



Pantaleon

2021

Responsible Development Report



About Our Report

The report is available in digital version on the organization's website: www.pantaleon.com

Any concerns arising from the content of the report will be addressed through email: desarrolloresponsable@pantaleon.com

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 thirteenth year, we publish the Responsible Development Report, outlining the information corresponding to the period from January to December 2021. In certain instances, the data corresponds to the harvest period from November 2020 to October 2021. For the eighth time, the report is prepared in accordance to the standards of the Global Reporting Initiative (GRI), following the guidelines of its "Essential" compliance option. The latest version of this report under GRI standards was published in 2021.

The scope of the report covers the organization's operations in Guatemala, Nicaragua, Mexico, Brazil, Chile, and the United States of America. For Brazil, we do not report environmental management indicators for Vale do Paraná because we operate the mill in partnership with Grupo Manuelita, and do not integrate environmental management indicators to our Integrated Management System.

Additionally, under the Group's strategic vision to strengthen our position, in 2022, prior to the publication of this report, we took the decision to sell the shares of Vale do Paraná Mill, therefore; this is the last edition where it will be included.

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.



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Letter From Our CEO

Twenty twenty-one was a year of important accomplishments and lessons. Through the tremendous effort and adaptation of our employees, we managed to innovate and advance in the continuous improvement of our processes aligned to our values and Sustainability Strategy.

One of our greatest achievements was the group's consolidation in Mexico, with the acquisition and expansion of El Mante Mill, as well as the increase in milling capacity at Pantaleon Mill. El Mante's first harvest began with some challenges; however, we managed to complete the 2021-2022 harvest with satisfying results. In Panuco Mill, through a record production, we positioned ourselves as the number one sugar producer in Mexico. At the same time, recognizing the importance of guaranteeing the sustainability of our value chain while generating solid relationships with our suppliers, in 2021 we reinforced the Extensionism Program to support more than 7,400 producers that supply sugar cane in Mexico. This program seeks to transfer technology to our producers while supporting them to adopt better agricultural practices to increase their productivity and maximize efficiency, in line with our Responsible Development Strategy.

In all of our operations, we continued to promote Responsible Development through different projects and achieved important results around our four axes (people, prosperity, planet and product). We invested over US\$8M to improve health and occupational safety conditions in our new operations. We benefited more than 47,267 people through our social programs; we made progress in reducing water consumption in our operations, achieving a 59.3% reduction against our 2013 baseline. Additionally, 98% of our energy consumption comes from renewable sources generated by our operations.



We also implemented important innovation projects, such as our digital transformation program that will allow us to homologate and standardize processes, as well as leverage efficiency in all our operations through the implementation of the state-of-the-art technology. We continue to expand our regenerative agriculture program to conserve our soils and increase productivity, as well as creating conditions for CO2 capture and thus, achieve a balance with nature. Internally, we continue to protect our people against COVID-19 and reinforce the importance of the integral health of all employees, supporting them with physical and mental health dynamics.

This year increased the importance of transversally integrating sustainability as a pillar of our business strategy, which is why we began new projects and extended others where we see great potential. Our Responsible Development Strategy allows us to generate win-win relations in all of our interactions, further strengthening our already robust organization.

Francisco Baltodano
CEO



Pantaleon in Figures

Harvest Season 2020/2021



Tons

Sugar produced

1,170,379



MWH

Energy sold

686,122



M³

Alcohol produced

109,764



Tons

Molasses produced

397,593



Tons per day

Milling capacity

80,000

Jobs generated

+17,900

173

Years of
experience

36

Export
destinations

5

Countries of
operation

11,686,480

Tons of harvested cane



Main Achievements 2021

We are committed to the 17 Sustainable Development Goals (SDGs) of the United Nations. Therefore, through our Responsible Development Strategy, we align ourselves with the SDGs by promoting projects in areas where we can have greater impact.

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

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

People

We invested **US\$8M** to improve OHS conditions.

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Through different programs we develop our workers capabilities.

Prosperity

US\$3.86M in social investments benefiting over **47,261** people.

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



1 NO POVERTY



2 ZERO HUNGER



Supported over **200 communities** to cope with Covid-19.

Planet

59.3% reduction in our water consumption (2013 - 2021).

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



15 LIFE ON LAND



8,437 hectares conserved in forests, banks of rivers and ecological trails.

Product

98% of energy utilized comes from renewable sources.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

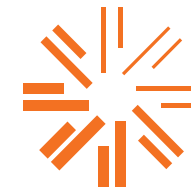
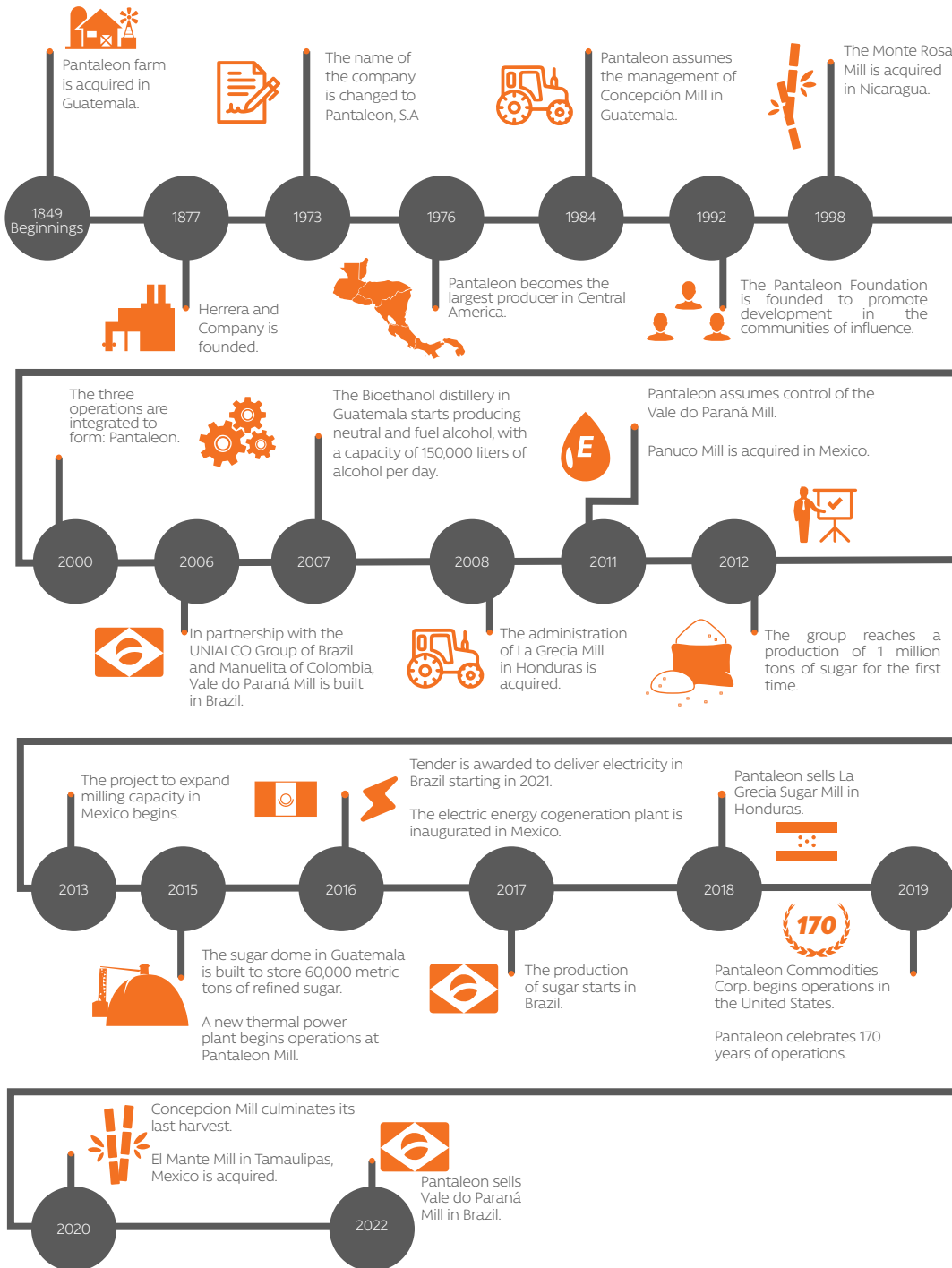


12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We manage different programs to elevate the practices of our cane suppliers.

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, honey, alcohol, and electric power from biomass. We have operations in five countries - Mexico, Guatemala, Nicaragua, Chile and the United States, with our headquarters in Guatemala. We are characterized by having a culture of high performance and commitment, based on values and principles forged over more than 173 years of experience.

We started our operations in 1849 on the South Coast of Guatemala and 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 sugar production and are among the ten most important sugar groups in the world, with an annual production of 1.2 million tons of sugar and derived products. Our products reach local markets and more than 36 export countries, 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 by transforming resources responsibly.

Ambition

- Strengthen Pantaleon's competitive position by seeking a high and sustainable profitability focused on operational excellence, value-added creation, high responsibility, and reputation.

Values

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



Operations, Products, and Markets

5 countries of operation:

Guatemala
Pantaleon Mill
Bio Ethanol Distillery

Mexico
Panuco Mill
El Mante Mill
Pantaleon Energy

United States
Pantaleon Commodities Corp.

Chile
Panor Sugar Warehouse

Nicaragua
Monte Rosa Sugar Mill

9

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

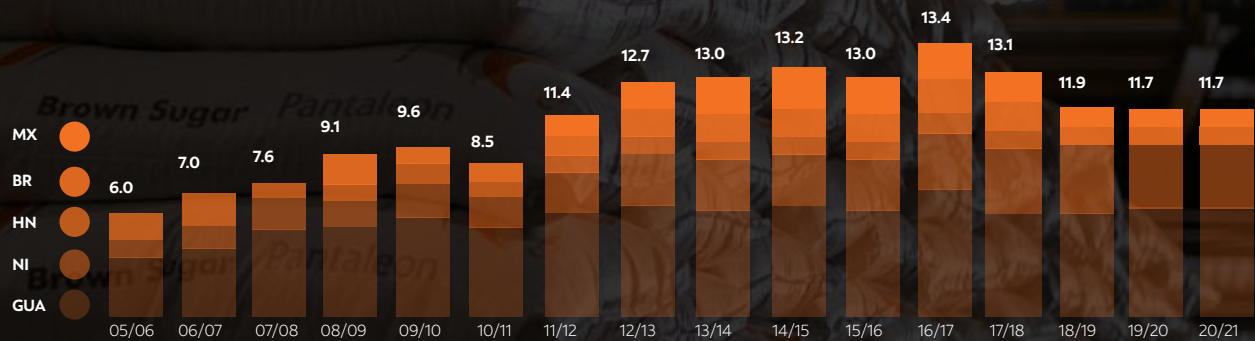
Sugar
Guatemala, Nicaragua, Mexico.

Energy
Guatemala, Nicaragua, Mexico.

Molasses
Guatemala, Nicaragua, Mexico.

Alcohol
Guatemala.

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
- Chile
- Colombia
- Dominican Republic
- Ecuador
- Grenada
- Guyana
- Haiti
- Jamaica
- Mexico
- Peru
- Puerto Rico
- Saint Lucia
- Suriname
- Trinidad & Tobago
- United States
- Venezuela
- Virgin Islands

Europe

- Belgium
- Germany
- Italy
- Netherlands
- Spain
- United Kingdom

Asia

- China
- Korea
- Lebanon
- Taiwan

Africa

- Congo
- Ghana
- Ivory Coast
- Mauritius
- Senegal

More than

36

export destinations



Milestones Reached in 2021

Panor Sugar Warehouse

Record year due to the surge of prices and efficient services. Despite the difficulties to obtain containers, its proficient management allowed us to position ourselves as the third most important player in the Chilean sugar market.

Monte Rosa Mill

Monte Rosa expanded and began a new production line of raw sugar with 600 tons per day capacity, seeking to increase value-added products and gain access to preferential sugar markets. This project allowed the production of 279,304 tons during the 2021-2022 harvest.

Mexico

Mexico's production surged due to improved performance following the acquisition, modernization, and expansion of El Mante Mill and the increase in Panuco's milling capacity. This acquisition represents the opportunity to expand our operations in Mexico, with the objective of growing in preferential markets, in line with the organization's long-term vision. For the 20/21 harvest, we reached a milling capacity of 11 thousand tons per day in Panuco and 5.2 thousand in El Mante. At the same time, we began planning and constructing a cogeneration power plant to supply the consumption of our industrial processes.

Pantaleon Commodities Corporation (PCC):

Our commercial office successfully handled logistical difficulties and other issues derived from the Covid-19 pandemic and was able to reach 84 destinations within 36 countries, getting its supplies from 23 different Latin American countries. PCC obtained positive results through final sales to US consumers.





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:** Digital transformation project that seeks to enable new technological capabilities, innovation tools, and improvements in existing processes. The project will generate operational and administrative efficiencies by incorporating state-of-the-art technology into our processes, from the field to product delivery.

Conecta consists of three phases, the first phase began its implementation in 2020 with scope for Guatemala and Nicaragua, and it included Mexico in 2021. The goal is to implement a corporate, standardized, and robust platform across the organization to:

- Increase operational efficiency, through the implementation of world-class standard processes.
 - Incorporate innovative analytical tools that allow us to extract accurate information and facilitate decision-making.
 - Simplify systems and integrate processes, centralizing and automating reports and information in a single platform for follow-up and monitoring.
 - Homologation and standardization of processes between different operations.
- **Industry 4.0:** One of Conecta's main projects for the industrial area, whose objective is the optimization and automation of process information in the factory, mainly for maintenance and production. Industry 4.0 seeks improvements in process execution, production behavior and efficiency, digital production, equipment maintenance, analysis, and optimization of manufacturing.
- **Integrated Operations Center (COI):** A centralized internal structure of services for Agricultural, Industrial and Logistical operations. Among the services it currently provides to Guatemala and Nicaragua are:
 - Monitoring and coordination for different processes, including harvesting, production, light vehicles and heavy transport, connectivity, and data transmission.
 - Maintenance monitoring.
 - Business Intelligence.
 - Efficiency and reporting.

Its value lies in its ability to centralize and automate processes and information for decision making, as well as standardize operational monitoring indicators. COI enables scaling and integration of new operations by focusing operations on key activities and maximizing technological capabilities.





- **BioKlar:** In response to the Covid-19 pandemic, we leveraged our sustainable alcohol production to produce gel and spray hand sanitizer. We ventured into the Guatemalan market, as well as with foreign customers in El Salvador and Peru for supermarket chains. In 2022, a process to launch two other private brands began and we expect to expand the catalog of alcohol-based products to continue meeting current demand.
- **Biomass separation:** We use the concept of disruptive technology to innovate in the agricultural process, introducing machinery that separates surplus biomass from cane during mechanized harvesting, creating a more efficient industrial processing and allowing the reintegration of organic material into the soil. Alternatives to organic material continue to be studied.
- **Sustainable Precision Agriculture (ASP):** We are transforming our practices to include regenerative agriculture because we believe it is the way to significantly reduce our emissions, promote soil health, and be at balance with nature.

ASP incorporates the natural benefits of endemic microorganisms to improve pest and disease control, and increase nutrient availability through three fundamental pillars:

- **Precision Agriculture:** we implement initiation techniques such as bio substrates, rotation and intercropping that add nitrogen and phosphorus to the soil, for microorganisms to thrive.
- **Microbiology:** the use of microorganisms to naturally promote our cane from its nitrogen and phosphorus requirements.
- **Initiation Techniques:** use of bio-stimulants to reinforce the effectiveness of microorganisms.

In 2020, this project won first place in the Bonsucro Inspire Awards, under the Planet category. In 2022, we qualified as a registered team in Elon Musk's XPRIZE Carbon Removal contest, which seeks innovative solutions to fight climate change and rebalance the Earth's carbon cycle.



Goal: 9.5

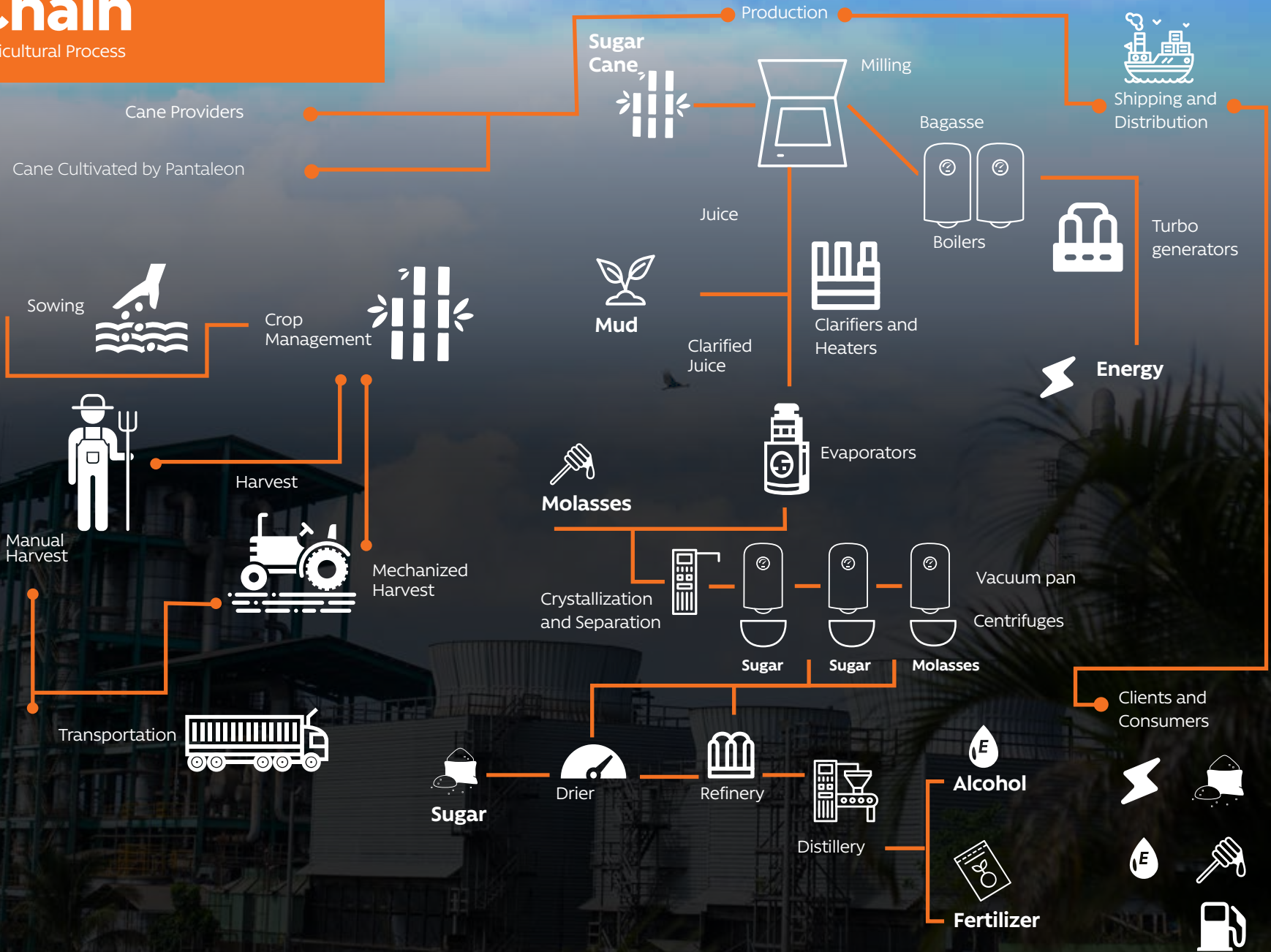


Goal: 12.2



Supply Chain

Agricultural Process





Strategic Alliances

We are a proactive agent that seeks to enhance the impact of our leadership and expand our reach in the country and in the communities where we operate. Therefore, we work together with other organizations at a national and international level.

Currently, we have alliances and/or institutional relations with more than 40 organizations in different countries, including 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
- Inter-American Development Bank (IDB)
- World Bank (WB)
- International Sustainability and Carbon Certification (ISCC)



Corporate Governance

Since our inception in 1849, Pantaleon has prided itself on being a private family business. The Board of Directors, elected by the shareholders is the body responsible for the administration of the company. In 2021, the Board of Directors had three committees to support and follow-up on strategic areas for the business. The members of the committees constantly meet with company executives to ensure compliance with business objectives and shareholders requirements.

Risk, Audit and Compliance 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.

Governance Committee

Advises the Board of Directors on the design of the corporate governance structure, helps evaluate its performance, and nominates directors -including independent directors. It also helps establish a governance system that supports the dynamics of a family business.

Compensation and Development Committee

Supports the Board in the human management of the organization's operations and suggests equitable and competitive compensation models to attract and retain the best talent. Supports the Human Talent Management team on succession plans of key positions.

Innovation Committee

Derived from the strategic opportunity to promote and implement innovation projects, in 2021 this committee was born. Within the governance model, it is responsible for sponsoring and promoting research for the adoption of new products, markets, technologies and digital transformation that support the company's growth.





Culture of Ethics

Our ethical culture is defined as our commitment to long-term growth and establishes how we conduct our business, guided by responsible performance.

Our Code of Ethics and Conduct is a statement of the highest standards of ethics and integrity that guide those of us who work at Pantaleon in our daily decisions and actions. Every year we carry out campaigns to disseminate this Code with our collaborators, and we strive to make our customers and suppliers comply with these standards.

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

Human Resources Management

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 guidelines, receives and oversees complaints to violations of the Code, ensures that they are investigated and recommends disciplinary measures. It promotes the adoption of principles to live the company's values and ensures the dissemination of these principles.

Code of Ethics and Conduct

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

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

- Act with integrity, honesty, and loyalty in all our business and social relations.
- Fulfill our commitment to responsible development as a long-term business vision.
- Promote safe and healthy work environment.
- Comply with our duties under the laws and regulations that regulate our business activity.
- Seek excellence in the performance of our responsibilities, celebrating our successes and learning from our mistakes, always promoting, and recognizing the contribution and teamwork.
- Actively and consistently promote the personal and professional development of all members of our team, offering spaces for participation and growth based on the effort and commitment of each of our collaborators.
- Develop our operations in harmony with the environment and act responsibly in the communities where we operate.

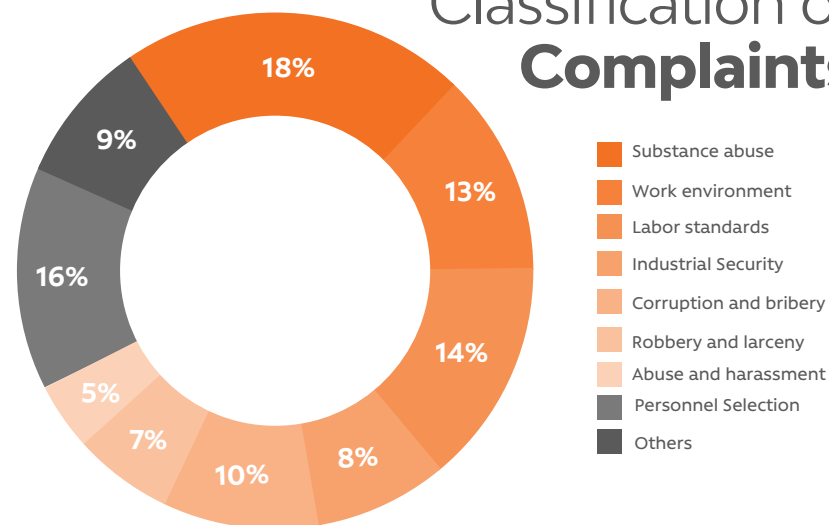


Complaints Resolution

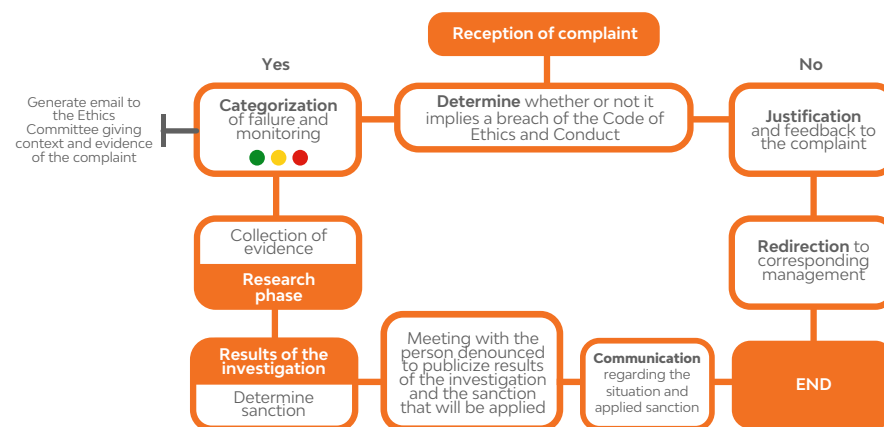
Any behavior that is of concern and that may represent a breach of the Code of Ethics and Conduct should be reported, preferably before it becomes a risk to the health, stability, and safety of employees, to the reputation of the company or a violation of the law.

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



136 Complaints received | **136** Resolved
0 In process



Communication Channels



Extension
5115
Internal calls



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

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



E-mail
codigo.conducta@pantaleon.com



Web page
www.etictel.com/pantaleon



People



Prosperity



Planet



Product

Responsible Development

Responsible Development is part of our culture and business strategy. We understand by Responsible Development 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

Our Comprehensive Management Policy (QHSE) guides the company's activities around issues of quality, health, safety, and the environment.

We are committed to:

- Ensure compliance with applicable legal requirements and requirements by customers and other interested parties.
- Satisfy the needs of our customers by providing them with 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 on stakeholder assessments and decisions.

Annually, we review the materiality analysis with the Board of Directors, the General Management and the different operation teams. Currently, we have a Responsible Development strategy with goals by 2024. The progress of the Plan is periodically reported to the Board of Directors. Compared to previous years the importance of biodiversity, air emissions, GHG emissions, and soil preservation increased due to their impacts on climate change as well as business practices and opportunities.

For the analysis, we use inputs from interviews with the different leaders of the processes, external audiences, media monitoring and research. In 2018, we carried out a perception analysis of Pantaleon in which interested audiences were interviewed to understand their appreciations, attitudes and perceptions. In 2021, an update was carried out, evaluating the progress and 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 food producers and international sugar traders. Likewise, we carry out monthly evaluations of the mentions of the company and the industry in social networks and traditional media.

In 2021, the Sustainability Task Force was established to guide operational teams and ensure that the strategy is linked to long-term business plans. It supports the Board of Directors to deepen and manage social, labor, and environmental impacts along the entire value chain.



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

13,479

Employees during harvest season

+ 17,900





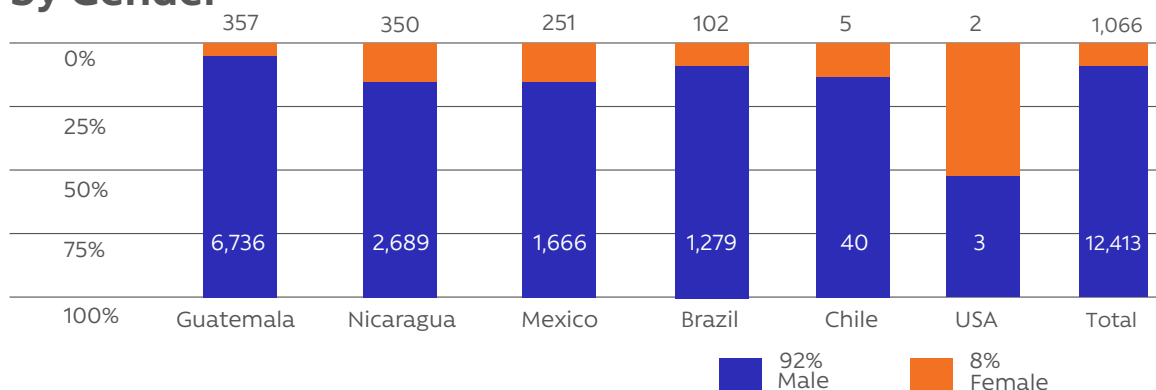
Our Human Capital



Employees by Operation

Area	Employees
Guatemala	7,093
Nicaragua	3,039
Mexico	1,917
Brazil	1,380
Chile	45
USA	5
Total	13,479

Employees by Gender

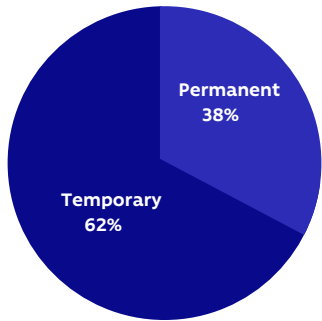


Employees by Hierarchical Level

Area	Administrative	Supervision /Technical	Administrative Support	Operational	Total
Guatemala	274	143	571	6,105	7,093
Nicaragua	107	142	142	2,649	3,039
Mexico	129	195	110	1,483	1,917
Brazil	30	176	85	1,090	1,380
Chile	10	1	6	29	45
USA	4	0	1	0	5
Total	554	657	914	11,355	13,479



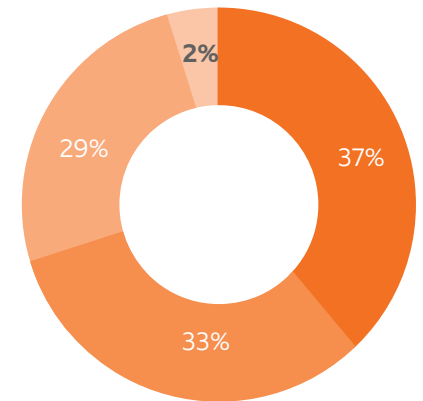
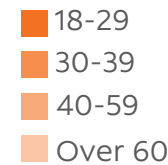
Employees by Gender and Type of Contract



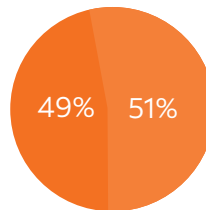
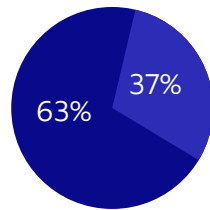
	Permanent	Temporary
Guatemala	2,649	4,444
Nicaragua	567	2,472
Mexico	862	1,055
Brazil	972	408
Chile	41	3
USA	5	
Total	5,097	8,382

Rotation index equivalent to 8.7% considering only permanent employees.

Employees by Age



	Male	Female
Permanent	4,571	526
Temporary	7,843	540



Employees by Hierarchical Level and Gender

Area	Administrative		Supervision /Technical		Administrative Support		Operational	
	Male	Female	Male	Female	Male	Female	Male	Female
Guatemala	205	69	134	9	447	125	5,951	155
Nicaragua	80	26	133	9	66	77	2,410	238
Mexico	106	24	163	32	66	44	1,331	152
Brazil	28	2	160	16	63	21	1,028	62
Chile	7	2	1	-	3	3	29	-
USA	3	1	-	-	-	1	-	-
Total	430	124	591	66	644	270	10,749	606

Male



Female





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.

Periodic 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. Due to the pandemic, modifications were made to ensure compliance with distancing and safety protocols. In 2021, 3,676 moments of dialogue were held in Guatemala and in Nicaragua 3,800 collaborators participated in these dynamics. In Mexico 498 people were benefitted under a similar scheme called SIMAPRO, used to train unionized employees on strategic projects, strengthen the culture of dialogue and follow-up on the needs of operators.

416 Unionized employees
Panuco Mill

473 Unionized employees
El Mante Mill

146 Unionized employees
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 protection equipment



Disability coverage



Trainings



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, 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 the professional field; therefore, through alliances with universities, we cultivate human capital and encourage potential future collaborators. In 2021, we had the support of 167 interns.



Scholarship Program

In 2021 we awarded 28 scholarships to our employees for undergraduate or graduate programs. Awarding 15 to employees in Nicaragua, 10 in Guatemala, 1 in Mexico and 2 in our General Offices. Additionally, in Nicaragua, 38 children of employees were awarded scholarships and 290 children of collaborators were given 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, which is why we encourage them to apply for vacant positions within the organization, increasing the number of internal promotions. During 2021, we had 87 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. To date, more than 20 employees have been certified in the CORE Program, which continue to provide technical solutions to the operation'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. Following social distancing and established protocols, in December 2021 our recognition activity was carried out in Mexico and Nicaragua in multiples of 5, to recognize 72 collaborators in Monte Rosa Mill and 75 in Panuco Mill. In Guatemala, prior to the closure of the 2021 harvest, an event was held to commemorate 800 people who had not been able to obtain their recognition in previous years due to the pandemic.



Centers of Excellence is a program designed to empower our employees in key competences, allowing them to perfect and transfer the knowledge they obtain through this practice. We identify essential processes, who then lead technical teams from each operation to implement processes that are more efficient and apply international best practices, continuously elevating our standards. In 2021, 13 Centers of Excellence participated.

Pantaleon Ambassadors

Pantaleon Ambassadors is a network of leading employees who spontaneously and dynamically share official information relevant to the organization to different internal audiences. At the same time, through active listening, they collect employee perceptions that help generate timely information to provide certainty and strengthen trust. In 2021, the 90 Ambassadors in Guatemala and 26 Ambassadors in Mexico helped us share messages of integral well-being, ethics and values, community relations and sustainability, among others. The program was launched at El Mante Mill.

Avanza

Our operation in Nicaragua is the original propeller of Pantaleon Ambassadors; however, their program is called Avanza and their leaders share important information through Moments of Dialogue. 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 teams. In 2021, we had 63 spokespersons, whose topics were replicated among approximately 3,800 employees. Topics include preventive health, sugarcane burning, use of agrochemicals, and soil management.





MODELO DE LIDERAZGO

Pantaleon 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.





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, and the agile methodology.

My Productive Harvest and My Efficient Machine School



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. Additionally, in 2021 we started two pilot schools "Electromechanical School" and "School of Harvester Mechanics." During the trainings, we also seek to reinforce important topics such as ethics, health and safety and internal policies.



My Efficient Machine School 37 employees

Train agricultural machinery operators in strategies for proper resource management as well as the modernization of agricultural production. We certified 37 cane pilots according to internal procedures through a 256-hour program.



My Productive Harvest School 70 employees

The objective is to train those in charge of cultivation, irrigation, and agricultural production to improve the administration and optimization of resources, contributing to agricultural goals and improving our competitiveness, health, and safety. The course consists of 10 modules covering topics such as fertilization, planting and replanting, soil preparation and adaptation, weed control, supervision with values, Pantaleon leadership, among others.



School of Harvester Mechanics

13 employees

A 230-hour training to potentiate the knowledge of agricultural machinery workshop personnel on preventive maintenance of agro-industrial machinery, cane harvesters and agricultural tractors.



Electromechanical School

12 employees

Employees received 112 hours of training to strengthen technical skills and specialize personnel in preventive and corrective maintenance of the electrical system of machinery and automotive equipment.



Machinery Operators (FOM) and External Machinery Training Center (NIMAC)

87 employees

These programs train operators of tractors, harvesters, heads, and heavy machinery, to promote their professional development. The Machinery Operator Training program focused on training operators and assistants of heads, front loaders, and advanced training of harvesters, benefiting 57 employees. Under the NIMAC program, 30 employees were trained, 15 in repair of agricultural machinery and 15 in electrohydraulic systems in harvesters.



Agricultural Technicians in Sugar Cane

24 employees

Program designed to train personnel with technical skills for sugarcane cultivation, from the beginning of the process to its harvest. The objective is to equip operational personnel with empirical knowledge in the different activities of cane production.

It consists of five extensive learning modules, which cover topics such as job security, good agricultural practices, personnel management, introduction to cane cultivation, soil preparation, planting, cutting, irrigation, fertilization, replanting, pest control and agricultural strategy among others.



Labor Competencies

2,335 employees



In alliance 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 2021, Nicaragua collaborated with La Salle University of Technology to provide training courses according to the needs of the operation, and in partnership with INATEC, the skills of operators for whom there is no formal technical education were certified. Monte Rosa Mill certified the work skills of 479 employees, 150 in leadership development and effective supervision, 133 in specialized technical courses with La Salle, 11 in sugar technology, 10 in microbiology, 15 in technical supervision of harvesters, among others.

In Guatemala, with the support of INTECAP, we certified 391 employees. Additionally, over 160 collaborators received a Diploma on Agricultural Production, Financial Administration, and Statistical Analysis. In Brazil, 25 people participated in the Evoluir Program, which includes training on leadership, interpersonal relationships and planning aimed at field supervisors. Additionally, 52 employees participated in a Leadership Program that granted them knowledge on managerial skills and techniques, administered by the Holloz Institute.

In Mexico, 1,280 employees were trained through different programs that include topics on themes such as irrigation, mechanical issues, and sugar production, among others. Additionally, for the first time, an agreement was generated with the local sugarcane worker union to promote internal promotions by competencies and not by seniority, as it usually works. As a result of this agreement, the Supera Program is created, a platform for the training of technical skills to improve the performance of our industrial technicians.



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 is 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. We generate detailed action plans to achieve our goals.

Under this vision, we have managed to reduce the main risks of our operations, including those risks derived from contractors, through safety leadership programs and activities to improve the safety culture. During 2021 and 2022 strategic investments in the amount of US\$8 million were executed to improve occupational health and safety conditions.



351,439

Training hours



4,835

Training events



19,892

Unsafe acts addressed



606

Third-party companies audited on occupational safety issues



8,579

Occupational safety inductions carried out with employees and third-party personnel



46

Campaigns



37,513

Inspections



1,045

Brigadiers Trained



70

Drills



Main OHS Achievements

- We guarantee a safe and continuous operation during the Covid-19 pandemic through robust science-based protocols and follow-ups from the emergency committee and the support of a solid internal and external medical team.
- We ensure specific safety plans for each of the seasons of operation (harvest and repair), based on the commitment in OHS at all levels and the appropriate risk analysis in all activities.
- We maintained a preventive system in operations through specialized training, OHS inspections of all leaders, practical talks and dissemination of best practices. We detected and closed 47 thousand unsafe conditions and acts, complying with the work permit system.
- We achieved excellent results from OHS culture measurement in all operations, at all levels.
- All our contractors adhere to the policies and controls of the OHS system; we guarantee compliance through technological platforms, the development of the contractor's skills and OHS culture, as well as a continuous supervision.
- We ensured safety during the growth project of El Mante Mill, effectively applying all health and safety protocols, avoiding serious accidents.
- We guarantee compliance with the controls of the transport program for all the fleets of the organization, reducing the risks associated with this activity.
- We consolidated an awards program focused on leaders and operational staff.
- We created and implemented an effective emergency response plan with a central emergency number for the possible scenarios that may occur in our operations.

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, in 2016 Pantaleon partnered 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.

In 2004, we established 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, 20 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. In 2021, through funding from the National Institute of Environmental Health Sciences (NIEHS), two field studies were initiated to evaluate environmental factors in the health of cane cutters, which will last 5 years and another to evaluate environmental factors in agricultural women and surrounding communities.



Goal:3.d



Goal:8.2



Primary Health

At Pantaleon, Integral Wellness is at the center of all our activities. In response to the Covid-19 pandemic, we operate a Prevention Plan under two premises:

- Preserve the well-being of employees, their families, and communities.
- Guarantee the supply of sugar and electricity during the crisis.

In 2020 a Covid-19 Emergency Committee was created, which holds periodic meetings to follow-up on support actions in all areas within the organization and created a Protocol Manual to keep employees informed of the company's internal processes. We also created virtual information spaces through periodic medical webinars where we talked about the most relevant topics and questions such as: What is Covid-19?, preventive measures, variants and their particularities, vaccination schemes of each of the countries, care, and recommendations, among others.

All mills have health clinics that offer primary care, ophthalmology, and dentistry services. We have a health team of 150 people, including 1 epidemiologist, 2 occupational physicians, 2 public health specialists, 13 general practitioners, 2 nutritionists, 59 nurses, 1 paramedic and 56 health brigades. These services are part of the benefits received by our employees and their families. In 2021, more than 51,000 medical consultations were attended in all operations and the Covid-19 vaccine was provided to collaborators who wanted it.

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

- Preventive outreach programs
- Detection of chronic degenerative diseases
- Pre-employment medical consultations
- Follow-up checkups
- Health awareness campaigns
- Daily talks by health brigades
- Mobile preventive health units
- Vaccination campaigns

Medical consultations	
Guatemala	39,692
Mexico	3,120
Nicaragua	5,410
Brazil	2,863
Total	51,085



17,947

Pre-employment medical consultations



6,977

Dental consultations



51,821

Health training hours



3,983

Training events



13,123

Follow-up medical exams



36

Health outreach programs



89

Health campaigns



Goal:3.d



Prosperity



We enable the generation of capacities and development opportunities 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 surrounding communities. We use community development plans and characterization studies to understand their needs and support their priorities concerning 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; therefore, we promote different mechanisms to achieve this.

Projects to Highlight in 2021

26 Education Projects

- Pantaleon Educational Centers
- Child Development Centers "Arcoiris del Futuro"
- Adult education
- Improvement of educational infrastructure and donation of materials
- Transfer of students to secondary and technical study centers
- Computer centers
- Entrepreneurship programs
- School breakfasts
- Donation of equipment, furniture and teaching materials
- Technical trainings in communities

17 Community Development Projects

- Technical skill trainings, entrepreneurship programs, and allocation of seed capital
- Improvement of community infrastructure
- Construction of water boards to prevent flooding
- Support for cultural and religious traditions
- Support to communities affected by natural disasters
- Reforestation campaigns
- Volunteering programs

3 Water and Sanitation Projects

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

18 Health Projects

- Health clinics
- Support communities, schools, health institutes and public entities with Covid-19 mitigation
- Maternity wards
- Health campaigns
- Children's epidemiology ward
- Early stimulation room
- Mental health module
- Hearing screens
- Integral Nutritional Food Program
- Improvements in infrastructure, furniture, and supplies of health posts

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

47,261

People directly benefited by these programs

209

Benefited Communities

\$3.87M

Community Investment



Goal:1.3



Goal:2.3



Goal:3.8



Goal:4.4



Goal:5.b



Goal:6.4



Goal:10.2



Community Support for Covid-19 Mitigation

At Pantaleon we are committed to the development of the countries where we operate, that is why we have supported the communities near our operations throughout the Covid-19 pandemic. To this day, we continue with different efforts such as prevention campaigns, medical equipment donations and in some cases facilitating access to vaccines.

In Nicaragua, 43 communities received 17,934 masks and 5,888 liters of alcohol. In Mexico, we provided information to more than 13,600 inhabitants, donated 30 medical protection gears and 1,034 medical kits. Additionally, 50,000 facemasks, crafted by women from surrounding communities and delivered to schools, benefited 25,000 children.

In Guatemala, we supported 93 communities donating 2,916 gallons of alcohol. Additionally, vaccination campaigns were carried out to facilitate access to them while granting information for those interested, through which more than 3,550 people from the surrounding communities and municipalities received their two doses. As a guild, different health centers were supported with more than 640 medical kits that included masks, gloves, and gowns, and delivered more than 196 gallons of alcohol to municipalities.



Pantaleon Schools and Day Care Centers Arcoíris del Futuro



1,800

students

At Pantaleon, education is one of the pillars to promote development in surrounding communities. We have four educational centers, two in Guatemala and two in Nicaragua. Children of our employees and families near our area of operation are students, and in most cases, these are free of charge for our employees. In addition, we offer early stimulation and education for children between the ages of 0 and 5 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 40 children at the CDI and a total of 600 students at the Pantaleon Educational Center and the Concepción Educational Center. In Nicaragua, we benefited 75 children in the CDI and a total of 700 students in the La Curva Educational Center and the Pantaleon Educational Center.

The pedagogical methodology used in these centers is our own, training children in scientific based education and values in the following levels: pre-primary, primary, elementary and baccalaureate. During the pandemic, we learned to execute differently, adapting the needs of our students to the multiple restrictions and medical recommendations. In Guatemala, the students carried out all their activities virtually, under the direction of their teachers and coordinators who provided the necessary material for them to work at home. In Nicaragua, 50% of students received virtual classes and 50% of students attended physically in alternate shifts, with a maximum of 10 students per class to ensure social distancing.

In 2021, the students of the Educational Center in Nicaragua won the prize for the best entrepreneurship at the regional level in the Entrepreneurial School Contest of the Organization "Teach a Man to Fish" with a business model on the elaboration of aromatic candles.



School Governance

Pantaleon Educational Centers are deemed "Visionary Schools, Constructors of Citizenship" because a 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.



Goal:4.2



Adult Education Program

25 
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. With the appropriate social distancing measures, activities began in person and remotely benefiting 25 cane cutters.

Additionally, students graduated from the basic education program **began the basic computer diploma** to expand their knowledge and acquire greater educational skills.



Online Community Education Program

84 
students

In partnership with the municipalities of Siquinalá, La Gomera and Santa Lucía Cotzumalguapa, we inaugurated a program to provide men and women from these communities who are over 18, the opportunity to initiate or continue their elementary and Baccalaureate studies. The program is carried out through a virtual educational platform endorsed by the Ministry of Education. The educational platform is loaded on a tablet so that students can complete the modules at their own pace, having periodic classes with teachers to solve doubts and evaluate their performance.



4 EDUCACIÓN DE CALIDAD
Goal:4.4



8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO
Goal:8.3



Water for All

16 Communities
8,500 People benefited

Since 2014, we have promoted this program to improve the quality of life of communities in a sustainable way. In order to establish water supply systems, we have collaborated with different communities and local governments. We contribute with the drilling of wells, assembly of pumps, installation of household networks and the process of storage and purification of water. We train community leaders to ensure the sustainability of the system by promoting the creation and formalization of drinking water and sanitation committees (CAPS), and thus strengthen community self-management of the resource. The members of the CAPS are elected by the community and are accompanied by the Social Development team for the first 2 years, receiving different trainings that include: basic accounting, recommendations for financial planning, administrative and legal issues to guarantee the continuity of the project. At the same time, we also train the community to promote good health habits and proper use of the resource.

In 2021, we carried out one water project that simultaneously benefited the communities of La Unión and Plan Nicaragua, providing potable water to 350 homes, improving the living conditions of 1,750 people. Before the project, the only source of water was artisanal wells, which during winter collapsed or exceeded the level of the latrines resulting on gastrointestinal diseases.



350 homes
1,750 people benefited
US\$ 78,523 investment



Goal:3.8



Goal:5.5



Goal:6.1



Goal:11.1



Technical Trainings

2,970 People trained



In Guatemala, 50 courses benefited 651 people from surrounding communities. They received technical trainings on different subjects through a partnership with the Technical Institute for Training and Productivity (INTECAP) and different entities such as the Municipal Directorate of Women. Trainings included: basic motorcycle electronics, nail decoration, basic pastries, and cake decoration. For the first time, under the objective of strengthening the business models of women who had already taken one of these courses, an entrepreneurship course was designed to support them with planning tools.

In Mexico, trainings encompassed technical courses, assessments, and seed capital to initiate businesses in the communities. In 2021, we supported a bakery in Nueva Apolonia, directly benefiting 8 women who manage its operation and completed the installation of a water purification plant in Ex-Hacienda Chintón, empowering and training 7 women who are in charge of its management. These projects have a greater impact in the communities because they bring closer basic services and thus, quality products become available at a lower cost.

To support a safe return to school, a group of women from the community manufactured 50,000 facemasks, which benefited 25,000 students. In addition, the facilities of the Agricultural Technological Baccaulaureate Center (CBTA) were rehabilitated and we donated seed capital for student enterprises, benefiting 350 students in CBTA and 713 students in the Loma Alta Technological Baccaulaureate Center. These enterprises such as the Poultry Farm in Loma Alta, allow students to understand different agricultural processes in both theory and practice, so that they have the necessary skills to begin their own businesses.

Supporting Entrepreneurship



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.



In Brazil, 450 community members of the cities surrounding the operations received free training in Agricultural Machinery Operation. The course is distributed in theoretical and practical classes taught by an internal teacher. The objective is to increase their employability potential, contributing to their professional development.

In Guatemala, Fundación Pantaleon in partnership with INTECAP supported 1,156 people from Escuintla with the aim of encouraging them to create their own businesses, training them on different trades including: pastry baking, handmade bags, home electricity, tailoring, among others.



Goal:4.3



Goal:8.3



Bootcamp for Social Entrepreneurs

33 Entrepreneurs

Through a partnership with Enactus, we 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 the participating entrepreneurs to strengthen their business model. In our sixth edition, we had 33 entrepreneurs with 22 innovative ideas, who throughout an intensive two-month program received training, mentoring and advice from experts and business leaders.

Café Don Vicente won first place, receiving US\$5,000 in seed capital and courses in marketing, project execution and financial structuring. Located in Santa Rosa, the project seeks to mitigate migration from a small coffee farming community due to the low profit margin they obtain when marketing their products. The venture seeks to provide coffee growers with technical and digital support, combined with their experience in the field, propelling them to reach high-level customers.



"The Bootcamp gave us important tools for our venture. It helped us to have a new vision for A lo Deli. I recommend other entrepreneurs to participate in this program and I thank Pantaleon and Enactus for having provided this opportunity!"

Daniela Ramírez and Antonio Urizar
A lo Deli



"Being in the Bootcamp was an incredible and valuable experience, it was extremely helpful to share ideas with other agricultural innovation entrepreneurs and mentors. After each of the modules, we were excited to go and implement what we had learned, and we are grateful to have been part of this program. The Bootcamp certainly challenged us to get out of our comfort zone and we are very excited about what is to come for Café Don Vicente."

Roberto Hernández and Flor Duarte
Café Don Vicente



Community 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. Due to the pandemic, we adapted our relationship strategy to include virtual approaches, visits to communities, visits to operations in small groups maintaining protocols, and communication campaigns. Some of the topics addressed include alternative routes of transportation, 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

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 sponsored the XIV National CSR Forum "Ethics in the new era of business, conscious leadership in action." Our Sustainability Manager spoke about our Responsible Development Strategy, and we participated as panelists exposing our best practices related to SDG 8- Decent Work and Economic Growth.

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 received the Socially Responsible Company recognition by the Mexican Center for Philanthropy (CEMEFI), in Panuco for the eleventh consecutive year and in El Mante for the first time. We also adhered to the United Nations Global Compact in Panuco for the ninth consecutive year and El Mante for the first year.



Community Engagement Mechanism

Since 2016, we have developed a community engagement mechanism among the other sugar mills of the South Coast. All of the mills work together to promote a good relationship with community leaders, which allows us to better mitigate impacts we may cause and strengthen long-term relationships.

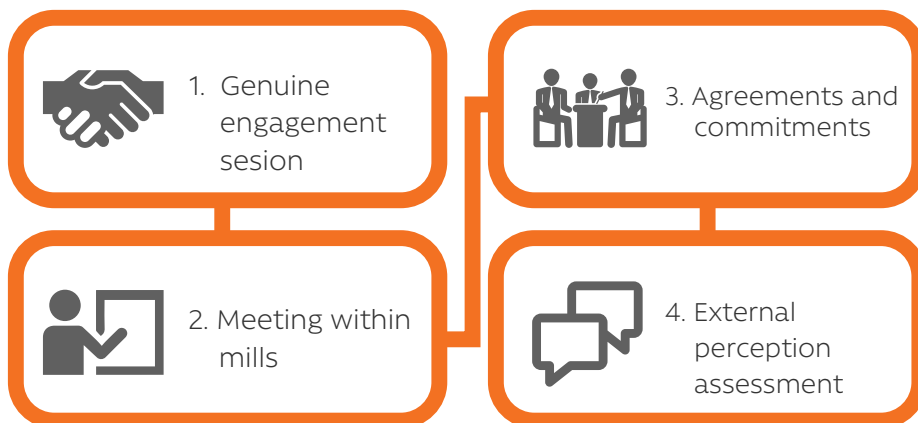
Prior to the beginning of each harvest season, we visit community leaders to build agreements and commitments for a responsible operation between the mills and the community. During the harvest period, compliance with these agreements is monitored and with the support of community leaders, we provide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

During 2021, 24 communities participated and agreements related to the passage of transport, air applications, cane burning and use of water were made. We surveyed 164 community leaders, 86% perceived an improvement in the operation compared to the previous harvest.



Competitiveness Table

Pantaleon supported the formation of the Escuintla Competitiveness Table. These spaces promote the increase of the potential growth ecosystem of Intermediate Cities, such as Escuintla, in accordance with the National Competitiveness Plan. The Competitiveness Table is a methodology developed by Fundesa to generate coordination efforts between different actors in society to strengthen a growth ecosystem.



Watershed Management

We actively participate in multi-sectoral dialogue tables to find joint solutions to the water management issue. In 2021, Business Technical Committees (ETC) managed by the Climate Change Institute (ICC) were held for the South Coast basins, Pantaleon participated in five. 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.



Goal:11.1



Goal:15.9



Communication and Impact Mitigation

With the aim of promoting transparent and effective 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.

18

Complaints received

100%

of complaints addressed within 72 hours

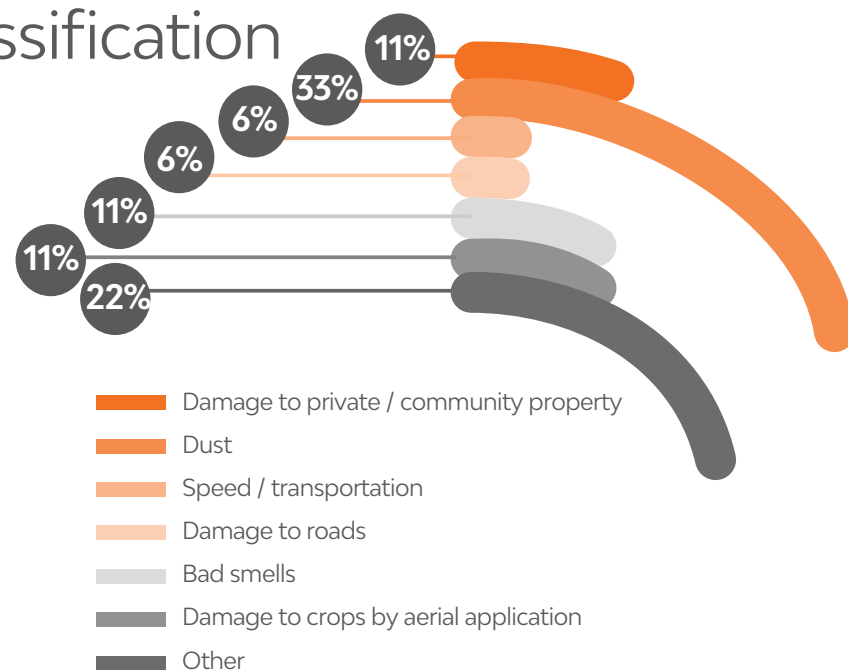
The Social Development teams, in conjunction with the operations, follow up on the resolutions of alerts or incidents to work on improvement plans. All notifications received are recorded and investigated. This information serves as feedback to adopt within our operating protocols and practices in order to mitigate and eliminate social impacts.

In the period of 2021, we had no fines or sanctions on social issues.



Example of billboards placed in communities in Guatemala

Classification



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.



Assessing Our Impacts



To identify our impacts **4 general categories** have been established, bringing together a **total of 11 specific impacts**. Here is a summary of the categorization and the main impacts that are generated in the environment in which Pantaleon's operations are developed. Some of these impacts may have variations depending on the context of each country, therefore, each Development team has modified certain procedures, however, the basis and purpose remains the same.



Transport

1. Dust
2. Noise
3. Speed
4. Damage to communal roads
5. Potential accidents

We establish measures and controls to ensure safe handling with an emphasis on responsible operating practices to reduce the impacts where we operate.

- Training our pilots.
- Monitoring speed compliance in transportation routes and specially near communities.
- Program of maintenance and irrigation of communal roads.
- Clearly marking our transportation units.
- Clearly signaling the entrance, exit and at truck crossings.
- Our suppliers providing transport services must comply with our policies.



Aerial Applications

6. Damage to other crops

We have reduced the use of agrochemicals and propelled technology for a more effective and precise application, as well as utilizing safer and environmentally friendly products. To mitigate impacts to plantations and neighboring communities, we carried out the following actions:

- Communication with community members before and after the applications.
- Satellite geopositioning.
- Security strips.
- Applications with helicopter and drones.
- Use of hydro sensitive cards.
- Use of certified and authorized products.
- Trained personnel and adequate protective equipment.



Protecting Social Infrastructure

7. Electrical wiring
8. Bridges

We ensure that the equipment that transports cane has the height and dimensions allowed. Our units have a rear identification with Pantaleon Te Escucha's telephone number 2377-2424, to report any infrastructure-related incident.



Environment

9. Ash from burning
10. Water consumption from rivers
11. Wastewater management

Programmed burning and ash control

- A system is used to record and monitor programmed burning, where weather conditions in the area, such as direction, wind speed, and temperature, are verified.
- We have trained personnel, equipment, and protocols in place to carry out planned, controlled, safe, and responsible burning in order to reduce the ash that could reach neighboring communities.
- There are established restrictions for burning in areas near towns, roads, and power lines, and there is a program to monitor compliance.

River water consumption and wastewater management:

- We promote the efficient use of water resources by investing on irrigation technology and avoiding the use of water for washing sugarcane.
- We have a recirculation system to reduce consumption, reuse industrial water for agricultural irrigation, and coating irrigation canals.
- Measurement of water sources, soil moisture, and monitoring of irrigation equipment.
- We have a program to ensure the quality of superficial water in the basins where we operate.
- We actively participate with different entities to take into account interested parties and find joint solutions to potential water-related issues.



Planet



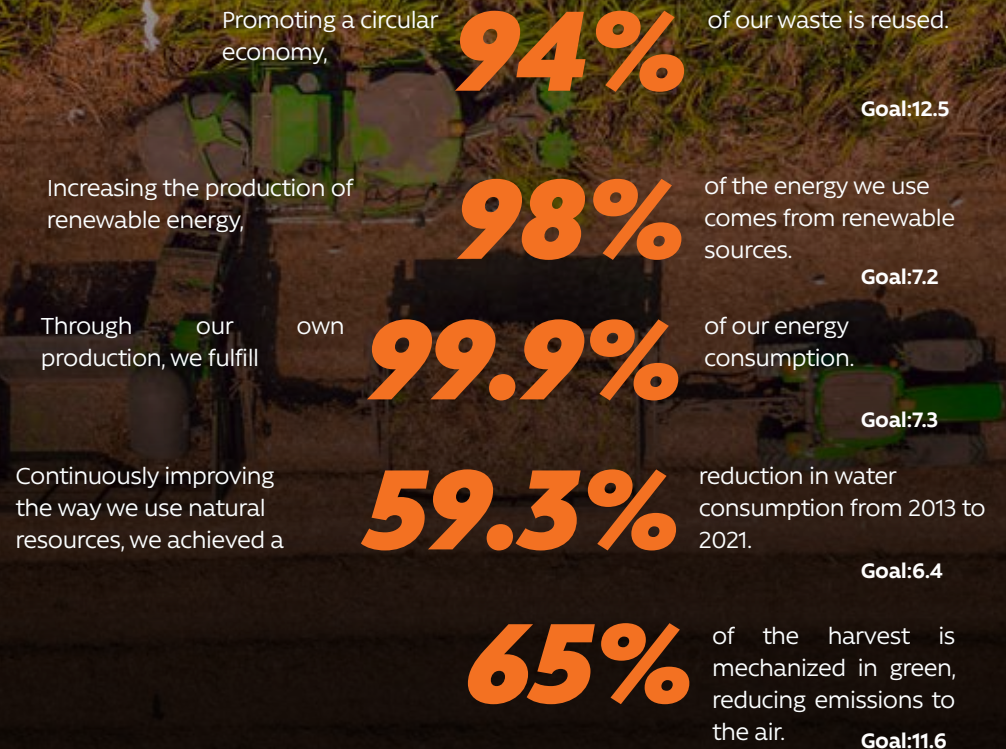
Environmental Management

We ensure the optimal use of natural resources through the development and implementation of systems for prevention, control and reduction of environmental impacts in our operations. We have established environmental efficiency goals, and continuously train our staff to meet these and be mindful of the environment. 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.



Significant Achievements



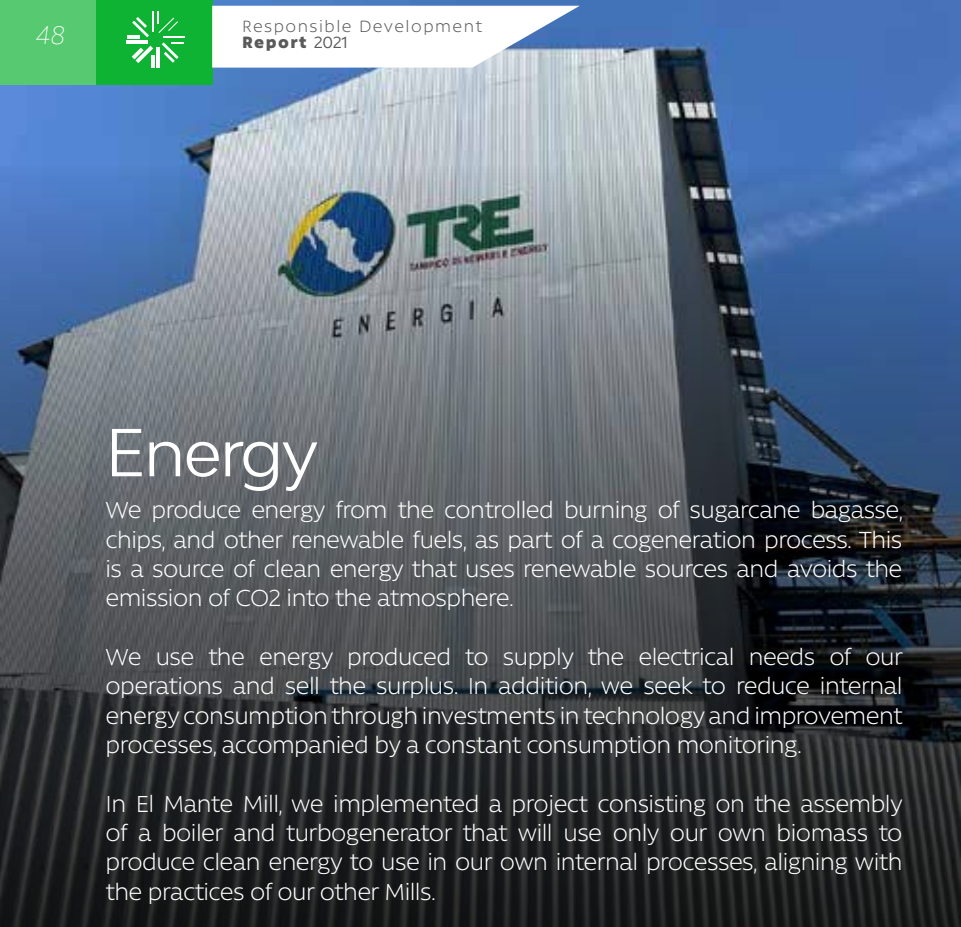
8,437.33

hectares of forest plantations, riverfront protection forests, ecological trails, and species protection.

Goal:15.5

We promote innovative improvements in agricultural processes, such as the use of nitrogen-fixing bacteria, phosphorus solubilizing bacteria, crop rotation, intercropping, application of biosubstrate and liquid carbon.

Goal:12.2



Energy

We produce energy from the controlled burning of sugarcane bagasse, chips, and other renewable fuels, as part of a cogeneration process. This is a source of clean energy 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.

In El Mante Mill, we implemented a project consisting on the assembly of a boiler and turbogenerator that will use only our own biomass to produce clean energy to use in our own internal processes, aligning with the practices of our other Mills.

Electricity

346,206 MWh

consumed; 99.9% was supplied through our own cogeneration.

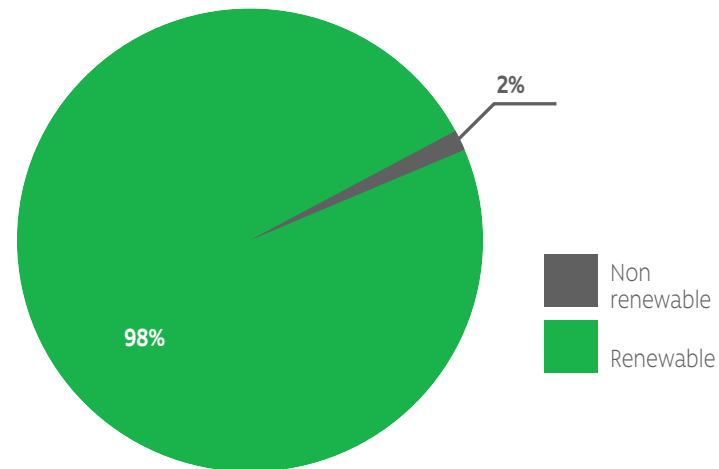
686,122 MWh

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

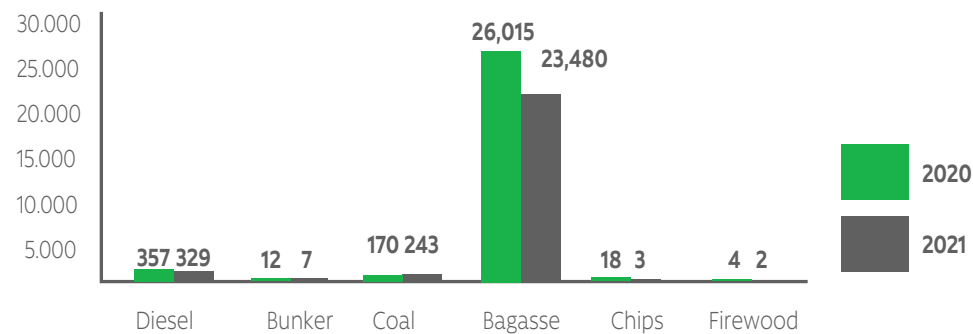
98%

of the fuels used come from renewable sources.

Types of Fuel Used (%)



Types of Fuel Used to Produce Energy (TJ)

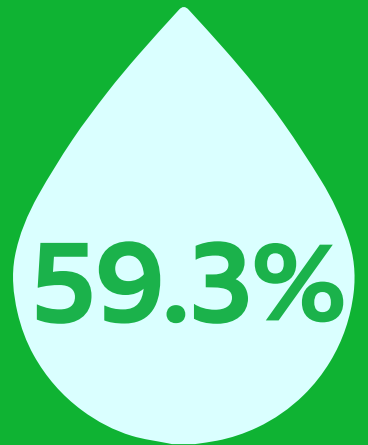




Water

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 59.3%. In the industrial area the reduction amounts to 82.8% and in the agricultural area 56.82%.

During the 2021 period, 12% of the water used in our agricultural processes and 75% in the industrial process comes from reutilized water. In the agricultural area we have projects to reuse water from industrial effluents and use them for irrigation, in accordance with local legislation. In the industrial area, we have invested significantly in water recirculation systems in our mills to reduce consumption. In 2021, we invested in projects to improve water efficiency such as: infiltration irrigation, irrigation optimization through satellite imagery, and sprinkler irrigation systems.



Reduction in water consumption
from 2013-2021.

Among the main measures adopted for the best use of water in our operations are:

- Water recirculation systems
- Dry cane cleaning
- Reuse of industrial water for agricultural irrigation (fertigation)
- Lining of irrigation channels
- Evaluation of soil moisture
- Supervision of irrigation equipment in real time (GPRS)
- Water harvesting
- Irrigation optimization through satellite images
- Infiltration irrigation





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 take action to reduce our carbon footprint, including the efficient use of nitrogen fertilizers, improving cane transportation, increasing mechanized harvesting, reducing cane burning, and increasing our energy efficiency. In addition, we carry out different actions to compensate through the generation of renewable energy and innovation projects such as ASP, which increases the organic matter in the soil and allows carbon to be sequestered.

In Guatemala, the Climate Change Institute (ICC) supports the assessment of agribusiness's carbon footprint and strategies to minimize it. A recent study evidenced that in the last 15 years, there's been a substantial reduction due to improvements in production process, practices, and an increase in the efficiency of energy generation. Currently, 129% more energy is produced per ton of cane than 20 years ago, providing more clean energy to the national electricity grid, avoiding emissions*.

The ICC researched and quantified the Carbon Footprint of Guatemala's Sugar Guild, determining that the guild generates 0.33kg of CO₂ equivalent per kilogram of sugar, which is lower than that of the United States, the European Union, Thailand and the United Kingdom, among other; additionally making the argument that harvesting cane results in net emissions, since, during its growth, it absorbs CO₂.

In 2021 our carbon footprint was 0.28 TCO₂ per ton of sugar produced. *

*(Scope 1 and 2 calculation based on IFC methodology)

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.

Actions we take to reduce our emissions:

- Electromagnetic precipitators installed in Pantaleon Mill, Panuco Mill and the next harvest in El Mante Mill.
- Wet scrubber installed in Monte Rosa Mill and Vale do Paraná Mill.
- Use of renewable energies and reduction in our consumption.
- Improvements in transport efficiency.
- Innovative agricultural practices that sequester carbon and reduce fertilizer usage.
- 8,437 hectares of forest plantations, protection forests, riverbanks, ecological trails and species protection.
- Mechanized Green Harvest.

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 of which validate sustainability and GHG savings for biofuels. Our cogeneration plants in Mexico and Nicaragua are registered as a United Nations Clean Development Mechanism Project for their contribution to reducing GHG emissions.

374,409
metric tons of CO₂ emitted
in 2021.

159,651
metric tons emitted in the
agricultural process.

214,758
metric tons emitted in the
industrial process.



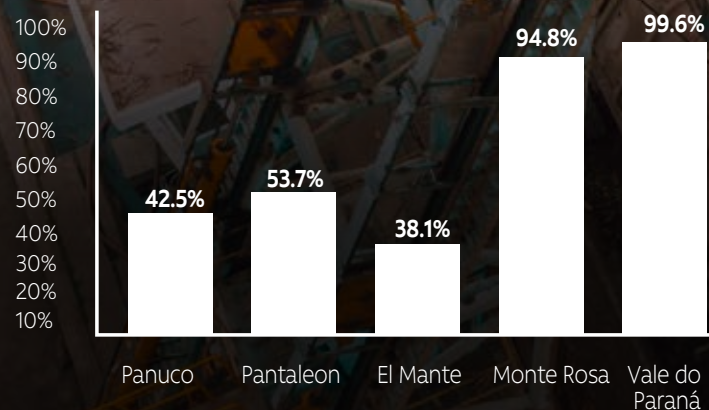
Goal:12.4



Air Emissions

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 there were substantial emissions generated from the particulate material of the boilers. In response, we invested in new and improved equipment to manage boiler gases, significantly reducing emissions.

Percentage of Mechanized Green Harvest



72.7%
65%

of the harvest is mechanized

of the harvest is mechanized without burning

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.



Goal:12.2



Goal:13.2



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.

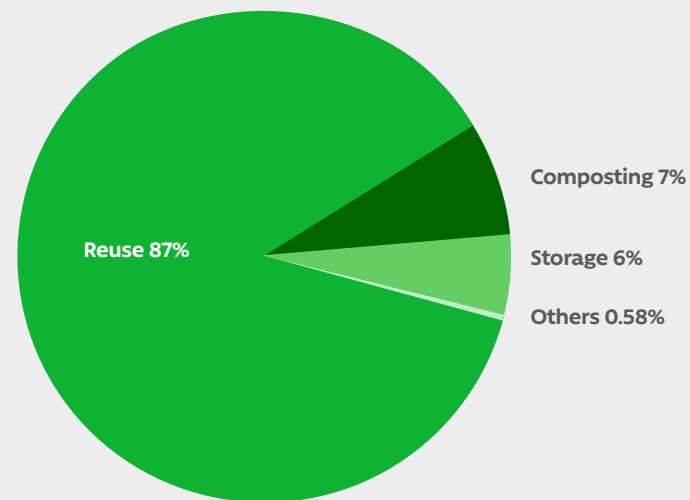
Our waste includes bagasse, mud, ash, paper, cane waste, cardboard, plastics, lubricants and oils. Most of them are reused and/or composted. For waste that cannot be reused, we manage its disposal with accredited suppliers in accordance with environmental criteria and local environmental legislation.

From 2020 to 2021 we increased our recycling by 300%. In Nicaragua, the 5S program was carried out in the industrial area and the agricultural mechanical workshop, which aims to promote clean, safe and healthy work spaces, thus generating an increase in productivity. One of the axes includes the integral management of solid waste with recycling stations and to classify waste. The 5S program was promoted through various communication campaigns and through the support of leaders in the organization.

In Guatemala, a recycling and reuse campaign was carried out promoted by the Department of Environmental Management, through which we implemented different mechanisms and protocols to facilitate access and knowledge about effective recycling to employees.

94% Reused
residues

Type of Waste	Volume of Generated Waste In metric tons
Reuse	2,201,427,280
Recycling	12,425,770
Composting	174,622,503
Recovered	117,696
Cremated	169,377
Landfill	1,391,680
Dump	617,530
Storage	142,272,421
Total	2,533,044,258





Management of Agrochemicals

We use products and doses of agrochemicals in compliance 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 soil throughout the cultivation process and in response, renew and recondition the fields according to their needs. We develop important initiatives for sustainability such as sustainable precision agriculture (ASP for its acronym in Spanish).

ASP consist on regenerative agricultural practices at the right time, place and quantity, to increase productivity in our fields. ASP incorporates the natural benefits of endemic microorganisms to improve pest and disease control, and increase nutrient availability through 3 fundamental pillars:

1. Precision Agriculture
2. Microbiology
3. Initiation Techniques with biostimulants

For more information see page 9 and 10.



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.

8,437 Hectares

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

8,206.46 Pantaleon

241.27 Monte Rosa Mill

Monte Rosa Plant Nursery

Monte Rosa Mill has a local Plant Nursery, which, in 2021, donated a total of 121,494 plants, supporting the reforestation campaigns promoted by state institutions such as: MARENA, INAFOR and different municipalities. In addition, plants were delivered to community members, producers, companies, organizations and the population in general, and plants from our nursery are used in reforestation campaigns that we execute with our employees. From 2014 to 2022 Ingenio Monte Rosa Mill. plans to deliver 1,654,184 plants in support of reforestation campaigns, positioning ourselves as a national referent.

We also have the campaign "One Tree at a Time", donating trees from the Plant Nursery, to raise awareness among the population about the need to restore the environment and promoting the planting of trees and its care. Part of the production of plants is used by the forestry operation, for the establishment of forest plantations with native species aimed at the recovery of degraded areas, water recharge and conservation of aquifers of the area of influence. Additionally, in 2021 we carried out the first stage of an Identification Study of Areas of High Conservation Value.

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, 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 have made this project sustainable through activities of maintenance, education and management of the reserve.

In order to involve our collaborators, students, teachers, and producers in the area, we hired a group of guides trained in visitor care and education methodologies. The Department of Environmental Management coordinates tours open to the public.

Product

Generate market value from sugarcane.





Our business success is the result of operational excellence and the continuous adoption of processes, methodologies, and innovative technology to ensure the best quality and promote productivity and efficiency.

Sugar



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

Molasses



High Test Molasses
(HTM)
Molasses

Alcohol



Hydrated Alcohol
Neutral Alcohol
Anhydrous Alcohol

Energy



Biomass based
renewable electric
power

Certifications

Our business success is the result of operational excellence and the continuous adoption of processes, methodologies, and innovative technology to ensure the best quality and promote productivity and efficiency.

Panuco: Bonsucro / ISO 9001:2015 / FSSC 22000 / ISO 45001 / ISO 14001 / Kosher

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

El Mante: ISO 9001:2015 / FSSC 22000 / Kosher

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

Monte Rosa: Bonsucro EU RED II / ISO 9001:2015 / ISO 22000 / OHSAS 18001 / FSSC 22000 / HACCP / BPA / GMP + / Kosher / Halal

Pantaleon Commodities Corp: Bonsucro

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

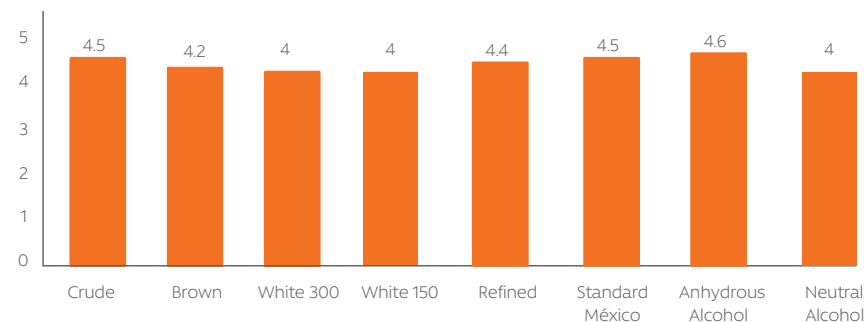


Our Clients

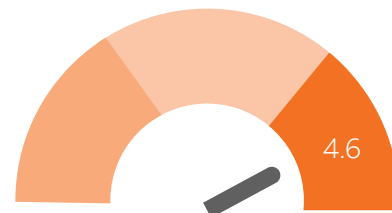
We are internationally recognized as an efficient and reliable sugar producer that competes with high quality products. Annually, we ask our clients to fill out surveys in which their appreciation and satisfaction with the quality of our products and services is evaluated.

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



Average answer: 4.6

*Quality: How would you rate the quality of our service? Scale from 1 to 5.

*Service: Did Pantaleon go out of their way to make this process as easy as possible? Scale from 1 to 5.



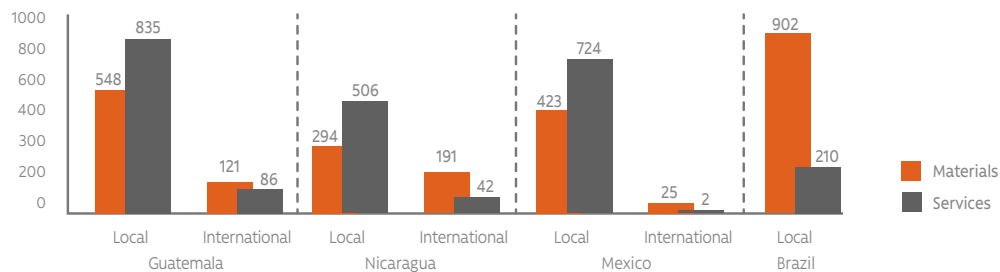
Responsibility in Our Supply Chain

We acquire materials and services through 4,909 suppliers, of which 90% are local, promoting the economy of the countries of operation.

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.

Suppliers per Country



Achievements and progress:

- Activation of SNAP, SAP Ariba module, which allows the user to self-manage their purchases.
- Implementation of SAP Ariba Commerce, automating different processes to manage supplies.
- Negotiation and strategy for timely critical purchases, to mitigate supply risks.
- Centralization of the acquisition of materials and services of new investments.



Supplier Incubation Program 315 New jobs created

Since 2019, we annually invite selected suppliers to participate in the Incubation Program with the aim of generating economic growth in the region and strengthen our value chain. In 2021, five companies participated, managing to generate 40 new jobs and on average, an increase of 203% in sales.

Participating companies receive support from specialized consultants for one year to fortify their business model, growth, and sustainability. The program is carried out under the guidance and methodology of Pomona Impact, a consulting company that seeks to generate an entrepreneurial ecosystem in Central America.

During the program, providers:

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

The 19 participating companies have generated 315 new direct 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.



Goal:8.3



Independent Sugar Cane Suppliers

Pantaleon is committed to ensure sustainability within its supply chain. We support our cane suppliers by training them in various topics to help them be more productive and profitable. At the same time, we facilitate compliance with the standards of our Code of Ethics and Conduct by providing updates on social, environmental, legal and OHS practices.

Training Topics

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

Responsible Sourcing



We offer our cane suppliers a program to improve their compliance on labor, occupational health and safety, environmental, and human rights issues. 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 them to prioritize preventive actions. We also developed a Compliance Manual, per country, which includes detailed local laws with step-by-step instructions and formats to facilitate administrative processes.

In 2014, we established the program in Guatemala and since then, 94% of the sugarcane received by third parties has taken part in this program. In 2021, 13 cane suppliers participated, representing 69% of the hectares of cane received by third parties. We focused on updating legislation and gaps in Occupational Safety and Health as well as compliance with specific COVID protocols for the Agricultural Sector. On average, participants closed 24% of all their compliance gaps and continue to advance.

In Nicaragua, 19 suppliers completed the program, achieving an increase of 15% points in labor compliance, 33 in health and safety, 19 in environmental and 15 in social responsibility. That same year we began the next cohort with 35 suppliers, covering 33% of the cane received by third parties, they will end in 2022. Through this cohort, the Operational Manual was updated, and the Hydration, Shadow and Rest chapter was added in close collaboration with the Occupational Health and Safety Department at Monte Rosa Mill. Additionally, technical personnel from our Mill and APRICO were trained under the BONSUCRO standard, and 30 additional suppliers received information on Bonsucro's small producers' standard.





Sugarcane Production and Quality Committee



Alongside the Sugarcane Production and the Quality Committees of Panuco and El Mante Mill, we invest on increasing producer's productivity, improving the working conditions of agricultural workers, and promoting the well-being of their families. The Committees are made up of the Unión Nacional de Cañeros (C.N.C.), the National Confederation of Rural Producers (CNPR), and Panuco Mill or Mante Mill, respectively. 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 order to increase the productivity of the staff and their income, we also promote best agricultural practices such as the use of the tool "Machete Bamba Huasteca", mechanized cutting without burning and subsequent management of the crop and the responsible application of environmentally friendly ripeners. Additionally, in 2021 we promoted nutrition and integrated pest control programs and irrigation programs through which we improved the capacity of around 7,000 hectares with water deficit.

In Panuco, we have two housing accommodations for agricultural staff cutting cane named El Cepillo and Alto del Ojite. They both have rooms, sanitary services, dining rooms, an area for literacy and recreational spaces. We also set up two facilities, La Norma and Tanchicuín, for agricultural production workers. We implement recreational programs such as movie afternoons, board games, football matches and provide televisions.

Extensionism Program

Recognizing the importance of working hand in hand with our cane suppliers to ensure the sustainability of our value chain, in 2021, we created a program to support more than 7,400 cane suppliers in Mexico. The extensionism program seeks to transfer different technologies to our producers and encourage them to adopt best agricultural practices to increase their productivity.

We signed a collaboration agreement with Bayer and the leaders of sugarcane associations to generate a collaboration platform that includes all the actors within our value chain, focused on the adoption of best agricultural practices for the 3,672 sugarcane producers in Panuco within a three-year period. For this purpose, the NGO Solidaridad was hired and under this agreement, we are developing:

- **Socioeconomic Study:** generation of quantitative analysis to understand in depth the characteristics of this large group of producers.
- **Diploma for Technicians and Producers:** technical modules aimed at internal staff and producers, covering different topics on management and agricultural practices.
- **MAS CAÑA Program:** provides on-site training in the communities, technical assistance in the field, live demonstrations and exchange of good practices between producers and technicians.

The MAS CAÑA Program focuses on 3 axes:

- **Technical assistance:** As of June 2022, we have carried out 1,065 visits to producers, through which our technicians, alongside with Solidaridad, analyze the specific needs of suppliers to give them personalized advice on how to improve their crops.
- **Trainings:** We held 48 training events, covering different topics of integrated weed management, irrigation, crop nutrition, and equipment operation and calibration.
- **Demonstrative plots:** Installation of 30 demonstrative plots to instruct suppliers with dynamic examples in different topics covering weeds, irrigation, crop nutrition, planting, and pests.



Sugar and Wellness

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 to support sugar and health research in areas with knowledge gaps. The research program is adhered to the Ethical Research Principles.

Uses and Benefits of Sugar

- Sugar is a simple carbohydrate produced naturally in all plants, including fruits, vegetables, and seeds. Like all carbohydrates, it provides 4 calories of energy per gram.
- Of all the plants, sugar beet and sugarcane produce the most sugar. Therefore, they are the most efficient option when extracting sugar.
- Sugar provides a taste of sweetness to food but has many more functional properties such as: texture, balancing food's acidity, preservation, among others. Due to its versatility, it is difficult to find a good substitute for this ingredient.
- Sugar is part of a healthy and balanced diet when it is not consumed in excess.
- Sugar is not directly responsible for obesity, the causes are multiple and include genetics, excessive consumption, and little physical activity. In the United States, Australia and Canada, sugar consumption has declined since 1970, yet obesity rates are on the rise.
- Fortified with Vitamin A, sugar contributes to the correct development and growth in children. In Guatemala and Nicaragua, sugar is fortified with Vitamin A as a response to deficiency of this micronutrient in the population.



Sustainability Awards 2021

Mexican Center for Philanthropy (CEMEFI)	Panuco Mill	Socially Responsible Corporation	Distinction received for the eleventh consecutive year.
United Nations Global Compact	Panuco Mill	Adherent	Adhered for the tenth consecutive year.
MasterCana Social	Vale do Paraná Mill	Best program in the Community Category: "Ties of affection with the community"	Awarded for the fourth consecutive year, recognizing professional development and social welfare projects.
World Sustainability Awards 2021	Monte Rosa Mill in partnership with ED&F Man Liquid Products	Finalist in two categories: - Sustainable Supply Chain - External Alliances	Recognizes the alliance to provide drinking water to Silvio Castro in Nicaragua.
Work Wellness Council	Panuco Mill	Recognized as "Healthy Responsible Company"	Recognizes companies that promote the Integral Wellbeing of their workers.
Mexican Center for Philanthropy (CEMEFI)	El Mante Mill	Socially Responsible Corporation	Distinction received for the first year.





Pantaleon Foundation

The Pantaleon Foundation benefits 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 and raise their quality of life of people, benefiting approximately 4,000,000 people.

The main purpose of Pantaleon Foundation's educational programs is to be a benchmark of educational quality. It runs pre-schools called Arcoíris 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 learn more visit: www.fundacionpantaleon.org



Fundación
Pantaleon



Goal:4.1



Basic General Content

GRI Indicator	Content	Page
Strategy and Analysis		
102-14, 102-15	Letter from our CEO	2
Company Profile		
102-1	Name of the organization	3
101-2	Our operations, products, and markets	6
102-3	Organization's headquarters	5
102-4	Countries where the organization operates	6
102-6	Markets	6,7
102-7	Pantaleon in figures	3
102-8	Our Human Capital	20,21,22
102-41	Employees covered by collective bargaining agreements	4,19
102-9	Organization's supply chain	11
102-10	Significant changes in the organization	4,8
102-12	Externally developed economic, environmental, and social charters	4,14
102-13	List of memberships	12
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