Family Responsible Corporate
Recognition

Recognizes companies that promote good labor practices and policies for people to develop in a comprehensive way at work, in their family environment and in a personal way.

UN Global Compact

Pánuco Mill

Adherent

Adhered for the eighth consecutive year.



Pantaleon Foundation

The Pantaleon Foundation benefits the communities of influence through different projects around education, health, and environmental education. For more than 25 years it has benefited communities in Guatemala, Nicaragua, and Mexico contributing to their responsible development and quality of life, implementing projects that promote their well-being.

The main purpose of Pantaleon Foundation's educational programs is to be a benchmark of educational quality. It runs pre-schools called Arcoiris del Futuro in Guatemala and Nicaragua, technical and professional trainings to develop entrepreneurship in Guatemala and Mexico, and administers the Pantaleon Schools in Guatemala and Nicaragua.

Regarding health, free medical and pediatric care clinics are administered in Guatemala, and maternity wards providing pre and post-natal care in Nicaragua and Mexico. These and other projects have made a profound impact on communities, allowing the Foundation to achieve its mission of enabling sustainable opportunities for people.

To know more, please visit:
www.fundacionpantaleon.org



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