



Pantaleon

2024

Responsible Development Report

About our report

Committed to transparency and Responsible Development, we provide our stakeholders with information related to our sustainability strategy, results, key initiatives, progress, and operational challenges related to environmental, social, and governance issues, better known as ESG.

For the sixteenth consecutive year, we are publishing the Responsible Development Report, outlining the information corresponding to the period from January to December 2024. In certain instances, the data corresponds to the harvest season from November 2023 to October 2024. We have prepared the report in accordance with the standards of the Global Reporting Initiative (GRI), following the guidelines of its "Essential" compliance option. For the third consecutive year, the report has been prepared in reference to the guidelines of the latest version of the Global Reporting Initiative 2021. The last version of this report referring to the GRI standards was issued in 2024.

The scope of the report covers the organization's operations in Guatemala, Nicaragua, Mexico, Chile, and the United States. Throughout the document, various indicators related to different topics, as well as the impacts, risks, and opportunities for our operations, are detailed. The priority of the topics was evaluated through Materiality Analysis, which is reviewed and approved by General Management. The elaboration of this report was carried out by the Responsible Development department and approved by General Management. It should be noted that this report has not been subjected to an external validation process.

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 via email:

desarrolloresponsable@pantaleon.com



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Letter from our CEO

The year 2024 will remain a landmark in our history. We proudly celebrated the 175th anniversary of Grupo Pantaleon—an achievement that not only honors our legacy but also reaffirms our commitment to developing innovative and sustainable solutions that contribute to the decarbonization of the sector. This milestone coincided with the recognition of Julio Herrera, who led Pantaleon for more than four decades, with the Global Lifetime Achievement Award in the Sugar Industry—a well-deserved tribute to his vision and dedication to building a more competitive and responsible industry.

Throughout the year, we demonstrated our ability to adapt to both climate and economic challenges while staying focused on sustainability, innovation, and the creation of shared value. In Mexico, we faced one of the most severe droughts in recent years with a resilient approach centered on water management, agricultural modernization, and strategic partnerships. These measures strengthened our ability to adapt and expand, allowing us to begin in 2024 the expansion of our cultivation area, which will reach 20,000 hectares by 2025, reinforcing the strength of our agricultural operations.

We advanced our energy transition through projects in Mexico and Nicaragua. In Mexico, TRE-El Mante, with 44 MW of installed capacity, will begin generating 30 MW of renewable energy by 2027 for the Ciudad Mante community and our operations. In Nicaragua, at Monte Rosa, we expanded capacity to 85 MW through biomass, generating enough energy to power more than 55,000 homes and reaffirming our commitment to a low-carbon future.

Our sustainable development model was strengthened through high-impact alliances, such as the one signed with the OECD to drive the Synergy Industrial Park initiative in Escuintla, Guatemala, aimed at boosting local economic growth and attracting sustainable investment. This effort was complemented by recognition of our best practices across all geographies: from the Clean Production Award in Nicaragua to distinctions for our mills in Mexico for their positive impact on communities.

We know that sustainability is not possible without people. That is why we are proud that initiatives such as “Sowing skills, Transforming Lives” and “Women at the Wheel” were recognized for their contribution to skill development and the promotion of women’s participation in our neighboring communities. We also celebrated the



international distinction of the MAS-CAÑA Program, which strengthens our sugarcane value chain through technical innovation and knowledge transfer, enabling a more efficient and sustainable operation.

More than ever, we are convinced that the future of agroindustry depends on sustainability, innovation, and shared value. We integrate responsible practices throughout our operations, driving transformative progress in harmony with the well-being of people and the planet. I am deeply grateful to our employees, partners, and communities for walking alongside us in this transformation. Together, we will continue to move forward with responsibility, vision, and commitment to build the future we aspire to.

Jaime Quan
CEO Pantaleon



Scan the QR code for more information

Pantaleon in numbers

Harvest season 2023/2024



Metric tons of sugarcane harvested

10,759,980



Jobs generated

14,478



Years of experience

176



Countries of sales and export

33



Countries of operation

5



Metric tons
Sugar produced

1,092,186



MWh
Energy sold

489,122



Metric tons
Molasses produced

456,229



Metric tons per day
Milling capacity

74,000



M3
Alcohol produced

58,278



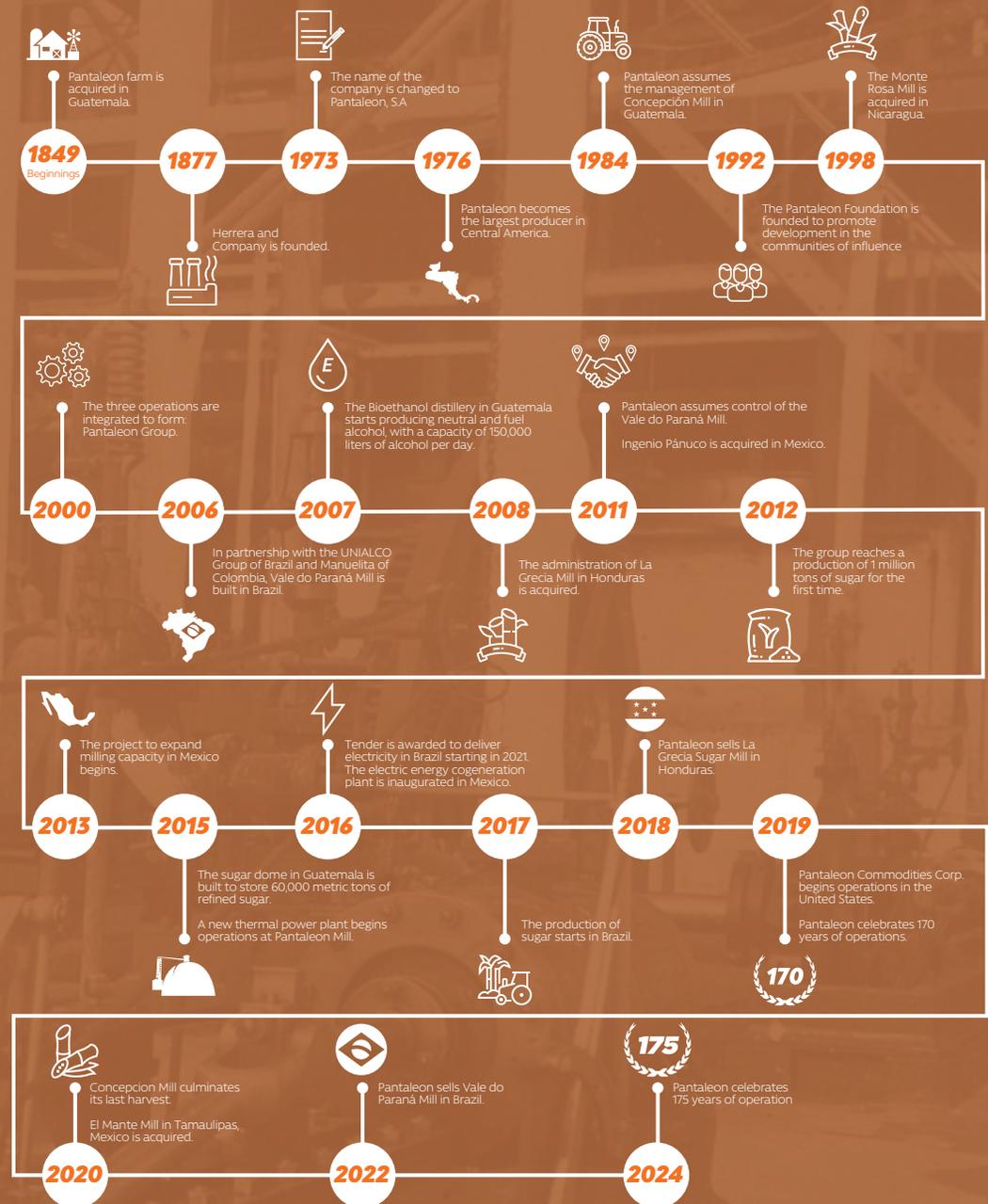
Pantaleon

We are an agro-industrial organization dedicated to the responsible processing of sugarcane to produce sugar, molasses, alcohol, and renewable electricity from biomass. We operate in five countries—Mexico, Guatemala, Nicaragua, Chile, and the United States—with our headquarters in Guatemala.

We are leaders in the transformation of sugarcane, with a clear vision for the future: to develop innovative and sustainable solutions that contribute to the decarbonization of the sector. We integrate responsible practices across our entire operation, driving transformative improvements in harmony with the well-being of people and the planet. With more than 175 years of history, we promote a new perspective on the value of sugarcane, creating products with impact and purpose within a more sustainable development model.

Our culture is defined by high performance and commitment, built on values and principles forged over more than 175 years of history. We began operations in 1849 on the southern coast of Guatemala, evolving from a local operation into a business of international relevance. Today, we are leaders in sugar production in Central America and rank among the eleven largest sugarcane groups worldwide, producing more than one million metric tons of sugar and byproducts annually.

Our products supply both local markets and more than 30 export destinations, where we serve food industries and refineries. Our business strategy is focused on sustainable development and operational excellence, supported by significant investments in innovation and continuous improvement.



Responsible Development

We have defined and implemented an integral business model that drives operational efficiency and places responsibility and commitment to our environment and human capital at its core. Our sustainability model, called Responsible Development, dictates the interrelation among economic growth, the well-being of people, social harmony, and the responsible use of resources through a process of innovation and continuous improvement.

We align with the ESG (Environmental, Social, and Governance) framework by evaluating our business practices and performance concerning various ethical and sustainability aspects. Our policies and practices contribute to meeting global standards, including:

- United Nations Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights (UDHR)
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- United Nations Framework Convention on Climate Change (UNFCCC)
- United Nations Guiding Principles on Business and Human Rights (UNGPs)

Our Comprehensive Management Policy guides the company’s activities around quality, food safety, health, security and environmental issues, committing to:

- Ensuring compliance with applicable legal requirements and requirements from clients and other stakeholders.
- Satisfying the needs of our clients by providing safe and quality products.
- Optimizing the use of natural resources and reducing our environmental footprint.
- Promoting a safe and healthy work environment to prevent incidents and health deterioration.
- Communicating our commitments openly to our stakeholders.

ESG Goals 2024–2034

At Pantaleon, our commitment to sustainability has been a constant feature throughout our more than 175 years of history. This legacy drives us to continue moving forward with responsibility, vision, and determination. After a decade of focused work on our Environmental, Social, and Governance (ESG) goals for 2013–2023, today we renew our commitment by setting new goals for the 2024–2034 period, with a long-term impact approach on the planet, our communities, our people, and all those who interact with us and form part of our value chain.

These goals were defined with a strategic outlook for the next ten years, aligning our priorities with the major global challenges and the trends that are reshaping the agroindustry. At Pantaleon, we believe that our operational experience and culture of innovation position us to lead sustainable solutions from the core of our operations.

We have structured our strategy around four fundamental pillars: Planet, Product, Prosperity, and People. Each pillar brings together specific commitments that reflect our priorities: the responsible use of water, the reduction of emissions, and the promotion of regenerative agriculture; the strengthening of a sustainable value chain; social development in our areas of influence; and investing in our people through talent, health, safety, and inclusion.

We present below our ESG Goals 2024–2034, which will serve as our roadmap to continue building a more sustainable, resilient, and fair future for present and future generations. To track progress, some of the results are shown in relation to the baseline defined in 2023.

Planet: Innovating for sustainable production 			
	Commitment	2034 Goal	2024 Results
Water	Reduce industrial water consumption across our operations.	50% reduction	+15% vs. baseline
	Maintain efficiency in agricultural water use.	80% efficiency	77% efficiency
Emissions	Reduce carbon intensity across all Scope 1 and Scope 2 operations, in line with the GHG Protocol.	40% reduction	-23% vs. baseline
Regenerative agriculture	Adopt regenerative agriculture practices.	100% of our own hectares	95% of our own hectares
	Promote technology transfer of best practices in regenerative agriculture.	90% of our sugarcane suppliers	2% of our sugarcane suppliers

Product: Delivering high-quality products while ensuring sustainability across our value chain 			
	Commitment	2034 Goal	2024 Results
Value chain	Promote the participation of our sugarcane suppliers through a comprehensive program for monitoring and evaluating agricultural, labor, and environmental best practices.	100% of our sugarcane suppliers	57% of our sugarcane suppliers

Prosperity: Strengthening the social impact of the communities where we operate 			
	Commitment	2034 Goal	2024 Results
Social development	Implement educational and economic development projects.	1,000,000 people in 10 years	89,499 people
	Strengthen the positive perception of our external stakeholders regarding our responsible practices.	Net Promoter Score: >85%	Net Promoter Score: 90%

People: Promoting well-being and professional growth for our employees 			
	Commitment	2034 Goal	2024 Results
Talent development	Provide access to technical training and skills development.	20 hours of training per employee	13 hours of training per employee
	Maintain % of internal promotions.	75% internal promotions	66% internal promotions
	Increase women’s participation in leadership positions.	30% of leadership positions held by women	17% of leadership positions held by women
Occupational health and safety	Reduce accident frequency rates.	50% reduction	+30% vs. baseline
	Ensure compliance with the Comprehensive Well-being Plan.	100% compliance	80% compliance

Materiality analysis

Each year, we review our Materiality Analysis together with General Management and the relevant teams. This analysis identifies priority issues to ensure the sustainable performance of our business in alignment with ESG guidelines. We assess the importance of economic, environmental, and social impacts, as well as the influence we have on the perceptions and decisions of our stakeholders.

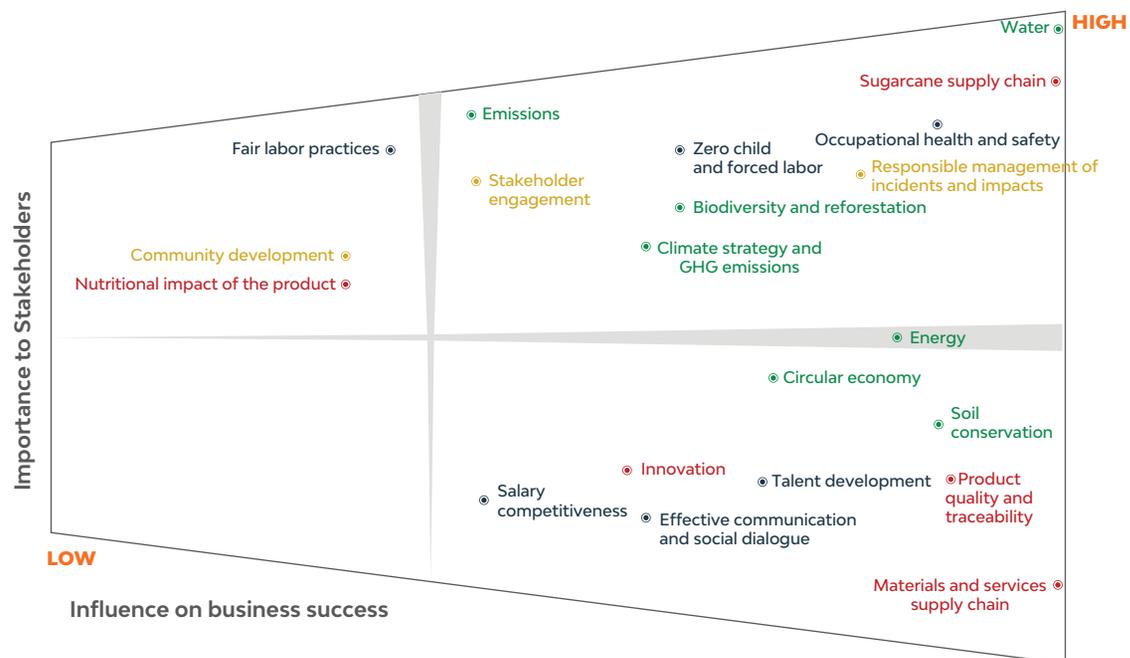
In 2024, with the support of external advisory and benchmarking, we updated our material topics, evaluating the closure of our 2013–2023 goals and defining new goals for the 2024–2034 period. Compared to previous years, the relevance of our climate strategy & GHG emissions, as well as regenerative agriculture, increased. Water and sustainability in our value chain, particularly among our sugarcane suppliers, continue to be highlighted as key priorities.

For this analysis, we engaged the consultancy Peterson, which developed an assessment and diagnostic of the company's position in relation to ESG issues, identifying priority topics and involving stakeholders through various interactions. This diagnostic included a maturity analysis based on the review of internal policies and procedures, benchmarking against leading companies in the agroindustry, and a review of our stakeholder mapping and materiality analysis through stakeholder engagement initiatives such as surveys, interviews, meetings, and a high-level workshop. The stakeholders consulted included public policy leaders, associations, community leaders, non-governmental organizations, company managers, and clients such as food producers and international sugar traders. Additionally, monthly, we conduct evaluations of company and industry mentions in social media and traditional media to remain attuned to our external audiences.



Risk Management and Due Diligence | Culture of Ethics | Governance

PILLAR	#	TOPIC
 People	1	Fair labor practices
	2	Zero child and forced labor
	3	Effective communication and social dialogue
	4	Salary competitiveness
	5	Talent development
	6	Occupational health and safety
 Planet	7	Water
	8	Energy
	9	Emissions
	10	Circular economy
	11	Biodiversity and reforestation
	12	Climate strategy and GHG emissions
 Prosperity	13	Soil conservation
	14	Community development
 Product	15	Stakeholder engagement
	16	Responsible management of incidents and impacts
	17	Materials and services supply chain
	18	Nutritional impact of the product
	19	Sugarcane supply chain
	20	Innovation
	21	Product quality and traceability



Our operations, products and markets



5 countries of operation

- Guatemala**
Pantaleón Mill
Bio Ethanol Distillery
Pantaleon Energy Solutions
- Nicaragua**
Monte Rosa Mill
- Mexico**
Pánuco Mill
El Mante Mill
Tampico Renewable Energy
Pantaleon Energy
- United States**
Pantaleon Commodities Corp
- Chile**
Panor Sugar Warehouse

10 Product varieties offered to the market: sugar, molasses, alcohol, energy, and other sugarcane byproducts

 Sugar Guatemala, Nicaragua and Mexico	 Energy Guatemala, Nicaragua and Mexico	 Molasses Guatemala, Nicaragua and Mexico
 Alcohol Guatemala	 Pellets Mexico	 Organic fertilizer Guatemala

In terms of sugarcane-based sugar production:

#1 in Central America

#1 in Latin America (excluding Brazil)

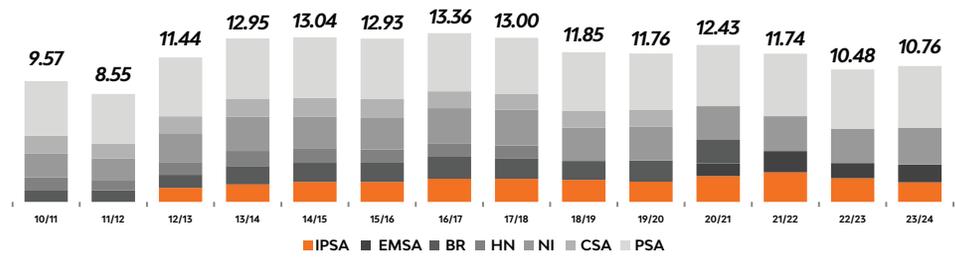
#11 Worldwide



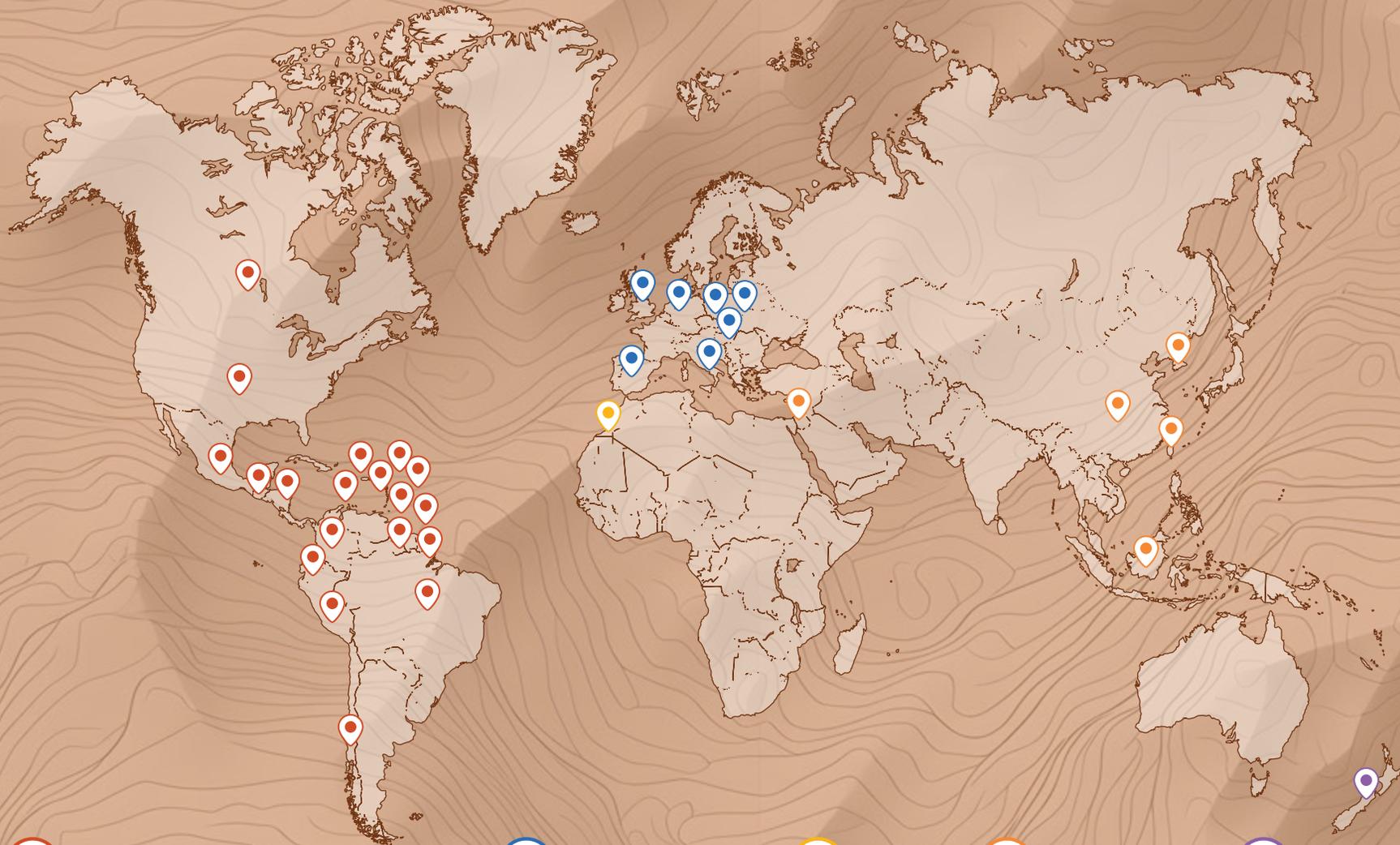
10.76M

metric tons of sugarcane processed

Sugarcane milled (Million metric tons)



Sales and export destinations



America

Aruba, Barbados, Brazil, Canada, Chile, Colombia, Ecuador, United States, Grenada, Guatemala, Guyana, Haiti, United States Virgin Islands, Mexico, Nicaragua, Peru, Saint Lucia, Suriname, Trinidad and Tobago.



Europe

Germany, Belgium, Spain, Italy, Poland, United Kingdom, Czech Republic.



Africa

Morocco.



Asia

China, Indonesia, Lebanon, Republic of Korea, Taiwan.



Oceania

New Zealand.

Milestones achieved

The year 2024 was marked by many achievements across all our operations. We proudly celebrated 175 years of history as Grupo Pantaleon, reaffirming our commitment to sustainable development, innovation, and the creation of value in the regions where we operate. This milestone not only honors our legacy as a leading agro-industrial company in the region but also highlights our ability to evolve and adapt responsibly to global challenges. In addition, Julio Herrera, who led Pantaleon for more than four decades, was recognized with the Global Lifetime Achievement Award in the Sugar Industry during the Sugar & Ethanol Conference in Dubai—an honor that pays tribute to his visionary leadership and his contribution to the development of a sustainable and competitive agroindustry.

Faced with one of the most severe droughts recorded in Mexico, our operations demonstrated climate resilience and adaptive capacity through a comprehensive approach to sustainable water management and agricultural strengthening. We increased water efficiency by modernizing cultivation areas, particularly with the implementation of drip irrigation and collaboration with Israeli specialists in irrigation management. We took advantage of favorable rainfall to replenish reservoirs and expanded their storage capacity to mitigate future extreme weather events. This proactive approach included a technical partnership with CONAGUA. In parallel, in 2024 we began the expansion of our cultivation area, which will reach 20,000 hectares by 2025, strengthening the diversification and sustainability of our agricultural operations.

In line with our vision of driving a more sustainable and resilient energy model, we achieved important milestones in two projects. In Mexico, we obtained authorization to modify the commercial operation date of TRE-El Mante, with an installed capacity of 44 MW, which will generate 30 MW of renewable

energy by 2027, benefiting the Ciudad Mante community and strengthening mill operations. In Nicaragua, we expanded the Monte Rosa Power Plant to 85 MW with the addition of a new 25 MW biomass unit—a milestone that will supply energy to more than 55,000 homes and reinforces our commitment to clean energy and decarbonization.

We reaffirmed our commitment to the sustainable development of the countries where we operate through strategic alliances that create shared value. Together with the Organisation for Economic Co-operation and Development (OECD), we announced an alliance to foster economic growth in Escuintla, Guatemala, through the Synergy Industrial Park initiative. This effort seeks to strengthen the department's productive capacity, attract sustainable investment, and generate opportunities for decent employment, contributing to a long-term vision of territorial development.

Our sustainable practices were also recognized nationally and internationally, consolidating our position as an agro-industrial company committed to the highest environmental, social, and governance standards. In Nicaragua, we implemented a comprehensive decarbonization strategy recognized by the Ministry of Environment and Natural Resources (MARENA), which awarded us the Clean Production Award – First Place for Excellence for the “Suelo Vivo” project, in addition to recognition for Good Environmental Practices.

The development of our employees and communities remains a fundamental pillar of our sustainability model. The “Sowing skills, Transforming Lives” program, which strengthens the technical and personal skills of our employees and neighboring communities, received the Excellence Award at the XVIII Inter-American Congress on Human Management (CIGEH) and was also selected as a finalist in the World Sustainability Awards, standing out among the best

global corporate sustainability practices. In Nicaragua, we launched the “Women at the Wheel” program, which trains women from our surrounding communities as agricultural machinery operators.

We continued to strengthen our value chain through innovative programs that promote the growth of our strategic partners and sustainable development in the regions where we operate. In Mexico, our MAS-CAÑA Extensionism Program received international recognition as a finalist in the Bonsucro Inspire Awards 2024 in the category “Best Value Chain Initiative,” thanks to its technical and personalized approach to improving the productivity and sustainability of sugarcane producers.



Bionexus: Innovating to regenerate

As part of Grupo Pantaleon's evolution strategy, Bionexus was launched internally as the division responsible for creating value by transforming ideas into sustainable businesses. Its purpose is clear: to drive a new model of business growth based on innovation, circularity, and positive impact.

A sustainability model with a future vision

At Bionexus, we understand that sustainability is no longer an option, but the natural path to permanence and relevance in a world in constant transformation. Our approach integrates science, technology, and social commitment to turn major global challenges into opportunities for innovation with real impact.

Strategy: resilience, transformation, and growth

Our process begins with a deep diagnosis of the environment: markets, increasingly demanding consumers, new regulations, scarcity of natural resources, and the climate crisis. In response to this reality, we implement a strategy:

Offensive, oriented toward diversification, the valorization of byproducts, and the development of new sustainable markets.

This vision allows us to move forward with purpose toward a regenerative economy, where economic growth is aligned with social and environmental well-being.

Circular innovation from the heart of agroindustry

For Bionexus, sugarcane is much more than a raw material: it is the starting point of a value ecosystem. Through an integrated, technological, and circular approach, we transform each of its components into solutions applicable to various industries:

- Functional foods and natural sweeteners
- Biofuels and renewable energy
- Biomaterials, fibers, plastics, and green solvents
- Inputs for regenerative agriculture, animal nutrition, and industrial applications

This model enables us to foster a genuine circular economy, where waste becomes high-value products with a lower environmental footprint and greater competitiveness.

Emblematic cases of sustainable transformation:

Novapellet:

With our proprietary technology, we transform sugarcane fiber into two strategic products:

1. 100% natural biomass pellets, a clean energy solution aligned with the growing demand for bioenergy in Europe and other markets transitioning to renewable energy.
2. Animal feed pellets, a digestible, palatable, and 100% natural fiber for livestock that enhances efficiency in handling, storage, and formulation within livestock supply chains.

xF BioSolutions

Through patented technology developed in alliance with international teams, xF produces eco-friendly solvents made from ethanol and sugar, targeting the food, cosmetics, and pharmaceutical industries. The bioesters we develop are biodegradable, non-toxic, and low environmental impact, positioning them within a global market with strong potential to replace conventional chemicals.

Our Value Proposition

At Bionexus, transforming ideas into sustainable businesses is not only our mission—it is our essence. We see ourselves as a company capable of generating positive impact, leading through innovation, and building solid, long-term relationships with our employees, partners, and investors.

We passionately believe that economic growth can and must be regenerative, and that the future is not something to wait for: it is something to design.

**“The future will be
what we create
today. Let's start
now.”**

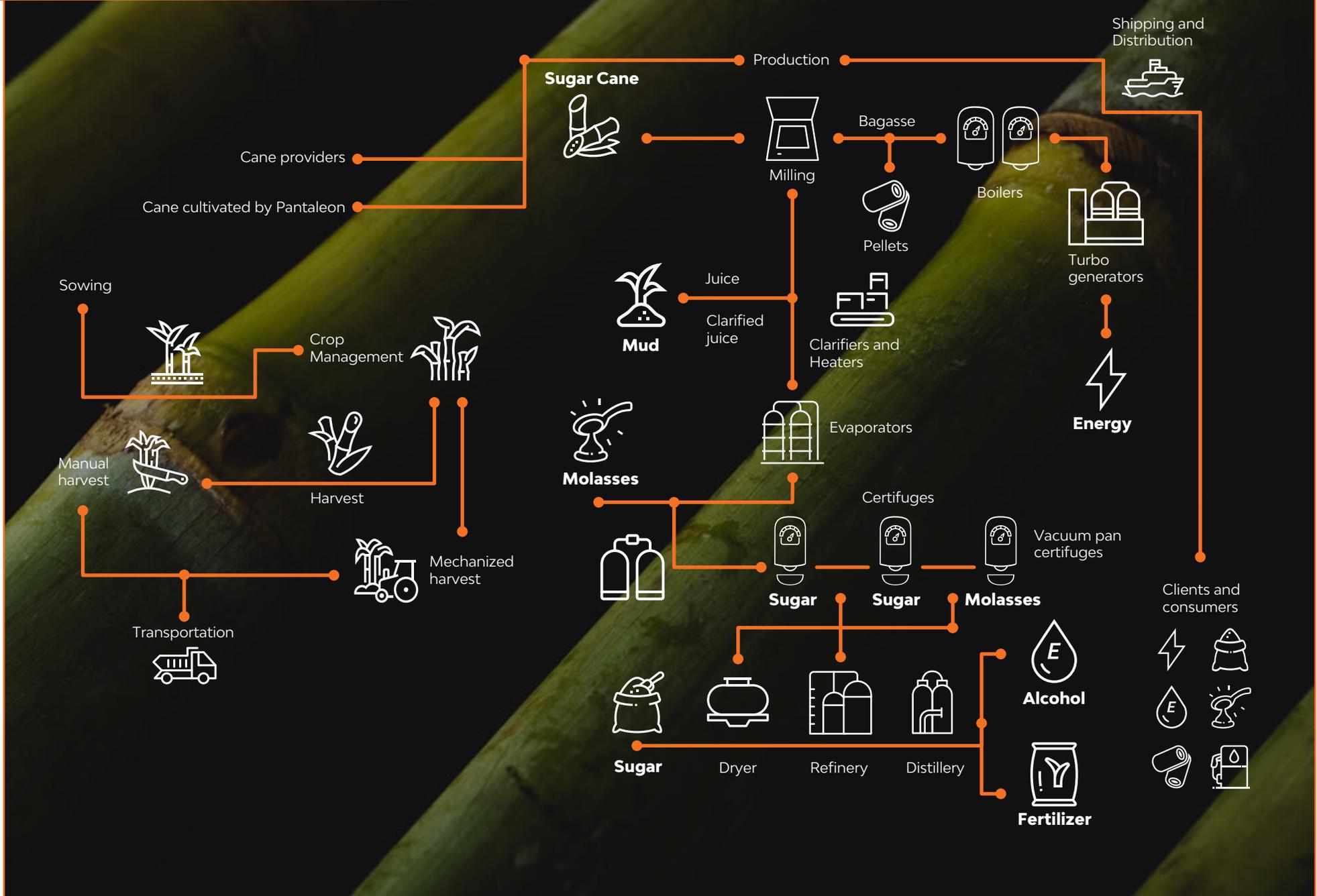


Goal: 9.5

Goal: 12.2

Goal: 13.3

Supply chain



Strategic alliances

We seek to strengthen our positive impact; therefore, we proactively foster collaboration with national and international organizations. Currently, we have alliances and/or institutional relationships with more than 40 organizations, including universities, research centers, foundations, associations, committees, and industry groups.

Local

- Guatemalan Sugar Association (ASAZGUA)
- Sugar Foundation (FUNDAZUCAR)
- Center for Sugarcane Research (CENGICAÑA)
- Private Institute for Climate Change Research (ICC)
- Expogranel
- Guatemalan Association of Sugar Technicians (ATAGUA)
- Center for Corporate Social Responsibility (CentraRSE)
- Foundation for the Development of Guatemala (FUNDESA)
- Guatemalan Chamber of Agriculture (CAMAGRO)
- Foundation 20 20
- Universidad del Valle de Guatemala
- Chamber of Commerce
- FUNCAGUA
- Association of Independent Cogenerators (ACI)
- National Association of Power Generators (ANG)
- Guatemalan Association of Alcohol Producers (APAG)
- National Chamber of the Sugar and Alcohol Industries (CNIAA)
- Union of Sugar Industry Workers and Related Industries of Mexico
- National Peasant Confederation (CNC)
- National Union of Sugarcane Growers (CNPR)
- Mexican Social Security Institute (IMSS)
- National System for Integral Family Development (DIF)
- Institute for Job Training of the State of Veracruz (ICATVER)
- National Association for Personal Improvement (ANSPAC)
- Club América
- Mexican Center for Philanthropy (CEMEFI)
- Technological Institute of Pánuco
- Cáritas of Tampico, AC.
- Veracruz Institute for Adult Education (IVEA)
- Technological Institute of El Mante (ITSM)
- Autonomous University of Tamaulipas (UAT)
- Tamaulipas Institute for Adult Education (ITEA)
- National Agricultural Council (CNA)
- Monterrey Institute of Technology and Higher Education (ITESM)
- Mexican Red Cross: Xicotécatl

International

- Sugar Producers of the Central American Isthmus (AICA)
- Latin American Sugar Producers Union (UNALA)
- World Sugar Research Organization (WSRO)
- Bonsucro
- International Sustainability and Carbon Certification (ISCC)
- Inter-American Development Bank (IDB)
- International Finance Corporation (IFC)
- Partnership for Central America (PCA)
- Organisation for Economic Co-operation and Development (OECD)



Corporate governance

Pantaleon is proud to be a privately held, family-owned business. The Board of Directors, elected by the Assembly of Shareholders, is the governing body responsible for the management, strategy, and organization of the company. It is composed of up to 8 directors and 2 independent directors.

In 2024, the Board of Directors was supported by three committees to support and follow up on strategic pillars of the business, including environmental, social, and governance (ESG) matters. Committee members regularly meet with company executives to ensure that business objectives are met, closely aligned with the requirements of the Assembly of Shareholders.

2022: Men: **90%**, Women: **10%**
2023: Men: **85.7%**, Women: **14.3%**
2024: Men: **85.7%**, Women: **14.3%**



Governance Committee:

Advises the Board of Directors on the design of the corporate governance structure, assists in the evaluation of its performance, and nominates directors, including independent directors. Supports the maintenance of a consistent governance system for a family-owned business.

2022: Men: **66.6%**, Women: **33.4%**
2023: Men: **62.5%**, Women: **37.5%**
2024: Men: **62.5%**, Women: **37.5%**

Compensation and Development Committee:

Supports the Board of Directors in the human resources management of the organization's operations and recommends equitable and competitive compensation models designed to attract and retain top talent. Collaborates with the Human Talent Management team to monitor succession plans for key positions and oversees pension plans, long-term incentives, savings programs, health benefits, and employee social welfare initiatives.

2022: Men: **66.6%**, Women: **33.4%**
2023: Men: **65.5%**, Women: **34.5%**
2024: Men: **65.5%**, Women: **34.5%**

Risk, Audit, and Compliance Committee:

Oversees the establishment of a risk management system that enables the identification, evaluation, and management of risks that may impact the achievement of the company's strategic objectives. Ensures the integrity of the information contained in the organization's audited financial statements, compliance with the Code of Ethics and Conduct, applicable laws and regulations in the industries and markets where we operate, as well as the management and supervision of internal audits.

2022: Men: **57.2%**, Women: **42.8%**
2023: Men: **85.7%**, Women: **14.3%**
2024: Men: **85.7%**, Women: **14.3%**



Ethics

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

The Code of Ethics and Conduct is our declaration of the standards of ethics and integrity that guide those of us who are part of Pantaleon in our daily actions and decisions.

Every year, a communication plan is developed and approved by the Ethics and Conduct Committee, to generate discussion among teams and socialize about the operation of the grievance channels (Ethics Line). The messages are adapted and communicated through different tools to all workers, including our operational staff and contractors. Additionally, we have a Code of Ethics for our suppliers and make efforts to ensure their compliance with these standards.

Code of Ethics and Conduct

In our Code of Ethics and Conduct (CEC), we define compliance with legal requirements, ethical behavior, and the values that guide our actions. The Code is approved by the Board of Directors and reviewed periodically; the latest version was approved in 2017. We nurture our ethical culture through our daily actions, with our colleagues, the environment, clients, and the surrounding communities. An ethical company is built by its people—individuals of integrity who live and promote the values through which we achieve exceptional results.

Our Code of Ethics and Conduct

<https://www.pantaleon.com/people-culture/code-of-ethics-and-conduct/?lang=en>

The Risk, Audit, and Compliance Committee relies on two entities to ensure the compliance and communication of the Code of Ethics and Conduct:

Ethics and Conduct Committee

Promotes a culture of ethics, defines guidelines, addresses concerns regarding ethical matters, and receives and manages ethical complaints, ensuring they are thoroughly investigated and sanctioned. It also promotes the adoption of principles and ensures their dissemination.

2022: Men: **73%**, Women: **27%**

2023: Men: **64%**, Women: **36%**

2024: Men: **50%**, Women: **50%**

Human Resources Management

Responsible for disseminating the Code of Ethics and Conduct and ensuring its proper implementation and integration into the company's culture.



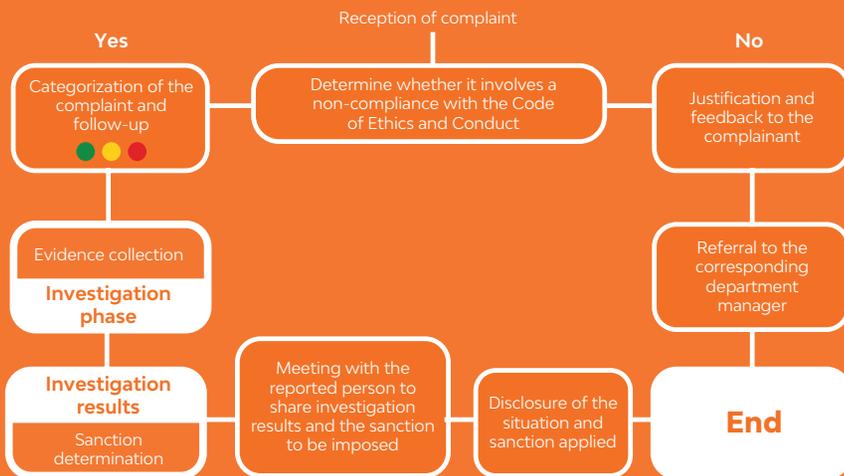
Ethics

Anti-Bribery and Anti-Corruption Policy

We have an Anti-Bribery and Anti-Corruption Policy, which establishes guidelines for preventing bribery, corruption, and other illegal activities within the organization, with the aim of preventing their occurrence and promoting transparency in the prevention and management of these practices. A process has been established to identify potential risks across different business units and to implement protocols and procedures to mitigate them.

In line with our commitment to ethics and transparency, in 2025 Grupo Pantaleon obtained the international certifications ISO 37001 (Anti-Bribery Management System) and ISO 37301 (Compliance Management System). These certifications strengthen our organizational culture based on integrity and consolidate our commitment to the highest international standards of corporate governance.

Process for monitoring complaints through grievance channels



Scan the QR code to download:
Code of Ethics and Conduct for our Workers
Code of Ethics and Conduct Third Party

Resolution of Complaints

Any behavior of concern that may represent a non-compliance with the Code of Ethics and Conduct, whether by employees or third parties, must be notified through the official grievance channels, preferably before it escalates into a violation of the law or becomes a risk to the health, stability, and safety of an employee, or to the company's reputation.

The Ethics and Conduct Committee manages the process of receiving, monitoring, and resolving complaints regarding non-compliance with the Code of Ethics and Conduct. The Committee regularly presents relevant issues and statistics regarding breaches of the organization's ethical principles to the Board of Directors.

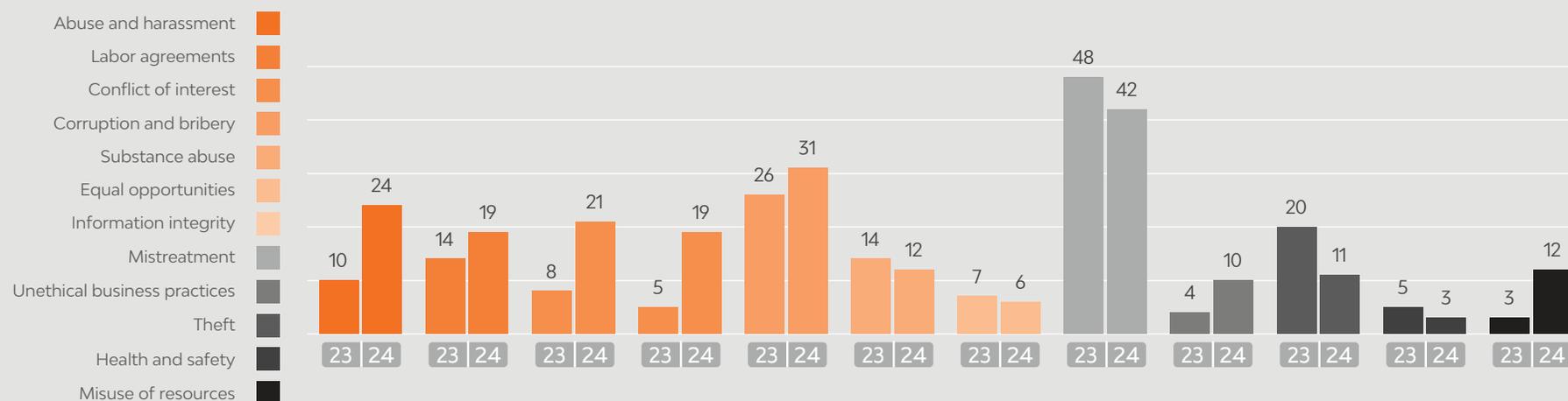
Complaints received 2023 vs. 2024

164 complaints received in 2023

164 resolved
0 in progress

210 complaints received in 2024

210 resolved
0 in progress



Communication Channels



Extension 5115
(internal calls)

Third-Party Operator:

Guatemala
Toll-free line: 1 801 0002424

Nicaragua
Toll-free line: 001 800 5020098

Mexico
Toll-free line: 800 1233422

International calls: +502 2377 2424

 **Website:**
www.etictel.com/pantaleon

 **E-mail:**
codigo.conducta@pantaleon.com

 **WhatsApp**
+502 4128 7000

People

At Pantaleon, people come first. We promote the well-being and professional growth of our employees so they can share in our business success. We provide valuable employment opportunities and adopt practices that contribute to their health, safety, and personal development.



Our human capital

Our long-term success relies on our ability to attract, retain, and develop competent employees who are dedicated to achieving our business objectives. To ensure their well-being, motivation, and growth, we have implemented several key policies, including: the Responsible Working Conditions Policy, the Best Talent Attraction Policy, the Talent Development Policy, the Commitment and Motivation Policy, and the Compensation Policy.



Employees on average:

14,546



Employees during
the harvest season:

17,798



Responsible working conditions policy



Respect for our people

We value our employees and their contributions; therefore, we are committed to equal opportunities, dignified treatment, and respect. We reject all forms of forced labor and are dedicated to maintaining work environments free from discrimination in any form, whether based on race, gender, age, nationality, ethnic or social origin, religion, disability, language, sexual orientation, or political beliefs. We do not tolerate physical, verbal, or psychological harassment. Decisions regarding the selection and hiring of our employees are based on skills, knowledge, performance, professional experience, ability, and alignment with our values.



Salary competitiveness

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



Talent development

We recognize and value the contributions of each of our employees. Therefore, we offer them opportunities and conditions to develop their skills, competencies, knowledge, and professional abilities, thereby enhancing their potential for success within our organization.



Commitment to future generations

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



Effective communication and social dialogue

We are committed to maintaining effective communication spaces and fostering open dialogue with our employees, providing opportunities to discuss matters of mutual interest. We promote efficient communication channels for consultation and information exchange to enhance labor relations and take effective action.



Commitment to safe workspaces

We promote safe and healthy work practices. We are responsible for maintaining clean and orderly work environments. When necessary, we provide our employees with personal protective equipment to minimize exposure to risks, accidents and injuries. We maintain procedures and systems to register, report, and manage workplace accidents and occupational illnesses.



Human Rights

Due Diligence

At Pantaleon, we understand that respecting and promoting human rights is a fundamental responsibility of any company committed to sustainable development. For this reason, we have adopted a structured due diligence approach that enables us to identify, prevent, mitigate, and remedy potential risks of negative impacts on human rights across our operations and value chain.

This process is aligned with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and is integrated across our policies, operational processes, and strategic decisions.



1. Integrating the commitment to human rights into our policies and management

We have policies and codes aligned with human rights, approved by senior management and communicated across the organization. We provide training for employees and suppliers on human rights risks, as well as on operational and environmental issues that may affect people. In addition, we have an online platform to verify regulatory compliance of service providers, and we provide technical support to our sugarcane suppliers to strengthen their sustainability and regulatory compliance.

2. Assessing risks and impacts in our operations and value chain

We identify priority risks such as forced labor, child labor, harassment, and discrimination, both within our operations and across the value chain. We use recognized tools that allow us to integrate findings into both local and corporate risk matrices. We continuously assess changes in the operational, regulatory, and geographic context to update risks and identify opportunities for improvement.

3. Implementing actions to prevent, correct, or mitigate priority risks

We develop action plans with a preventive and corrective approach, assigning clear responsibilities and deadlines for each prioritized risk. These plans are supervised by General Management with the support of the Risk and Compliance Department. We also provide technical assistance to our value chain through programs such as Responsible Sourcing and Extensionism, aimed at strengthening the social, environmental, and labor compliance of our sugarcane suppliers.



4. Monitoring progress and ensuring compliance with our commitments

We continuously follow up on action plans through periodic reviews led by management and the Risk and Compliance Department. We evaluate their progress, compliance, and effectiveness, reporting results to senior management. Our risk matrices are updated regularly, and we review our materiality analysis annually. Within the value chain, we carry out controls, field verifications, and validate legal, technical, and environmental requirements through our online platform, ensuring traceability and compliance with standards.

5. Reporting transparently on risks and our mitigation actions

Transparency is a core pillar of our due diligence strategy. We proactively communicate our commitments, risks, and progress on human rights through the Responsible Development Report, information sessions, training programs, and digital channels. We align with international standards, strengthening stakeholder trust and reaffirming our commitment to ethical, transparent, and responsible management.

6. Addressing grievances and remediating impacts when applicable

We have formal, accessible, and confidential channels for receiving human rights-related grievances, such as the Ethics Line and the Community Incidents Channel, operated by an external specialized provider. These mechanisms comply with the UN Guiding Principles criteria, allowing anonymous reports of harassment, discrimination, and social or environmental impacts. Each case is analyzed by interdisciplinary teams and handled under defined procedures, implementing corrective measures to remediate impacts and prevent recurrence, while fostering a culture of listening, respect, and continuous improvement.



Our human capital in numbers

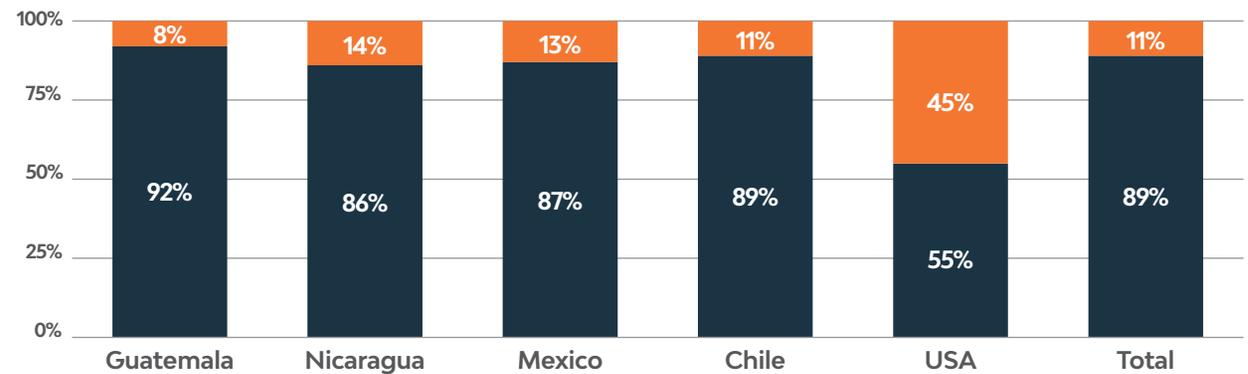
In the sugar agroindustry, the year is divided into two periods: harvest season and repair season. The harvest season is when the sugarcane is harvested and products are processed in industrial facilities, typically lasting six months. During this time, we hire a significant number of operational staff in both agricultural and industrial areas for the processing of sugarcane. The repair season is dedicated to maintenance activities in our industrial facilities, the machinery that operates in the field during the harvest and to the cultivation of sugarcane. For the preparation of this report, we calculated the annual average based on monthly personnel data.

Employees by operation

Country	Employees
Guatemala	8,535
Nicaragua	2,964
Mexico	2,979
Chile	57
USA	11
Total	14,546

Employees by gender

89% Men **11% Women**
(In 2023, 91% men, 9% women)

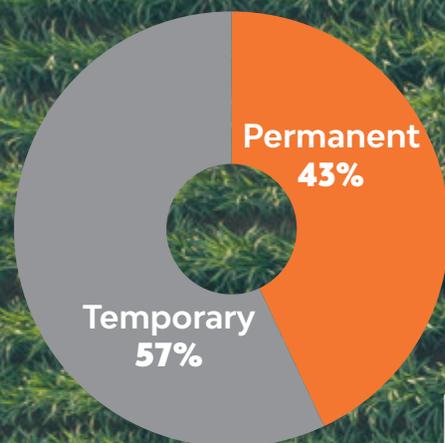


Employees by hierarchy level

Country	Administrative	Supervision / Technical	Administrative support	Operational	Total
Guatemala	319	171	588	7,457	8,535
Nicaragua	105	139	134	2,586	2,964
Mexico	141	251	292	2,295	2,979
Chile	18	0	0	39	57
USA	10	0	1	0	11
Total	593	561	1,015	12,377	14,546

Our human capital in numbers

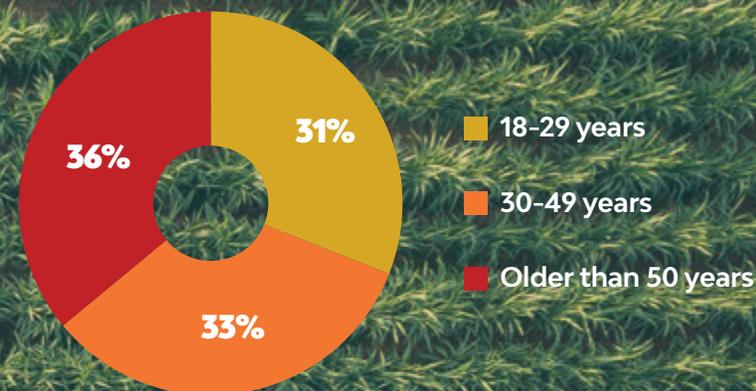
Employees by gender and type of contract



Country	Perm.	Temp.
Guatemala	41%	59%
Nicaragua	21%	79%
Mexico	70%	30%
Chile	89%	11%
USA	100%	0%
Total	43%	57%

Type of contract	Men	Women
Permanent	42%	47%
Temporary	58%	53%

Employees by age group



Employee turnover rate of 8%, considering only employees with permanent contracts.
 100% permanent unionized operational employees – Pánuco Mill
 100% permanent unionized operational employees – El Mante Mill
 42% permanent unionized operational employees – Monte Rosa Mill

Employees by hierarchy level and gender



Country	Administrative		Supervision / Technical		Administrative support		Operational		Total
	Men	Women	Men	Women	Men	Women	Men	Women	
Guatemala	242	77	153	18	433	155	6,993	464	8,535
Nicaragua	76	29	125	14	40	94	2,306	280	2,964
Mexico	115	26	210	41	167	125	2,101	194	2,979
Chile	15	3	0	0	0	0	36	3	57
USA	6	4	0	0	0	1	0	0	11
Total	454	139	488	73	640	375	11,436	941	14,546

"Administrative" includes coordination, supervisory, and management positions; "Administrative Support" refers to the roles that provide assistance to these positions.

Benefits

We strive to ensure that our employees enjoy an excellent quality of life, both inside and outside the organization. We demonstrate our commitment to their well-being by complying with all legally mandated benefits in each country where we operate, and by offering a range of additional benefits provided by the company, which include:



Personal protective equipment (PPE)



Uniforms



Adult education



Educational centers



Disability or incapacity coverage



Medical insurance



Life insurance



Consumer cooperative



Training



Housing and accommodation



Employee savings fund



Transportation



Survivor benefit



Nutrition and food



Medical clinics



Recreational programs



Pension plans

100% of our staff have salaries above the minimum wage of each country.

Regarding pension plans, operations in Mexico have an additional internal procedure surpassing what is established by law. In Guatemala this is governed in accordance with Government Agreement 1135 of the Guatemalan Social Security Institute, and in Nicaragua according to the Nicaraguan Social Security Law, based on Decree 974. Regarding maternity and paternal benefits, each operation acts in accordance with the national legislation of their respective country.



Developing our talent

Committed to the growth of our employees, we have created various programs to enhance their job performance and professional development. For administrative staff, we offer courses in leadership and personal excellence, negotiation, time management, languages, data analysis and management, goal alignment and execution, among others.

100% of our permanent administrative staff participate in an annual performance evaluation, ensuring alignment between the business strategy and the individual contributions of employees. This approach promotes the development of human talent and maximizes their contributions to achieving organizational objectives.



191,852
training hours

Indicator	GT	NI	MX	Total
# Training sessions	732	328	3,803	4,863
Training Hours (HHC)	106,611	48,410	36,831	191,852
Hours for operational employees	83,576	40,351	23,596	147,523
Hours for administrative employees	6,174	8,060	13,235	27,469



Student internships

303 interns



Committed to sharing our knowledge with future generations, we welcome high school seniors, undergraduate, and graduate students into different areas of the organization with the goal of preparing them for professional development. In 2024, we had 12% fewer interns compared to 2023.

Scholarship program

19 scholarships



We granted 19 scholarships to our employees for undergraduate and graduate programs, representing a 17% decrease compared to 2023. In Nicaragua, 55 children of employees received scholarships, and 310 school supply and backpack scholarships were awarded to employees' children as well. In Mexico, 262 children of employees were awarded scholarships.

Internal promotions

164 promotions



We are committed to the success of our employees, and we encourage them to apply for open positions, thereby increasing the number of internal promotions. In 2024, we achieved 67% more internal promotions compared to 2023.

Pantaleon's Trajectory

Employee Recognition Program

543 employees



Annually, we recognize employees every time they complete 5 years within the organization. During this recognition activity, we highlight emotions such as gratitude, effort, satisfaction, and pride, motivating them to continue being part of our story.



Moments of Dialogue

12,810 Moments of Dialogue



Effective communication with our employees results in greater alignment with the company's strategies and initiatives, as well as improved individual and collective performance. Moments of Dialogue is a tool that promotes two-way communication with employees, fostering closer connections. Each operation holds regular team meetings, either weekly or biweekly, to identify opportunities for improvement and to recognize their efforts. The tool also allows us to strengthen values such as credibility, pride, respect, impartiality, and teamwork. These meetings are led by the employees themselves, in a participatory and independent format, with minutes taken of the topics discussed. In 2024, we held 11,491 Moments of Dialogue in Guatemala, 369 in Mexico, and 950 in Nicaragua, totaling the equivalent of 5,197 hours.

Pantaleon Ambassadors Program

77 employees



Although in 2024 the program was not formally implemented in all countries, its approach was updated with a view to being relaunched in 2025. During this transition period, the ambassadors remained active, maintaining their role as positive influencers, promoting internal communication, and strengthening the connection between different areas. In Nicaragua, the program continued under the name "Avanza Program," with the participation of 77 ambassadors who received tools to strengthen their skills in effective communication, leadership, health and well-being, occupational safety, among others.



Training and Development Programs

Our human talent represents a competitive advantage, which is why we provide our employees with opportunities and conditions to develop their skills, knowledge, and professional abilities, allowing them to reach their full potential. In partnership with educational institutions, we certify and train our employees in the technical competencies they have acquired within the operation. This enables them to obtain a degree that validates their skills.



Sowing Skills, Transforming Lives: Internal Technical Training Schools

 **16 schools in 7 different technical areas**
274 employees trained and certified

Since 2007, in Guatemala we have implemented the Training Schools to strengthen the leadership skills and technical competencies of our employees, fostering their growth within the organization. Under the program “Sowing Skills, Transforming Lives,” we design customized content for specialized roles, developed by our technical experts with the support of the Technical Institute for Training and Productivity (INTECAP) and the Human Resources team. Some of our most notable schools include:

My Productive Farming School 15 employees



This program is aimed at strengthening the skills of supervisory personnel in the integrated management of sugarcane cultivation. Through technical and operational training, it covers topics such as fertilization, planting, weed control, irrigation, pest management, leadership, administrative management, and personal development, contributing to more efficient and sustainable production. 58 training hours.

My Efficient Machinery School 118 employees



This program focuses on strengthening the technical skills of operational employees for the safe and efficient management of agricultural machinery. We offer specific programs for tractor operators in Agricultural Production and in Mechanized Harvest. The training includes topics such as tractor operation and maintenance, basic mechanics, weed control, leadership, RTK, occupational health and safety, Pantaleon values, and the code of ethics, fostering a culture of responsibility and efficiency in the field. 102 training hours for tractors in Agricultural Production and 90 training hours for tractors in Mechanized Harvest.

Tractor Operator Mentors School 23 employees



This program is aimed at operators with extensive technical experience, with the objective of strengthening their leadership and training skills. The curriculum includes harvest indicators, machinery maintenance, Solinftec and RTK, occupational health and safety, Excel management, financial education, and the ‘I Am a Responsible Operator’ module. Through this training, mentors become technical references and promoters of good practices in the field. 175 training hours.

Additionally, in 2024 we carried out other specialized training schools, including: the Cane Transport Drivers School with 25 participants; the Light Vehicle Drivers School with 27 participants; the Sprayer Mechanics School with 8 participants; and the Alcohol Production School, which had 58 participating employees. These programs strengthen key technical competencies for the safe and efficient operation of our activities.




Nicaragua

Since 2021, our operation in Nicaragua has partnered with Técnico La Salle to deliver training courses tailored to operational needs, and with INATEC to certify the skills of operators in areas where there is no formal technical education available. In 2024, Monte Rosa Mill certified the technical competencies of 70 employees in tractor operation, harvester operation, header operation, harvester maintenance, and header maintenance.

Mentors Program
20 mentors

We rely on leaders and experts from different areas to support new employees in strategic operational positions. In 2024, we trained 20 mentors, 16 from the Industrial area and 4 from the Machinery area, who contributed to the identification of technical gaps—an essential input to strengthen and adjust our training plan according to the needs of each team.

Agricultural Production Supervisors Training Program
19 employees

This program aims to strengthen the technical knowledge of supervisors to more effectively lead sugarcane production operations. In 2024, 19 supervisors from different production zones participated, enhancing their capacity for more efficient management aligned with operational objectives.

Machinery Operators Training
Formación de Operadores de Maquinaria (FOM)
Tractor: 14 employees
Harvester: 11 employees
Headers: 21 employees

Since its implementation, this program has achieved significant results by training personnel to competently operate tractors, harvesters, and headers. The FOM has been consolidated as a key platform to develop technical and operational skills, ensuring safe, efficient operations in line with our operational standards.

Maintenance programs
Harvester: 12 employees
Truck tractors: 12 employees

These schools are aimed at supervisors, instructors, and mechanics, with the objective of strengthening their technical skills to ensure the proper functioning of key harvesting equipment. The curriculum includes daily maintenance, inspections, adjustments, and operational checks, as well as the maintenance of critical components of harvesters and cane headers.

My First Harvest Season Program
424 employees

This program focuses on providing intentional support to all new employees, with the objective of validating and reinforcing their knowledge of occupational health and safety. As part of the initiative, periodic field inspections are conducted to identify opportunities for improvement and correct deviations in time, thereby strengthening a preventive culture from the very beginning of each work cycle.



Mexico
First School for Tractor and Harvester Operators

We launched our first School for Tractor and Harvester Operators in Mexico. This training initiative enrolled 50 participants, of which 17 successfully completed the training and certification process.

As a result, eight graduates joined our operation during the 2023/2024 harvest season, applying the skills they acquired and strengthening their professional development.

Leadership Program
112 employees

This program is designed to strengthen the leadership skills of key employees in our operations. Participants include personnel from the Pánuco and El Mante Mills, including supervisors from areas such as automation, production, maintenance, extraction, as well as employees from the agricultural area, QHSE, and Human Resources. 10 training hours.

Technical Skills Development Courses
38 employees

As part of strengthening technical competencies, we provided various specialized training sessions for our employees. Highlights include: the overhead crane certification with 14 participants and 92 training hours; the lubrication analyst course with 6 participants and 150 training hours; the electrical risk protection course (NFPA 70E) with 8 participants and 48 training hours; and the welding and liquid penetrant quality inspection course with 10 participants and 20 training hours.

Supera Program
62 employees

This program aims to strengthen the technical skills of operational personnel in key areas of our industrial operations. In 2024, 19 employees were certified in electrical topics with 36 training hours; 20 employees in automation with 96 training hours; and 26 employees participated in the welding and mechanics module, with a total of 178 training hours.

Good Manufacturing Practices Course
+2,000 unionized employees

As part of our commitment to safety and quality in processes, we developed a training course on Good Manufacturing Practices for unionized employees in the production area, including centrifuges, drying, packaging, and sugar handling. This training was based on the guidelines of NOM-251-SSA1-2009, focused on hygiene practices for the processing of food, beverages, and dietary supplements.



4

QUALITY EDUCATION



8

DECENT WORK AND ECONOMIC GROWTH

Occupational safety

At Pantaleon, we are committed to providing safe and healthy workplaces. Occupational health and safety are not only priorities, but permanent values. All our employees are covered by an occupational health and safety system defined within our Integrated Management System. Our main objective is to protect employees from potential hazards that arise from their work, which is why we set rigorous goals for reducing workplace accidents and occupational illnesses, and establish detailed action plans to achieve them. We comply with the legal regulations of each country in which we operate and go beyond the law by establishing internal protocols and procedures. We conduct risk analyses for each position, which allows us to develop mitigation plans and tailored training. In case of accidents, we carry out various analyses to strengthen our processes.

Under this vision, we have reduced the main risks of our operations, including those related to contractors, who are subject to the same health and safety standards as our employees. We have an internal platform called 'Clever' to ensure compliance with supplier requirements, including current social security, required skills, and certifications. We also implement various safety leadership programs and continuous training during working hours, in addition to significant investments to improve working conditions.

We have developed a series of established training programs as part of the induction process for all employees, as well as specialized courses with certified external instructors, including an e-learning platform. Course understanding is evaluated through both theoretical and practical assessments. Our Integrated Management System is audited internally and externally under the standards of international certifications, including Bonsucro, ISSC, and ISO 45001.

Our operations also have a physical security management plan, which establishes—under the principle of prevention—procedures to safeguard the security of operations, assets, employees, and communities. These plans include risk assessments, ongoing training, and engagement with public institutions to ensure compliance with internal policies and respect for human rights.

Starting in 2024, Pantaleon adopted the Total Recordable Case Frequency Rate (TRCFR) as the main indicator for monitoring occupational safety, replacing the previously used Disabling Injury Index (DII). In 2024, the DII stood at 0.21, reflecting the number of disabling injuries per million hours worked. With the implementation of TRCFR—which considers both lost-time and non-lost-time incidents—we reported a rate of 11.1 in 2024.

This transition represents a significant step forward in our safety management approach, as TRCFR provides a broader and more detailed view of workplace incidents by including all recordable events, not only those that result in disabling injuries. By adopting this more comprehensive indicator, Pantaleon strengthens its ability to identify risk trends in advance, implement targeted interventions, and continuously improve working conditions.

Pantaleon remains committed to reducing this rate to the lowest possible level through continuous improvement initiatives, such as training programs focused on operational risks and the implementation of the initiative "I Report, I Contribute", aimed at proactively identifying and correcting unsafe conditions. These actions reflect our strong commitment to providing a safe working environment for all our employees and contractors.



Progress and achievements in Occupational Health and Safety (OHS)

- Strengthening of the prevention culture through the “I Report, I Contribute” initiative, which increased the number of prevention reports and allowed proactive management of unsafe conditions and acts, near misses, and positive interventions.
- Continuous improvement in transportation protocols through camera monitoring, enhanced rest facilities for operators, and workday management. Defensive driving skills were also reinforced, resulting in a reduction in accidents with injuries and material damage.
- Increase in induction training for employees across all countries, reinforcing knowledge in prevention, safe procedures, and safety culture.
- Improvements in fire prevention systems, along with training on emergency response plans.
- In Guatemala, we increased the number of drills in our operations as part of efforts to strengthen staff preparedness and improve response capacity in emergency situations.
- In Nicaragua, we successfully completed two major projects without recording accidents. The first was the energy repowering project, which included three key components: construction of a cooling tower, construction and installation of a Trivelly turbogenerator. The second was the repowering of Boiler 6, also executed without incidents, reaffirming our commitment to safety in technically complex projects.
- Successful performance of the “My First Harvest” program in Nicaragua, which significantly contributed to reducing risks for new employees.
- Significant investments to improve working conditions, with emphasis on accessibility, lighting, signage, and equipment protection in Mexico.



1,247

Training events
(1,526 in the 22/23 harvest season)



478

Brigade members trained
(573 in the 22/23 harvest season)



11,887

Unsafe acts addressed
(7,166 in the 22/23 harvest season)



39

Campaigns
(54 in the 22/23 harvest season)



30,121

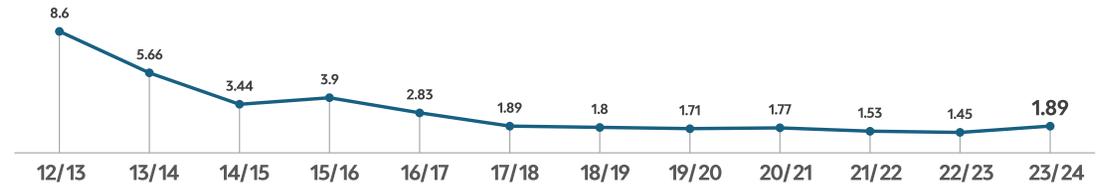
Occupational safety orientations conducted for employees and third-party staff
(11,965 in the 22/23 harvest season)



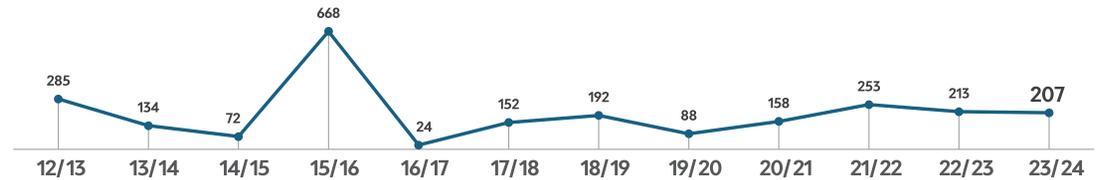
85

Drills conducted
(62 in the 22/23 harvest season)

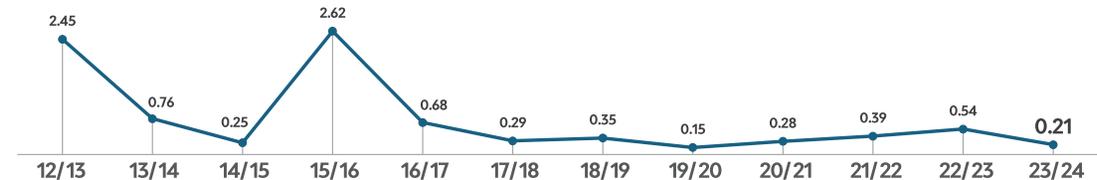
Frequency rate



Severity rate

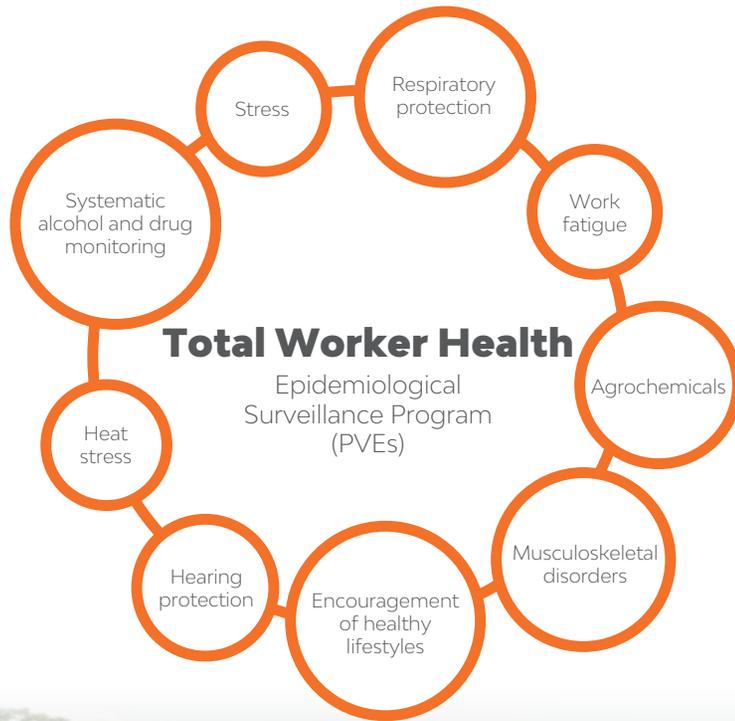


Disabling Injury Index (DII)



Total Worker Health

We have adopted the concept of Total Worker Health, an integrated approach of policies, programs, and practices designed to safeguard our employees from occupational health and safety risks. This approach not only aims to prevent workplace injuries but also promotes the overall health of workers and prevents common illnesses. This concept is inspired by the "Total Worker Health (TWH)" model developed by the National Institute for Occupational Safety and Health (NIOSH) in the United States. Our implementation of Total Worker Health includes nine epidemiological surveillance programs.



In 2016, Pantaleon established a partnership with the Center for Health, Work, and Environment at the University of Colorado (CHWE) to collaborate on identifying and mitigating health risks for workers and to assess our health programs based on scientific evidence. This collaboration began with evaluating the effectiveness of our heat stress monitoring program and has since expanded to evaluate the efficacy of our Total Worker Health programs.}

In 2004, we established a hydration, shade, and rest program in Nicaragua, which we later extended to Guatemala in 2009 and Mexico in 2011. The University of Colorado has systematically conducted evaluations of both occupational and non-occupational risks associated with chronic kidney disease, exploring different preventive measures. Based on their findings, we have implemented a series of evidence-based recommendations, including ensuring access to quality water for all employees, providing at least five liters of rehydration solution, adjusting work schedules, improving shade quality, and conducting regular medical evaluations, among other measures. We continue to assess the factors influencing the renal health of our workers, including specific surveillance of female agricultural laborers.

This partnership has resulted in twenty publications in scientific journals documenting the research studies carried out. In 2020, we co-published the first article on the applicability of the Total Worker Health concept in the Latin American agro-industry. Currently, with funding from the National Institute of Environmental Health Sciences (NIEHS), we are executing two field studies to evaluate the environmental factors affecting the health of sugarcane cutters, with an anticipated duration of five years, as well as another study to evaluate the environmental factors influencing the health of female agricultural workers and surrounding communities.



Healthcare Assistance

At Pantaleon, Integral Well-being is at the core of all our activities. All our operations have health clinics offering primary care services, ophthalmology, and dentistry services. We have a healthcare team of 131 professionals, including 1 epidemiologist, 2 occupational physicians, 2 public health specialists, 9 general practitioners, 3 nutritionists, 60 nurses, 6 paramedics, 41 health brigadiers, and 2 dentists.

These services are part of the benefits provided to employees and their families:

- Vaccination campaigns
- Preventive health campaigns
- Screenings for chronic-degenerative diseases campaigns
- Pre-employment medical consultations
- Follow-up medical examinations
- Health awareness campaigns
- Daily health talks by health brigades
- Mobile units for preventive health care



Medical consultations

Country	2022	2023	2024
Guatemala	33,472	36,986	37,573
Nicaragua	3,804	4,000	12,531
Mexico	2,386	1,906	993
Total	39,662	42,892	51,097



Prosperity

We seek to promote development in the communities where we operate.



Community development projects

Our sustainability strategy seeks to maintain social harmony, promote economic growth, and foster proactive relationships in the communities where we operate. We use community development plans and community characterization studies to understand local needs and support key areas such as education, health, water, and sanitation. Recognizing the impact that our operations may have on our neighbors, we evaluate the risks and develop different community engagement strategies, where we implement actions that allow us to prevent and mitigate potential negative impacts, while enhancing positive ones. We value honest and transparent relationships, which is why we promote different tools to foster bidirectional communication.

Our community development projects in 2024:

27 education projects

- Pantaleon Educational Centers
- "Arcoíris del Futuro" Child Development Centers
- Adult education
- Football/soccer school
- Improvement of educational infrastructure and donation of materials
- Computer centers
- Entrepreneurship program
- School breakfasts
- Technical training in communities

24 health projects

- Health clinics
- Maternity wards
- Children's epidemiology unit
- Early stimulation room
- Mental health module
- Hearing screening room
- Improvements in infrastructure, furniture, and supplies for health posts

44 community development projects

- Technical skill training, entrepreneurship programs, and allocation of seed capital
- Improvement of community infrastructure
- Support for cultural, sports, and religious traditions
- Support for communities in natural disaster prevention and disaster relief efforts
- "Carrera del Azúcar" (Sugar Race)
- Reforestation campaigns
- Volunteering programs

5 water and sanitation projects

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



89,499

People directly benefiting from the projects



62

Communities benefiting from the projects



US\$4.85MM

Community investment

To learn more about our social programs, visit:
<https://www.pantaleon.com/news/?lang=en>



Sowing Skills, Transforming Lives



Community Technical Training Schools

In 2007, we founded the Training Schools to develop both technical and soft skills among our employees. Seeing the potential impact on our communities, we launched the Community Schools in 2022, with a focus on empowering women. By training them for new roles, we not only expanded employment opportunities but also promoted gender equality and regional economic growth. This approach enhances self-confidence and promotes financial independence. To date, more than 4,300 employees have advanced to better positions thanks to the skills they have gained, achieving 96% career advancement in higher-paying roles.

Inspired by the program’s positive impact in Guatemala, we replicated the Community Schools initiative in Nicaragua, opening the Training Program for Training Program for Women Machinery Operators (FOM): ¡Mujeres al Volante! (Women at the Wheel!), for women from neighboring communities. This initiative gives participants the opportunity to train in technical areas related to machinery operation, as well as other key areas for personal development and holistic growth.

The program Sowing Skills, Transforming Lives was awarded the Excellence Award in 2023 by the Inter-American Federation of Human Resources Associations (FIDAGH) and was a finalist in the prestigious 2024 World Sustainability Awards in the category of Social Impact. Additionally, the Women in Leadership Program has been recognized with several awards, including being a finalist in the OAS Corporate Citizen of the Americas Award and a winner of the ED&F Man MAS Program.



Women in Leadership Program Tractor Operators School 25 female community members

Our most recognized Community Technical Training School is designed to train women from surrounding communities in the operation of agricultural machinery, providing them with non-traditional job opportunities that improve their economic standing and quality of life. The program consists of 152 hours of training focused on both theoretical and practical aspects of tractor operation, as well as occupational health and safety, financial education, and personal development. A key component is the Comprehensive Development module, based on the “Better Families” (Mejores Familias) methodology from ASAZGUA (Guatemalan Sugar Producers Association), which teaches leadership with values, self-esteem building, financial education, integration, and teamwork, among other aspects. To date, more than 150 women have completed this program, achieving an average monthly salary that is 2.5 times higher than the minimum wage.



Training Program for Women Machinery Operators (FOM): ¡Mujeres al Volante! (Women at the Wheel!) 19 female community members

In 2024, we implemented at El Monte Rosa Mill the Training Program for Women Machinery Operators (FOM): ¡Mujeres al Volante! (Women at the Wheel!), as an extension of our Community Schools. This edition included the participation of 19 women from neighboring communities, who completed a theoretical and practical training process in both technical and behavioral competencies for tractor operation.

The training was led by instructors from the Harvesting team, with the support of the Community Development and Human Resources teams, and aimed to strengthen the social, professional, and economic empowerment of the participants, most of whom are mothers. This initiative provides them with access to new employment opportunities, creating a source of income that helps improve their quality of life and that of their families.



In partnership with **Pantaleon Foundation** we developed the following projects:

Pantaleon Educational Centers (CEP) and "Arcoíris del Futuro" Child Development Centers (CDI) 1,865 students benefited

Education is one of the pillars of our efforts to promote the development of our communities. We operate educational centers that provide comprehensive, high-quality education to the children of our employees and to families living in nearby communities. These centers cover primary, middle, and high school levels. In addition, we promote early childhood education through our "Arcoíris del Futuro" Child Development Centers (CDI).

In 2024, we launched an alliance with the SER School Network to strengthen the quality of education at our Pantaleon Educational Center, training the management and leadership teams in a new methodology that is already being implemented as of the 2025 school year.

Online Community Education 22 people benefited

In partnership with the municipalities of Siquinalá, La Gomera, and Santa Lucía Cotzumalguapa, this program provides educational opportunities for men and women over the age of 18, including Pantaleon employees and members of surrounding communities, allowing them to start or continue their basic or high school studies. This virtual educational platform, endorsed by the Ministry of Education, is loaded onto a tablet, enabling students to advance at their own pace through different modules. Additionally, they participate in periodic classes with teachers to address questions and assess their academic progress.

Weekend Program 229 people benefited

We offer educational opportunities to both our operational employees and members of the neighboring communities who wish to participate, enabling them to complete their basic and high school studies. Classes are held on weekends during the school year, and upon successful completion of the program, participants receive their high school diploma.

Nido Águila 119 children benefited



We operate Club América's official football/soccer school, where we foster the integral development of children by promoting values, discipline, teamwork, and leadership. Through sports, we seek to provide a healthy and safe space for children and young people. As part of the program, students receive visual health care, psychological support, dental care, and awards for academic excellence, while their mothers participate in Zumba classes.



Adult Education Program 78 employees benefited



We provide opportunities for sugarcane cutters who wish to continue their primary, secondary, and computer studies. During the harvest season, after the workday ends, interested employees receive leveling classes. The program is structured in three phases: an initial phase focused on learning to read and write, a primary-level phase, and a basic-level phase. Since the 2020/2021 harvest season, a computer course has also been offered as part of the program.



Promoting entrepreneurship

We seek to foster new skills that enable community members to start their own businesses or gain employment, generating new sources of income and development.

Technical Training 373 community members graduated



In Guatemala, through a partnership with INTECAP (Instituto Técnico de Capacitación y Productividad), we provide men and women from neighboring communities with the opportunity to receive training in areas such as motorcycle mechanics, handcrafted bags, beauty services, and more. In 2024, we benefited 353 community members.

In Mexico, we identified the product needs of the communities where we operate and promoted technical and administrative education, offering seed capital for entrepreneurs to start small businesses such as bakeries, water purification plants, and beauty salons. In 2024, we trained 20 women in a Specialized Beauty Workshop in Xicoténcatl, aimed at strengthening skills and generating local income opportunities. These projects have a broader impact on communities, as they bring essential services closer and provide quality products at affordable prices.



Bootcamp Enactus Pantaleon 35 entrepreneurs benefited



In partnership with Enactus, we founded a program to promote the generation of ideas and new businesses related to agricultural innovation. Our Bootcamp is the leading acceleration program for early-stage entrepreneurs. Its purpose is to develop skills and transfer knowledge to strengthen their business model. In our eighth edition, we benefited 35 entrepreneurs with 20 innovative ideas, who received intensive training, mentoring, and guidance from experts and business leaders over a two-month period. To date, we have supported 271 people, leading to the success of 150 entrepreneurial projects.



Water for All Program

Our methodology is comprehensive and participatory. We train community leaders and members of the Water and Sanitation Committee (CAPS) to ensure the sustainability of the system. They are provided with technical and social tools such as basic accounting, assertive communication, and financial planning, enabling them to manage the plant independently. CAPS members are elected by the community and receive support from our Social Development team during the first two years, with monthly visits to ensure proper operation and fund management. At the same time, we train the community in promoting healthy habits and the responsible use of water resources.

Since 2014, we have worked with communities, local entities, and strategic allies to bring drinking water directly to the homes of more than 9,797 people. Our contributions include drilling wells, installing pumps, building household water networks, and supporting water storage and purification processes.



<p>Technical solutions Design, installation, and commissioning of community water systems. Well drilling and pump assembly. Household network installation. Water purification.</p> <p>1</p>
<p>Guarantee of sustainability Training for local staff. Operation and maintenance. Institutional optimization. Improvement of management processes.</p> <p>2</p>
<p>Social development: Awareness of the importance of drinking water consumption. Training in healthy practices and lifestyles. Awareness of the value and maintenance of the service. Community organizations for service management.</p> <p>3</p>



 **18**
communities

 **9,797**
people benefited

Project in community "Campirano Norte"

 **80**
homes

 **500**
people benefited

US\$74,000
in investment

Scan the QR code to see:
Water for All Program
Inauguration KM 9 & 10




Stakeholder management

To maintain proactive and two-way relationships with our communities of influence and stakeholders, we engage in continuous interaction with community leaders and key audiences. During community visits, as well as in formal and informal meetings, we provide information about our responsible operating practices, potential risk mitigation strategies, social programs, and various projects that benefit the communities and countries where we operate.

We use different communication channels such as:

- Visits to communities
- Visits to our operations
- Open door policy
- Community newspapers
- Pamphlets and souvenirs
- Participation in multi-sectoral dialogue tables
- Participation in forums and exhibitions
- Volunteer programs

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 Corporate Social Responsibility Center in Guatemala (CentraRSE), we sponsored the Second Ibero-American CSR Forum.

In Nicaragua, we implemented a comprehensive decarbonization strategy with concrete actions to reduce our environmental impact, such as efficient fuel use, replacing chemical fertilizers with biological alternatives, and green mechanical harvesting. As a result, during the 2023/2024 harvest we were recognized with first place in

Excellence in Cleaner Production and the Environmental Best Practices Award granted by MARENA, reflecting our commitment to sustainability and corporate social responsibility in Nicaragua.

In Mexico, we maintain close relationships with our neighboring communities by promoting training courses that strengthen people’s skills, supporting cultural and religious activities that preserve local traditions, and encouraging community visits to our operations so they can learn first-hand about our work. These actions reflect our commitment to building strong ties and generating shared value in the communities where we operate.



Community Management Model

In Guatemala, we work together with other mills on the South Coast to foster timely relationships with community leaders, allowing us to mitigate impacts and strengthen long-term relationships. Before the start of each harvest season, we visit the communities to build agreements and commitments for Responsible Operation. During the harvesting period, we monitor and follow up on compliance with these agreements; with the support of community leaders, feedback is provided to the operational teams through calls or community visits.

In 2024, 40 communities participated in this Management Model, with agreements primarily related to transportation routes, aerial applications, and scheduled burns. We visited 190 community leaders and residents.

Watershed Management

We actively participate in multi-sectoral dialogue tables to seek collaborative solutions on water issues. In 2024, Technical Business Committees (CTEs) were organized by the Climate Change Institute (ICC) for the watersheds of the South Coast, in which Pantaleon participates in five. The CTEs are composed of business users from the watersheds, where technical decisions are made to ensure the responsible use of resources, particularly to guarantee that water reaches the river mouth.

Alliances for Development

In 2024, we signed an alliance with the Organization for Economic Co-operation and Development (OECD) to foster the economic and social development of Escuintla through the Synergy Industrial Park, a smart industrial park model that seeks to attract investment, create jobs, and promote sustainable growth. In addition, we are working to strengthen the skills of local workers so they can access the new opportunities that this project will generate.



Communication and impact mitigation mechanisms

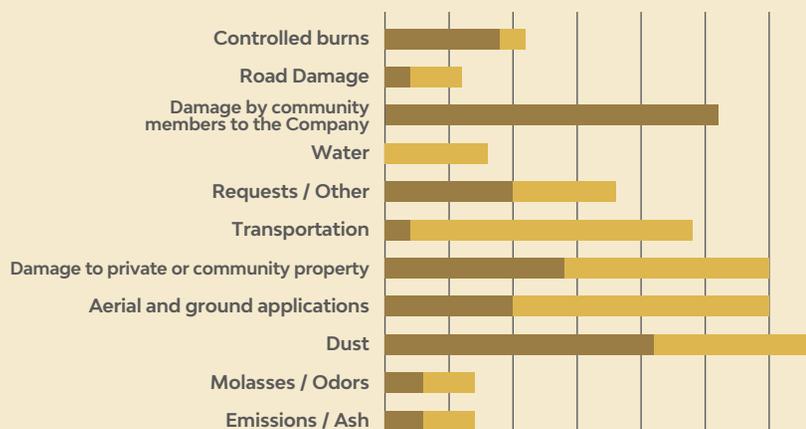
To ensure the well-being of the communities where we operate, we promote continuous two-way communication to mitigate any potential impacts we may cause. We have a robust alert resolution process through which we address and resolve concerns and issues arising from our activities.

The Social Development teams, together with the operational teams, follow up on the resolution of alerts or incidents to develop improvement plans. All notifications received are recorded and investigated. This information serves as feedback to incorporate practices into our operational protocols that mitigate and eliminate social impacts. In 2024, we received no fines or sanctions related to social issues.

50 complaints received

100% of the complaints were addressed within 72 hours

Community complaints in 2023 vs 2024



Topic / Type of complaint	22/23	23/24
Controlled burns	9%	2%
Road Damage	2%	4%
Damage by community members to the Company	26%	0%
Water	0%	8%
Requests / Other	10%	8%
Transportation	2%	22%
Damage to private or community property	14%	16%
Aerial and ground applications	10%	20%
Dust	21%	12%
Molasses / Odors	3%	4%
Emissions / Ash	3%	4%



Billboards placed in communities of Guatemala

Communication channels

- Guatemala**
Toll free line: 1 801 0002424
Conventional line: +502 2377 2424
- Nicaragua**
Toll free line: 001 800 5020098
Conventional line: +505 2342 9040
- Mexico**
Toll free line: 800 1233422

- Website**
Guatemala & Nicaragua: www.etictel.com/pantaleon
Mexico: www.diloseguro.com/pantadrmx
- Written/E-mail**
Addressed to the Social Development Department
- WhatsApp**
+502 4128 7000

In-person
For complaints made in person, follow-up is conducted using a complaint registration form.

Identifying Impacts



Guatemala, Nicaragua, and Mexico Identifying Impacts

We evaluate the potential risks of our operations on various stakeholders, including neighboring communities, indigenous peoples, vulnerable groups, and others. For the identification of impacts, four general categories have been established, encompassing a total of 11 specific impacts. Some of these impacts may vary depending on the context of each country; therefore, each Social Development team has adapted certain procedures. However, the core approach and purpose remain the same.



Transportation

1. Dust
2. Noise
3. Speed
4. Damage to communal roads
5. Accident risk

We maintain measures and controls to ensure safe management, emphasizing responsible operating practices designed to reduce impacts in the areas where we operate:

- Training for transport drivers.
- Monitoring compliance with speed limits on routes and within communities.
- Program for the maintenance and watering of community roads.
- Signage on transport units.
- Signage at truck entry and exit points, as well as at intersections.
- Our policies are known and mandatory for compliance by suppliers providing transportation services



Aerial applications

6. Damage to other crops

We reduce the use of agrochemicals by utilizing technology for precise and effective applications with safe and environmentally friendly products. To mitigate impacts on plantations and neighboring communities, we maintain the following actions:

- Communication with community members before and after application.
- Satellite geopositioning.
- Restrictions on applications near roads, communities, or neighboring plantations.
- Applications using helicopters and drones.
- Use of hydro-sensitive cards.
- Use of certified and authorized products.
- Trained staff and appropriate protective equipment.



Protection of social infrastructure

7. Electrical Wiring
8. Bridges

We ensure that the vehicles transporting sugarcane comply with the permitted height and dimensions. In Guatemala, our units display a rear identification with the telephone number for "Pantaleon Te Escucha" at 2377-2424, allowing community members to report any infrastructure incidents.



Environment

9. Ash from burning
10. Water consumption from rivers
11. Management of wastewater

Planned burns and ash control:

- We use a system to register and monitor planned burns, verifying climatic conditions in the area such as wind direction, speed, and temperature.
- We have trained staff, equipment, and established protocols to carry out a planned, controlled, safe, and responsible burn with the purpose of reducing the ash that may reach neighboring communities.
- We have established restrictions for burning in areas close to populated areas, roads, and power lines, and we have a monitoring program in place to ensure compliance.

Water consumption from rivers and wastewater management:

- We promote the efficient use of water resources through technological investment for irrigation and avoid using water for washing cane.
- We have a recirculation system to reduce consumption, reuse industrial water for agricultural irrigation, and line irrigation channels.
- We measure water sources, soil moisture, and monitor irrigation equipment.
- We have a program to monitor the quality of surface water in the watersheds where we operate.
- We actively participate with different entities, seeking to include stakeholders to find joint solutions regarding water issues.

Pantaleon Foundation



Pantaleon Foundation has been operating for over 30 years, supporting communities in Guatemala and Mexico, promoting responsible development, well-being, and quality of life for people, primarily in the areas and communities influenced by Grupo Pantaleon. Through its different programs in Education, Health, and Environmental Education, it has benefited over 4,000,000 people since the start of its operations.

The main objective of the Education Program is to be a benchmark for educational quality, focusing its efforts on implementing comprehensive, high-quality education in the two “Arcoíris del Futuro” Child Development Centers and the Pantaleon Educational Center, located in Guatemala. Additionally, as part of this program, vocational training and entrepreneurship courses are offered in Guatemala and Mexico, providing training in baking, tailoring, motorcycle mechanics, and artisanal bags, primarily targeting adult women from communities near the operations.

As part of the Health Program, Pantaleon Foundation provides support and is a benefactor of the Healthy Child Clinic in Guatemala, which offers free medical care for children. In Mexico, work is carried out in Maternity Houses that provide free prenatal and postnatal care, and we collaborate with government entities to support the improvement of Health House infrastructure.

These and other projects have created a profound impact on the communities, enabling us to achieve our mission of opening sustainable opportunities for people in these areas.



Scan the QR code
to learn more by visiting
www.fundacionpantaleon.org



Planet

We innovate to produce sustainably, transforming our practices to live in harmony with nature.



Environmental management

At Pantaleon, we are transforming our production practices by incorporating principles of regenerative agriculture, carbon agriculture, integrated soil nutrition management, and circular economy, generating partnerships with local and international entities to remain at the forefront. We are convinced that this is the responsible way to be in harmony with nature and to hand over natural resources in equal or better condition to future generations.

We implement systems for the prevention, monitoring, control, and reduction of environmental impacts, ensuring the optimal and rational use of resources in all our processes. We establish robust environmental efficiency goals and compare them with international standards. We adhere to the environmental sustainability performance standards of the International Finance Corporation (IFC) of the World Bank. As material aspects, we identify energy management, water, air emissions, greenhouse gas (GHG) emissions, waste, agrochemical management, biodiversity, and soil preservation.

We comply with applicable local and international environmental laws and regulations, as well as customer requirements. We continuously seek to exceed these requirements by adopting advanced practices and technologies that reduce our environmental footprint and generate positive impacts.

Significant achievements:

- We promote a circular economy, with 99.9% of our waste being reused. Goal: 12.5
- 93% of the energy we use comes from renewable sources. Goal: 7.2
- 97% of our consumption was supplied by our own cogeneration. Goal: 7.3
- We improved resource efficiency, achieving a 49% reduction in water consumption compared to our 2013 baseline. Goal: 6.4
- We protect natural resources and promote education, research, and environmental awareness. We manage 3,333.72 hectares of protective forests along riverbanks, ecological trails, and species protection areas. Goal: 15.5
- We innovate in agricultural processes by using nitrogen-fixing bacteria, phosphorus-solubilizing bacteria, crop rotation, intercropping, biosubstrate application, and liquid carbon. Goal: 12.2

2024 Highlights

	2023	2024
Reused waste (%)	93%	99.9%
Energy from renewable sources (%)	95%	93%
Consumption supplied by self-cogeneration (%)	96.5%	97%
Reduction in water consumption since 2013 (%)	52%	49%
Water Consumption vs. 2023 Baseline (%)		+5%



Climate change risk management

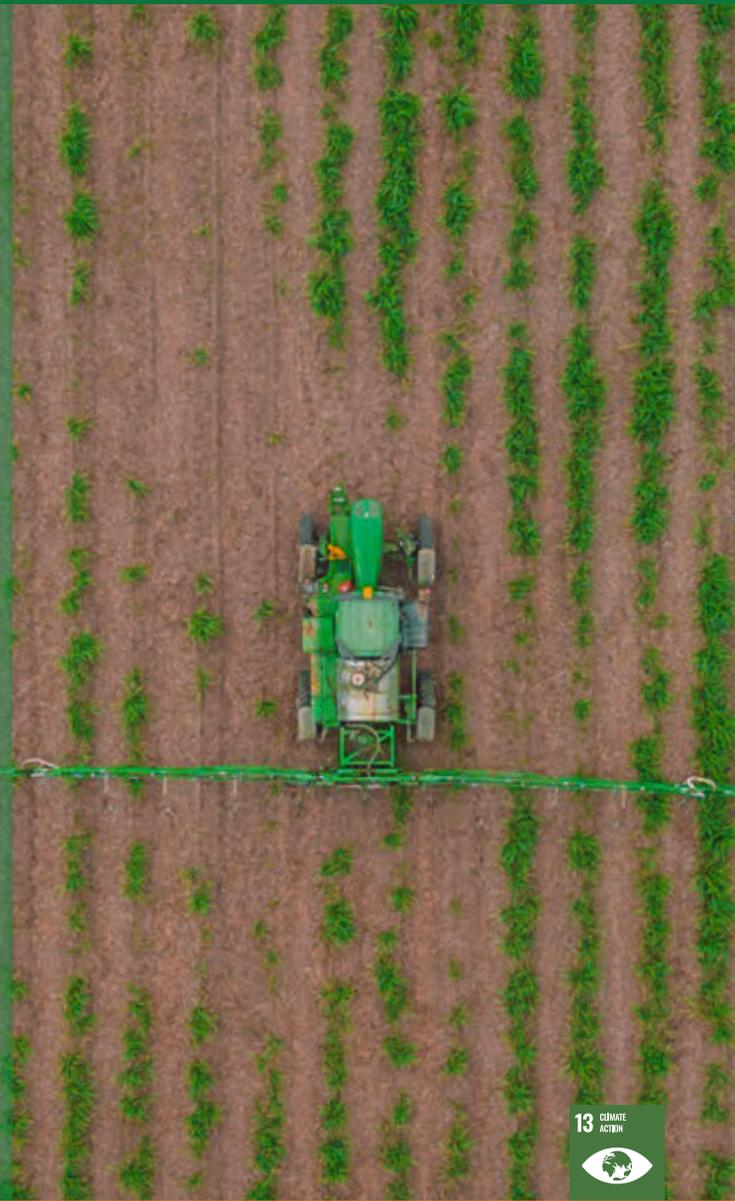
At Pantaleon, we recognize that climate change presents opportunities to innovate and strengthen the sustainability of our operations. Rising temperatures and the increasing frequency of events such as floods, droughts, frosts, and heat waves drive us to reinforce our adaptive capacity and resilience. These scenarios foster more efficient management of critical resources such as water and land and inspire us to develop solutions that create shared value with communities, mitigating risks and contributing to more sustainable development.

As part of our sustainability and resilience strategy, we manage climate-related risks through a structured methodology based on the COSO ERM framework, led by the corporate Risk Management team, an independent unit that reports directly to the Risk, Audit, and Compliance Committee. Within this system, we conduct a specific Environmental, Social, and Governance (ESG) risk analysis, which includes identifying climate risks, assessing them (impact and probability), and defining mitigation responses. This assessment is reviewed annually or in response to relevant events, and its results are presented to both Corporate and Business Unit management.

At the operational level, climate risks are managed by a specialized technical team in different areas, ensuring the effective implementation of mitigation and adaptation measures. In addition, we comply with the most demanding environmental certification standards, which require risk management systems and annual externally audited environmental footprint assessments.

We monitor the actions implemented in each country, focusing on production technologies, sustainable natural resource management, and good agricultural practices to reduce exposure to climate and environmental risks and to mitigate their impact on our operations.

Key mitigation actions include systems for monitoring climatic conditions, investment in research and development of more climate-resilient sugarcane varieties, reforestation programs, and the adoption of regenerative agriculture practices to improve soil health and reduce the use of agrochemicals. We periodically verify the implementation of these practices and publicly report two key indicators: the greenhouse gas emissions inventory per ton of sugarcane produced and progress in the adoption of regenerative practices.



Energy

We generate energy through the controlled burning of sugarcane bagasse, wood chips, and other fuels in a cogeneration process. This energy source uses renewable inputs and prevents CO2 emissions into the atmosphere. We use the energy produced to meet the needs of our operations and sell the surplus in the market. Additionally, we seek to reduce internal energy consumption through investments in technology and process improvements, accompanied by constant consumption monitoring.

Among our key projects in 2024, and in line with our vision of promoting a more sustainable and resilient energy model, we took a decisive step in Nicaragua with the Expansion Project of the Monte Rosa Mill Power Plant, which increased our installed capacity to 85 MW. This project marks a milestone in our transition toward clean energy, incorporating a new 25 MW generating unit operated with renewable biomass. This infrastructure has the capacity to supply the energy consumption of around 55,000 Nicaraguan households, contributing to the country's energy development and reducing dependence on fossil fuels.

In Mexico, we obtained authorization for the change in the commercial operation date of Tampico Renewable Energy (TRE-El Mante), a project with an installed capacity of 44 MW that, starting in 2027, will generate 30 MW of renewable energy. This advancement will bring direct benefits to the community of Ciudad Mante by improving the quality of electricity service, while also contributing to the diversification of the country's energy matrix and strengthening the operations of the El Mante Mill, enabling more efficient processing of sugarcane from local producers.



Electricity

355,179 MWh

of consumption, 97% of which was supplied by our own cogeneration

93%

of the fuels used come from renewable sources such as bagasse, wood chips, and firewood

551,768 MWh

sold to the National Interconnected Systems and/or energy markets

0.034 MWh

electricity consumption per ton of sugarcane produced



Types of fuel energy sources



Types of fuel for energy production (TJ)

93% renewable



491	95.1	1,255
Diesel	Bunker	Coal
vs 2023: 284	vs 2023: 0	vs 2023: 959

25,966	0	2
Bagasse	Wood chips	Firewood
vs 2023: 23,126	vs 2023: 0	vs 2023: 0

Scan the QR code to see: Nicaragua Energy Project



Water

49%

Reduction in water consumption vs. 2013 baseline

Water is a fundamental resource in our agricultural and industrial processes, especially in irrigation. We have made great efforts to optimize water use and properly manage effluents. This has been even more important in years of severe drought such as 2024 and previous years. Using 2013 as a baseline, we have reduced our overall water consumption by 49%. In the industrial area, the reduction is 83%, while in the agricultural area it stands at 37%. In 2024, our net water consumption increased by 2.2% compared to 2023.

We achieved significant progress in water reuse and recycling, with improvements of 2.8% in the agricultural area and 3.4% in the industrial area. This demonstrates the effectiveness of our actions and reaffirms our commitment to more efficient and responsible water management.

In the agricultural area, we have projects for the reuse of water from industrial effluents for irrigation, in compliance with local legislation in each country. We also implement initiatives focused on sustainable water management through a Water Plan that manages each of our operations. We meet the commitments established in collaboration with different watershed organizations regarding the use of surface and groundwater. Additionally, we implement responsible operational protocols for the appropriate use and management of agrochemicals and vinasse, which include protective practices and safety distances from water sources.

In the industrial area, we have significantly invested in water recirculation systems at our mills to reduce consumption. We constantly monitor water use and quality, while also investing in projects for cooling recirculated water and reusing industrial effluents in agricultural areas. In 2013, we committed as an organization to reducing water use (m³/ton of cane) by 50%. To date, we have exceeded this goal, achieving an 84% reduction.

In 2024, our commitment to environmental sustainability materialized in strategic investments. In Mexico, we invested US\$196,595 in the adaptation of the intake canal and installed a measurement system in compliance with local regulations. This investment allows us to record and send real-time data on water use to the authorities, in line with changes in the Federal Rights Law. In Guatemala, we invested more than US\$128,000 in water analysis, reengineering of existing irrigation systems, and testing of new technologies to continue optimizing water use. In Nicaragua, we invested more than US\$280,000 in water analysis, recirculation projects, and the implementation of new irrigation technologies.

	2024
Agricultural reuse	11%
Industrial reuse	81%
Agricultural reduction (vs. 2013 baseline)	37%
Industrial reduction (vs. 2013 baseline)	83%
Increase in % of agricultural water reused vs. consumption (vs. 2023)	2.8%
Increase in % of industrial water reused vs. consumption (vs. 2023)	3.4%

Among the key measures adopted to optimize water use within our operations are:

- Dry cane cleaning
- Lining of irrigation channels
- Soil moisture measurement
- Irrigation optimization through satellite imagery
- Infiltration irrigation
- Water harvesting
- Reuse of industrial water for agricultural irrigation (fertigation)
- Water recirculation system in the mills
- Real-time irrigation equipment monitoring (GPRS)

Irrigation system by operation:

In the agricultural area, the irrigation plan is developed with the vision of migrating to more efficient water use systems that allow us to optimize all resources involved in productive activities, thereby maintaining a sustainable system. Among the actions we implement are investment in more effective technology, lining of irrigation channels, soil moisture measurement to minimize the need for irrigation, and real-time supervision of irrigation equipment.

Irrigation system	GT	NI	MX	% efficiency
Drip irrigation	4%	6%	11%	90%
Pivot/mechanized irrigation	20%	29%	49%	85%
Sprinkler/hose irrigation	71%	65%	40%	80%
Gravity irrigation	5%	0%	0%	40%

Climate resilience

Water management in Mexico

Mexico faced increasing pressure on its water resources due to climate variability, rising demand, and prolonged periods of drought affecting several regions of the country. In recent years, the Pánuco region, in northern Veracruz, has experienced a sustained decrease in surface water availability as a result of prolonged droughts. This situation has impacted the flow of the Pánuco River and the storage levels of the Chicayán dam, a key source of water supply in the area. This context led us to reinforce our already solid water resource management by incorporating new actions to address severe water scarcity conditions and strengthen our climate resilience strategy in Mexico.

As part of our strategy, we defined five key pillars that allow us to prioritize and focus our actions on the efficient and sustainable management of water resources. For each of these pillars, we identified initiatives for immediate execution as well as medium- and long-term implementation.



1. Dam management:

Under this pillar, we prioritize the coordinated and efficient management of stored water in close collaboration with local authorities and other users. Short-term actions include increasing the storage capacity of the Chicayán and Emilio Portes Gil dams, as well as continuing collaborative engagement with CONAGUA (National Water Commission) to maintain the dams at their maximum capacity.

2. Irrigation systems:

This pillar aims to strengthen the operational efficiency of water use in the field through the use of appropriate distribution systems. The main action under this pillar, currently in progress, is the expansion of drip irrigation from 2,100 hectares to 10,000 hectares. This goal includes both of our mills in Mexico.



3. Irrigation modernization:

We are committed to incorporating technological solutions that optimize water consumption, ensure more precise distribution, and enhance agricultural productivity. In the short term, we developed training processes on water use

optimization. In the medium term, we are working on technical studies and on inclusion in the government's irrigation modernization program. In addition, we seek to continue improving irrigation through the implementation of new technologies and control systems that strengthen existing practices.

4. Early warning systems:

We implement monitoring and prediction tools to anticipate extreme climate scenarios and make informed decisions. In coordination with CONAGUA, we advanced negotiations for the use of telemetric rain gauges as part of a technical strategy to support increasing the storage capacity of the Chicayán Dam to 300 million cubic meters. This effort seeks to strengthen data-driven decision-making and contribute to more efficient and sustainable water resource management in the region.

5. Other agricultural technologies:

We explore and incorporate complementary solutions that contribute to water efficiency, climate change adaptation, and the sustainability of our operations. As part of our agricultural strategies to address water scarcity scenarios, in the medium term we are promoting the use of crop residues as a practice that helps retain soil moisture. In the long term, we are fostering the adoption of more drought-resistant sugarcane varieties, with the goal of strengthening the resilience of our crops to the impacts of climate change.

Climate strategy and GHG emissions

Recognizing the importance of mitigating the effects of climate change, and committed to environmental care, we continuously monitor and measure emissions generated across all our operations, including conducting life cycle analyses of our products. The primary sources of greenhouse gas (GHG) emissions in our operations originate from fertilizer emissions (nitrous oxide, N₂O), fuels used in agricultural equipment (carbon dioxide, CO₂), fuels for power generation (CO₂), and emissions from effluents (methane, CH₄).

In 2024, our carbon footprint was 0.22 tCO₂ per ton of sugar produced in Scopes 1 and 2, using the GHG Protocol methodology. In 2013, we set a goal to reduce greenhouse gas (GHG) emissions by 40% by 2023. By 2024, we have achieved a 25% reduction vs. our 2013 baseline and 4.35% vs. our 2023 baseline.

With the commitment to strengthening the transparency and reliability of our environmental management, in 2023/2024 we engaged an independent specialized firm to review and validate our carbon footprint, measure our Scope 3, and define a realistic target aligned with a global temperature increase of 2°C. This process allowed us to establish a robust baseline that supports our emissions reduction goals and reinforces our focus on increasingly sustainable operations.

Intensity of GHG Emissions: Agricultural Processes	0.16
Intensity of GHG Emissions: Industrial Processes	0.06
Total GHG Emissions (Scope 1 and 2)	0.22

We are taking various measures to reduce our carbon footprint. These include the substitution of synthetic fertilizers with organic nitrogen recovered from waste, the electrification of irrigation systems, and improvements in effluent treatment processes. In addition, we implement practices to optimize the use of nitrogen fertilizers, improve cane transportation, increase the efficiency of our agricultural processes, and optimize our energy consumption.

Sugarcane also provides significant environmental benefits. During its growth, it absorbs CO₂ for 364 days a year, making it one of the most efficient plants for carbon fixation. Additionally, the byproducts from sugarcane can be used to generate renewable energy. According to a study by ICC, in Guatemala, 129% more energy is produced with the same ton of sugarcane than 20 years ago, contributing to a greater supply of clean energy in the national grid and reducing emissions. This study also concluded that the industry generates a footprint of 0.33 kg of CO₂-eq per kilogram of sugar, which is lower than the average in the United States, the European Union, Thailand, the United Kingdom, among others.

	Scope 1	Scope 2
Fertilizer application	42,345.38	-
Stationary sources	11,892.65	-
Cane burning	21,441.00	-
Mobile sources	83,137.22	-
Fugitive emissions	3,650.51	-
Effluent treatment	16,546.65	-
Biomass consumption	25,283.60	-
Electricity consumption		7,616.61
	204,297.01	211,913.62

Additionally, we carry out different actions to neutralize our carbon footprint, including the generation of renewable energy, the conservation and reforestation of forests, and innovative projects such as Sustainable Precision Agriculture (ASP), which increases organic matter in the soil and contributes to carbon sequestration.

In compliance with international standards for environmental requirements, our operation in Guatemala holds ISCC certification and the additional verification of ISCC 205-01 greenhouse gas emissions requirements. We also comply with the requirements of the California Air Resource Board, both of which validate the sustainability and GHG savings of our biofuels. Our cogeneration plants in Mexico and Nicaragua are registered under the United Nations Clean Development Mechanism for their contribution to reducing GHG emissions.

*ICC (Private Institute for Climate Change Research) 2019. Greenhouse Gas Emissions Reduction Strategy in Sugar Production in Guatemala. Guatemala. p.68.



Emissions

We have air quality and noise monitors that allow us to monitor and implement strategies to reduce our environmental footprint. The boilers in the sugar mills represent the main source of particulate matter, which is why we have installed various equipment for gas treatment to mitigate this impact. In 2023, we began the installation of an electrostatic precipitator in El Mante Mill, which started operations at the end of the 2024/2025 harvest season.

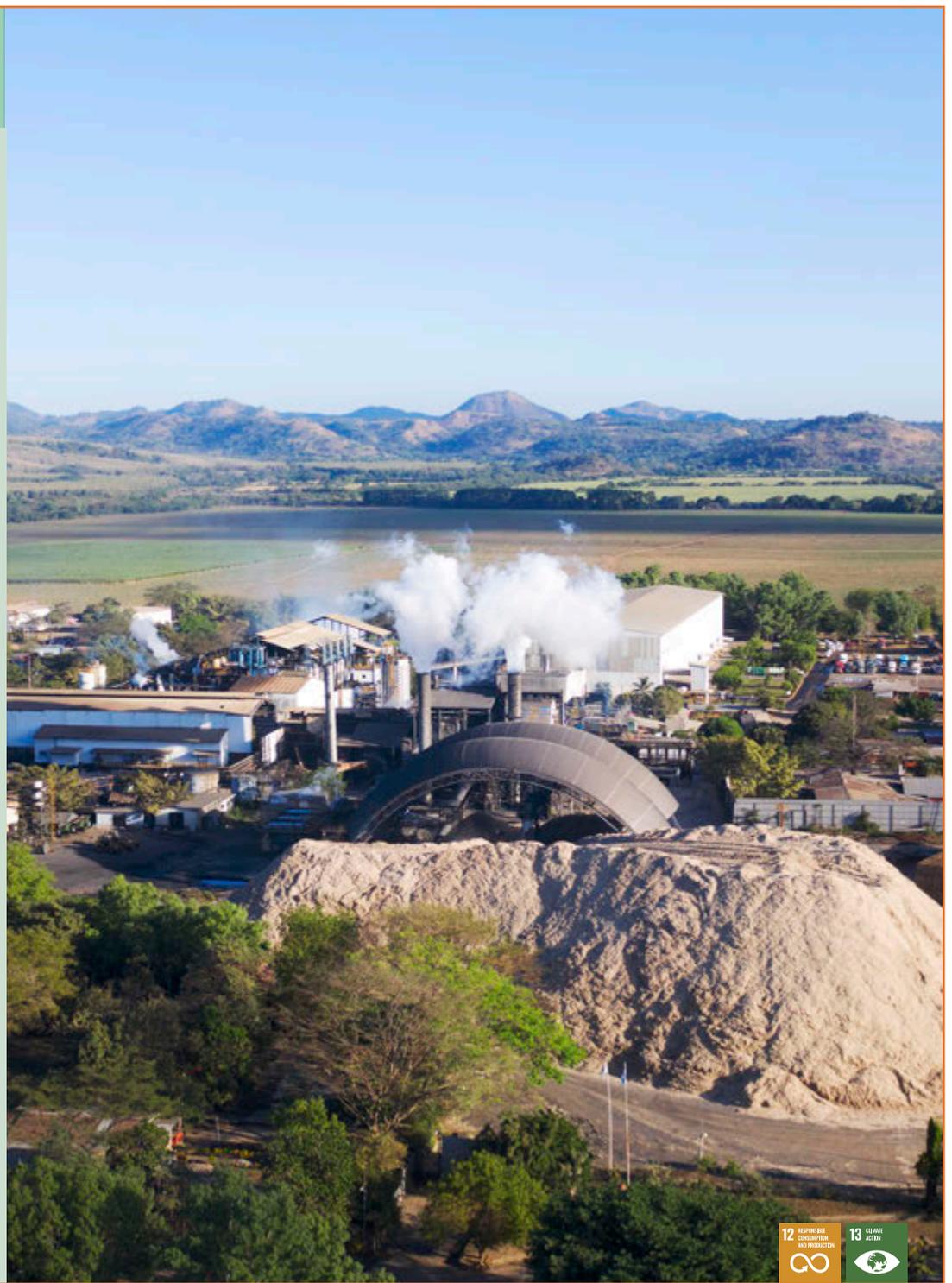
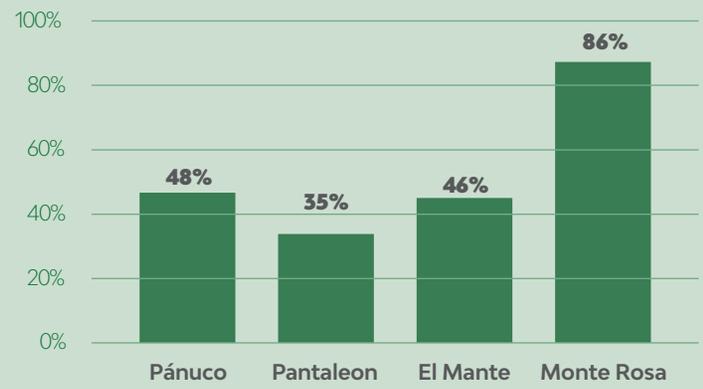
Green Mechanized Harvest:

The green mechanized harvest increases our efficiency and reduces emissions. We use machinery of the highest standards to carry out the cutting of sugarcane in green, that is, without burning the cane beforehand. It is important to consider that the topography of the soils does not allow for mechanized cutting throughout the entire sugarcane-growing area. Annually, we evaluate the possibility of mechanized harvesting and green mechanized harvesting in our fields, aiming for innovation and efficiency.

76.4% of the harvest is mechanized  **51.4%** of the harvest is green mechanized

	2023	2024
Mechanized Harvest (%)	75%	76.4%
Green mechanized harvest (%)	60%	51.4%

Percentage of green mechanized harvest:



Promoting Circular Economy



99.9% of waste reused

Part of our vision includes utilizing waste from the sugar production process and repurposing it into byproducts or energy sources, contributing to the circular economy. Some of these projects include pellets, organic fertilizers, and agricultural biomass generation.

We continuously monitor the types and quantities of waste generated in each operation to establish strategies for reduction, reuse, and recycling. The types of waste we manage include bagasse, filter cake, ash, paper, cane table waste, cardboard, plastics, lubricants, and oils. For non-reusable waste, we manage its disposal with accredited providers following environmental criteria and local regulations.

From 2013 to 2024, we have reduced waste generation by 54%, achieving a 17.1% reduction in the last year alone.

Detail	Type	2024	%
Reuse	Non-hazardous	1,301,239,968	80.175%
Recycling	Non-hazardous	6,851,060	0.422%
Composting	Non-hazardous	313,470,559	19.314%
Recovered	Non-hazardous	-	0.000%
Sanitary landfill	Non-hazardous	208,635	0.013%
Dumping site	Non-hazardous	736,072	0.045%
Incinerated	Reused	437,886	0.027%
Storage	Reused	46,488	0.003%
Total		1,622,990,668	100%

Agricultural Biomass

We use the concept of disruptive technology to innovate in the agricultural process by introducing machinery that separates excess biomass from sugarcane during mechanized harvesting, creating a more efficient industrial processing system and allowing for the integration of organic material into the soil. This organic matter can be used to generate energy or as animal feed.

0.03%
Reused

99.97%
Non-hazardous



Agrochemical management

We use agrochemical products and dosages permitted according to the national regulations and laws of the countries where we operate and in accordance with the markets we serve. We ensure that no products from the prohibited lists of various international agreements are used. We apply agrochemicals approved for sugarcane and its byproducts, considering the regulations of the United States and Europe. The containers and waste generated from the use of these products are managed through the national Campo Limpio (Clean Field) programs. All container handling must comply with environmental standards according to national legislation and company standards.

Collection

We work with specialized companies authorized by local authorities for the proper disposal of agrochemical containers.

Triple Rinsing

- We perform triple rinsing on agrochemical containers.
- We provide appropriate personal protective equipment.
- We puncture the containers to prevent their reuse.

Collection Centers

We collect the containers at collection centers to be properly disposed of within the farms and organizational processes.



EL TRIPLE LAVADO es
repetir 3 veces los siguientes 3 pasos:

1. Agregue agua hasta 1% del envase vacío.

2. Agítelo bien por 30 segundos.

3. Vierta la mezcla en su botella de aspersión.

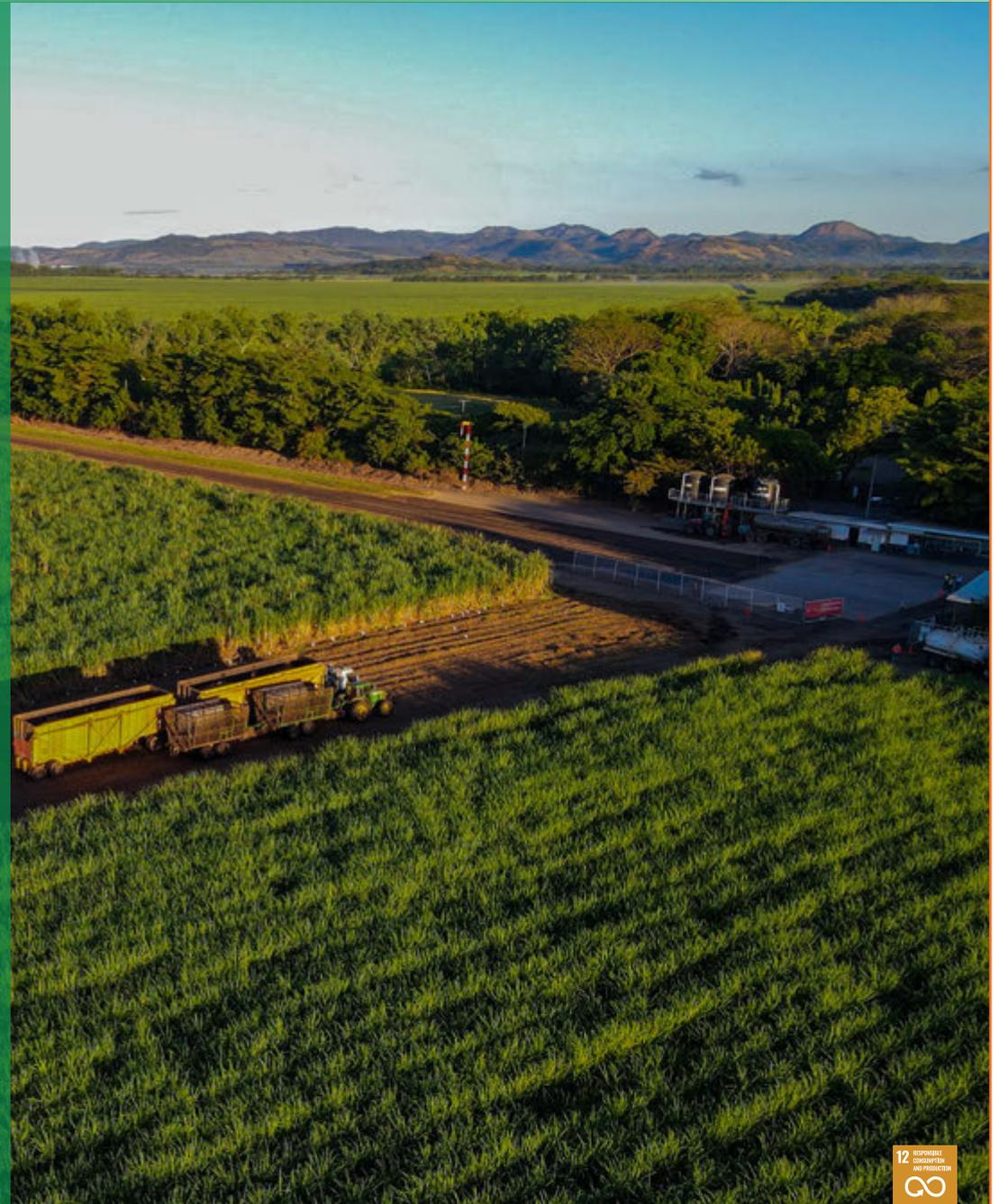
“ Cuando el producto se termina, es muy importante lavar los envases con la técnica del triple lavado para aprovechar su inversión al máximo y eliminar sobrantes que puedan contaminar el suelo y el ambiente. ”

Haga un pequeño corte o perfora el envase, para que nadie lo vuelva a utilizar.

Deposítelo en el Mini Centro de Recolección.

CampoLimpio
Programa de Gestión de Residuos

©2023/2024 B&B 84-084-16, Norma de Triple Lavado. Acuerdo Ministerial No. 144, 2005 del Ministerio de Ambiente y Recursos Naturales, clasificación de envases plásticos vacíos, como no peligrosos.



Soil conservation

The sustainability of our business greatly depends on the quality of cultivated soils, making their conservation vital for recovery and even for increasing sugarcane productivity. In the managed area, each plot has a Soil Management Plan, which involves improving conservation structures to prevent soil erosion. We evaluate the soil's needs throughout the cultivation process and renew and rehabilitate the fields according to their requirements.

Soil selection process

Technical evaluation of soil and environmental impact.

Soil preparation

We implement mitigation measures such as:

- Incorporating agricultural residues into the soil
- Biological control of soil pests
- Methods to reduce tillage activities
- Green mechanized harvesting
- Planting flemingia and legumes
- Contour farming and conservation structures

Land use plan

The design team establishes spatial adaptation activities to ensure the efficient and sustainable use of the fields.

Sustainable Precision Agriculture (ASP)

We promote regenerative agriculture!

In our mission to promote agriculture that balances production with environmental conservation, we promote regenerative agriculture. This methodology not only significantly reduces our emissions but also improves soil health and ensures sustainable agricultural production in the long term.

Sustainable Precision Agriculture (ASP) is a comprehensive solution that combines agronomic, biological, technological, and environmental strategies to create a productive, profitable, and sustainable ecosystem. By applying ASP, we optimize soil fertility, reducing the need for agrochemicals and, consequently, our environmental impact, as well as our carbon and water footprint.

ASP incorporates the natural benefits of using microorganisms to increase organic matter and nutrient availability. As a result, it allows for more efficient water management, enhances carbon capture in the soil, and promotes healthier soil through the following fundamental pillars:

1. Precision agriculture
2. Utilization of the microbiome
3. Use of organic matter and carbon agriculture
4. Adjusted fertilization
5. Innovative agronomic practices

Our approach generates a productive, efficient, and resilient ecosystem, reducing dependence on external inputs and strengthening the capacity to adapt to climate change. Additionally, we promote the increase of organic matter in the soil, creating optimal conditions to enrich the biodiversity of native organisms, resulting in healthier and more productive plants and soils.

To date, we have covered 56,307 hectares, representing over 90% of the area under management. Historically, we have achieved the following results with ASP:

- 25% reduction in inorganic nitrogen use.
- Production of more than 115,000 tons of bio-substrate from organic matter and factory waste.
- Production and application of more than 30,000 liters of bio-fertilizers, bio-stimulants, and biocontrol agents.
- Significant reduction in greenhouse gas emissions.
- Optimization of water use.
- Increase in carbon capture.

With Sustainable Precision Agriculture, we are transforming the way we cultivate, promoting a greener and healthier agricultural future.

Scan the QR code to see:
Regenerative agriculture



Biodiversity

Prior to the acquisition or lease of farms, an environmental, social, and biodiversity assessment and analysis is conducted to ensure that our operations do not impact high-value areas, protected areas, national and private areas, and wetlands. Through an on-site assessment, we identify biodiversity and the extent of any high conservation value areas on the evaluated farms. We do not acquire or lease land that has experienced any level of deforestation, in compliance with our sustainability certifications and the company's environmental commitment.

In our ongoing pursuit of conserving protected areas and biodiversity, we have developed several projects within our management and in partnership with external institutions. Pantaleon Group separated its Forest Plantations business into a new Business Unit called Novaforest. Therefore, the number of hectares for forest plantations is now reported within this report.

Each operation carries out reforestation activities. In Guatemala, as part of the Biodiversity Conservation Plan focused on the protection of aquatic and terrestrial ecosystems and the conservation of high-value areas, 18 new hectares were restored in riparian areas and biological corridors in the Acomé basin in the municipalities of Siquinalá and La Gomera, both in Escuintla. In Mexico, reforestation activities were carried out at El Mante Mill square, planting 38 trees of jacaranda, rosewood, yucca palm, American cedar, and milkweed. In addition, 40 Washingtonia palms were also planted.



3,333.72

hectares of conservation and riparian areas

2,989.31

Pantaleon

252.11

Monte Rosa

92.30

Pánuco



Forest nurseries

Monte Rosa

Monte Rosa Mill works annually with the production of 80,000 forest tree species in its nursery. With this, it has collaborated by donating plants and supporting reforestation campaigns promoted by state institutions such as MARENA, INAFOR, and various municipalities. Additionally, it has provided plants for community members, producers, companies, organizations, and the general population, which are also used for reforestation campaigns carried out with employees.

From 2014 to 2024, Monte Rosa Mill produced more than 2,070,000 plants to support reforestation campaigns, becoming a national benchmark.

In coordination with community leaders, institutions, and private companies in the area, the following activities were developed:

- Release of green iguanas in the protected area of San José de La Marías.
- Reforestation efforts in degraded areas.
- "Un árbol a la vez" (One tree at a time) initiative, donating trees from the forest nursery to raise public awareness about the need to restore the environment and promoting the planting and care of each tree.

San José de las Marías

As part of our commitment to biodiversity, we have established a conservation area called San José de las Marías in Nicaragua. Covering 200 hectares, its protection is of vital importance, as it is a hydrological discharge zone and home to endangered migratory and native wildlife. This ecological trail also serves educational purposes, allowing students to gain practical knowledge about the ecosystem and its biological interactions, fostering scientific research and local ecotourism. We have made this project sustainable through maintenance activities, education, and reserve management in the conservation areas.

To involve our employees, students, teachers, and local producers, we formed a group of trained guides specializing in visitor assistance and educational methodologies. The Socio-Environmental Management Department coordinates tours open to the public.



Product

We develop high-quality products while ensuring the sustainability of our value chain.



Products and certifications

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



Sugar

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



Molasses

- High Test Molasses (HTM)
- Molasses



Alcohol

- Neutral alcohol
- Anhydrous alcohol



Energy

- Biomass-based renewable electric power



Products derived from sugarcane production

- Pellet for livestock feed
- Agricultural biomass
- Agricultural fertilizers and animal feed additives

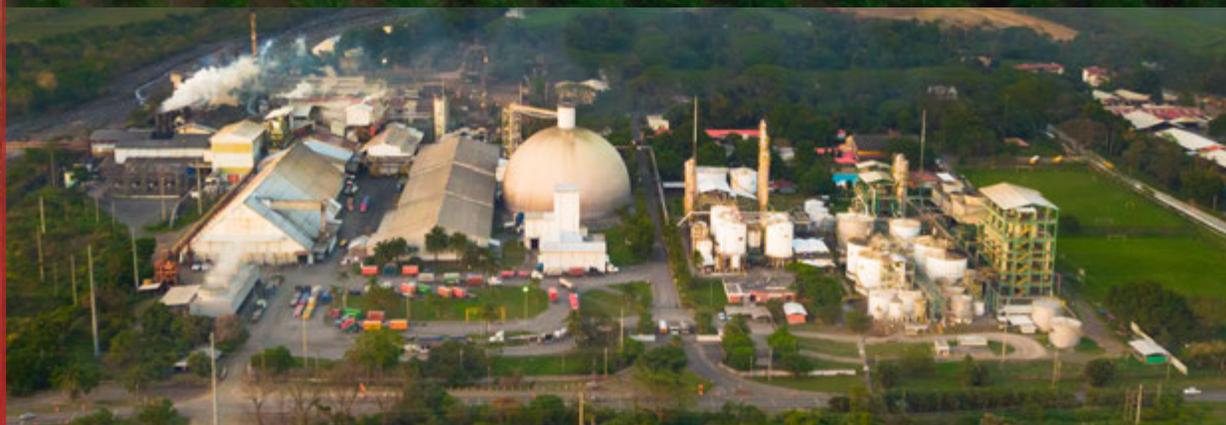


Our certifications

- **Pánuco:** ISO 9001 / FSSC 22000 / ISO 45001 / ISO 14001 / Kosher
- **El Mante:** ISO 9001 / FSSC 22000 / Kosher
- **Pantaleon:** Bonsucro / ISCC EU / ISO 9001 / FSSC 22000 / Kosher / Halal
- **Bio Etanol:** Bonsucro / ISCC EU / ISO 9001 / FSSC 22000 / HACCP / Kosher
- **Monte Rosa:** Bonsucro / ISO 9001 / FSSC 22000 / HACCP / BPA / Kosher / Halal / Non-GMO / GMP+
- **Pantaleon Commodities Corp:** Bonsucro CoC / Certified CCOF Organic Handlers
- **Panor:** HACCP
- **Grupo Pantaleon:** ISO 37001 / ISO 37301

We guarantee the quality of our products and production processes by complying with the highest international standards. We manage the implementation of best practices regarding quality, food safety, occupational health, the environment, and sustainability, adding value to our products, ensuring the sustainability of our operations, and the satisfaction of our clients. Compliance with these certifications facilitates access to more demanding international markets and drives us to continuously adopt more efficient and sustainable technologies and practices.

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



Our clients

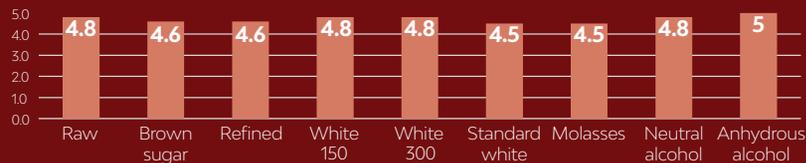
We are recognized as an efficient and reliable producer, offering a variety of high-quality products derived from sugarcane. Each year, we conduct surveys with our clients to evaluate their appreciation and satisfaction with the quality of our products and services.

Our clients value the high quality of our products and our excellent client service, describing it as timely, accurate, and friendly. They highlight our focus on finding quick solutions to problems and our constant responsiveness to their needs.

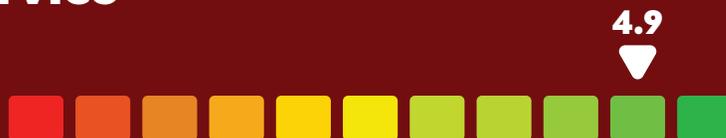
Additionally, clients have expressed satisfaction with the ease of doing business with us, emphasizing our adaptability, continuous support, and our ethics, integrity, and trust, even in the face of adversity.

This positive feedback not only reflects our commitment to excellence and responsibility but also underscores our dedication to contributing to the success of our clients and mutual development.

Quality



Service



***Quality:** How would you rate the quality and food safety of our products?
Scale from 1 to 5

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



Materials and services suppliers

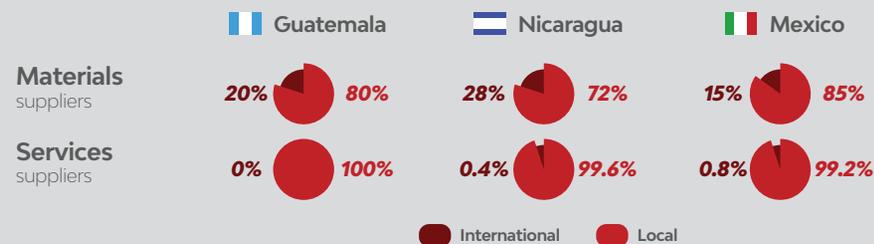
We source materials and services through **4,155 suppliers, 94% of which are local**, promoting the economies of the countries where we operate.

Our **Sourcing Policy**, updated in 2022, defines the guidelines and processes that the entire organization must follow to ensure the optimal and transparent acquisition of goods and services in a sustainable manner. It defines the responsibilities in procurement management, guaranteeing confidentiality and transparency in negotiations, in compliance with the Code of Ethics and Conduct for Employees and the Code of Ethics and Conduct for Third Parties, the Anti-Fraud and Anti-Corruption Policy, and Pantaleon's current regulations. We use technology platforms that provide greater traceability and transparency in the bidding and purchasing process for each request.

The Procurement team defines commercial and technical selection criteria for objective decision-making, which are presented and verified with technical experts from operations and the management team involved. Suppliers are segmented into categories based on potential implications related to quality, food safety, environment, sustainability, and occupational health and safety. These aspects are reviewed in the annual Supplier Evaluations, where the main operational experts assess performance. If an evaluation is unsatisfactory, the supplier must submit an action plan to ensure improvement. The continuation of the commercial relationship depends on both the action plan and the results of its implementation.

Additionally, we ensure that our contractors and service providers align with our culture and procedures. A technological tool evaluates daily compliance with occupational safety and health requirements for supplier companies, their employees, machinery, and vehicles.

The system manages 836 contracting companies, 13,528 contract workers, and 5,704 equipment items, including vehicles and machinery.



Supplier Incubation Program 687 new jobs

Since 2019, we have annually invited selected suppliers to participate in the Supplier Incubation Program with the objective of promoting economic growth in the region and strengthening our value chain. In 2024, for the first time, the program was implemented in Nicaragua, marking a milestone in its regional expansion, with the participation of 4 suppliers. In Guatemala, the program continued with the participation of 3 suppliers. **Together, the 7 companies generated 233 new jobs and achieved, on average, a 14% increase in sales.**

The participating companies receive support from specialized consultants over the course of a year to strengthen their business models, growth, and sustainability. The program is conducted under the guidance and methodology of Pomona Impact; a consulting firm focused on fostering entrepreneurial ecosystems in Central America.

Throughout the program, suppliers:

- Develop their strategic plans and begin implementation.
- Set growth targets.
- Develop and strengthen their business skills.

The 35 companies that have completed the program have generated 687 new direct jobs. The long-term vision of this program is to equip our suppliers with the tools needed to adapt and create new opportunities, therefore strengthening the company-supplier relationship and contributing to the development of Guatemala and Nicaragua through job creation and the promotion of a sustainable business ecosystem.



Suppliers

Scale Up Fundesa

Pantaleon sponsored the participation of 2 suppliers in the Scale Up Program by Fundesa in Guatemala. The program is designed to help participating companies increase their sales and profits, enabling them to grow rapidly, which translates into new capabilities, knowledge, mentors, and networking opportunities.

Our participants achieved a 42% increase in sales, generating 7 new jobs and 34 new clients. This program reinforces our commitment to strengthening our value chain and promoting the development of the countries where we operate.



Independent sugarcane suppliers

We are committed to ensuring sustainability in the value chain, which is why we provide advisory services and support to small, medium, and large sugarcane suppliers. We assist them in their productive management by offering consulting and training, including agronomic practices, innovation, new technologies, and cane varieties. We also update and train producers to ensure compliance with labor, occupational health and safety, environmental, and human rights issues.

Responsible Supply Chain Program

With the objective of bringing our sugarcane suppliers as close as possible to international standards of sustainable production, we provide selected suppliers with free technical support from technical specialists. The program begins with a field assessment, where key compliance indicators are generated, and a tailored action plan is created based on agreed objectives and each supplier's capabilities to close the identified gaps and allow suppliers to prioritize preventive actions. Additionally, we provide all producers with a Compliance Manual that includes local legislation and step-by-step instructions with templates to facilitate administrative processes.

Since 2014, we have implemented the program in Guatemala, where 90% of the sugarcane received from producers has been part of the program. In 2024, five suppliers participated, representing a complete update for more than 75% of the third-party sugarcane hectares. We focused on updating labor legislation and occupational safety issues, achieving 87% compliance in labor matters and 78% in occupational health and safety.

In 2019, we replicated this program in Nicaragua. To date, 126 suppliers have participated, covering more than 50% of the sugarcane received from third parties. In 2024, 32 suppliers completed the program, achieving an average compliance of 89% in areas related to labor compliance, health and safety, environment, and social responsibility.



Extensionism Program

In 2020, the program was established to support the more than 7,400 suppliers who provide us with sugarcane in Mexico. The objective of the Extensionism Program is to transfer technology to producers and encourage them to adopt good agricultural practices to increase their productivity.

Pánuco Mill

In 2021, we signed a collaboration agreement with Bayer and leaders of sugarcane associations to create a platform that includes all actors in the value chain, focused on adopting better agricultural practices for sugarcane producers in Pánuco over a three-year period.

In the third year of implementation, the program has provided support to 2,220 producers, representing more than 16,000 hectares of crops. Our focus has been on the following strategic areas:

- **Training:**

185 training events on topics such as integrated weed management, crop nutrition, integrated pest management, irrigation, soil preparation, seedbed management, and sequencing of agricultural activities, with the participation of 4,572 attendees including producers, agricultural machinery service providers, and plot managers.

- **On-site technical assistance:**

9,000 field visits with an average of four visits per producer per crop cycle, focused on irrigation, integrated weed management, crop nutrition, and integrated pest management.

Solidaridad



- **Demonstration plots:**

101 demonstration plots were installed to provide dynamic examples to suppliers on various topics such as weeds, irrigation, crop nutrition, planting, and pests.

- **Diffuser producers:**

Within the Extensionism Program, we also developed the Diffuser Producers Project, where we strategically select sugarcane producers who can take on leadership roles in their communities and ejidos. Our goal is to strengthen technology transfer, develop leadership skills, and enable them to positively influence their communities. To date, 32 diffuser producers have been trained, supporting three supply areas of Pánuco Mill.

The program has been recognized as a finalist for two consecutive years in the Bonsucro Inspire Awards in the category of Best Sustainability Initiative in the Value Chain. Additionally, we won in the category of Community and Collaboration at the Sedex Sustainability Awards.



El Mante Mill

In August 2023, with the support of Barry Callebaut, the producer associations ULPC-CNC and UNC-CNPR, and the execution of the NGO Solidaridad-PanameriCaña, the program was replicated for 2,250 sugarcane producers of El Mante Mill, starting with a group of 789 producers. During the second year of implementation, we achieved significant results that reflect the program's positive impact on our value chain:

- **Training:**

60 training events related to integrated weed management (MIM), crop nutrition, and sequencing of agricultural tasks, with the participation of 856 attendees, including producers, agricultural machinery service providers, and plot managers.

- **On-site technical assistance:**

3,200 field visits, averaging four visits per producer during the crop cycle, focused on irrigation, integrated weed management, crop nutrition, and integrated pest management.

- **Demonstration plots:**

6 demonstration plots were installed to provide dynamic examples to suppliers on various topics such as weeds, irrigation, crop nutrition, planting, and pests.

Cane Production and Quality Committee

With the Cane Production and Quality Committees at Pánuco and El Mante Mills, we invest in increasing the productivity of our growers, improving working conditions for agricultural workers, and promoting the well-being of their families. These Committees are composed of members from the National Union of Cane Growers (C.N.C.), the National Confederation of Rural Producers (CNPR), and either Pánuco Mill or El Mante Mill, respectively. Our efforts focus on five key areas: no child labor, education, health, working conditions, and efficiency. The hiring of workers under 18 is strictly prohibited, and field evaluations are conducted to ensure compliance. Additionally, we support the schools attended by workers' children, promoting child labor-free spaces.

We ensure safe working conditions in the field by providing access to drinking water, rehydration fluids, thermal containers, and personal protective equipment (PPE) such as shin guards, long-sleeved shirts, hats with neck covers, gloves, and safety glasses. Field workers are accompanied by a medical brigade for on-site care, and we promote preventive health and ophthalmological programs, as well as ongoing health campaigns.

To boost worker productivity and income, we also promote various good agricultural practices. With the support of the Committees, we have implemented drip irrigation, optimizing the use of water resources. We continue advancing in the creation of environmentally friendly organisms through a biodiverse substrate rich in fungi and bacteria to restore the soil's microbiological richness, and we are promoting the adoption of new technologies, such as biochar, to improve the soil's chemical and physical properties.



Scan the QR code to see:
Extensionism Program



Harvest Extensionism Program

In 2023, the Harvest Extensionism Program was established with the objective of implementing best harvesting practices. This program contributes to machinery availability by providing training and technical support to operators and preventive maintenance leaders. It also facilitates the acquisition of critical spare parts and components, which directly impacts increased efficiency and effective operating hours.

Additionally, the program focuses on field care by monitoring cutting quality, ensuring precise harvester calibrations, and controlling transportation traffic. The appropriate harvesting system is applied to each type of plot, and during the repair season or off-harvest period, follow-up and guidance are provided for the harvester repair program.

Regional training center:

The primary objective of the Regional Training Center is to train operators and maintenance leaders from sugarcane organizations to ensure equipment availability and guarantee the effective operation of machinery. Classroom-based training sessions are held in well-equipped rooms to strengthen technical knowledge and encourage the sharing of best practices among participants. In addition, we have harvester simulator cabins, allowing for the practical application of the theoretical knowledge gained.

The program is structured around two key training areas:

- Training plan for harvester operators.
- Training plan for maintenance leaders.

In 2024, as a result of the training provided to our sugarcane suppliers, we achieved significant improvements in efficiency and good agricultural practices:

- 26% reduction in the volume of sugarcane left in the field per hectare.
- 6% decrease in the level of trash (unwanted plant material).
- Implementation of the harvesting system with self-dumping wagons in drip irrigation areas at El Mante Mill, harvesting 60,000 tons under this modality.



Sugar and well-being

At Pantaleon, we are interested in understanding the role that sugar plays in human nutrition, ensuring that this knowledge is based on scientific evidence. We participate in the World Sugar Research Organization (WSRO), an international scientific organization dedicated to providing research information on the diverse roles of sugar in nutrition, health, and wellness. The organization evaluates, monitors, and communicates reliable scientific evidence globally and has its own program that supports research on sugar and health in areas where knowledge gaps exist. The research program adheres to the Ethical Principles of Research.

Key facts about sugar:

- Sugar is a simple carbohydrate naturally produced in all plants, including fruits, vegetables, and seeds. Like all carbohydrates, it provides 4 calories of energy per gram.
- Among all plants, sugar beets and sugarcane produce the largest amounts of sugar, making them the most efficient options for sugar extraction.
- Sugar adds sweetness to foods, but it has many other functional properties, such as providing texture, balancing the acidity of foods, and preservation, among others. Due to its versatility, finding a good substitute for this ingredient is challenging.
- Sugar is part of a healthy and balanced diet when not consumed in excess.
- Sugar has a low carbon footprint per calorie.
- In Guatemala and Nicaragua, sugar is fortified with Vitamin A in response to the deficiency of this micronutrient in the population. Fortified with Vitamin A, sugar contributes to the proper development and growth of children.

For more information, please visit: <https://wsro.org/es>



2024 Sustainability Awards



Partnership for Central America (PCA)	Pantaleon Group	Adherent	Initiative led by the U.S. to create job opportunities in the region.
Award for Excellence: XVIII Inter-American Congress on Human Management (CIGE), Project Sowing Skills, Transforming Lives	Pantaleón Mill	Winners	Recognition for the Sowing Skills, Transforming Lives Program as an example of human capital development.
VIII Edition of the PML Award – Cleaner Production	Monte Rosa Mill	Winners	First Place for Excellence with the project: “Living Soil.”
Ministry of Environment and Natural Resources of Nicaragua (MARENA)	Monte Rosa Mill	Winners	Award: “Environmental Best Practices” for various actions focused on decarbonization.
Bonsucro Inspire Awards	Pánuco and El Mante Mills	Finalists	Finalists in the category “Best Value Chain Initiative” with our MAS-CAÑA Extensionism Program in Mexico.
Cáritas de Tampico	Pánuco and El Mante Mills	Recognition	Award granted to Pantaleon Mexico for its impact on the community.

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